

At the recess meeting of the Giles County Board of Supervisors held on September 17, 2015, at 6:30 PM in the Giles County General District Courtroom, 120 North Main Street, Pearisburg, the following were present:

Barbara Hobbs	Chair (Central District)
Larry Jay Williams	Vice-Chair (Eastern District)
Scott Dunn	Western District
Richard McCoy	At-Large Supervisor
Paul "Chappy" Baker	At-Large Supervisor
Chris McKlarney	County Administrator
Richard Chidester	County Attorney
Anna Welch	Board Secretary

CALL TO ORDER/INVOCATION

Ms. Hobbs called the meeting to order. Mr. McKlarney offered the invocation and led the Pledge of Allegiance.

APPROVAL OF MINUTES

***Mr. Baker motioned to approve the August 20, 2015 minutes and Mr. McCoy seconded the motion. The motion was approved 4-1 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker
Abstain: Mr. Dunn***

OLD BUSINESS

FINANCING BIDS – DAVENPORT

Mr. Laux stated he would like to continue his financing presentation from the previous meeting and hopes the Board will consider taking action on two items. Mr. Laux discussed the existing debt profile. He stated the profile is broken out between General Government VPSA bonds, General Government Lease Revenue Bonds, Industrial Development Authority debt, and Enterprise Fund debt. He explained a refunding/restructuring transaction has the potential to provide cash flow relief in FY 2016 and to substantially reduce annual payments in FY 2017-2020. Mr. Laux discussed interest rates and stated they still remain at historically favorable levels presenting a potentially favorable environment to refund/restructure existing debt. He stated it is impossible to predict how long rates will remain this favorable.

Davenport has identified selected maturities of the County's VRA Lease Revenue Bonds, Series 2012C as the primary candidates for a potential refunding/restructuring. Mr. Laux stated action would be required to move forward with the resolution and the next step would be to present the resolution to the Industrial Development Authority. Closing date would be scheduled around the middle of October.

Mr. McCoy motioned to proceed with a resolution approving a plan for refinancing with First Community Bank. Mr. Baker seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn
 [A copy of this resolution is at the end of these minutes.]

Mr. McCoy motioned to approve the Virginia Resource Authority Pool resolution as presented. Mr. Baker seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn
 [A copy of this resolution is at the end of these minutes.]

NEW BUSINESS

REQUEST FOR STREET CLOSURE: TOWN OF PEARISBURG – ANNUAL FIREMAN’S PARADE

Mr. McKlarney indicated he received several requests for street closures which requires the Board’s approval.

Mr. Baker motioned to approve the Town of Pearisburg’s request for street closure on October 3, 2015, and Mr. McCoy seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn

REQUEST FOR STREET CLOSURE: TOWN OF PEARISBURG – ANNUAL GHS HOMECOMING PARADE

Mr. Baker motioned to approve the Town of Pearisburg’s request for street closure on October 2, 2015, and Mr. McCoy seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn

REQUEST FOR STREET CLOSURE: TOWN OF PEMBROKE – ANNUAL PEMBROKE HERITAGE FESTIVAL

Mr. Baker motioned to approve the Town of Pembroke’s request for street closure on October 3, 2015, and Mr. Williams seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn

MAPPING PROJECT – CHARLIE MULLINS

Mr. Mullins stated he has been working on a new mapping project which outlines reactive services. These services would include data from the General District Court, Circuit Court, New River Valley Regional Jail, 911, and Department of Social Services.

He explained these would be broken down into 22 different categories and after adding addresses into the system, an outline could be given on which surrounding areas experienced a number of different issues. Mr. Mullins gave an explanation of current data and stated this would give an opportunity to develop a plan for the community and allow the County to concentrate our efforts and use the resources to better the community. Mr. McKlarney explained that staff is still in the planning stages but feels this will be a great pro-active service. There will be a meeting for all stake holders on October 13th at 9:00 am at the Giles Rescue Squad.

PAYMENT OF WARRANTS

***Mr. McCoy motioned to approve \$1,821,317.10 for County Appropriations and Mr. Baker seconded the motion. The motion was approved 5-0 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn***

SCHOOL BOARD APPROPRIATION

***Mr. McCoy motioned to approve School Board Appropriations in the amount of \$2,180,649 and Mr. Baker seconded the motion. The motion was approved 5-0 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn***

SOCIAL SERVICES APPROPRIATION

***Mr. Baker motioned to approve the October 2015 Social Services Appropriation in the amount of \$350,000.00 which includes \$250,000.00 Social Services and \$100,000.00 CSA. Mr. McCoy seconded the motion. The motion was approved 5-0 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn***

PUBLIC HEARING

REQUEST FOR A CONDITIONAL USE PERMIT – SECTION 601.05-18: PRIVATE SEASONAL CAMP OR RETREAT – JAMES ALBERT CHILDRESS, AGENT

Mr. Ross stated he had received a request for a Conditional Use Permit by Mr. James Childress. Mr. Childress owns 1.12 acres of land located on 678 Caboose Lane, Tax Parcel 42-1-A and has requested to establish a private/seasonal camp or retreat. The property is zoned C-1. Mr. Ross read letters opposing the request by Mr. Ronald Jones and Ms. Sharon Ratcliffe. Each letter voiced concerns about traffic and character of the neighborhood. An email was received from Mr. Robert Crawford and a letter from Mr. Don Rainey each opposing the request. Mr. Ross also received a petition from surrounding property owners.

Mr. James Childress – Mr. Childress thanked the Board for their consideration and explained he would only have two campers on the lot. One camper for himself and the

other for his father. He stated the campers would be for his family alone, and would be used as a weekend vacation approximately 2-3 weekends per month and one full week in July. He explained very little traffic would be involved and that he had camped in this area when he was 6 and would like his children to experience the same. Mr. Childress explained he had purchased the land without knowledge that campers would not be allowed. He understands the concerns of the surrounding property owners and did not mean to cause any issues.

Ms. Hobbs asked if this is a private road and if Mr. Childress would assist in maintaining it. He stated he would. Mr. Williams asked if the campers would be for his immediate family only and Mr. Childress stated yes. Mr. Dunn asked Mr. Childress what was on the property prior to the campers, and he explained there was a trailer that was used as office space for the railroad. Mr. Childress explained he originally moved 4 campers there without prior knowledge they were not allowed. Once he was approached by surrounding neighbors, he moved them immediately. He stated in March he placed 2 campers back on the property and when he was made aware of the conditional use permit which was required.

Mr. Billy Williams – Mr. Williams lives at 261 Winding Way Drive and owns the lot beside of Mr. Childress. He has owned the property for 36 years and stated there are 2 trailers on the property. Mr. Williams feels that Mr. Childress is a good man with a good family, but he has concerns that the property could be sold later and ownership may change. He also feels if he ever sells his property the current structures could decrease the value. Mr. Williams feels if the Board agrees to the Conditional Use, it should only be valid for Mr. Childress and not future property owners.

Mr. Larry Akers – Mr. Akers resides at 652 Caboose Lane and explained there is 1 lot between his and Mr. Childress. He understands Mr. Childress has a lot invested in the property, but feels everyone has invested a lot in their property and this could decrease property values.

Mr. and Mrs. Kanode – Ms. Kanode explained she lives across the river and is not sure why she received a certified letter. Mr. Chidester explained the Code of Virginia states any adjoining property owner must receive a notice.

Mr. Douglas Hamblin – Mr. Hamblin resides at 668 Caboose Lane and explained he understand the predicament that Mr. Childress is in; however, he sees the situation as a “Pandora’s box”. He has concerns that this will ultimately not be just Mr. Childress’s immediate family. Mr. Hamblin purchased the property in 2008 as a retirement area. He doesn’t feel this will make it retirement friendly.

Mr. Tim Myers – Mr. Myers resides at 198 Cliff View Drive and has been a resident of the community for 20 years. He has 2 properties and manages 2 additional properties. Mr. Myers feels the impact of flooding is troublesome. He explained when a flood arises the campers could float directly onto his property. Mr. Myers handed the Board another petition signed by surrounding homeowners.

Mr. Holt Woodbury – Mr. Woodbury has a weekend home located at 146 Cliff View Drive. After researching, Mr. Woodbury feels this effects FEMA regulations. He asked the Board to consider the property's value.

Ms. Eula Rankin – Ms. Rankin lives at 412 Snidow's Ferry Road. She stated she did not receive a letter from the County. She explained she has lived at this residency for since 1964 and she has never received any help in maintaining the road. She feels they will not use the river right away and this will cause traffic and increase maintenance on her road.

Ms. Hobbs thanked everyone for their comments and stated this would go back to the Planning Commission for further recommendations.

REQUEST FOR A CONDITIONAL USE PERMIT – SECTION 610.03-22: COMMERCIAL OR SERVICE ESTABLISHMENT – TIMOTHY DALTON, AGENT

Mr. Ross explained Mr. Tim Dalton had requested the issuance of a Conditional Use Permit pursuant to section 802.04 of the Giles County Zoning Ordinance to allow for a Commercial or Service Establishment (Section 610.03-22). This request is specifically to allow for an auction venue. The property is identified as tax parcel 43A-1-28 addressed as 6235 Virginia Avenue, Pembroke and is located in the B-2 Zoning District. The property is owned by Mr. Larry Jay Williams with Mr. Tim Dalton acting as agent. Mr. Dalton stated he wishes to use the building as a facility to auction items consigned by the public such as but not limited to personal property, automobiles, farm equipment, antiques, collectibles, etc.

There were no public comments regarding this request, Ms. Hobbs stated this would be returned to the Planning Commission for further recommendations.

MISCELLANEOUS

REQUEST FOR LETTER OF SUPPORT FOR STEM PROGRAM IN AGRICULTURE

Mr. McKlarney stated Nanosonic would like to apply for a grant for the agriculture program and they have requested a letter of support from the Board.

***Mr. McCoy motioned to approve a letter of support for the STEM Program and Mr. Baker seconded the motion. The motion was approved 5-0 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, and Mr. Baker, Mr. Dunn***

REQUEST FROM LHOIST NORTH AMERICA

Mr. McKlarney stated the school system surplused a 1995 Bluebird bus to the County and Lhoist North America has requested to use the bus for necessary transportation.

Mr. Dunn motioned to grant the request by Lhoist North America regarding the usage of the 1995 Bluebird bus and Mr. Baker seconded the motion. The motion was approved 4-1 as follows:

Voting Yes: Ms. Hobbs, Mr. McCoy, and Mr. Baker, Mr. Dunn

Abstain: Mr. Williams

ANNOUNCEMENTS

The Board had a discussion regarding the age of voting machines and Mr. McCoy suggested we start planning for future costs involved in replacing them. Mr. McKlarney stated he would like to show the Board a few safety issues within the Court House which he feels should be addressed. Mr. Williams would like to hand deliver a letter to VDOT asking for a meeting to be held to address several concerns. Mr. McKlarney indicated the IDA has asked that David Clarke as well as our Commonwealth of Transportation Board Member hold a meeting together. He suggested we could invite Mr. Fralin from Salem and the Board of Supervisors and everyone could meet together at the same time.

VACO ANNUAL BUSINESS MEETING

The Board discussed the upcoming annual business meeting for the Virginia Association of Counties. Ms. Hobbs stated we would need to nominate a voting representative.

Mr. Baker nominated Mr. McCoy to represent the Board of Supervisors as the voting member for VACO credentials and Mr. Dunn seconded the motion. The motion was approved 4-1 as follows:

Voting Yes: Ms. Hobbs, Mr. McCoy, and Mr. Baker, Mr. Dunn

Abstain: Mr. McCoy

ADJOURN

Ms. Hobbs stated there was no further business and adjourned the meeting. The Board will hold their regular meeting on October 7, 2015 at 3:00 PM at the Giles County Administration Office located on 315 North Main Street Pearisburg, VA.

APPROVED:

Chair

ATTEST:

Clerk

RESOLUTION OF THE BOARD OF SUPERVISORS OF GILES COUNTY, VIRGINIA, APPROVING A PLAN FOR REFINANCING A PORTION OF A PRIOR FINANCING LEASE OF THE COUNTY, AUTHORIZING THE EXECUTION OF LEASES, AND PROVIDING FOR THE COUNTY'S MORAL OBLIGATION TO MAKE CERTAIN APPROPRIATIONS IN SUPPORT OF THE REFINANCING

Recitals

The Board of Supervisors (the "Board of Supervisors") of Giles County, Virginia (the "County"), in conjunction with the Industrial Development Authority of Giles County, Virginia (the "Authority"), desires to refinance a portion of the County's obligations under the Local Lease Acquisition Agreement and Financing Lease dated as of October 25, 2012 (the "2012 Lease") among Virginia Resources Authority ("VRA"), the County and the School Board of the County (the "School Board").

The portion of such obligations to be refinanced are the principal portions of rent under the 2012 Lease coming due after October 1 in the years 2016 through 2018, in the aggregate amount of \$3,965,000 (the "Refunded Obligations").

The Board of Supervisors requests the Authority (a) to issue its Bond, as defined below, (b) to use the proceeds of the Bond to defease the Refunded Obligations and to pay costs of issuance of the Bond, (c) to lease Narrows Elementary/Middle School (the "School") from the School Board pursuant to the terms of Prime Lease (as described below), (d) to lease the School back to the School Board and the County pursuant to the terms of the Lease Agreement (as described below) and (e) to secure the Bond by assigning to the bondholder the Authority's rights under the Lease Agreement.

First Community Bank (the "Bank") has offered to purchase the Bond upon certain terms and conditions, and the Board of Supervisors desires to satisfy such terms and conditions and award the Bond to the Bank.

As part of the plan for financing, the Authority, School Board and the Board of Supervisors propose to execute or approve the following documents (the "Financing Documents"):

- (a) Loan Agreement (the "Loan Agreement"), between the Authority and the Bank;
- (b) Prime Lease (the "Prime Lease"), from the School Board to the Authority;
- (c) Lease from the Authority to the Board of Supervisors and the School Board (the "Lease");
- (d) Assignment Agreement between the Authority and the Bank;

- (e) Lease Revenue Refunding Bond Series 2015 (the “Bond”);
- (f) Non-Arbitrage Certificate and Tax Compliance Agreement of the Authority, the County and the School Board, containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations relating to the exclusion from gross income of interest on the Bond; and
- (g) Escrow Deposit Agreement (the “Escrow Agreement”) among the Authority, Virginia Resources Authority, and a financial institution as Escrow Agent.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILES COUNTY, VIRGINIA:

1. Plan of Financing.

(a) The recitals above are by this reference made a part of this Resolution. The plan for financing the Project as described in this Resolution is approved.

(b) The Authority will issue the Bond and will apply the proceeds of it to defease the Refunded Obligations and the costs of issuing the Bond. The County will grant to the Authority leasehold interests in the School pursuant to the terms of the Prime Lease. The Authority will lease the School to the County and the School Board pursuant to the terms of the Lease Agreement. Pursuant to the Lease Agreement, the County will undertake, subject to appropriation, to make payments of Basic Rent and Additional Rent (each as defined in the Lease Agreement) to the Authority in amounts sufficient to amortize the Bond, to pay the fees or expenses of the Authority and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bond will be limited to amounts received by the Authority under the Lease Agreement and assigned to the bondholder. The Bond shall provide that the County will have no obligation to pay the Bond or the interest thereon or other costs incident thereto. The Bond will be secured in part by an assignment to the bondholder of the payments of Basic Rent and certain Additional Rent due under the Lease Agreement. The undertaking by the County to make payments of Basic Rent and Additional Rent will be subject to the appropriation by the Board of Supervisors of the County from time to time of sufficient amounts for such purposes. The plan for financing the Project may contain such additional requirements and provisions as requested by the purchaser of the Bond, and approved by the officer of the County executing the Financing Documents in accordance with Section 2 of this Resolution.

(c) The rental payments to be made by the Board of Supervisors under the Lease Agreement will be sufficient to pay the debt service on the Bond. The Bond will be in such form and content as determined by the Authority, provided, however, that (i) the principal amount of the Bond will not exceed \$5,000,000 and (ii) the interest rate on the Bond shall not exceed 5% per

annum. The Bond shall be sold to the Bank on substantially the terms and conditions set forth in its letter dated August 28, 2015, given in response to the County's request for proposals, which letter has been presented to the Board of Supervisors previously and is approved and accepted by the Board of Supervisors.

2. Execution of Financing Documents. Any one of the Chairman, Vice-Chairman and the County Administrator is authorized and directed approve the final form and content of the Financing Documents and to execute and deliver Financing Documents to which the County is a signatory. The form and content of each such Financing Document shall be consistent with this Resolution and as approved by the officer of the County signing it, his execution to constitute conclusive evidence of his approval of any such form and content. The County Administrator is authorized and directed to take such actions and give such notices as may be required of him under the Prime Lease and Lease Agreement. All other acts of the County Administrator and other 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 Bond are authorized and approved to be taken, and any such acts previously taken are ratified.

3. Moral Obligation. The Board of Supervisors is not empowered to make any binding commitment beyond the current fiscal year of the Board of Supervisors; nevertheless it is the current intention of the Board of Supervisors to make sufficient annual appropriations during the lease term to pay all rental payments and other amounts required to be paid by the Board of Supervisors under the Lease Agreement and recommends that future Board of Supervisors do likewise during the term of the Lease Agreement. Notwithstanding anything in the Lease Agreements to the contrary, the Board of Supervisor's obligation to pay the cost and expense of performing its obligations under the Lease Agreements, including without limitation its obligation to pay all Rental Payments and all other amounts required to be paid by the Board of Supervisors under the Lease Agreement, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose.

4. Essential Facility. The Board of Supervisors declares that the School is essential to the efficient operation of the County and anticipates that the Project will continue to be essential to the operation of the County during the term of the Lease Agreement.

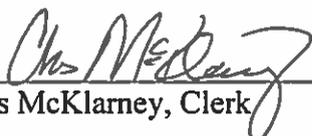
5. Costs. All costs and expenses in connection with the undertaking of the Project and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority and counsel for the County shall be paid from the proceeds of the Bond or other legally available funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall not have any responsibility therefor.

6. Effective Date. This Resolution shall take effect immediately upon its adoption.

Advance Refunding of VRA Loan

The undersigned Clerk of the Board of Supervisors of Giles County, Virginia, certifies that (a) the foregoing constitutes a true, complete and correct copy of a resolution adopted by the Board of Supervisors at a meeting of the Board of Supervisors on September 17, 2015, (b) such meeting was a duly noticed and held regular meeting of the Board, and (c) during the consideration of the foregoing resolution a quorum was present. I further certify that the minutes of such meeting reflect how each member of the Board of Supervisors voted with respect to the adoption of the foregoing resolution as follows:

Member	Attendance	Vote
Barbara Hobbs, Chair	PRESENT	YES
Larry Williams, Vice-Chair	PRESENT	YES
B. Scott Dunn	PRESENT	YES
Paul Baker	PRESENT	YES
Richard McCoy	PRESENT	YES



 Chris McKlarney, Clerk

RESOLUTION OF THE BOARD OF SUPERVISORS OF GILES COUNTY APPROVING THE LEASE REFINANCING OF CAPITAL IMPROVEMENTS TO COUNTY-OWNED FACILITIES AND RELATED IMPROVEMENTS AND SCHOOL FACILITIES AND AUTHORIZING THE LEASING OF SCHOOL FACILITIES, THE EXECUTION AND DELIVERY OF PRIME LEASES, LOCAL ACQUISITION AND FINANCING LEASE (TAX-EXEMPT) AND A LOCAL ACQUISITION AND FINANCING LEASE (TAXABLE), AND OTHER RELATED ACTIONS

The Board of Supervisors of Giles County, Virginia (the "Board") has determined that it is in the best interest of Giles County, Virginia (the "County") to prepay certain bonds of the Industrial Development Authority of Giles County, Virginia (the "IDA"), the proceeds of which bonds were issued to pay the costs of (a) capital improvements to the Giles County Technology Center and Eastern Elementary School and (b) acquiring, constructing and equipping a 30,000 square foot facility leased to Nanosonic, Inc. and related utilities, infrastructure and roadway, subject to certain terms and conditions set forth in this resolution.

Virginia Resources Authority (the "VRA") has indicated its willingness to issue its Fall Series 2015 VRA Bonds (as more particularly defined in the "Tax-Exempt Financing Lease" and "Taxable Financing Lease," defined below, the "VRA Bonds") and to provide a portion of the proceeds thereof, in an amount not less than the "Proceeds Requested," as defined in this resolution, to the County for the purposes described in (a) and (b) above and to pay certain related costs, in accordance with the terms of the "Financing Leases," defined below.

As used in this resolution, "Financing Leases" means a Local Lease Acquisition Agreement and Financing Lease (Tax Exempt) (the "Tax-Exempt Financing Lease") and a Local Lease Acquisition Agreement and Financing Lease (Taxable) (the "Taxable Financing Lease"), each to be dated as of September 25, 2015, or another date to be specified by VRA, between VRA, the School Board of the County (the "School Board") and the County.

VRA has advised the County that the sale date of the VRA Bonds is tentatively scheduled for November 4, 2015, but may occur, subject to market conditions, at any time between November 1 and December 15, 2015, and that VRA's objective is to pay the County a purchase price for each Financing Lease which, in VRA's judgment, reflects its market value (the "Purchase Price Objective"), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the underwriters' discount and other issuance costs of the VRA Bonds, and other market conditions relating to the sale of the VRA Bonds.

Such factors may result in the County receiving an amount other than the par amount of the aggregate principal components of the rental payments under a Financing Lease and consequently the aggregate principal components of the rental payments under a Financing Lease may be greater than the Proceeds Requested in order for the County to receive an amount of proceeds that is not less than the Proceeds Requested with respect to that Financing Lease.

VRA will make the Proceeds Requested available to the County upon certain terms and conditions, and the Board has determined to satisfy those terms and conditions, all in accordance with the following (the “Financing Documents”):

- (i) a Prime Lease whereby the School Board and the County will lease the “Real Property,” defined below, to VRA (the “Prime Lease”);
- (iii) the Tax-Exempt Financing Lease whereby VRA will lease the Real Property to the School Board and the County and the County will make rental payments to VRA; and
- (iv) the Taxable Financing Lease whereby VRA will lease the Taxable Real Property to the County and the County will make rental payments to VRA;

forms of which documents have been presented to the Board at this meeting and filed with the Board’s records.

THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILES COUNTY:

1. Incorporation of Recitals. The recitals above are found and determined to be a part of this resolution.

2. Definitions. Whenever used in this resolution, unless a different meaning clearly appears from the context:

“Maximum Par Amount” shall mean \$5,625,000.

“Proceeds Requested” shall mean, with respect to each Financing Lease, an amount sufficient to prepay the Refunded Bonds prepaid with that Financing Lease and pay costs of issuance of the Financing Lease, or such other amount requested by the County in writing approved by VRA before pricing of the VRA Bonds.

“Real Property” shall mean the School Board’s real estate located at 1825 Wenonah Avenue, Pearisburg, Virginia, and all improvements constituting Giles High School, located on such real estate, as more particularly described in the Prime Lease. If required by VRA, “Real Property” shall also include the School Board’s real estate located at 1827 Wenonah Avenue, Pearisburg, Virginia, and all improvements constituting the Giles County Technology Center, located on such real estate.

“Refunded Bonds” shall have the meaning given such term in Section 3 of this resolution.

3. Prepayment. It is found to be in the best interests of the County to prepay in full the Refunded Bonds, in order to refinance the costs of the capital projects financed by the Refunded Bonds, subject to the terms and conditions of this resolution. Such prepayment (the

“Refunding”) shall be made with a portion of the proceeds derived by the County pursuant to a Financing Lease. For purposes of this resolution, “Refunded Bonds” shall mean all or any portion of the IDA’s \$3,110,000 Public Facilities Lease Revenue Bond, Series 2008A and \$3,200,000 Lease Revenue Bonds, Series 2010 (consisting of a Series A bond and a Series B bond), as determined by the Chairman or Vice Chairman of the Board of Supervisors, each of whom is authorized to determine whether all or a portion, and if only a portion, then which portion, of such bonds will actually be refunded with proceeds of the Bond, and such determined amount shall be the Refunded Bonds for purposes of this resolution

4. Approval of Lease-Leaseback Arrangement. The lease-leaseback arrangement with VRA to accomplish the Refunding is approved.

5. Approval of Prime Lease. The leasing of the Real Property by the School Board and the County, as lessor, to VRA, as lessee, pursuant to the terms of the Prime Lease is approved.

6. Approval of the Financing Leases. The leasing of the Real Property by VRA, as lessor, to the School Board and the County, as lessee, pursuant to the terms of the Financing Leases is approved.

7. Approval of the Terms of the Rental Payments.

The Rental Payments set forth in the Financing Leases shall be composed of principal and interest components and shall result in an aggregate net present value savings in debt service of at least 3.00% of the principal amount of the Refunded Bonds, computed by using the true interest cost of the Financing Leases as the discount rate, with a final maturity of rental payments of not later than December 31, 2049.

The principal components of the Rental Payments under the Financing Leases in the aggregate shall reflect an original aggregate principal amount not to exceed the Maximum Par Amount.

It is determined to be in the best interest of the County to accept the offer of VRA to enter into either or both of the Financing Leases with the County, subject to the terms and conditions set forth in this resolution, which Financing Leases shall be executed on behalf of the County by the Chairman of the Board (the “Chairman”) and the County Administrator, or either of them. Given the VRA Purchase Price Objective and market conditions, it may become necessary to enter into a Financing Lease with aggregate principal components of the Rental Payments greater than the Proceeds Requested with respect to that Financing Lease.

The actions of the Chairman and the County Administrator, or either of them, in accepting the final terms of the Rental Payments shall be conclusive, and no further action shall be necessary on the part of the Board.

8. Other Payments under Financing Leases. The County agrees to pay all amounts required by the Financing Leases, including any amounts required by Section 5.1(b) of the Financing Leases, including the “Supplemental Interest,” as provided in such section.

9. Essentiality of the Real Property. The Tax-Exempt Real Property is found, determined and declared to be essential to the efficient operation of the County, and the County anticipates that the Real Property will continue to be essential to the operation of the County during the term of each Financing Lease.

10. Annual Budget. While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Leases beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Financing Leases. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to include in the budget request for each fiscal year during the term of each Financing Lease an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Lease during such fiscal year. If at any time during any fiscal year of the County throughout the term of either Financing Lease, the amount appropriated in the County’s annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Financing Lease, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

11. Rental Payments Subject to Appropriation. The County’s obligation to make the Rental Payments and all other payments pursuant to the Financing Leases is hereby specifically stated to be subject to annual appropriation therefor by the Board, and nothing in this resolution or the Financing Documents shall constitute a pledge of the full faith and credit or taxing power of the County or compel the Board to make any such appropriation.

12. Authorization of Financing Documents and Other Matters. The forms of the Financing Documents have been presented to the Board at this meeting and are approved. Either of the Chairman or County Administrator is authorized to execute and deliver on behalf of the County the Financing Documents in substantially the forms submitted to the Board, with such changes, insertions or omissions as may be approved by the officer executing them, whose approval shall be evidenced conclusively by the execution and delivery of the Financing Documents. The Chairman, County Administrator and any other officer of the County are authorized to execute and deliver on behalf of the County such other instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Financing Documents, and all of the foregoing, previously done or performed by such officers of the County, are in all respects approved, ratified and confirmed.

13. Disclosure Documents. The Board authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both to be prepared in connection with the sale of each series of the VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator is authorized and directed to take whatever actions are necessary or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

14. Tax Documents. The County Administrator and the Chairman, either of whom may act, is authorized to execute a Nonarbitrage Certificate and Tax Compliance Agreement and/or any related document with respect to the Refunding (the "Tax Documents") setting forth the expected use and investment of the proceeds of the VRA Bonds to be received by the County pursuant to the related Financing Document and containing such covenants as may be necessary in order for the County and/or VRA to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the VRA Bonds and the Financing Documents, including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The County covenants that the proceeds of the VRA Bonds to be received pursuant to the Tax-Exempt Financing Lease will be invested and expended as set forth in the Tax Documents, to be delivered simultaneously with the issuance and delivery of the Tax-Exempt Financing Lease and that the County shall comply with the other covenants and representations contained therein.

15. Refunding. The County Administrator and the Chairman, either of whom may act, are authorized and directed to take such steps as may be necessary to accomplish the Refunding. The County Administrator and the Chairman, either of whom may act, are authorized to execute and deliver an Escrow Agreement with an escrow agent that may be selected by the County Administrator, if the County Administrator determines such the Escrow Agreement to be necessary or desirable in connection with the Refunding.

16. Other Actions. All other actions of the officers of the County in conformity with the purpose and intent of this Resolution are hereby approved and confirmed. The officers of the County are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the actions contemplated by this Resolution or the execution and delivery of the Financing Documents.

17. SNAP Investment Authorization. The County has previously received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the County has determined to authorize the County Administrator to use SNAP in connection with the investment of the proceeds of the lease-leaseback transaction if the County Administrator determines that the use of SNAP is in the best interest of the County. The Board acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the contract creating the investment program pool.

18. Authority of Officers and Agents. The officers and agents of the County shall do all acts and things required of them by this resolution and the Financing Documents for the complete and punctual performance of all the terms, covenants and agreements contained therein.

19. Limitation of Rights. Nothing expressed or mentioned in or to be implied from this resolution or the Financing Lease is intended or shall be construed to give to any person or company other than the parties to the Financing Lease any legal or equitable right, remedy or claim under or in respect to this resolution or any covenants, conditions and agreements herein contained; this resolution and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of such parties.

20. Limitation of Liability of Officials of County. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the County in his individual capacity, and neither the members of the County nor any officer thereof executing the Financing Lease shall be liable personally on the Financing Lease or be subject to any personal liability or accountability by reason of its execution. No member, officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him pursuant to this resolution or the Act, provided he acts in good faith.

21. Headings. Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

22. Effective Date. This resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of Giles County, Virginia, hereby certifies that (a) the foregoing constitutes a true, complete and correct copy of a resolution adopted on September 17, 2015, by the Board of Supervisors at a regular meeting, and (b) during the consideration of the foregoing resolution, a quorum was present. I hereby further certify that the minutes of such meeting reflect how each member of the Board of Supervisors voted with respect to the adoption of the foregoing resolution as follows:

<u>Member</u>	<u>Vote</u>
Barbara Hobbs, Chair	YES
Larry Williams, Vice-Chair	YES
B. Scott Dunn	YES
Paul Baker	YES
Richard McCoy	YES



 Chris McKlarney, Clerk, Board of Supervisors
 of Giles County, Virginia

(SEAL)