

Check	Vendor	Date	Amount
22470	TODD YATES	11/19/2012	9,999.00
22471	ELK CREEK VOLUNTEER FIRE DEPT	11/20/2012	6,203.67
22472	FRIES FIRE DEPARTMENT	11/20/2012	6,203.67
22473	INDEPENDENCE VOL FIRE DEPT	11/20/2012	6,203.67
22474	MT ROGERS VOL FIRE & RESCUE	11/20/2012	6,203.67
22475	RUGBY VOL FIRE DEPARTMENT	11/20/2012	6,203.67
22476	ADAMS BUILDING SUPPLY	12/13/2012	1,215.06
22477	APPALACHIAN POWER	12/13/2012	5,882.87
22478	AMERICAN EXPRESS	12/13/2012	55.00
22479	ANDERSON & ASSOCIATES, INC	12/13/2012	390.00
22480	APA VIRGINIA	12/13/2012	2,665.86
22481	ARCET EQUIPMENT COMPANY	12/13/2012	31.72
22482	LARRY BARTLETT	12/13/2012	50.00
22483	BIBLE BAPTIST CHURCH	12/13/2012	40.00
22484	BKT UNIFORMS	12/13/2012	1,596.72
22485	BLEVINS WORKSHOP, INC	12/13/2012	522.71
22486	BRAIN INJURY SERVCIES	12/13/2012	1,000.00
22487	BLUE RIDGE CROSSROADS EDA	12/13/2012	29,713.92
22488	BLUE RIDGE TRAVEL ASSOC	12/13/2012	150.00
22489	SPORT SUPPLY GROUP, INC	12/13/2012	170.00
22490	CARQUEST OF ALLEGHANY	12/13/2012	369.78
22491	LINDSEY CARICO	12/13/2012	50.00
22492	CARQUEST AUTO PARTS	12/13/2012	27.07
22493	TONY CAUDILL	12/13/2012	50.00
22494	CAVALIER EQUIPMENT CORP	12/13/2012	7,436.00
22495	CARROLL-GRAYSON-GALAX SWA	12/13/2012	26,118.50
22496	REBACCA CHAPMAN	12/13/2012	60.00
22497	CINTAS CORP, #532	12/13/2012	1,013.49
22499	CENTURY LINK	12/13/2012	2,596.40
22500	COMCAST CABLE	12/13/2012	139.29
22501	COM TEC	12/13/2012	1,450.00
22502	DENNIS COX	12/13/2012	50.00
22503	THE DECLARATION	12/13/2012	3,144.14
22504	TREASURER OF VA - DEPT GEN SER	12/13/2012	360.00
22505	DISTRICT III GOVERNMENTAL COOP	12/13/2012	1,293.25
22506	BRIAN DUNFORD	12/13/2012	525.00
22507	ELECTION SYSTEMS & SOFTWARE	12/13/2012	3,269.10
22508	PALMER FANT	12/13/2012	50.00
22509	FIELDER ELECTRIC MOTOR REPAIR	12/13/2012	42.31
22510	FLEETPRIDE	12/13/2012	265.76
22511	FLORES & ASSOCIATES, LLC	12/13/2012	1,601.28
22512	FOOD CITY 866	12/13/2012	332.22
22513	FORD MOTOR CREDIT CO	12/13/2012	34,571.19

COUNTY OF GRAYSON

Report Dates : 11/09/2012-12/13/2012

Check	Vendor	Date	Amount
22514	THE GAZETTE	12/13/2012	375.47
22515	GRAYSON CO COMMONWEALTH'S ATTY	12/13/2012	555.80
22516	GRAYSON CO HEALTH DEPT	12/13/2012	25.00
22517	GRAYSON CO SCHOOL BOARD	12/13/2012	3,134.00
22518	GRAYSON CO SHERIFF'S OFFICE	12/13/2012	300.10
22519	GRAYSON FLORIST & GIFTS	12/13/2012	23.00
22520	GRAYSON CO TREASURER'S OFFICE	12/13/2012	20.00
22521	GRAYSON EXPRESS	12/13/2012	170.74
22522	THE GUN SHOP	12/13/2012	479.52
22523	HIGH COUNTRY SPRINGS	12/13/2012	55.00
22524	EDWARD W. HINES	12/13/2012	440.00
22525	SUSAN HODGES	12/13/2012	411.26
22526	ELAINE HOLETON	12/13/2012	72.71
22527	INDEPENDENCE OIL, LLC	12/13/2012	836.70
22528	INDEPENDENCE TIRE CO	12/13/2012	178.75
22529	TOWN OF INDEPENDENCE	12/13/2012	471.33
22530	KATE IRWIN	12/13/2012	285.00
22531	INDEPENDENCE VOL FIRE DEPT	12/13/2012	800.00
22532	IWORQ SYSTEMS	12/13/2012	750.00
22533	MARIE KIVETT	12/13/2012	50.00
22534	THE LAW OFFICE, P.C.	12/13/2012	120.00
22535	LEONARD'S COPY SYSTEMS, INC	12/13/2012	258.24
22536	MATTHEW BENDER & CO, INC	12/13/2012	617.11
22537	LINEBERRY'S GARAGE & WRECKER	12/13/2012	300.00
22538	LINGO NETWORKS	12/13/2012	62.95
22539	LOWE'S HOME CENTERS, INC	12/13/2012	409.83
22540	MAIN ST TIRE & AUTO	12/13/2012	924.74
22541	MANSFIELD OIL COMPANY	12/13/2012	27,580.97
22542	MIKE MAYNARD	12/13/2012	50.00
22543	MERRITT SUPPLY, INC	12/13/2012	193.13
22544	MID-ATLANTIC WASTE SYSTEMS	12/13/2012	169.27
22545	MT ROGERS VOL FIRE & RESCUE	12/13/2012	575.00
22546	NEWTON MANUFACTURING CO	12/13/2012	198.15
22547	ROBERT NOBLETT	12/13/2012	50.00
22548	NTA, INC.	12/13/2012	46.36
22549	NWCD, INC	12/13/2012	557.52
22550	DLP TWIN CO REG HOSPITAL, LLC	12/13/2012	160.00
22552	PAPER CLIP	12/13/2012	1,063.05
22553	PARTS CENTRAL	12/13/2012	51.26
22554	PEACE OF MIND COUNSELING	12/13/2012	180.00
22555	PIEDMONT TRUCK CENTER, INC	12/13/2012	22,214.00
22556	PLUMBMASTER, INC	12/13/2012	233.47
22557	PRINT DISTRIBUTION SERVICE LLC	12/13/2012	5,688.25

<u>Check</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
22558	PRONETS	12/13/2012	1,094.00
22559	QUALITY AUTO PARTS	12/13/2012	356.02
22560	CENTURY LINK	12/13/2012	465.73
22561	RCS	12/13/2012	340.84
22562	RESERVE ACCOUNT	12/13/2012	300.00
22563	RURAL DEVELOPMENT	12/13/2012	2,415.00
22564	BARBARA RUSSELL	12/13/2012	100.00
22565	SAFLAB	12/13/2012	55.50
22566	RONNIE SIKES	12/13/2012	50.00
22567	DANNY SMITH	12/13/2012	551.95
22568	SOUTHERN SOFTWARE, INC	12/13/2012	5,106.00
22569	SOUTHER REG COMM CORRECTIONS	12/13/2012	25.00
22570	STONEWALL TECHNOLOGIES	12/13/2012	253.17
22571	STRICKLAND'S AUTO & TRUCK REPA	12/13/2012	300.00
22572	SUNTRUST BANK	12/13/2012	182.77
22573	SUNTRUST BANK	12/13/2012	641.37
22574	SUNTRUST BANK	12/13/2012	481.30
22575	SUNTRUST BANK	12/13/2012	1.53
22576	SUNTRUST BANK	12/13/2012	371.18
22577	SUNTRUST BANK	12/13/2012	95.57
22578	SUNTRUST BANK	12/13/2012	1,793.88
22579	SUNTRUST BANK	12/13/2012	167.13
22580	SUNTRUST BANK	12/13/2012	229.15
22581	SUNTRUST BANK	12/13/2012	67.14
22582	SUNTRUST BANK	12/13/2012	298.63
22583	SUNTRUST BANK	12/13/2012	164.16
22584	SUNTRUST BANK	12/13/2012	124.99
22585	SUNTRUST BANK	12/13/2012	370.10
22586	SUNTRUST BANK	12/13/2012	62.23
22587	SUNTRUST BANK	12/13/2012	93.79
22588	SPRING VALLEY GRAPHICS	12/13/2012	90.00
22589	TWIN COUNTY E-911 REG. COMM.	12/13/2012	14,882.17
22590	TRANSCOURSE	12/13/2012	255.28
22591	TREASURER OF VIRGINIA	12/13/2012	20.00
22592	TOWN OF TROUTDALE	12/13/2012	375.00
22593	TRUCK PRO	12/13/2012	653.52
22594	US CELLULAR	12/13/2012	1,995.54
22595	US POSTAL SERVICE	12/13/2012	44.00
22596	VACORP	12/13/2012	3,613.00
22597	VA ELECTORAL BOARD ASSOCIATION	12/13/2012	125.00
22598	VA GOVERNMENT FINANCE OFF ASSO	12/13/2012	35.00
22599	VA INFORMATION TECH ASSOC	12/13/2012	54.05
22600	WALTER STEPHENS, JR, INC	12/13/2012	101.90

COUNTY OF GRAYSON

Report Dates : 11/09/2012-12/13/2012

Check	Vendor	Date	Amount	
22601	WELDON COOPER CENTER	12/13/2012	50.00	
22602	WKBC-FM	12/13/2012	336.00	
22603	XEROX CORPORATION	12/13/2012	345.97	
22604	APPALACHIAN POWER	12/13/2012	63.58	
22605	BANK OF MARION - VISA	12/13/2012	1,045.08	
22606	BIRDS COMPUTERS	12/13/2012	50.00	
22607	FRED BOBBITT	12/13/2012	50.00	
22608	BRISTOL OFFICE SUPPLY	12/13/2012	22.00	
22609	JAMES BRUCE	12/13/2012	80.91	
22610	CENTURY LINK	12/13/2012	51.79	
22611	COMMISSION ON VASAP	12/13/2012	929.66	
22612	GRAYSON CO TREASURER'S OFFICE	12/13/2012	657.52	
22613	HIGHLANDS COMMUNITY SERIVCES	12/13/2012	840.00	
22614	HOLIDAY INN	12/13/2012	176.00	
22615	TOWN OF MARION	12/13/2012	48.44	
22616	CHUCK MCHUGH	12/13/2012	69.60	
22617	RAY MELTON	12/13/2012	103.49	
22618	MT ROGERS COMMUNITY SERVICE BD	12/13/2012	450.00	
22619	NEW RIVER VALLEY REG JAIL	12/13/2012	45,552.00	
22620	RALPH PRICE	12/13/2012	1,800.00	
22621	PURCHASE POWER	12/13/2012	600.00	
22622	J.L. REEDY	12/13/2012	232.55	
22623	JASON SEXTON	12/13/2012	75.00	
22624	GARY UMBERGER	12/13/2012	91.35	
22625	WAL-MART	12/13/2012	35.62	
22626	PAUL D. WILLIAMS	12/13/2012	190.00	
22627	WYTHEVILLE OFFICE SUPPLY	12/13/2012	143.92	
503868	AFLAC	11/30/2012	1,654.20	Void
503869	AMERICAN HERITAGE LIFE INS CO	11/30/2012	155.12	Void
503870	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	15,818.46	Void
503871	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	13,608.15	Void
503872	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	2,902.15	Void
503873	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	465.57	Void
503874	ASSURANT EMPLOYEE BENEFITS	11/30/2012	2,736.82	Void
503875	BOSTON MUTUAL LIFE INS CO	11/30/2012	140.42	Void
503876	DIV OF CHILD SUPPORT ENFORCEME	11/30/2012	822.57	Void
503877	US DEPT OF TREASURY	11/30/2012	59,172.23	Void
503878	GRAYSON CO TREASURER'S OFFICE	11/30/2012	1,233.08	Void
503879	MINNESOTA LIFE	11/30/2012	354.77	Void
503880	TWIN CO UNITED WAY	11/30/2012	25.00	Void
503881	VA DEPT OF TAXATION	11/30/2012	10,745.00	Void
503882	VIRGINIA RETIREMENT SYSTEM	11/30/2012	42,751.08	Void
503883	VRS GROUP LIFE INSURANCE	11/30/2012	2,717.58	Void

A/P Check Listing by Check

Check	Vendor	Date	Amount	Void
503884	KENNETH WILSON	11/30/2012	7.70	Void
503885	AFLAC	11/30/2012	1,654.20	
503886	AMERICAN HERITAGE LIFE INS CO	11/30/2012	155.12	
503887	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	15,818.46	
503888	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	13,608.15	
503889	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	2,902.15	
503890	ANTHEM BLUE CROSS/BLUE SHIELD	11/30/2012	465.57	
503891	ASSURANT EMPLOYEE BENEFITS	11/30/2012	2,736.82	
503892	BOSTON MUTUAL LIFE INS CO	11/30/2012	140.42	
503893	DIV OF CHILD SUPPORT ENFORCEME	11/30/2012	822.57	
503894	US DEPT OF TREASURY	11/30/2012	59,172.23	
503895	GRAYSON CO TREASURER'S OFFICE	11/30/2012	1,233.08	
503896	MINNESOTA LIFE	11/30/2012	354.77	
503897	TWIN CO UNITED WAY	11/30/2012	25.00	
503898	VA DEPT OF TAXATION	11/30/2012	10,745.00	
503899	VIRGINIA RETIREMENT SYSTEM	11/30/2012	42,751.08	
503900	VRS GROUP LIFE INSURANCE	11/30/2012	2,717.58	
503901	KENNETH WILSON	11/30/2012	7.70	
503903	US DEPT OF TREASURY	11/30/2012	280.84	
503904	VA DEPT OF TAXATION	11/30/2012	48.00	
503905	VIRGINIA RETIREMENT SYSTEM	11/30/2012	326.83	
503906	VRS GROUP LIFE INSURANCE	11/30/2012	19.83	
99999999	RURAL DEVELOPMENT	12/05/2012	1,936.00	
Total Checks Listed:			646,578.04	
Total Checks Voided: (155,309.90)	
Total Check Amount:			491,268.14	

Grayson County Board of Supervisors
 Regular Meeting
 December 13th, 2012

Members attending were: David M. Sexton, Brenda Sutherland, Mike Maynard, Kenneth R. Belton and John K. Brewer.

IN RE: CONSENT AGENDA

Jonathan D. Sweet made an adjustment to the agenda that the adjournment may become a continuance meeting. Kenneth R. Belton made the motion to approve the adjusted consent agenda; duly seconded by John K. Brewer. Motion carried 5-0.

IN RE: REPORTS, PRESENTATIONS OR REQUESTS

Tom Jones, Chairman of the Twin County Regional Airport Commission spoke regarding funds for a terminal at the Twin County Regional Airport. Jonathan D. Sweet reported that this is a Resolution to engage funds for a terminal at the Airport. The City of Galax and Carroll County have approved it.

**RESOLUTION AUTHORIZING THE EXECUTION OF AN
AGREEMENT PROVIDING FOR A NON-BINDING
OBLIGATION OF THE COUNTY OF GRAYSON, VIRGINIA TO CONSIDER
CERTAIN APPROPRIATIONS TO THE TWIN COUNTY AIRPORT COMMISSION,
AND AGREEING TO CERTAIN MATTERS RELATED TO THE ISSUANCE AND
SALE OF REVENUE BONDS OF THE TWIN COUNTY AIRPORT COMMISSION TO
THE VIRGINIA RESOURCES AUTHORITY**

WHEREAS, the Twin County Airport Commission (the "**Commission**") has been duly created by the General Assembly of the Commonwealth of Virginia in accordance with Chapter 379 of the Virginia Acts of Assembly of 1964, as amended and reenacted by Chapter 232 of the Virginia Acts of Assembly of 2009, as amended;

WHEREAS, the Commission desires to issue revenue bonds in an estimated maximum principal amount of \$325,500 (the "**Airport Bonds**"), the proceeds of which, together with other available funds and grants, are expected to be sufficient to pay the costs of financing construction of a new terminal building at the Twin County Regional Airport, together with related expenses (collectively, the "**Project**"), all as more particularly described in Exhibit B to the Financing Agreement, dated as of December 1, 2012 (the "**Financing Agreement**") between the Commission and the Virginia Resources Authority ("**VRA**"), as Administrator of the Virginia Airports Revolving Fund;

WHEREAS, the Commission has applied to VRA for the purchase of the Airport Bonds, and VRA has indicated that its agreement to purchase the Airport Bonds will be conditioned upon the County of Grayson, Virginia's (the "**County**") undertaking a non-binding obligation to appropriate from time to time moneys to the Commission in connection with payments due on the Airport Bonds;

WHEREAS, the Board of Supervisors of the County (the **"Board of Supervisors"**) desires to enter into a support agreement with the Commission setting forth the County's agreement to undertake such a non-binding obligation (the **"Support Agreement"**) and consents to the issuance of the Airport Bonds and the Commission entering into the Financing Agreement; and

WHEREAS, a draft of the Support Agreement has been presented to the Board of Supervisors at this meeting; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF GRAYSON, VIRGINIA:

1. It is determined to be in the best interests of the County and its citizens for the Board of Supervisors to enter into the Support Agreement and to consent to the issuance of the Airport Bonds and the Commission entering into the Financing Agreement.

2. In consideration of the Commission's undertakings with respect to financing the Project, the Chairman or Vice-Chairman, either of whom may act, is hereby authorized and

directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the Chairman or Vice-Chairman, the execution thereof by the Chairman or Vice-Chairman to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.

3. The County Administrator is hereby authorized and directed to carry out the obligations imposed by the Support Agreement on the County Administrator.

4. As provided by the Support Agreement, the Board of Supervisors hereby undertakes a non-binding obligation to appropriate to the Commission such amounts as may be requested from time to time pursuant to the Support Agreement, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Board of Supervisors do likewise during the term of the Support Agreement.

5. This resolution shall take effect immediately.

Adopted this 13th day of December, 2012.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of Grayson County, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on December 13, 2012, by the Board of Supervisors with the following votes:

Aye: David M. Sexton
Brenda Sutherland
Thomas "Mike" Maynard
Kenneth R. Belton
John K. Brewer
Absent: None

Nay: None

Abstentions: None



Clerk, Board of Supervisors
County of Grayson, Virginia

SUPPORT AGREEMENT
COUNTY OF GRAYSON, VIRGINIA

THIS SUPPORT AGREEMENT, made as of this first day of December 1, 2012, between the Board of Supervisors of the County of Grayson, Virginia (**the "Board"**), acting as the governing body of the County of Grayson, Virginia (**the "County"**), the Twin County Airport Commission (**the "Airport Commission"**), an independent body corporate of the Commonwealth of Virginia created by the General Assembly of the Commonwealth of Virginia in accordance with Chapter 379 of the Virginia Acts of Assembly of 1964, as amended and reenacted by Chapter 232 of the Virginia Acts of Assembly of 2009, as amended, and the Virginia Resources Authority, as Administrator of the Virginia Airports Revolving Fund (**"VRA"**), a public body corporate and a political subdivision of the Commonwealth of Virginia, as purchaser of the Local Bond (as hereinafter defined), pursuant to a Financing Agreement dated as of December 1, 2012 (**the "Financing Agreement"**), between VRA and the Airport Commission;

WITNESSETH:

WHEREAS, the Airport Commission owns and operates the airport and related facilities known as the "Twin County Regional Airport" (as more fully defined in the Financing Agreement, the "Airport"); and

WHEREAS, the Airport Commission has determined that it is in its best interest to issue and sell its Airport Revenue Bond, Series 2012, in an original principal amount not to exceed \$325,500 (the "Local Bond") to VRA in accordance with the terms of the Financing Agreement, pursuant to which the net proceeds of the Local Bond will be used to finance certain costs incurred by the Airport Commission in connection with the construction of a new terminal building at the Airport, together with related expenses (the "Project"); and

WHEREAS, the Board adopted on December 13, 2012, a resolution agreeing to the Airport Commission's issuance of one or more series of bonds in an original aggregate principal amount not to exceed \$325,500 and authorizing the execution of agreements providing for a non-binding obligation of the County to consider certain appropriations to the Airport Commission in connection with payments due on such bonds;

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. The Airport Commission shall use its best efforts to issue the Local Bond and to use the proceeds of the Local Bond to finance the costs of the Project.

2. No later than _____ of each year beginning _____, 20__, the Airport Manager or the Chairman of the Airport Commission shall notify the County Administrator/ of the amount (the "Annual Deficiency Amount") by which the Borrower reasonably expects the Revenues to be insufficient to pay (a) the debt service obligations under the Financing Agreement and the Local Bond, (b) the Operation and Maintenance Expenses, and (c) the

Additional Payments in full as and when due during the County's fiscal year beginning the following July 1. Notwithstanding anything herein to the contrary, the obligation of the County hereunder shall be limited to the debt service obligations under the Financing Agreement and the Local Bond such that 1/3rd of such amount will be provided equally by the County, the County of Carroll, Virginia and the City of Galax, Virginia.

3. The County Administrator of the County (the "County Administrator") shall include the Annual Deficiency Amount in the annual budget submitted to the Board for the County's next ensuing fiscal year. Within ten (10) days after the adoption of each such budget, but not later than July 15 of each year, the County Administrator shall deliver to the Airport Commission and VRA a certificate stating whether the Board has appropriated an amount equal to the Annual Deficiency Amount to or on behalf of the Airport Commission for such purpose in the County's annual budget adopted for such fiscal year.

4. If at any time revenues of the Airport Commission are insufficient for the Airport Commission to make any payment of debt service obligations referred to in Section 2 hereof, the Airport Commission shall notify the County Administrator of the amount of the insufficiency

and shall request a supplemental appropriation from the Board in an amount necessary to allow the Airport Commission to make such payment up to the 1/3rd amount limitation set forth therein.

5. Upon receipt of a request from the Airport Commission pursuant to paragraph 4 above, the County Administrator shall promptly present such request to the Board, and the Board shall consider such request, at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify the Airport Commission and VRA whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the Airport Commission shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County Administrator for the County's next fiscal year.

6. The County shall pay to or on behalf of the Airport Commission the amount of any annual or supplemental appropriation made pursuant to this Agreement. The County and the Airport Commission acknowledge that any amounts received by the Airport Commission from the County pursuant to this Agreement shall be deemed to constitute a portion of revenues of the Airport pledged under the Financing Agreement to the payment of principal of and interest on the Local Bond.

7. The Board hereby undertakes a non-binding obligation to appropriate to the Airport Commission such amounts as may be requested from time to time pursuant to paragraphs 3 and 4 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

8. It is acknowledged that (i) the Local Bond may be payable from and will be secured by amounts derived pursuant to this Support Agreement, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by the County, and (iii)

VRA is treating this Support Agreement as a "local obligation" pursuant to Section 62.1-216.1 of the Code of Virginia. In the event of the failure of the County to make a payment under this Support Agreement, VRA may institute the "state-aid intercept" process set forth in Section 62.1-216.1 of the Code of Virginia under which the Governor may cause the Comptroller to withhold all further payment to the County of funds appropriated and payable by the Commonwealth to the County until the unpaid sum is obtained. The funds so withheld will be directed to VRA to cure the nonpayment.

9. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Airport Commission, VRA or any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County. Nothing herein contained shall bind or obligate the Board to appropriate funds to the Airport Commission for the purposes described herein.

10. The Airport Commission shall deliver to the County a copy of each annual audit of the Airport Commission's books and records promptly upon the Airport Commission's acceptance of such audit.

11. The Airport Commission shall operate and administer the Project and the Airport in accordance with its generally applicable rules and regulations and the terms and conditions of the Financing Agreement.

12. The Board acknowledges that it is entering into this Agreement on behalf of the County in consideration for the Airport Commission's continued operation. The Board acknowledges that the Airport Commission's operations provide for the public welfare of the County citizens and assist with the economic development of the County. Annual appropriations by the Board pursuant to this Agreement may be essential for the Airport Commission to pay the operating expenses of the Airport and to pay debt service due on the Local Bond. The Airport Commission has agreed to provide services to the County, to provide for the public welfare of the County citizens and to assist with the economic development of the County.

13. The Airport Commission shall at all times retain its ability to set and collect rates and fees for its services.

14. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (a) if to the Airport Commission, to 504 Hangar Road, Hillsville, Virginia 24343 (Attention: Chairman), (b) if to the County to PO Box 217, Grayson County Courthouse, Independence, Virginia 24348, (Attention: County Administrator), and (c) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219 (Attention: Executive Director). Any party may designate any other address for notices or requests by giving notice under this paragraph.

15. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

16. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement.

17. This Agreement shall remain in full force and effect until the Local Bond has been paid in full.

18. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Financing Agreement.

19. This Agreement may be executed in several counterparts each of which shall be an original and all of which together shall constitute but one and the same instrument.

Mike Maynard made the motion to approve the loan agreement; duly seconded by Brenda Sutherland. Motion carried 5-0.

IN RE: OLD BUSINESS

None

IN RE: APPOINTMENTS

Kenneth R. Belton made the motion to reappoint the following; duly seconded by Mike Maynard. Motion carried 5-0.

Building Inspection Board of Appeals

- Robert Phipps
- Clarence Cox Jr

Mike Maynard made the motion to reappoint the following; duly seconded by Brenda Sutherland. Motion carried 5-0.

CSA Family Management Policy Team

- Rebecca Chapman

Mike Maynard made the motion to reappoint the following; duly seconded by John K. Brewer. Motion carried 5-0.

District III Governmental Cooperative

- Brenda Sutherland
- Mary Young (alternate)

Kenneth R. Belton recommended Larry Brannock for the Planning Commission Board to replace Ronnie Sikes, who resigned effective December 31, 2012. John K. Brewer made the motion to approve recommendation of Larry Brannock and to reappoint the following; duly seconded by Kenneth R. Belton. Motion carried 5-0.

Planning Commission

- Lindsey Carrico
- Dr. Palmer Fant

Mike Maynard made the motion to reappoint the following; duly seconded by Kenneth R. Belton. Motion carried 5-0.

New River Highlands Recreation, Conservation & Development

- Doug Carrico

David M. Sexton recommended Rodney Halsey for the Recreation Policy Board to replace Tim Hollingsworth, whose term ends December 31, 2012. Kenneth R. Belton made the motion to approve Rodney Halsey and to reappoint the following: duly seconded by Mike Maynard. Motion carried 5-0.

Recreation Policy Board

- Greg Hawks

Mike Maynard made the motion to reappoint the following; duly seconded by John K. Brewer. Motion carried 5-0.

Wythe-Grayson Regional Library

- Brenda Sutherland

John K. Brewer made the motion to reappoint the following: duly seconded by Brenda Sutherland. Motion carried 5-0

Zoning Board of Appeals

- Mary Lily Nuckolls
- Barbara Russell and Billy Shaffner do not wish to be reappointed per Elaine HOLETON, Zoning Administrator. Will discuss at next continued meeting on January 7' 2013 under the Old Business Section.

IN RE: UNANTICIPATED/MISCELLANEOUS REVENUES

Brenda Sutherland move to appropriate \$307.50 of Unanticipated/Miscellaneous Revenues to the appropriate funds; duly seconded by Mike Maynard. Motion carried 5-0.

IN RE: SCHOOL BOARD MONTHLY REQUISITION

John K. Brewer moved to approve the appropriation request of the School Board's monthly allocation in the amount of \$381,574.25 (1/12) for the month of December 2012; duly seconded by Mike Maynard. Motion carried 5-0.

IN RE: COUNTY SURPLUS DECLARATION - SHERIFF

Brenda Sutherland moved to approve the below request from Sheriff Richard Vaughan; duly seconded by Kenneth R. Belton. Motion carried 5-0.

Recently my office submitted a vehicle fleet list containing a 2007 Ford Crown Victoria VIN # 2FAHP71W47X118090 which was accompanied by surplus list containing a 2006 Ford Crown Victoria VIN# 2FAFP71W46X115427. Before the surplus of the 2006 Ford Crown Vic, the 2007 Ford Crown Vic incurred mechanical damages, the cost of which would greatly exceed the value of the vehicle.

Due to this unforeseen issue, I would request we switch the vehicles, as the 2006 Ford Crown Vic is still roadworthy.

I would request the 2007 Ford Crown Victoria VIN # 2FAHP71W47X118090 be put on the surplus list and the 2006 Ford Crown Victoria VIN # 2FAFP71W46115427 be taken off the surplus list.

Thank you for your attention to this matter.

IN RE: VDOT – RT. 94 GUARDRAIL PROJECT

Jonathan D. Sweet explained that at the request of Supervisor Belton, staff has been working closely with VDOT to address a significant safety issue along Rt. 94, located between Rt. 58 and the bridge formerly known as the Carrico Bridge. This project has a significant price tag that can't be done within the existing VDOT maintenance budget. The recommended motion: move to approve the Rt. 94 Guardrail Project and request VDOT to install the necessary guardrail along a portion of Rt. 94 between U.S. Rt. 58 and the sharp curve prior to the bridge (formerly known as the Carrico Bridge), for the purpose of public safety, and to complete said project with combined funding sources from the count's traffic services cost centers. Mr. Sweet also pointed out that this one-time action will have no impact on the county's approved Six Year Secondary Road Plan, nor will it be an expense to Grayson County's General Fund.

IN RE: COUNTY ADMINISTRATOR'S REPORT

Jonathan D. Sweet, County Administrator, gave the Board the following report:

- Industrial Development Authority (IDA) Loan – Med-Fit Systems, Inc./Nautilus in the amount of \$225,000 which will create 15 new jobs

- Jacky Anderson donated a 1998 John Deere Gator to the Rec Park
- At the New River Highland Resource Conservation & Development Area Award Banquet held November 29, 2012 and Grayson County received the “Outstanding RC&D Sponsor Award” “for our outstanding support and assistance to the RC&D Council in the implementation of the Annual Plan of Work.”
- Jonathan noted that he had attended the Southwest Virginia Prescription Drug Abuse Summit that was hosted by Mr. Timothy Heaphy, U.S. Attorney for the Western District of Virginia. The summit was designed to “shed light” on the growing issue prescription drug abuse is having on our communities in Southwest Virginia
- Pillar Engineering Firm was engaged for a scope of services and estimation of costs regarding the Shooting Range. REIC Consultants conducted gas measurements on December 5, 2012 at the site with an LEL Monitor calibrated specifically to methane gas. Once the results are in, we will analyze them with assistance from our engineer. Additional alternative sites have been looked into in case this location is not suitable.
- Mike Maynard was selected to lead Southwest VA Marketing Committee. He was appointed by the Southwest VA Cultural Heritage Foundation Chairman, Delegate Terry Kilgore quoting “to lead the committee through an intensive marketing planning process that will result in two distinct marketing plans – one for the Southwest VA regional marketing effort and another for Heartwood”.
- Mr. Sweet then wished everyone a Merry Christmas

IN RE: DEPARTMENT HEAD REPORTS

As presented.

IN RE: INFORMATIONAL ITEMS – BUDGET TO ACTUAL MID-YEAR

Jonathan D. Sweet spoke regarding budgets at mid-year; some may or may not be at 50% because of the way expenditures come in. Currently we are at about 40%. There are three departments that are over: Electoral Board, Circuit Court - the Judges Office Support Staff, and Local Support with one addition not budgeted.

IN RE: REGISTERED SPEAKERS & PUBLIC COMMENT

Tony Goodman, Mark Walker, Barbara L. Moncrief and Robert Buchan all spoke regarding the Shooting Range.

IN RE: BOARD OF SUPERVISORS' TIME

None

IN RE: CLOSED SESSION

David M. Sexton moved to go into executive session pursuant to Sec. 2.2-3711(A)(5) of the Code of Virginia involving discussions relating to prospective business or industry or the expansion of an existing business or industry; and Sec. 2.2-3711(A)(1) of the Code of Virginia involving discussion relating to personnel matters; duly seconded by Mike Maynard.

Brenda Sutherland made the motion to come out of closed session; duly seconded by Mike Maynard. Motion carried 5-0.

Whereas, the Grayson County Board of Supervisors has convened a closed session on this 13th day of December 2012, pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Information Act; and

Whereas, Section §2.2-3712 of the Code of Virginia requires a certification by this Board of Supervisors that such closed session was conducted in conformity with Virginia law;

Now, Therefore Be It Resolved, that the Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (II) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Supervisors with recorded confirmation from members as follows: David M. Sexton – I so certify; Brenda Sutherland – I so certify; Mike Maynard – I so certify; Kenneth R. Belton – I so certify; John K. Brewer – I so certify.

Jonathan D. Sweet read a Performance Grant, listed below, for Independence Lumber to the Board for consideration.

PERFORMANCE GRANT AGREEMENT

This Performance Grant Agreement (the "Agreement") is made and entered this

13th day of December, 2012, by and between the County of Grayson, Virginia (the "County"), a political subdivision of the Commonwealth, and Independence Lumber Inc., (the "Company"), a Virginia corporation whose Federal Tax Identification Number is 54-1233188.

WITNESSETH:

WHEREAS the Company has been selected to receive a five (5) year Performance Grant (the "Grant"), to commence January 1st, 2014, from the County for its use in inducing the Company to fully rebuild its facilities, invest in new machinery and equipment, continue operations and continue to employ a significant number of persons in Grayson County; and

WHEREAS the County has indicated its desire to tender the Grant to the Company for its use and benefit, provided that the Company commits to the achievement of certain goals relating to employment and capital investment as described herein; and

WHEREAS the County and the Company desire to set forth their understanding and agreement as to the use of the Grant, the obligations of each party hereto, the conditions under which the Grant is to be dispersed, and the liability of each party hereto in the event of default.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits and promises of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto and hereby covenant and agree as follows:

Section 1. Disbursement of the Grant

The County shall disburse the Grant to the Company, once this Agreement has been fully executed, within 60 days of the County's receipt of the Company's full payment of all of that calendar year's county taxes and fees, and following a written request for disbursement from the Company, PROVIDED that the company is not in default on its obligations to the County. In the event that the Company is deficient in its obligations to the County, any disbursement shall be withheld until such deficiency is remedied. In the event that the Company is in default of its obligations to the County, any disbursement shall be discontinued.

Section 2. Use of the Grant

The Company shall use the Grant for either (1) site improvements to real estate

located in Grayson County and improvements to the buildings located thereon (e.g. utility extensions, road or rail construction, grading, drainage, paving, demolition of outbuildings, removal of unnecessary interior improvements, environmental cleaning and remediation, interior build-out and exterior construction, landscaping, parking lot improvement, painting or any other site improvement required to prepare the site for occupancy by the Company in pursuit of the goals stated herein), or (2) workforce related expenses incurred by the Company to create jobs and/or sustain employment in fulfillment of this Agreement.

Section 3. Employment Commitment

The companies known as Independence Lumber Inc. (Tax ID No.: 54-1233188), Wescore Inc. (Tax ID No.: 54-2055900), and Grayson Farm and Leasing Inc. (Tax ID No.: 54-1843832), (the “Determining Companies”), all connected through common ownership of Mr. Randall Eller, shall collectively employ at least 131 full-time persons in Grayson County. Said employment will be consistent with the established watermark number of the Determining Companies’ employees having been paid during the calendar quarter ending on December 31st, 2012, hereinafter called the “Base Period”.

Section 4. Capital Investment Commitment

The Company shall make capital investments in Grayson County that are necessary to make full repair of their facilities and replace all machinery and equipment that is necessary to fully restoring operations that would achieve the required employment commitment. The capital investments shall be in assets subject to local tax levy and will be at an assessed value not less than the 2012 calendar year assessed value.

Section 5. Determination of Performance - Employment

The Company shall meet its employment obligations hereunder each calendar year. The Company’s employment obligation will be deemed to have been fully met when the Determining Companies listed in Section 3. can document that the collective average of three (3) consecutive calendar quarters for that calendar year average out to be at least ninety percent (90%) of 131 full-time employees or 118 full-time employees. The foregoing shall be based upon payroll tax filings made by, or on behalf of, each of the Determining Companies to the Virginia Employment Commission (now/formerly made on Form VEC FC-20 or facsimile thereof). Employees of subsidiary companies, related entities, or employees of independent contractors hired by any of the Determining Companies shall not be counted as employees in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Determining Companies are disclosed

to and approved by the County in writing, AND such entities supply the County with the same employment documentation as described herein.

Section 6. Determination of Performance – Capital Investment

The Company's capital investment obligation shall be deemed to have been fully met when

(1) the Company submits to the County a letter from the Commissioner of Revenue attesting to:

(a) the highest assessed value of all real property acquired or leased by the Company and owned or leased without interruption during each calendar year, and

(b) the assessed value of all personal property subject to taxation and acquired or leased by the Company and owned or leased without interruption during each calendar year.

(2) the sum of items 1(a) and (b) above equals or exceeds the amount of the 2012 calendar year assessed value as promised per Section 4.

Section 7. Disbursement Obligation

In the event that the Company does not fully meet its obligations hereunder by the end of each calendar year, the Grant shall not be provided to the Company as outlined in Section 1. In the event that the Company meets all other obligations but falls short on employment obligation within the allowable threshold of default per Section 9.b., the amount of the Grant will be pro rata adjusted, which shall be calculated as follows:

Once the amount of the Grant has been established as per Section 8., and once the employment performance has been determined per Section 5., the same percentage of the Grant amount will be disbursed based on the percentage of full-time jobs achieved for that calendar year. Example:

If the Grant amount is derived to be X per Sec. 8., and the employment determination per Sec. 5. is only 98 full-time employees at the end of the calendar year, then the 98 is calculated to be only 75% of the base period 131 full-time employees. Thus, only 75% of the derived Grant amount shall be disbursed for that calendar year.

Section 8. Amount of the Grant

The County shall provide to the Company a grant each year for five (5) years in the amount not to exceed the difference between portions of that calendar year's tax liability and the tax liability established by the 2012 calendar year assessed value. The methodology the County shall use to determine the amount of the grant will be based on an actual comparison of that calendar year's Machinery and Tools Tax bill against that of the 2012 calendar year's Machinery and Tools Tax bill. Example:

If the difference in a calendar years' applicable tax liability is \$75,000 over that of 2012 calendar year's applicable tax liability, then the amount of the Grant shall be \$75,000 for that calendar year subject to the provisions as set forth in this Agreement.

Section 9. Events of Default

If any of the following should occur within the calendar year, the Performance Grant for that calendar year and any subsequent years shall not be appropriated:

- a. the Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismitted, undischarged or unstayed for a period of forty-five (45) days.
- b. the collective number of employees in any calendar quarter is less than 60% of the collective number of employees at the end of the Base Period.

Section 10. Verification of Performance

The Determining Companies shall provide, at their expense, detailed verification satisfactory to the County, of the Determining Companies' applicable progress toward meeting the capital investment and employment goals stated herein. Such verification includes, but is not limited to, Determining Companies' payroll tax filings, property tax

filings, and internal documents in support thereof. Such progress reports will be provided at such time(s) as the County may require and failure to provide the same shall constitute default under this Agreement and that year's grant and all subsequent years' grants shall be discontinued.

Section 11. Acknowledgment and Notice

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail not accepted by the addressee) and addressed as follows:

if to the Company, to:

NAME: Independence Lumber, Inc.
ADDRESS: 407 Lumber Lane
Independence, VA 24348
Attention: Nelson Weaver
Executive Vice President

if to the Grantee, to:

NAME: Grayson County
ADDRESS: P.O. Box 217
Independence, Virginia 24348
Attention: Jonathan D. Sweet, ICMA-CM
County Administrator

This Agreement constitutes the entire agreement between the parties hereto as to the subject matter contained herein and may not be amended or modified, except in writing, signed by each of the parties hereto. This agreement is made, and intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of that state. Jurisdiction and venue for any litigation arising out of or involving this agreement shall lie in the Circuit Court located nearest to Grayson County and such litigation shall be brought only in such court.

This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If any provision of this Agreement is determined to be

unenforceable, then the remaining provisions of this Agreement shall, in the sole discretion of the County, be voidable by the County or interpreted as in effect as if such unenforceable provisions were not included therein.

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to become effective as of the date first written above.

John K. Brewer made the motion to approve; duly seconded by Brenda Sutherland. Motion carried 5-0.

IN RE: ADJOURN

Mike Maynard made the motion to adjourn and continue the meeting January 7th, 2013 at 6:30 p.m.; duly seconded by Brenda Sutherland. Motion carried 5-0.