

At a meeting of the Cumberland County Board of Supervisors held at 7:00 p.m. on the 26th day of July, 2012, at the Cumberland County Circuit Court Room:

Present: William F. Osl, Jr., District 1
Lloyd Banks, Jr., District 2, Vice-Chairman
Kevin Ingle, District 3
David Meinhard, District 4, Chairman
Parker Wheeler, District 5
Vivian Giles, County Administrator / Attorney
Meghan Huddleston, Deputy Clerk

Also Present: Ginger Sanderson, District 1, Chairman
George Lee Dowdy III, District 2
Eurika Tyree, District 3
George Reid, Jr., District 4, Vice-Chairman
Christine Ross, District 5
Dr. Amy Griffin, School Superintendent

Absent: NONE

The Chairman of the School Board, Ginger Sanderson, called the meeting of the School Board to order.

The Chairman of the Board of Supervisors called the meeting to order and the County Administrator called the roll.

Chairman, Ginger Sanderson request all stand and observe a moment of silence.

1. Pledge of Allegiance

The Pledge of Allegiance was led by Supervisor Osl.

2. Approval of Agenda.

Supervisor Reid made a motion, seconded by Supervisor Dowdy to approve the agenda.

Vote: Ms. Sanderson – aye Mr. Dowdy - aye
Ms. Tyree – aye Mr. Reid – aye
Ms. Ross – aye

On a motion by Supervisor Osl and carried the Board approved the Agenda.

Vote: Mr. Osl – aye Mr. Banks – aye
Mr. Ingle – aye Mr. Meinhard – aye
Mr. Wheeler - aye

3. **Public Hearing**

Refinance of 2001 & 2008 Bonds

The Chairman opened the Public Hearing. There were no citizens signed up to speak.

Mr. Chris Kulp reviewed the information of the refinancing to both Boards. There was much discussion between the School Board and Mr. Kulp.

With no further questions, the Chairman closed the Public Hearing.

4. **Resolution**

On a motion by Supervisor Osl and carried the Board approved the details of a lease financing associated with the prepayment of certain outstanding 2008 obligations of the county and to authorize the execution and delivery of related documents

**Resolution to approve the details of a
lease financing associated with
THE PREPAYMENT OF CERTAIN OUTSTANDING 2008
OBLIGATIONS OF THE COUNTY
and to authorize the execution and delivery of related
documents**

WHEREAS, the Industrial Development Authority of The County of Stafford and the City of Staunton, Virginia (the “Stafford/Staunton IDA”) has previously issued its \$20,200,000 Lease Revenue VML/VACo Bonds (Cumberland County High School Complex Project), Series 2008 (the “Series 2008 Bonds”), and loaned the proceeds thereof to Cumberland County, Virginia (the “County”), pursuant to the terms of a Loan Agreement dated as of December 1, 2008 (the “2008 Loan Agreement”), to enable the County to finance and refinance certain infrastructure improvements, including the acquisition, construction, renovation and equipping of capital facilities and projects for a combined middle school and high school, renovations to other school-related facilities, acquisition of emergency services vehicles and equipment, acquisition and renovation of emergency services facilities, renovation and repair to other County facilities, and

related administrative and financing costs (collectively, the “2008 Project”);

WHEREAS, the County has issued its \$20,200,000 Public Facility Lease Revenue Note, Series 2008 (the “2008 Note”), as evidence of its repayment obligations to the Stafford/Staunton IDA under the 2008 Loan Agreement;

WHEREAS, pursuant to the terms of a Prime Lease dated as of December 1, 2008 (the “2008 Prime Lease”), the Cumberland County School Board (the “School Board”) granted to the County a leasehold interest in certain real property and improvements, including the property on which a portion of the school-related facilities are located (the “2008 Collateral”);

WHEREAS, pursuant to the terms of Lease Agreement dated as of December 1, 2008 (the “2008 Financing Lease”), the County leased the 2008 Collateral back to the School Board;

WHEREAS, the 2008 Note is secured by, among other things, the County’s rights to receive payments from the School Board under the 2008 Financing Lease, and such other rights as were assigned by the County to U.S. Bank National Association, as trustee (the “2008 Trustee”), for the benefit of the holders of the Series 2008 Bonds and certain other secured parties, all pursuant to the terms of an Assignment Agreement dated as of December 1, 2008 (the “2008 Assignment Agreement”), by and between the County and the 2008 Trustee;

WHEREAS, the County is the beneficiary of an ISDA Master Agreement and Schedule, each dated as of December 1, 2008, together with a Confirmation dated December 16, 2008 (collectively, the “2008 Swap”), between the Stafford/Staunton IDA and Bank of America, N.A., relating to certain interest payments due from the County under the 2008 Note and the 2008 Loan Agreement;

WHEREAS, the County Board of Supervisors (the “Board”) has previously expressed its desire to prepay the 2008 Note and terminate its obligations under the 2008 Loan Agreement, the 2008 Swap and all other documents related to the 2008 Note and the financing represented thereby;

WHEREAS, at the request of the Board, the County’s administration, in collaboration with Davenport & Company LLC, the County’s financial advisor (the “Financial Advisor”), has solicited proposals from several banking institutions;

WHEREAS, the Board has received from SunTrust Bank (the “Bank”) a proposal, a copy of which is attached hereto as Exhibit A (the “Proposal”), offering to refinance the 2008 Note and related financing obligations by agreeing to act as a financing lessee under a prime lease and to act as a financing lessor under a

financing lease, and the Financial Advisor has recommended that the Board accept such Proposal;

WHEREAS, a public hearing has been held as required by Section 15.2-1800 of the Code of Virginia of 1950, as amended (the "Virginia Code"), relating to the proposal for a new lease financing by which the Bank would acquire a leasehold interest in all or a portion of the real property and improvements constituting the middle school and high school complex (such leased parcels herein referred to as the "2012 Leased Collateral"), to serve as collateral for the Bank's provision of funds to the County to prepay the 2008 Note and related financing obligations (including the termination of the 2008 Swap); and

WHEREAS, there have been circulated to members of the Board (a) a draft Deed and Agreement of Prime Lease (the "2012 Prime Lease"), pursuant to which the School Board and the County will convey to the Bank a leasehold interest in the 2012 Leased Collateral, and (b) a draft Deed and Agreement of Financing Lease (the "2012 Financing Lease"), pursuant to which the Bank will sub-lease the 2012 Leased Collateral back to the School Board and the County, both of which instruments the County proposes to execute or approve to carry out the purposes of the refinancing and copies of which shall be filed with the records of the Board;

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

1. Terms of 2012 Lease Financing. The Board approves the following lease financing structure. The School Board and the County will lease the 2012 Leased Collateral to the Bank pursuant to the terms of the 2012 Prime Lease, and the Bank will lease the 2012 Leased Collateral to the County and the School Board pursuant to the terms of the 2012 Financing Lease. The Board, on behalf of the County, will undertake to make payments to the Bank as specified in the 2012 Financing Lease ("Rental Payments") in amounts sufficient to repay the loan from the Bank (such portion of Rental Payments referred to as "Basic Rent") and to pay such other amounts due under the 2012 Financing Lease (such portion of Rental Payments referred to as "Additional Rent"). The final terms of the loan contained in the 2012 Financing Lease shall be determined by the County Administrator as she deems to be in the best interests of the County; provided, however, that (a) the aggregate total of principal components of the Basic Rent shall not exceed \$21,500,000; (b) the term of the 2012 Financing Lease shall expire no later than December 31, 2030; (c) the term of the 2012 Prime Lease shall expire no later than December 31, 2035; (d) the interest component of Basic Rent shall not exceed 2.96% per year; and (e) the payments of Basic Rent shall be subject to prepayment at any time upon the terms set out in the Proposal and the 2012 Financing Lease. Subject to the preceding terms, the Board further authorizes the County

Administrator to determine the payment dates and amounts of the principal components of Basic Rent.

2. Prepayment of 2008 Note and Related Financing Obligations. The Board requests that the Stafford/Staunton IDA consent to the prepayment of the 2008 Note and the termination of the County's obligations under the 2008 Loan Agreement and related financing obligations. The Board authorizes the termination of the 2008 Swap. The Board further authorizes the County to pay from proceeds of the 2012 Financing Lease or from other legally available funds (a) the outstanding principal of and accrued interest on the 2008 Note to the date of prepayment and any other amounts due from the County under the 2008 Loan Agreement and (b) such fees and expenses deemed reasonable by the County Administrator associated with the actions required of the Stafford/Staunton IDA, the termination of the 2008 Swap (including any termination payment owed by the County to Bank of America, N.A.), the termination of the 2008 Prime Lease, the 2008 Financing Lease and related documents and the execution and delivery of the 2012 Prime Lease, the 2012 Financing Lease and related documents.

3. Approval of 2012 Lease Documents. The Chairman of the Board (the "Chairman") and the County Administrator, either of whom may act, are authorized and directed to execute the 2012 Prime Lease and the 2012 Financing Lease, the forms of which submitted to this meeting are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution (including a final determination of which parcels shall constitute the "2012 Leased Collateral") as may be approved by the County Attorney and the officer executing the 2012 Prime Lease and the 2012 Financing Lease, such execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes. The County Administrator is authorized to enter into a refunding escrow arrangement with the 2008 Trustee, if and as desired, and to grant a leasehold deed of trust on any or all of the 2012 Leased Collateral as further security for the lease financing, if and as required by the Bank.

4. Subject to Appropriation. The financial undertakings by the County under the 2012 Financing Lease shall be limited obligations payable solely from funds to be appropriated by the Board for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the 2012 Financing Lease shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

5. Annual Budget. The Board believes that funds sufficient to make payment of all amounts payable under the 2012 Financing Lease can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments 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 2012 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 include in the budget request for each fiscal year during the term of the 2012 Financing Lease an amount sufficient to pay all amounts expected to come due under the 2012 Financing Lease during such fiscal year. As soon as practicable after the adoption of the County's annual budget, the County Administrator is authorized and directed to deliver to the Bank evidence indicating whether the annual budget contains an appropriation sufficient to pay all amounts expected to come due under the 2012 Financing Lease for such fiscal year. If at any time during a particular fiscal year of the County (through the last fiscal year in which the final payment of Basic Rent will be due), the amount appropriated in the County's annual budget for such fiscal year is insufficient to pay when due the amounts then payable under the 2012 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, a request for a supplemental appropriation sufficient to cover the deficit.

6. Arbitrage Covenants. The County covenants that it shall not take or omit to take any action the taking or omission of which shall cause the portion of the principal components of rental payments under the 2012 Financing Lease to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and regulations thereunder, or otherwise cause interest on such principal components to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the 2012 Financing Lease. The County shall pay from its legally available general funds any amount required to be rebated to the United States of America pursuant to the Tax Code.

7. Tax Compliance Documentation. Such officers of the County as may be requested by the County's bond counsel are authorized and directed to execute and deliver any documentation necessary to establish the exemption from gross income for federal income tax purposes of the interest components of the Basic Rent, as may be approved by the officers

of the County executing such documents, whose approval shall be evidenced conclusively by the execution and delivery thereof.

8. Limitation on Private Use. The County covenants that it shall not permit the proceeds of the 2012 Financing Lease or the facilities refinanced thereby to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities refinanced with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Tax Code, (b) 5% or more of such proceeds or the facilities refinanced with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Tax Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Tax Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest component of the Basic Rent from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenants.

9. Authorization to Record. 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.

10. Other Actions. Such officers of the Board and of the County as may be requested by the County Administrator and bond counsel are authorized and directed to execute and deliver all certificates and instruments and to take all actions necessary or desirable in connection with the execution and delivery of the 2012 Prime Lease and the 2012 Financing Lease, the prepayment of the 2008 Note and related financing obligations (including the termination of the 2008 Swap), the termination of the 2008 Prime Lease and the 2008 Financing Lease and the completion of the 2012 lease financing with the Bank. All other acts of the officers of the County that are in conformity with the purposes and intent of this Resolution are approved and ratified.

11. Effective Date. All prior resolutions or actions inconsistent with this Resolution are hereby repealed. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of Cumberland County, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a special meeting of the County Board held on July 26, 2012, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a special meeting to

which notice had properly been given and that, during the consideration of the foregoing resolution, a quorum was present.

Members present at the meeting were: William Osl, Lloyd Banks, Kevin Ingle, David Meinhard, Parker Wheeler.

Members absent from the meeting were: NONE.

Members voting in favor of the foregoing resolution were: William Osl, Lloyd Banks, Kevin Ingle, David Meinhard, Parker Wheeler.

Members voting against the foregoing resolution were: NONE.

Members abstaining from voting on the foregoing resolution were: NONE.

Vote:	Mr. Osl – aye	Mr. Banks – aye
	Mr. Ingle – aye	Mr. Meinhard – aye
	Mr. Wheeler - aye	

5. **Resolution**

On a motion by Supervisor Banks and carried the Board approved the details of a lease financing associated with the prepayment of certain outstanding 2001 obligations of the county to authorize the execution and delivery of related documents

**Resolution to approve the details of a
lease financing associated with
THE PREPAYMENT OF CERTAIN OUTSTANDING 2001
OBLIGATIONS OF THE COUNTY
and to authorize the execution and delivery of related
documents**

WHEREAS, the Industrial Development Authority of Cumberland County, Virginia (the “Authority”) has previously issued its \$3,845,000 Public Facility Lease Revenue Bonds (Cumberland County Courthouse Expansion Project), Series 2001 (the “Series 2001 Bonds”), and loaned the proceeds thereof to Cumberland County, Virginia (the “County”) to enable the County to finance the construction, renovation and other costs of certain improvements, upgrades and additions to the existing courthouse building and administrative facilities for the benefit of the County (collectively, the “2001 Project”);

WHEREAS, pursuant to the terms of a Ground Lease dated as of October 1, 2001 (the “2001 Ground Lease”), the County granted to the Authority a leasehold interest in certain real property and improvements, including the property on which a portion of the 2001 Project is located (the “2001 Collateral”);

WHEREAS, pursuant to the terms of Lease Agreement dated as of October 1, 2001 (the “2001 Lease Agreement”), the Authority leased the 2001 Collateral back to the County;

WHEREAS, the Series 2001 Bonds are secured by, among other things, the Authority’s rights to receive payments from the County under the 2001 Lease Agreement, and such other rights as were assigned by the Authority to First Union National Bank, as trustee (the “2001 Trustee”), for the benefit of the holders of the Series 2001 Bonds, all pursuant to the terms of an Assignment Agreement dated as of October 1, 2001 (the “2001 Assignment Agreement”), by and between the Authority and the 2001 Trustee;

WHEREAS, in connection with the debt service reserve fund established for the Series 2001 Bonds, the County entered into a Debt Service Reserve Forward Delivery Agreement dated as of December 27, 2001 (the “2001 Debt Service Reserve Agreement”), by and among the 2001 Trustee, the Authority and First Union National Bank (succeeded in interest by Wells Fargo Bank, National Association), as the provider (the “Provider”);

WHEREAS, the County Board of Supervisors (the “Board”) has previously expressed its desire to refinance the 2001 Project through the refunding of the Series 2001 Bonds;

WHEREAS, at the request of the Board, the County’s administration, in collaboration with Davenport & Company LLC, the County’s financial advisor (the “Financial Advisor”), has solicited proposals from several banking institutions;

WHEREAS, the Board has received from SunTrust Bank (the “Bank”) a proposal, a copy of which is attached hereto as Exhibit A (the “Proposal”), offering to refinance the 2001 Project through the refunding of the Series 2001 Bonds by agreeing to act as a financing lessee under a prime lease and to act as a financing lessor under a financing lease, and the Financial Advisor has recommended that the Board accept such Proposal;

WHEREAS, a public hearing has been held as required by Section 15.2-1800 of the Code of Virginia of 1950, as amended (the “Virginia Code”), relating to the proposal for a new lease financing by which the Bank would acquire a leasehold interest in all or a portion of the real property and improvements constituting the County Courthouse and Administration Complex (such leased parcels herein referred to as the “2012 Leased Collateral”), to serve as collateral for the Bank’s provision of funds to the County to refinance the 2001 Project through the refunding of the Series 2001 Bonds; and

WHEREAS, there have been circulated to members of the Board (a) a draft Deed and Agreement of Prime Lease (the “2012 Prime Lease”), pursuant to which the County will convey to the Bank a leasehold interest in the 2012 Leased Collateral, and (b) a draft Deed and Agreement of Financing Lease (the “2012 Financing Lease”), pursuant to which the Bank will sub-lease the 2012 Leased Collateral back to the County, both of which instruments the County proposes to execute or approve to carry out the purposes of the refinancing and copies of which shall be filed with the records of the Board;

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

1. Terms of 2012 Lease Financing. The Board approves the following lease financing structure. The County will lease the 2012 Leased Collateral to the Bank pursuant to the terms of the 2012 Prime Lease, and the Bank will lease the 2012 Leased Collateral to the County pursuant to the terms of the 2012 Financing Lease. The Board, on behalf of the County, will undertake to make payments to the Bank as specified in the 2012 Financing Lease (“Rental Payments”) in amounts sufficient to repay the loan from the Bank (such portion of Rental Payments referred to as “Basic Rent”) and to pay such other amounts due under the 2012 Financing Lease (such portion of Rental Payments referred to as “Additional Rent”). The final terms of the loan contained in the 2012 Financing Lease shall be determined by the County Administrator as she deems to be in the best interests of the County; provided, however, that (a) the aggregate total of principal components of the Basic Rent shall not exceed \$2,350,000; (b) the term of the 2012 Financing Lease shall expire no later than December 31, 2023, (c) term of the 2012 Prime Lease shall expire no later than December 31, 2028; (d) the interest component of Basic Rent shall not exceed 2.31% per year; and (e) the payments of Basic Rent shall be subject to prepayment at any time upon the terms set out in the Proposal and the 2012 Financing Lease. Subject to the preceding terms, the Board further authorizes the County Administrator to determine the payment dates and amounts of the principal components of Basic Rent.

2. Refunding of Series 2001 Bonds. The Board authorizes the County to pay from proceeds of the 2012 Financing Lease or from other legally available funds (a) amounts necessary to provide for the defeasance of the Series 2001 Bonds to the first available redemption date and any other amounts due from the County under the 2001 Lease Agreement and (b) any fees and expenses deemed reasonable by the County Administrator associated with the actions required of the Authority, the termination of the 2001 Ground Lease, the 2001 Lease Agreement and related documents and the execution and delivery of the 2012 Prime Lease, the 2012 Financing Lease and related documents. In connection with the defeasance of the Series 2001 Bonds, the

Board further authorizes the County Administrator to take such actions as may be necessary to terminate the 2001 Debt Service Reserve Agreement and to apply any termination amounts paid by the Provider for use in such defeasance.

3. Approval of 2012 Lease Documents. The Chairman of the Board (the "Chairman") and the County Administrator, either of whom may act, are authorized and directed to execute the 2012 Prime Lease and the 2012 Financing Lease, the forms of which submitted to this meeting are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution (including a final determination of which parcels shall constitute the "2012 Leased Collateral") as may be approved by the County Attorney and the officer executing the 2012 Prime Lease and the 2012 Financing Lease, such execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes. The County Administrator is authorized to enter into a refunding escrow arrangement with the 2001 Trustee, if and as desired, and to grant a leasehold deed of trust on any or all of the 2012 Leased Collateral as further security for the lease financing, if and as required by the Bank.

4. Subject to Appropriation. The financial undertakings by the County under the 2012 Financing Lease shall be limited obligations payable solely from funds to be appropriated by the Board for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the 2012 Financing Lease shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

5. Annual Budget. The Board believes that funds sufficient to make payment of all amounts payable under the 2012 Financing Lease can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments 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 2012 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 include in the budget request for each fiscal year during the term of the 2012 Financing Lease an amount sufficient to pay all amounts expected to come due under the 2012 Financing Lease during such fiscal year. As soon as practicable after the adoption of the County's annual budget, the County Administrator is authorized and directed to deliver to the Bank evidence indicating whether the annual budget contains an appropriation sufficient to pay all amounts expected to come due under the 2012 Financing

Lease for such fiscal year. If at any time during a particular fiscal year of the County (through the last fiscal year in which the final payment of Basic Rent will be due), the amount appropriated in the County's annual budget for such fiscal year is insufficient to pay when due the amounts then payable under the 2012 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, a request for a supplemental appropriation sufficient to cover the deficit.

6. Arbitrage Covenants. The County covenants that it shall not take or omit to take any action the taking or omission of which shall cause the portion of the principal components of rental payments under the 2012 Financing Lease to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and regulations thereunder, or otherwise cause interest on such principal components to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the 2012 Financing Lease. The County shall pay from its legally available general funds any amount required to be rebated to the United States of America pursuant to the Tax Code.

7. Tax Compliance Documentation. Such officers of the County as may be requested by the County's bond counsel are authorized and directed to execute and deliver any documentation necessary to establish the exemption from gross income for federal income tax purposes of the interest components of the Basic Rent, as may be approved by the officers of the County executing such documents, whose approval shall be evidenced conclusively by the execution and delivery thereof.

8. Limitation on Private Use. The County covenants that it shall not permit the proceeds of the 2012 Financing Lease or the facilities refinanced thereby to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities refinanced with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Tax Code, (b) 5% or more of such proceeds or the facilities refinanced with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Tax Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Tax Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the

interest component of the Basic Rent from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenants.

9. Authorization to Record. 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.

10. Other Actions. Such officers of the Board and of the County as may be requested by the County Administrator and bond counsel are authorized and directed to execute and deliver all certificates and instruments and to take all actions necessary or desirable in connection with the execution and delivery of the 2012 Prime Lease and the 2012 Financing Lease, the refunding of the Series 2001 Bonds and related financing obligations, the termination of the 2001 Ground Lease and the 2001 Lease Agreement, the termination of the 2001 Debt Service Reserve Agreement, and the completion of the 2012 lease financing with the Bank. All other acts of the officers of the County that are in conformity with the purposes and intent of this Resolution are approved and ratified.

11. Effective Date. All prior resolutions or actions inconsistent with this Resolution are hereby repealed. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of Cumberland County, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a special meeting of the County Board held on July 26, 2012, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a special meeting to which notice had properly been given and that, during the consideration of the foregoing resolution, a quorum was present.

Members present at the meeting were: William Osl, Lloyd Banks, Kevin Ingle, David Meinhard, Parker Wheeler.

Members absent from the meeting were: NONE.

Members voting in favor of the foregoing resolution were: William Osl, Lloyd Banks, Kevin Ingle, David Meinhard, Parker Wheeler.

Members voting against the foregoing resolution were: NONE.

Members abstaining from voting on the foregoing resolution were: NONE.

Vote: Mr. Osl – aye Mr. Banks – aye
Mr. Ingle – aye Mr. Meinhard – aye
Mr. Wheeler - aye

6. **Resolution – to set percentage of Personal Property Tax Relief**

On a motion by Supervisor Osl and carried the Board adopted the resolution to set the percentage of Personal Property Tax Relief to be 45.8%

**RESOLUTION PURSUANT TO
CUMBERLAND COUNTY CODE § 58-291(b)**

**ADOPTION OF THE FISCAL YEAR 2012
PERSONAL PROPERTY TAX RELIEF ACT PERCENTAGE
TO BE APPLIED TO TANGIBLE PERSONAL PROPERTY**

WHEREAS, Va. Code § 58.1-3524 requires the governing body of each locality annually to establish a rate at which personal property tax relief is applied to tangible personal property; and

WHEREAS, pursuant to Cumberland County Code § 58-291, the Board is required to establish, by resolution, the percentage of tax relief at such a level that it anticipates to fully exhaust the Personal Property Tax Relief Act funds received from the Commonwealth; and

WHEREAS, the Commissioner of the Revenue has determined that for fiscal year 2012, the rate at which the Personal Property Tax Relief Act funds received from the Commonwealth would be exhausted in Cumberland County when applied to tangible personal property is 45.18%.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Cumberland County, Virginia hereby establishes the fiscal year 2012 Personal Property Tax Relief Act percentage to be applied to tangible personal property to be 45.18%.

Adopted the 26th day of July, 2012.

Vote: Mr. Osl – aye Mr. Banks – aye
Mr. Ingle – aye Mr. Meinhard – aye
Mr. Wheeler - aye

7. **Old DSS Building - Offer to lease**

County Administrator Vivian Giles advised the Board that she had received an offer to lease the old Department of Social Services building. She recommended to the Board that they set this for a public hearing at the next regular meeting.

8. **Adjourn** - Regular Monthly Meeting, August 14, 2012

David Meinhard, Chairman

Vivian Giles, County Administrator