

**VIRGINIA:**

At a recessed joint meeting of the Washington County Board of Supervisors and Washington County Industrial Development Authority held Wednesday, November 10, 2010, at 6:30 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

**PRESENT:**

**Board of Supervisors:**

Dulcie M. Mumpower, Chair  
Odell Owens, Vice Chair  
Phillip B. McCall  
Nicole M. Price  
Kenneth O. Reynolds  
Joseph C. Straten  
Thomas G. Taylor

Mark K. Reeter, County Administrator  
Lucy E. Phillips, County Attorney  
Christy Parker, Assistant County Administrator/Community & Economic Development  
Mark W. Seamon, Accounting Manager  
Naoma A. Norris, Recording Clerk

**Industrial Development Authority:**

Russell U. Owens, Chair  
Henry S. Snodgrass, Vice Chair  
Patrick D. "Pat" Callebs  
Chad E. Gardner  
Clarence B. "C. B." Hale  
John B. Roberts, Sr.  
Curtis R. Woodward

Joe Lyle, IDA Legal Counsel

**Others Present:**

Roland Kooch, Vice-President Public Finance, Davenport & Company  
Dan Siegel, Bond Counsel, Sands Anderson

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**1. Call to Order**

**a. Washington County Board of Supervisors:**

The meeting was called to order by Ms. Dulcie M. Mumpower, Chair of the Board, who welcomed everyone in attendance.

**b. Industrial Development Authority of Washington County**

The recessed meeting of the Industrial Development Authority (IDA) of Washington County was called to order by Mr. Russell Owens, Chairman. Mr. Owens stated the IDA has a quorum present.

**2. Invocation and Pledge of Allegiance**

Supervisor Tom Taylor gave the Invocation and led the Pledge of Allegiance.

**3. Approval of Agenda**

**a. Washington County Board of Supervisors**

Mr. Reeter provided introductory remarks and an overview of the meeting.

Mr. Taylor noted some corrections that need to be made to the Preliminary Official Statement.

Mr. Dan Siegel with Sands Anderson explained the Preliminary Official Statement was presented to the Board in draft form, and the changes noted by Mr. Taylor would be made.

*On motion of Mr. Owens, second by Mr. McCall, it was resolved to approve the agenda as presented.*

*The vote on this motion was as follows: (7-0)*

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**b. Industrial Development Authority of Washington County**

*On motion of Mr. Snodgrass, second by Mr. Woodward, the IDA acted to approve the agenda as presented.*

*The vote on this motion was as follows: (7-0)*

<i>Mr. Hale</i>	<i>Aye</i>
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<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Snodgrass</i>	<i>Aye</i>
<i>Mr. Woodward</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>
<i>Mr. Callebs</i>	<i>Aye</i>
<i>Mr. Gardner</i>	<i>Aye</i>

#### **4. General Business:**

##### **a. Final Review of Fall, 2010 Plan of Finance**

Mr. Roland Kooch, Vice President Public Finance with Davenport & Company, addressed the Board and provided a summary review of the final fall 2010 Plan of Finance.

Mr. Kooch reviewed the potential fall project list that includes:

- Permanent financing of the Bond Anticipation Note (BAN) for the County Building \$7,750,000
- Hawkins Payne Property:
  - Permanent Financing of BAN - \$2,600,000
  - Industrial Access Road for Oak Park - \$2,039,494
  - Add Alternates 1 & 2 - \$1,380,409
  - Engineering Costs - \$200,000
- Public Safety Building:
  - Roof - \$882,000
  - HVAC - \$693,000
  - PSAP & General Services - \$850,500

The total project costs are \$16,395,403. The County has identified \$1,800,000 in grant funding to offset costs associated with the Hawkins Payne Project (industrial access road for Oak Park).

County Administrator Mark Reeter and Assistant County Administrator/Community and Economic Development interjected comments and explained the Industrial Development Authority submitted an application on November 1 to the Virginia Tobacco Commission for additional grant funds. If awarded the additional funds would completely pay for the construction of the industrial access road into Oak Park. A decision on the award of funding will not be made until early January 2011. However, Ms. Parker explained that Tobacco Commission staff will submit a recommendation on special projects to the Tobacco Commission on December 14. She further explained there may be a possibility of finding out what communities are awarded grants funds sooner than December 14. Mr. Kooch explained Davenport & Company would need a total project amount by December 1 because that is when bonds go to market.

Mr. Kooch continued his presentation and explained that with the \$1,800,000 in grant funds the County has already received, the net total potential Fall Project List amount is \$14,595,103. He next explained the Public Safety Building Bonds will be refinanced because of the interest rate savings and collateral prospective. The Fall Project List requires a larger collateral package to support the financing. Another key benefit of refinancing the Public Safety Building is that the Hawkins Payne property is unencumbered and provides the County flexibility to use the property for economic development purposes. The

refinancing amount for the Public Safety Building is \$1,950,000, which brings the total potential Fall Project List to \$16,545,103.

Mr. Kooch next explained the interest rates on the Fall Bond Financing based on the market as of October 19, 2010, and the County's strong issuer credit rating should range from 1.05% to 4.77%. He noted that a fully funded Debt Service Reserve Fund is required by the investors in the public market. Mr. Kooch reviewed the Debt Service Reserve Fund and the cost of issuances for the Fall Financings.

In conclusion, Mr. Kooch reviewed the preliminary Plan of Finance results and the tax equivalent impact. He explained the County Office building would be financed over a 30 year term and all other projects are financed over a 20 year term. The total potential bond issuance is \$18,410,000. This includes the refinancing of the Public Safety Building. The variance in bond issuance size will depend on overall market conditions. The preliminary tax impact is 2.9%

At this time discussions ensued among the Board, IDA and Mr. Kooch concerning the call provisions of the bonds and early payoff of the debt. The Board also discussed the debt service payments and tax equivalent impact.

Ms. Mumpower noted the tax impact could change if the economy improves.

Mr. Kooch explained there is a standard ten year call provision, which means the County could pay the debt off after year ten.

*Scrivener's Note: The Davenport & Company Presentation referenced above are included as Minutes Exhibits Item 2010-11-10-A.*

**b. Industrial Development Authority Consideration of Authorizing Resolution and Approving Various Documents regarding the Issuance of \$18,750,000 Public Facilities Lease Revenue and Refunding Bonds, Series 2010**

Mr. Siegel addressed the IDA and provided a review of the following documents and Resolution relating to the bond issuance:

- Proposed Resolution of the Industrial Development Authority authorizing the bond issuance.
- Amended Ground Lease
- Amended Financing Lease
- Second Supplemental Trust Agreement, with Form of Specimen Bonds
- Amended Assignment Agreement
- Amended Leasehold Deed of Trust and Security Agreement
- Preliminary Official Statement
- Bond Purchase Agreement

Mr. Siegel opened the floor for questions.

Mr. Russell Owens explained that Mr. Joe Lyle, Legal Counsel for the IDA, has reviewed the financing documents and recommend approval.

*On motion of Mr. Gardner, second by Mr. Callebs, the IDA acted to adopt the following Resolution as presented:*

**RESOLUTION  
OF THE  
INDUSTRIAL DEVELOPMENT AUTHORITY OF WASHINGTON COUNTY, VIRGINIA**

*WHEREAS, the Industrial Development Authority of Washington County, Virginia (the "Authority"), is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Code of Virginia, 1950, as amended (the "Act"), and by ordinance adopted by the Board of Supervisors of the County of Washington, Virginia (the "County"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act, including but not limited to the financing of facilities for use by local government entities; and*

*WHEREAS, pursuant to and in accordance with the Act, the Authority desires to issue, sell, and deliver its not to exceed \$18,750,000 Public Facilities Lease Revenue and Refunding Bonds, Series 2010 (the "Bonds"), as "Additional Bonds" pursuant to and under the terms and condition of the Master Trust Agreement (as defined below) to finance (i) refunding of certain outstanding lease revenue bond anticipation notes issued by the Authority, including its (a) Lease Revenue Bond, Series 2008A in the aggregate outstanding principal amount of \$2,000,000 (the "2008A Bond"), (b) its Lease Revenue Bond Anticipation Note, Series 2008B in the aggregate outstanding principal amount of \$2,600,000 (the "2008B Note") and (c) its Lease Revenue Bond Anticipation Notes, Taxable Series 2010 in the outstanding principal amount of \$7,750,000 (the "2010 Notes," together with the 2008A Bond and the 2008B Notes, the "Outstanding Obligations") and (ii) costs of the acquisition, construction, renovation and equipping of certain County capital improvement projects consisting of additional improvements to the public safety building (the "Public Safety Building"), and costs related to the completion of the Hawkins Payne access road and construction of public utilities to serve Oak Park and building pads in such park (together, the "Projects"); and*

*WHEREAS, the 2008A Bond was issued to finance a portion of the costs of the acquisition, design, construction, renovation and equipping of the conversion of an existing building for use as County office facilities for the County's Sheriff's Department; and*

*WHEREAS, the 2008B Note was issued to finance a portion of the costs of the acquisition of land and related infrastructure design costs for the development of an access road at Oak Park Center for Business and Technology; and*

*WHEREAS, the 2010 Notes were issued to finance a portion of the cost of the acquisition, renovation and equipping of an office building for County office space (the "County Offices") pursuant to a Trust Agreement, dated as of April 1, 2010 (the "Master Trust Agreement"), between the Authority and Regions Bank, as trustee (the "Trustee"); and*

*WHEREAS, the County Offices and the Public Safety Building (together, the Leased Property") are owned by the County, and the County proposes to groundlease its interests in such Leased Property and at the same time enter into an Amended Financing Lease (as defined below) with the Authority for purposes of refunding the Outstanding Obligations and financing the Projects and*

*WHEREAS, the Bonds will be secured by a pledge of the revenues and receipts derived from the Amended Financing Lease wherein the County will agree, subject to the appropriation by the*

*County Board of Supervisors from time to time of sufficient amounts for such purposes, to make basic rental payments that will be sufficient to allow the Authority to pay the principal of and premium, if any, and interest on the Bonds as the same shall become due, all as further described in the Trust Agreement (as defined below), and such revenues and receipts will be assigned by the Authority to the Trustee for the benefit of the owners of the Bonds pursuant to an Amended Assignment Agreement (as defined below); and*

*WHEREAS, the Bonds will also be secured by a leasehold deed of trust lien against the Leased Property encumbering the Amended Ground Lease (as defined below) of the Leased Property from the County to the Authority; and*

*WHEREAS, there have been presented at this meeting the forms of the following instruments (the "Financing Documents") to be executed and delivered by the Authority in connection with the plan of financing:*

- 1. Amended Ground Lease, dated as of December 1, 2010, between the County and the Authority whereby the County will lease the Leased Property to the Authority (the "Amended Ground Lease");*
- 2. Amended Financing Lease, dated as of December 1, 2010, between the Authority and the County (the "Amended Financing Lease");*
- 3. Second Supplemental Trust Agreement, dated as of December 1, 2010, between the Authority and the Trustee, and approved by the County, pursuant to which the Bonds are to be issued (the "Second Supplemental Agreement," together with the Master Trust Agreement, the "Trust Agreement");*
- 4. Amended Assignment Agreement, dated as of December 1, 2010, between the Authority and the Trustee, which is to be acknowledged and consented to by the County (the "Amended Assignment Agreement");*
- 5. Amended Leasehold Deed of Trust between the Authority and the deed of trust trustees named therein (the "Leasehold Deed of Trust") for the benefit of the holders of the Bonds, which is to be acknowledged and consented to by the County.*

*WHEREAS, there has been presented at this meeting a copy of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the public offering of the Bonds that has been prepared in connection with issuance and sale of the Bonds by the Authority and a form of Bond Purchase Agreement to be entered into between the Authority and Davenport & Company LLC, as underwriter of the Bonds (the "Underwriter"), and agreed to by the County (the "Bond Purchase Agreement").*

**NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF WASHINGTON COUNTY, VIRGINIA:**

- 1. The issuance and sale by the Authority of the Bonds, pursuant to and upon the terms and conditions set forth herein and in the Trust Agreement and the Bond Purchase Agreement, the refunding of the Outstanding Obligations and the financing of the Projects for the benefit of the County, are hereby approved and authorized. The Bonds shall be executed on behalf of the*

*Authority by, and bear the manual or facsimile signature of, the Chairman or in his absence the Vice Chairman of the Authority (hereinafter, the "Chairman"), and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile) duly attested by the manual or facsimile signature of the Secretary or in his or her absence, an Assistant Secretary of the Authority (hereinafter, the "Secretary"). The Bonds shall be in the form set forth in the final form of the Trust Agreement. The Bonds shall be limited obligations of the Authority, secured by and payable solely from the trust estates pledged under the Trust Agreement.*

- 2. The principal amount of the Bonds shall not exceed in the aggregate \$18,750,000. The Bonds shall be issued in authorized denominations, rates and numbered as set forth in the Trust Agreement and shall be fully registered without coupons. The Financing Documents shall be in substantially the forms submitted to this meeting, which are hereby approved with such completions, omissions, insertions and changes as may be approved by the Chairman, his or her execution thereof to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes.*
- 3. The Chairman is hereby authorized and directed to execute the Financing Documents and to deliver the Financing Documents to the other parties thereto and to execute all certificates and documents, including but not limited to a continuing disclosure agreement relating to compliance with the below-described Rule to be properly executed and delivered, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the refunding of the Outstanding Obligations, funding a debt service reserve fund for the Bonds, financing the Projects and the leasing thereof.*
- 4. The Preliminary Official Statement in the form presented to this meeting is approved with respect to the information contained therein pertaining to the Authority. The Underwriter is authorized to distribute to prospective purchasers of the Bonds, the Preliminary Official Statement in form deemed to be "near final," within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman. Such distribution shall constitute conclusive evidence that the Authority has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the Authority. The Chairman is authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in paragraph 6, and the details thereof and that are appropriate to complete it as an official statement in final form (the "Official Statement") and distribution thereof by the Underwriter shall constitute conclusive evidence that the Authority has deemed the Official Statement final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the Authority.*
- 5. The Chairman is hereby authorized and directed to enter into the Bond Purchase Agreement containing the terms upon which and the price or prices at which the Bonds shall be sold to the Underwriter, which terms and prices shall be established by the Chairman, upon negotiation with the Underwriter and acceptance by the County and not inconsistent with the provisions of this Resolution. The Bonds shall mature not later than 31 years from the date of issuance thereof, with such shorter maturities and sinking fund and optional redemption provisions as the officers of the Authority approving such terms shall deem appropriate based on the recommendation of the Underwriter (but any redemption premium shall not exceed two percent (2%)), and shall be sold initially at a purchase price (exclusive of original issue discount) of not less than 98% of the face*

- amount of the Bonds plus interest accrued thereon to the date of issuance of the Bonds, if any, in any case so as to produce a true interest cost of the Bonds of not to exceed 5.60%.*
- 6. The Chairman is hereby authorized and directed to execute and deliver the Trust Agreement, the Amended Ground Lease, the Amended Financing Lease, the Amended Assignment Agreement and the Amended Leasehold Deed of Trust and all necessary certificates and documents and to take all such further action as he may consider necessary or desirable in connection with the issuance and sale of the Bonds, the refunding of the Outstanding Obligations, and the undertaking and financing of the Projects.*
  - 7. To achieve additional financing economies for the Authority, the Chairman is hereby authorized, based on the recommendation of the Underwriter, to agree to obtain a rating or ratings from national rating agencies and to enter into such instruments and agreements as shall be necessary or desirable to obtain municipal bond insurance or surety, or both, with such changes in such terms and to make such changes to the Documents as the Chairman may approve.*
  - 8. The officers of the Authority are hereby authorized and directed to execute and deliver all certificates and documents and to take all such further action as they may consider necessary or desirable in their sole and absolute discretion in connection with the issuance and sale of the Bonds, including without limitation, modifications to the terms of the Bonds, the payment dates, interest rate or rates, redemption provisions and such modifications or changes to the Financing Documents as well as providing for the County on behalf of the Authority to make continuing disclosure of material information as required under the Rule and taking all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the refunding of the Outstanding Obligations and the undertaking of the financing of the Projects.*
  - 9. The Authority represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds; provided, however, the Authority is relying upon all such actions and payments, if any, to be done and made by the County.*
  - 10. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in their sole and absolute discretion in connection with the issuance and sale of the Bonds, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections, at the request of the County that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bonds, (c) providing for the County on behalf of the Authority to pay any such rebate amount, (d) providing for the County on behalf of the Authority to make continuing disclosure of material information as required under the Rule, (e) filing Internal Revenue Service Form 8038-G and (f) taking all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the undertaking of the refunding of the Outstanding Obligations and the financing of the Projects.*

- 11. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate. All costs and expenses in connection with the undertaking of the refunding of the Outstanding Obligations, the financing of the Projects and the issuance of the Bonds, including the Authority’s expenses, the fees and expenses of the Trustee, the Authority Counsel, the County Attorney, Bond Counsel, the Underwriter and its counsel and other fees and expenses related to the sale of the Bonds shall be paid from the proceeds of the Bonds or other funds of the County.
- 12. The Authority hereby designates the Bonds as “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code. The Authority has not issued, and does not reasonably anticipate issuing more than \$30,000,000 in qualified tax exempt obligations during calendar year 2010 on behalf of the County and the Authority will not designate more than \$30,000,000 of qualified tax-exempt obligations on behalf of the County pursuant to Section 265(b)(3) of the Code during such calendar year.
- 13. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds, the refunding of the Outstanding Obligations and the financing of the Projects are ratified and approved.
- 14. Nothing in this Resolution, the Bonds, the Financing Documents or the Bond Purchase Agreement shall constitute a debt or a pledge of the faith and credit of the Authority or the County (other than the limited obligation of the Authority), and the Authority shall not be obligated to make any payments under the Bonds, the Financing Documents or the Bond Purchase Agreement except from payments made by or on behalf of the County under the Amended Financing Lease subject to annual appropriation thereof in accordance with applicable law and the terms of the Amended Financing Lease.
- 15. This Resolution shall take effect immediately.

The vote on this motion was as follows: (7-0)

Mr. Hale	Aye
Mr. Owens	Aye
Mr. Snodgrass	Aye
Mr. Woodward	Aye
Mr. Roberts	Aye
Mr. Callebs	Aye
Mr. Gardner	Aye

Scrivener’s Note: The Financing Documents referenced above are included as Minutes Exhibits Item 2010-011-10-B.

**c. Board of Supervisors Consideration of Authorizing Resolution and Approving Various Documents regarding the Issuance of \$18,750,000 Public Facilities Lease Revenue and Refunding Bonds, Series 2010**

Mr. Siegel addressed the Board and reviewed the proposed Resolution for adoption by the Board of Supervisors.

Discussions ensued among the Board and Mr. Siegel concerning the Fall Bond Financing Project. Ms. Mumpower commended the Board for their fiscal conservatism, and the IDA for what they have done to put the County in the position to retire the debt early on the Community Services Building. Ms. Mumpower also commended the work of Davenport & Company and County staff.

Mr. Taylor asked County Attorney Lucy Phillips if she has reviewed the proposed Resolution and financing documents; does she advise the Board to take action.

Ms. Phillips recommended approval of the proposed Resolution and related documents.

Mr. Siegel noted that some of the proposed financing documents he reviewed with the IDA would be revised (i.e., Preliminary Official Statement).

Ms. Price explained that she would be voting against the proposed Resolution for the reasons she stated at the October 25, 2010 Joint Board of Supervisors and IDA Meeting, wherein she stated her opposition to include Add Alternates 1 and 2 (construction of building pads) in the Industrial Access Road Project for Oak Park because there are not prospects currently interested in the sites.

*On motion of Mr. Reynolds, second by Mr. Owens, the Board acted to adopt the following Resolution as presented:*

**RESOLUTION 2010-41  
OF THE  
BOARD OF SUPERVISORS OF THE COUNTY OF WASHINGTON, VIRGINIA**

*WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Washington, Virginia (the "County") has received from Davenport & Company LLC (the "Underwriter") a plan of financing for the (i) refunding of certain outstanding lease revenue bond anticipation notes issued by the Industrial Development Authority of Washington County, Virginia (the "Authority"), which include the Authority's (a) Lease Revenue Bond, Series 2008A in the aggregate outstanding principal amount of \$2,000,000 (the "2008A Bond"), (b) its Lease Revenue Bond Anticipation Note, Series 2008B in the aggregate outstanding principal amount of \$2,600,000 (the "2008B Note") and (c) its Lease Revenue Bond Anticipation Notes, Taxable Series 2010 in the outstanding principal amount of \$7,750,000 (the "2010 Notes," together with the 2008A Bond and the 2008B Notes, the "Outstanding Obligations") and (ii) costs of the acquisition, construction, renovation and equipping of certain County capital improvement projects consisting of additional improvements to the public safety building (the "Public Safety Building"), and costs related to the completion of the Hawkins Payne access road and construction of public utilities to serve Oak Park and building pads in such park (together, the "Projects"), through the issuance of the Authority's Public Facilities Lease Revenue and Refunding Bonds, Series 2010, including financing costs of issuance of such bonds; and*

*WHEREAS, the 2008A Bond was issued to finance a portion of the costs of the acquisition, design, construction, renovation and equipping of the conversion of an existing building for use as County office facilities for the County's Sheriff's Department; and*

*WHEREAS, the 2008B Note was issued to finance a portion of the costs of the acquisition of land and related infrastructure design costs for the development of an access road at Oak Park Center for Business and Technology; and*

*WHEREAS, the 2010 Notes were issued to finance a portion of the cost of the acquisition, renovation and equipping of an office building for County office space (the "County Offices") pursuant to a Trust Agreement, dated as of April 1, 2010 (the "Master Trust Agreement"), between the Authority and Regions Bank, as trustee (the "Trustee"); and*

*WHEREAS, the Board of Supervisors has reviewed the recommendations from the Underwriter and Sands Anderson PC ("Bond Counsel") and has determined that the proposed bonds provide attractive terms for the financing of the Projects and significant savings to the County and the Authority from refunding the Outstanding Obligations and the Board of Supervisors on behalf of the County desires to proceed with such financing; and*

*WHEREAS, the County Offices and the Public Safety Building (together, the Leased Property") are owned by the County, and the County proposes to groundlease its interests in such Leased Property to the Authority, and at the same time enter into a financing lease with the Authority for purposes of refunding the Outstanding Obligations and financing the Projects; and*

*WHEREAS, the Authority, upon request of the County, intends to issue its not to exceed \$18,750,000 Public Facilities Lease Revenue and Refunding Bonds, Series 2010 (the "Bonds"), as "Additional Bonds" pursuant to and under the terms and condition of the Master Trust Agreement, to (a) refund the Outstanding Obligations, (b) pay a portion of the costs of acquisition, construction, renovation and equipping of the Projects, (c) fund a debt service reserve fund for the Bonds and (d) provide for the payment of issuance costs of the Bonds; and*

*WHEREAS, the Authority will also enter into an Amended Financing Lease (as defined below) between the County and the Authority, wherein the County will make rental payments, subject to annual appropriation, sufficient to pay debt service on the Bonds; and*

*WHEREAS, the Bonds will be secured by a pledge of the revenues and receipts derived from the Amended Financing Lease wherein the County will agree, subject to the appropriation by the County Board of Supervisors from time to time of sufficient amounts for such purposes, to make basic rental payments that will be sufficient to allow the Authority to pay the principal of and premium, if any, and interest on the Bonds as the same shall become due, all as further described in the Trust Agreement (as defined below), and such revenues and receipts will be assigned by the Authority to the Trustee for the benefit of the owners of the Bonds pursuant to an Amended Assignment Agreement (as defined below); and*

*WHEREAS, the Bonds will also be secured by a leasehold deed of trust lien against the Leased Property encumbering the Amended Ground Lease (as defined below) of the Leased Property from the County to the Authority; and*

*WHEREAS, there have been presented at this meeting the forms of the following instruments (the "County Financing Documents") in connection with the plan of financing:*

6. *Amended Ground Lease, dated as of December 1, 2010, between the County and the Authority whereby the County will lease the Leased Property to the Authority (the "Amended Ground Lease");*

7. *Amended Financing Lease, dated as of December 1, 2010, between the Authority and the County (the "Amended Financing Lease");*
8. *Second Supplemental Trust Agreement, dated as of December 1, 2010, between the Authority and the Trustee, and approved by the County, pursuant to which the Bonds are to be issued (the "Second Supplemental Agreement," together with the Master Trust Agreement, the "Trust Agreement");*
9. *Amended Assignment Agreement, dated as of December 1, 2010, between the Authority and the Trustee, which is to be acknowledged and consented to by the County (the "Amended Assignment Agreement");*
10. *Amended Leasehold Deed of Trust between the Authority and the deed of trust trustees named therein (the "Leasehold Deed of Trust") for the benefit of the holders of the Bonds, which is to be acknowledged and consented to by the County.*

*WHEREAS, there has been presented at this meeting a copy of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the public offering of the Bonds that has been prepared in connection with issuance and sale of the Bonds by the Authority and the County and a form of Bond Purchase Agreement to be entered into between the Authority and the Underwriter, as the initial purchaser of the Bonds and agreed to by the County (the "Bond Purchase Agreement").*

*NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF WASHINGTON, VIRGINIA, THAT:*

1. *The issuance and sale of the Bonds, pursuant to and upon the terms and conditions set forth herein and in the Trust Agreement and the Bond Purchase Agreement, and the refunding of the Outstanding Obligations and financing of the Projects as described in the recitals above for the benefit of the County are hereby approved and authorized.*
2. *The County Financing Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, acknowledged and consented to, as appropriate, with such completions, omissions, insertions and changes as may be approved by the Chairman or the Vice Chairman of the Board (together, the "Chairman"), the County Administrator or the other officers executing them, their execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes.*
3. *The Chairman or the County Administrator and all other appropriate officers of the County are each hereby authorized and directed to execute the County Financing Documents and to deliver the County Financing Documents to the other parties thereto and to execute all certificates and documents, including but not limited to a continuing disclosure agreement relating to compliance with the below-described Rule, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the refinancing of the Outstanding Obligations, funding a debt service reserve fund for the Bonds, financing of the Projects and leasing of the Leased Property.*
4. *The Preliminary Official Statement in the form presented to this meeting is approved with respect to the information contained therein pertaining to the County. The Underwriter is authorized to distribute to prospective purchasers of the Bonds, the Preliminary Official Statement in form deemed to be "near final," within the meaning of Rule 15c2-12 of the Securities and Exchange*

*Commission (the "Rule"), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the County Administrator or the Chairman. Such distribution shall constitute conclusive evidence that the County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the County. The County Administrator and the Chairman are each authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in paragraph 5, and the details thereof and that are appropriate to complete it as an official statement in final form (the "Official Statement") and distribution thereof by the Underwriter shall constitute conclusive evidence that the County has deemed the Official Statement final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the County.*

- 5. The County Administrator and the Chairman are each authorized and directed to enter into the Bond Purchase Agreement containing the terms upon which and the price or prices at which the Bonds shall be sold to the Underwriter, which terms and prices shall be established by the Chairman or the County Administrator, upon negotiation with the Underwriter and not inconsistent with the provisions of this Resolution. The Bonds shall mature not later than 31 years from the date of issuance thereof, with such shorter maturities and sinking fund and optional redemption provisions as the officers of the County approving such terms shall deem appropriate based on the recommendation of the Underwriter (but any redemption premium shall not exceed two percent (2%)), and shall be sold initially at a purchase price (exclusive of original issue discount) of not less than 98% of the face amount of the Bonds plus interest accrued thereon to the date of issuance of the Bonds, if any, in any case so as to produce a true interest cost of the Bonds of not to exceed 5.60%.*
- 6. Officers of the County are authorized and directed to execute and deliver the Amended Ground Lease and the Amended Financing Lease and all necessary certificates and documents and to approve the terms of the Trust Agreement, the Amended Assignment Agreement and the Amended Leasehold Deed of Trust and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the refinancing of the Outstanding Obligations, funding a debt service reserve fund for the Bonds and the undertaking and financing of the Projects, including, but not limited to the terms of the Bonds, the payment dates, interest rate or rates, redemption provisions and changes to the County Financing Documents. The Chairman, the County Administrator, the County Attorney, the County Treasurer and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, Bond Counsel, the Underwriter and its counsel to perform all services and prepare all documentation necessary to bring the Bonds to market.*
- 7. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.*
- 8. The Projects are hereby declared to be essential to the administrative needs of the County and the Board anticipates that the Projects will be used for County purposes and thus will continue to be essential to the administrative needs of the County during the entire term of the Amended Ground Lease.*
- 9. Nothing in this Resolution, the Bonds, the County Financing Documents or the Bond Purchase Agreement shall constitute a debt or a pledge of the faith and credit of the Authority or the County,*

*and the Authority shall not be obligated to make any payments under the Bonds or the County Financing Documents except from rental payments made by or on behalf of the County under the Amended Financing Lease pursuant to annual appropriation thereof in accordance with applicable law. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all rental payments under the Amended Financing Lease and hereby recommends that future Boards of Supervisors do likewise during the term of the Amended Financing Lease.*

- 10. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds.*
- 11. The County hereby designates the Bonds in the principal amount of up to \$18,750,000 as “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code, and allocates to the Authority in relation to the issuance of the Bonds, up to \$18,750,000 of its allocation of “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code. The County has not issued, and does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$30,000,000 in qualified tax exempt obligations during calendar year 2010 on its behalf and the County (and any of its subordinate entities) will not designate more than \$30,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year.*
- 12. All other acts of the officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds, the refinancing of the Outstanding Obligations and the undertaking and financing of the Projects are ratified and approved.*
- 13. This Resolution shall take effect immediately.*

*The vote on this motion was as follows: (6-1)*

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Nay</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**d. Consideration of Joint Resolution Authorizing Early Retirement of Washington County Community Services Building Debt**

Mr. Reeter addressed the Board and IDA, and explained due to prudent management of the IDA’s Building Maintenance Fund originally established for the Community Services Building in 1996 and

capitalized through the building's leasing structure, the IDA is in a position to pay off the remaining \$417,917.00 owed on the Community Services at this time. This would leave a balance in the Building Maintenance Fund of \$353,747.00 for any future major repairs and maintenance on the Community Services Building.

Mr. Reeter next explained the proposed Joint Resolution authorizing early retirement of the Washington County Community Services Building debt was put together in consultation with both legal counsel for the IDA and County (Joe Lyle and Lucy Phillips), the County Facilities Committee (Supervisors Joe Straten and Odell Owens) and the IDA's Finance Committee (IDA members Russell Owens, C. B. Hale and Pat Callebs) to memorialize payoff of the Community Services Building. The proposed Joint Resolution sets forth general framework for the understandings between the Board of Supervisors and IDA Board with respect to the payoff of the Community Services Building and the IDA's utilization of the lease revenue income from the building to cover its operating expenses as well as some funding for capital projects and expenses. Essentially, the proposed Joint Resolution states the Community Services Building will continue to be owned, operated and maintained in more-or-less the same manner as it has since 1996, at least through the expiration of the existing 20-year lease agreements in place between the IDA and Department of Social Services and Health (2016). At the expiration of those leases, the County and IDA will again have a need and opportunity to revisit these issues within the context of negotiating new lease agreements with the tenants of the building. The proposed Joint Resolution is not intended to be a legally binding agreement between the Board and IDA, but rather an expression of joint understanding as to the continuing roles and responsibilities regarding the ownership, management and upkeep of the Community Services Building. It allows the County, at its discretion, to relinquish its leasehold interest in the Community Services Building by transferring the existing subleases of its space in the building directly to the IDA. The County will continue to generally oversee the building through the Department of General Services and to apportion the property insurance and utilities expenses of the building (electricity, water and sewer) on a quarterly basis among the building's tenants pursuant to the existing Facilities Management Agreements in place between the County and Departments of Social Services and Health.

Discussions ensued among the Board and IDA members.

Ms. Mumpower stated the Community Services Building has served the citizens of Washington County very well. She commended the IDA for placing themselves in the position to pay off the debt early; and for the major renovations they have undertaken on the building, including replacing the roof and HVAC system.

Mr. Callebs stated that clients visiting the Community Services Building can go in dignity and be treated and cared for by public servants. In addition, people that work at Community Services Building have a nice place to work.

Mr. Roberts explained he has been and member of the Board of Supervisors, and now the IDA. Both boards work for the good of the county citizens, and commended them for being progressive in thinking and conservative at the same time.

Mr. McCall stated both the Community Services Building and Alpha Natural Resources building were purchased below the assessed value.

Ms. Mumpower commended the County Facilities Committee for their excellent work and for serving the Board well.

**Board of Supervisors:**

*On motion of Ms. Price, second by Mr. McCall, the Board acted to adopt the following Resolution as presented:*

**JOINT RESOLUTION 2010-041  
OF THE  
WASHINGTON COUNTY BOARD OF SUPERVISORS & INDUSTRIAL DEVELOPMENT  
AUTHORITY OF WASHINGTON COUNTY**

*WHEREAS, the Washington County Community Services Building (CSB) located at 15068 Lee Highway in Washington County was purchased by the Industrial Development Authority of Washington County (IDA) in 1995 at the request of the Washington County Board of Supervisors (Board) pursuant to action taken by the Board at its August 15, 1995 meeting to “satisfy the [office space] needs of the county’s departments of health and social services;”*

*WHEREAS, the CSB is presently leased by the IDA to three entities: the Washington County Department of Health, the Washington County Department of Social Services (together, the Primary Tenants), and the County of Washington, Virginia (County);*

*WHEREAS, the purchase price of the CSB was \$2.2 million, with the Board appropriating \$500,000.00 to the IDA in 1995 to be used toward the purchase and the remaining balance of \$1.7 million being financed via commercial loan by the IDA amortized over a 20-year period ending in 2016;*

*WHEREAS, through prudent management of a Building Maintenance Fund (Fund) established for the CSB by the IDA in 1996, the IDA now has the means of retiring the remaining debt on the CSB approximately six years earlier than anticipated while still maintaining sufficient money within the Fund to cover potential facility needs;*

*WHEREAS, it is anticipated by the Board that the CSB will remain in use as office space for the Primary Tenants for the foreseeable future because the location and facilities are well-suited and adequate for this purpose;*

*WHEREAS, retirement of the remaining debt will permit revenue generated by continued lease of the CSB to be used by the IDA as a major source of annual operating revenue, thereby alleviating the IDA’s reliance on annual funding from the Board to support its operations; and*

*WHEREAS, prior to the retirement of the remaining debt, the Board and IDA desire to mutually agree and set forth certain understandings and covenants with respect to the IDA’s ownership, management and operation of the CSB for the benefit of all parties concerned;*

*NOW, THEREFORE, BE IT JOINTLY RESOLVED by the Board of Supervisors of Washington County, Virginia and the Industrial Development Authority of Washington County, Virginia that, on the basis of the foregoing and in the best interests of the public health, safety, and welfare, the Board and the IDA hereby agree as follows:*

**A. Satisfaction of Debt.**

- 1. As soon as practicable, but no later than December 31, 2010, the IDA shall use financial resources of the Fund as necessary to retire the remaining CSB debt.*
- 2. Upon satisfaction of such debt, the IDA shall provide to the Board written notice of such and of the remaining balance in the Fund.*

**B. Ownership by IDA.**

- 1. The IDA shall maintain fee-simple ownership of the CSB and all real property associated with same and shall not sell or convey (in whole or in part) the CSB or associated real property without the formal approval of such proposed action by the Board.*
- 2. The IDA shall not purchase or lease any real property adjoining the CSB solely for the purpose of expansion or enlargement of the CSB without the formal approval of such proposed action by the Board.*
- 3. Continued ownership of the CSB by the IDA is for the primary purpose to provide office space for the Primary Tenants.*
- 4. As a secondary purpose, lease revenue in excess of the amount required for continued capitalization of the Fund, and interest income on the Fund balance may be used to support other operations of the IDA, as further set out in this Joint Resolution.*

**C. Continuity of Leases and Building Maintenance Fund.**

- 1. The current leases between the IDA and Primary Tenants shall remain in effect after retirement of the CSB debt until such leases expire.*
- 2. The current lease between the IDA and the County, as well as the subleases between the County and its sub-lessees, shall remain in effect after retirement of the CSB debt with the understanding that IDA and Board will work cooperatively toward the County eventually releasing/transferring its leasehold interest in the CSB either to the Primary Tenants or to current sub-lessees of the County so that the County may, at its sole discretion, relinquish all leasehold interest in the CSB.*
- 3. The IDA shall continue to maintain the Fund separately from other IDA accounts for the sole purpose to fund major repairs, replacement, and maintenance of the CSB's building and grounds components. The IDA and Board intend that the Fund shall be the primary source of funding for major repairs, replacement, and maintenance needs of the CSB.*

**D. Lease Rates and Use of Revenue**

1. *The Lease Payment Schedule for the CSB as of Fiscal Year 2000-2001 made part of this Joint Resolution as Attachment 1 shall remain in effect through the expiration of the leases of the Primary Tenants.*
2. *The IDA shall continue to capitalize the Fund at a rate of no less than One Dollar and Twenty-five Cents (\$1.25) per square foot per year for all leased space in the CSB until the expiration of the leases of the Primary Tenants. Lease revenue received in excess of this amount per square foot per year shall be used to support the annual operational expenses of the IDA. The IDA and Board intend that such lease revenue shall be the primary source of annual operating expense funding for the IDA; however, the IDA is not precluded from seeking additional funding from the Board or other sources to support operational or capital project needs.*
3. *Interest on money on deposit in the Fund may be used for other IDA purposes at the discretion of the IDA.*
4. *In the event the principle on deposit in the Fund reaches an amount that the IDA determines is in excess of that which is reasonable for the purpose of the Fund, the IDA may reduce the principle by transfer of funds to a different purpose, only after prior formal approval by the Board.*
5. *Lease revenue in excess of the IDA's annual operating expenses and required capitalization of the Fund may be utilized for IDA capital projects, for incentive grants, and other legitimate purposes of the IDA at its sole discretion.*

**E. Responsibilities of IDA.**

1. *The IDA shall make best efforts to fully lease all space available in the CSB in accordance with the agreements stated in this Joint Resolution.*
2. *The IDA shall maintain the CSB in good repair and shall establish a schedule to maintain, inspect, update and/or replace CSB building and grounds components, such as (but not limited to) the parking lot and other grounds appurtenances; the building's heating, plumbing, lighting/electrical, elevator, air conditioning, and ventilation systems, and windows, doors, flooring and roofing systems, in consideration of availability of financial resources in the Fund.*
3. *The IDA shall notify the Board, with as much advance notice as is possible, in the event needed maintenance and repair expenses are expected to exceed financial resources of the Fund, which may result in the need for a financial assistance request to the Board.*

**F. Responsibilities of County.**

1. *The County (through its Department of General Services or other administrative unit under the Office of County Administrator) shall act as the agent of the IDA with regard to general oversight and property management of the CSB and regularly shall report to the IDA any needed major repairs, replacement and maintenance.*
2. *The County shall continue to honor the provisions of the Facilities Management Agreements executed with the Primary Tenants through the end of the terms of their leases with the IDA.*

G. Other.

1. *The CSB may be used as a collateral asset of the IDA for financing purposes only after prior formal approval by the Board. The IDA shall not otherwise encumber the CSB in a manner to so as to preclude is possible use as a collateral asset unless prior formal approval is given by the Board.*

*BE IT FURTHER JOINTLY RESOLVED that this Joint Resolution may be amended from time to time as may be mutually agreed to by the County and IDA.*

*The vote on this motion was as follows: (7-0)*

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**Industrial Development Authority:**

*On motion of Mr. Snodgrass, and second by Mr. Roberts, the IDA acted to adopt the following Resolution as presented:*

**JOINT RESOLUTION 2010-041  
OF THE  
WASHINGTON COUNTY BOARD OF SUPERVISORS & INDUSTRIAL DEVELOPMENT  
AUTHORITY OF WASHINGTON COUNTY**

*WHEREAS, the Washington County Community Services Building (CSB) located at 15068 Lee Highway in Washington County was purchased by the Industrial Development Authority of Washington County (IDA) in 1995 at the request of the Washington County Board of Supervisors (Board) pursuant to action taken by the Board at its August 15, 1995 meeting to “satisfy the [office space] needs of the county’s departments of health and social services;”*

*WHEREAS, the CSB is presently leased by the IDA to three entities: the Washington County Department of Health, the Washington County Department of Social Services (together, the Primary Tenants), and the County of Washington, Virginia (County);*

*WHEREAS, the purchase price of the CSB was \$2.2 million, with the Board appropriating \$500,000.00 to the IDA in 1995 to be used toward the purchase and the remaining balance of \$1.7 million being financed via commercial loan by the IDA amortized over a 20-year period ending in 2016;*

*WHEREAS, through prudent management of a Building Maintenance Fund (Fund) established for the CSB by the IDA in 1996, the IDA now has the means of retiring the remaining debt on the CSB approximately six years earlier than anticipated while still maintaining sufficient money within the Fund to cover potential facility needs;*

*WHEREAS, it is anticipated by the Board that the CSB will remain in use as office space for the Primary Tenants for the foreseeable future because the location and facilities are well-suited and adequate for this purpose;*

*WHEREAS, retirement of the remaining debt will permit revenue generated by continued lease of the CSB to be used by the IDA as a major source of annual operating revenue, thereby alleviating the IDA's reliance on annual funding from the Board to support its operations; and*

*WHEREAS, prior to the retirement of the remaining debt, the Board and IDA desire to mutually agree and set forth certain understandings and covenants with respect to the IDA's ownership, management and operation of the CSB for the benefit of all parties concerned;*

*NOW, THEREFORE, BE IT JOINTLY RESOLVED by the Board of Supervisors of Washington County, Virginia and the Industrial Development Authority of Washington County, Virginia that, on the basis of the foregoing and in the best interests of the public health, safety, and welfare, the Board and the IDA hereby agree as follows:*

*A. Satisfaction of Debt.*

- 1. As soon as practicable, but no later than December 31, 2010, the IDA shall use financial resources of the Fund as necessary to retire the remaining CSB debt.*
- 2. Upon satisfaction of such debt, the IDA shall provide to the Board written notice of such and of the remaining balance in the Fund.*

*B. Ownership by IDA.*

- 1. The IDA shall maintain fee-simple ownership of the CSB and all real property associated with same and shall not sell or convey (in whole or in part) the CSB or associated real property without the formal approval of such proposed action by the Board.*
- 2. The IDA shall not purchase or lease any real property adjoining the CSB solely for the purpose of expansion or enlargement of the CSB without the formal approval of such proposed action by the Board.*
- 3. Continued ownership of the CSB by the IDA is for the primary purpose to provide office space for the Primary Tenants.*

4. *As a secondary purpose, lease revenue in excess of the amount required for continued capitalization of the Fund, and interest income on the Fund balance may be used to support other operations of the IDA, as further set out in this Joint Resolution.*

C. Continuity of Leases and Building Maintenance Fund.

1. *The current leases between the IDA and Primary Tenants shall remain in effect after retirement of the CSB debt until such leases expire.*

2. *The current lease between the IDA and the County, as well as the subleases between the County and its sub-lessees, shall remain in effect after retirement of the CSB debt with the understanding that IDA and Board will work cooperatively toward the County eventually releasing/transferring its leasehold interest in the CSB either to the Primary Tenants or to current sub-lessees of the County so that the County may, at its sole discretion, relinquish all leasehold interest in the CSB.*

3. *The IDA shall continue to maintain the Fund separately from other IDA accounts for the sole purpose to fund major repairs, replacement, and maintenance of the CSB's building and grounds components. The IDA and Board intend that the Fund shall be the primary source of funding for major repairs, replacement, and maintenance needs of the CSB.*

D. Lease Rates and Use of Revenue

1. *The Lease Payment Schedule for the CSB as of Fiscal Year 2000-2001 made part of this Joint Resolution as Attachment 1 shall remain in effect through the expiration of the leases of the Primary Tenants.*

2. *The IDA shall continue to capitalize the Fund at a rate of no less than One Dollar and Twenty-five Cents (\$1.25) per square foot per year for all leased space in the CSB until the expiration of the leases of the Primary Tenants. Lease revenue received in excess of this amount per square foot per year shall be used to support the annual operational expenses of the IDA. The IDA and Board intend that such lease revenue shall be the primary source of annual operating expense funding for the IDA; however, the IDA is not precluded from seeking additional funding from the Board or other sources to support operational or capital project needs.*

3. *Interest on money on deposit in the Fund may be used for other IDA purposes at the discretion of the IDA.*

4. *In the event the principle on deposit in the Fund reaches an amount that the IDA determines is in excess of that which is reasonable for the purpose of the Fund, the IDA may reduce the principle by transfer of funds to a different purpose, only after prior formal approval by the Board.*

5. *Lease revenue in excess of the IDA's annual operating expenses and required capitalization of the Fund may be utilized for IDA capital projects, for incentive grants, and other legitimate purposes of the IDA at its sole discretion.*

**E. Responsibilities of IDA.**

- 1. *The IDA shall make best efforts to fully lease all space available in the CSB in accordance with the agreements stated in this Joint Resolution.*
- 2. *The IDA shall maintain the CSB in good repair and shall establish a schedule to maintain, inspect, update and/or replace CSB building and grounds components, such as (but not limited to) the parking lot and other grounds appurtenances; the building’s heating, plumbing, lighting/electrical, elevator, air conditioning, and ventilation systems, and windows, doors, flooring and roofing systems, in consideration of availability of financial resources in the Fund.*
- 3. *The IDA shall notify the Board, with as much advance notice as is possible, in the event needed maintenance and repair expenses are expected to exceed financial resources of the Fund, which may result in the need for a financial assistance request to the Board.*

**F. Responsibilities of County.**

- 1. *The County (through its Department of General Services or other administrative unit under the Office of County Administrator) shall act as the agent of the IDA with regard to general oversight and property management of the CSB and regularly shall report to the IDA any needed major repairs, replacement and maintenance.*
- 2. *The County shall continue to honor the provisions of the Facilities Management Agreements executed with the Primary Tenants through the end of the terms of their leases with the IDA.*

**G. Other.**

- 1. *The CSB may be used as a collateral asset of the IDA for financing purposes only after prior formal approval by the Board. The IDA shall not otherwise encumber the CSB in a manner to so as to preclude is possible use as a collateral asset unless prior formal approval is given by the Board.*

**BE IT FURTHER JOINTLY RESOLVED that this Joint Resolution may be amended from time to time as may be mutually agreed to by the County and IDA.**

*The vote on this motion was as follows: (7-0)*

<i>Mr. Hale</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Snodgrass</i>	<i>Aye</i>
<i>Mr. Woodward</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>
<i>Mr. Callebs</i>	<i>Aye</i>
<i>Mr. Gardner</i>	<i>Aye</i>

Mr. Reeter reminded Board members of the Southwest Virginia Legislative Breakfast scheduled for November 22 at 9:00 a.m., General Francis Marion Hotel Conference Center in Marion, VA.

5. Adjourn or Recess

a. Washington County Board of Supervisors

*On motion of Mr. Owens, second by Mr. Straten, it was resolved to adjourn the meeting.*

*The vote on this motion was as follows: (7-0)*

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

b. Industrial Development Authority of Washington County

*On motion of Mr. Gardner, second by Mr. Woodward, the IDA acted to adjourn the meeting.*

*The vote on this motion was as follows: (7-0)*

<i>Mr. Hale</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Snodgrass</i>	<i>Aye</i>
<i>Mr. Woodward</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>
<i>Mr. Callebs</i>	<i>Aye</i>
<i>Mr. Gardner</i>	<i>Aye</i>

\*\*\*\*\*

**Prepared by:**

\_\_\_\_\_  
Naoma A. Norris, Recording Clerk

**Approved by the Washington County Board of Supervisors:**

\_\_\_\_\_  
Dulcie M. Mumpower, Chairman