

April 19, 2005

The Carroll County Board of Supervisors held their regular monthly meeting on Tuesday, April 19, 2005 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: Brian E. Spencer, Chairman
 Glenna Myers, Vice-Chairman
 L. J. Jones
 Sharon F. Nichols
 Joseph H. Early, III
 W. Jeff Evans
 Craig E. Teller, County Administrator
 Ronald L. Newman, Deputy Assistant Administrator
 Bradley Dalton, County Attorney
 Andrew Jennings, Student Supervisor

Mr. Spencer thanked everyone for coming to the meeting and welcomed Student Supervisor Andrew Jennings. He then asked Mr. Evans to lead in prayer and the pledge of allegiance.

CONSENT AGENDA DISCUSSION

Mr. Evans told that there was an August 2003 motion for Ms. Libby Lineberry to receive a stipend for doing the EMS billing and stated that since she is not involved in the billing now this should not be paid. He then asked about the claim involved with basket bingo.

Mr. Teller told that the Recreation Department was trying to raise funds and that basket bingo has been successful. He told that baskets had to be purchased for prizes.

Mr. Evans asked if more than one place was checked for prices.

Mr. Larry Collins, Recreation Director, told that Renae Sizemore had talked with Ms. Halsey to pick out the cheapest and best baskets and that there was a 15% discount.

Mr. Evans told that this was a lot of money and that people in the County should have been given this opportunity.

Mr. Spencer commented that one school had cleared over \$4000 with basket bingo.

Mr. Evans stated that this much money should be spent in the County. He then asked about the Citizens Time in the minutes.

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Mr. Teller stated that the minutes are draft until adopted and that it is difficult to get all exactly correct.

Mr. Evans commented that it was Mr. Newman's job to write the minutes and then changes be made at the meeting.

Mr. Teller commented that any Board member can come in and review the minutes and that they were only draft minutes until adopted.

Mr. Evans stated that he felt a personal matter between Mr. Early and Ms. Reagin did not belong in the minutes. He told that Ms. Reagin did not take the stand to speak but spoke out of turn from the audience.

Mr. Dalton stated that the minutes needed to be correct from what was said. He stated that the Board had a legal job to make sure what is said at the meeting is in the minutes.

Mr. Evans told that this would be impossible for anyone to do unless they record every word.

(Order)

APPROVE MINUTE PROCEDURE

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed, the Board instructed the Clerk to only record in the minutes what comes from the podium.

Note: Mr. Spencer instructed Mr. Newman to delete the portion about the person.

Mr. Early Abstained on the above motion.

(Order)

DELETE STIPEND CHECK

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed, the Board approved deleting the EMS stipend check for Libby Lineberry.

Note: Mrs. Nichols voted No on the above motion.

(Order)

AMEND MINUTES

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Upon motion by Mrs. Nichols, seconded by Mrs. Myers, and passed unanimously, the Board deleted the last sentence of the first complete paragraph of the minutes as listed on page A6.

(Order)

APPROVAL OF PAYROLL

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved the payroll for March 31, 2005 and April 15, 2005 and did authorize the Chairman and Clerk, along with Bonita M. Williams, Treasurer, to sign on the 29th day of April and the 13th day of May checks for the payment of salaries and wages for all County officials and employees as previously budgeted by the State Compensation Board and this Board of Supervisors.

(Order)

APPROVAL OF MINUTES

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved the minutes from their regular monthly meeting held on March 15, 2005 as amended this day and approved the minutes from a special meeting held on April 12, 2005 as previously distributed to the members of the Board by its Clerk and as recorded in Minute Book No. 24 in the County Administrator's Office.

(Order)

APPROVAL OF CLAIMS

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved the County General Claims as presented this day and as evidenced by check numbers 73631-73845, did approve the Carroll County Industrial Development Authority claims as presented this day and as evidenced by check numbers 1595-1598, did approve the Carroll County Industrial Development Authority Bond Account claim as presented this day and as evidenced by check number 1008, and did approve the Carroll County EMS claims as presented this day and as evidenced by check numbers 2431-2446 and 2448-2460.

(Order)

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APPROVE SHERIFF'S OFFICE ADDITIONAL APPROPRIATION

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appropriating the \$1500.00 received as the Alcohol Safety Grant to the Carroll County Sheriff's Office line item 031020-5409 Police Supplies.

(Order)

APPROVE SHERIFF'S OFFICE ADDITIONAL APPROPRIATION

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appropriating the \$1500.00 received as the Checkpoint Strikeforce Mini-Grant and the \$9000.00 received as the DUI Selective Enforcement Grant to the Carroll County Sheriff's Office line item 031020-1001 Salaries.

(Order)

APPROVE SHERIFF'S OFFICE LINE ITEM TRANSFERS

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved transferring \$16,500.00 to the Sheriff's Office line item 031020-1001 Salary and Wages from the following:

| | | |
|-------------|-----------------------|------------|
| 031020-3006 | Maintenance Contracts | \$3,000.00 |
| 031020-7000 | Computer Equipment | 3,500.00 |
| 031020-3005 | Radio & Equipment | 10,000.00 |

and did approve the transfer of \$1300.00 from 031020-7000 Computer Equipment to 031020-2001 FICA.

(Order)

APPROVE CIRCUIT COURT CLERK'S OFFICE ADDITIONAL APPROPRIATION

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appropriating \$1,055.00 received as a grant from the Library of Virginia to the Circuit Court Clerk's Office line item 021060-9005 Grant for Clerk's Office.

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(Order)

**APPROVE GARAGE EMERGENCY VEHICLES DEPARTMENT
APPROPRIATION**

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved establishing a budget for Garage Emergency Vehicles and did make the following appropriations:

| | |
|---|------------|
| Salaries and Wages, Part Time 043300-1003 | \$6,591.00 |
| FICA 043300-2001 | 505.00 |
| Supplies 043300-5408 | 500.00 |
| Tools 04330-5415 | 1,000.00 |
| Gasoline 04330-5504 | 1,000.00 |

(Order)

**APPROVE COMPREHENSIVE SERVICES ACT SUPPLEMENTAL
ALLOCATION**

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appropriating \$29,100.00 to the Comprehensive Services Act line item 053020-6901.

(Order)

APPROVE PLANNING COMMISSION APPOINTMENTS

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appointing the following individuals as the Carroll County Planning Commission for the terms listed:

Term beginning January 1, 2005 and ending December 31, 2008:

Mr. Namon Strickland
Ms. Beverly Durnil
Mr. Larry Chambers

Term beginning January 1, 2005 and ending December 31, 2007:

Mr. Emmett Jones

Term beginning January 1, 2005 and ending December 31, 2006:

Oscar Hill

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Term beginning January 1, 2005 and ending December 31, 2005:

Tom Hawks

Board of Supervisors member

W. Jeff Evans

(Order)

**APPROVE NEW RIVER REGIONAL WATER AUTHORITY
WITHDRAWAL**

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved the WITHDRAWAL APPLICATION and the RESOLUTION OF THE BOARD OF SUPERVISORS OF CARROLL COUNTY, THE BOARD OF SUPERVISORS OF WYTHE COUNTY AND THE COUNCIL OF THE TOWN OF WYTHEVILLE AUTHORIZING THE WITHDRAWAL OF CARROLL COUNTY FROM THE NEW RIVER REGIONAL WATER AUTHORITY AND AMENDING AND RESTATING THE ARTICLES OF INCORPORATION OF THE AUTHORITY.

Note: This motion was rescinded later in this meeting.

(Order)

APPROVE COUNTY FAIR APPROPRIATION

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved appropriating \$1000.00 to line item 012050-5416 CC Expo to cover expenses incurred toward the County Fair.

PRESENTATION OF CERTIFICATES OF APPRECIATION

The Carroll County Board of Supervisors presented Certificates of Appreciation to the following:

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Virginia Employment Commission (Mr. Bill Webb and Ms. Ann Hodges) for outstanding dedication to Carroll County to attract AmerLink and other companies and to assist AmerLink in finding employees.

Mr. J. B. Gardner, Mr. Adam Baumgardner, Mr. Wayne McKnight, and Ms. Shanna Casto for their outstanding citizenship in assisting a man who fallen ill on the streets of Washington, DC.

Mr. Bob Morrison for exemplary service to Carroll County as a community leader and business man.

Mrs. Betty Morrison for her love and devotion to her husband and for being an active participant in community organizations.

Ms. Emily Halsey for her assistance with Chillsnet and helping the youth through her employment with Mountain View Youth & Family Services, and for her volunteering in social and morale programs.

CITIZENS TIME

The following individuals spoke concerning the proposed Motorcross Track:

Ms. Liz Beamer-Farrell presented the Board with a handout of information on what motorcross is as well as the Constitution of Virginia. She told that she had talked with the man that said he bought the land and would have 8-9 kids there but he had told the Board he would have 20-30 people. She told that she lived ½ mile through the woods, but in tears told she had to close her windows. She stated that she drove a little car but was run off the road by a dually pulling a trailer. She told that there was no guardrail on Silverleaf Road and that safety is at risk. She suggested there was a need for a bond or insurance to cover everyone there.

Ms. Janet Tate told that her kids were 5th generation Carroll County. She told that she was in the Laurel Fork district but not this community. She told that people are appalled and no one wants this near them. She stated that all people in Carroll County have worked and paid taxes and noise should not be belittled. She told that the County needed noise control. She commented that what these people were going through was wrong and that anybody in any district could be affected. She told that she hoped the Board would not chose indifference.

Mr. Bill Steinhoff told that he lived pretty far away from the motorcross track. He told that he retired here because of the peace and quiet but commented that motorcross is loud. He told that this was going on four days

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per week and thanked God this was not in his back yard. He stated that this was a good issue for zoning. He told that the County was trying to attract tourist dollars and said he could not think of anything about this that would attract tourist dollars. He told that safety of the people on the road was an issue and stated that he did not believe this was an asset to the County.

Mr. Robert Longo told that he opposed the motorcross track for several reasons. He stated that noise above 85 decibels caused hearing loss and above 140 decibels would cause damage after one exposure. He told that there was one track that allowed a maximum of 92 decibels, a track in Minnesota asked riders to check the sound of the motorcycles before racing and if they were too loud they could not race, and told that California would not allow racing with more noise than a street muffler. He commented that he lived here because of the quietness.

Ms. Connie Beamer told that she did not live near the track but does own 160 acres and would be upset if someone tried to tell her what she could do on her property. She told that she had not had any problems with noise after 9:00 p.m. and she had 26 acres behind her house that is used for riding. She stated that motorcross is a family sport with no drinking. She commented that there were plenty of roads that needed paving but this was the responsibility of the State and County. She commented that people would stay in the motels and stated that people should have the right to do what they want on their property.

Mr. J. B. Caviness stated that when someone buys something it should be theirs without someone telling them what they can do. He told that this was the second time this had come up and questioned why not leave this man alone. He told that he had motorcycles riding on his property. He commented that planes make a lot of noise and asked how to get a noise law that would please everyone. He stated that the man should be able to do with the land what he wants to do. He told that the County did not need zoning or a noise ordinance.

Mr. Olen Gallimore told that he was born and raised in Carroll County and stated that he wished all these people that are here over the motorcycle track would have fought the Duke gas line. He told that the County needed available recreation opportunities and applauded Mr. Ross for building the track. He told that there were laws about noise. He suggested that the track be given a chance and commented that some that are opposed might even like it.

PUBLIC HEARING – COURTHOUSE LEASES

Mr. Spencer declared the Public Hearing Open at 7:06 p.m.

Mr. Teller told that the purpose of the Public Hearing was to hear public comments regarding the lease of portions of the Old Carroll County

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Courthouse to the Carroll County Chamber of Commerce and the Carroll County Historical Society.

With no one to speak, the Public Hearing was Closed at 7:07 p.m.

PUBLIC HEARING – AMENDMENT TO TRANSIENT OCCUPANCY TAX ORDINANCE

Mr. Spencer declared the Public Hearing Open at 7:08 p.m.

Mr. Teller told that the purpose of the Public Hearing was to hear public comment regarding a proposed amendment to the Carroll County Transient Occupancy Tax Ordinance that would increase the tax rate levied on the rental of hotel and motel rooms from 2 percent to 5 percent effective July 1, 2005.

With no one to speak, the Public Hearing was Closed at 7:09 p.m.

PUBLIC HEARING – CARROLL COUNTY PUBLIC SCHOOL BUDGET, CONSTRUCTION FUND BUDGET, AND FOOD SERVICE BUDGET FOR FY 2005-2006

Mr. Spencer declared the Public Hearing Open at 7:09 p.m.

Mr. Teller told that the purpose of the Public Hearing was to hear public comment on the proposed Carroll County Public School Budget, Construction Fund Budget, and Food Service Budget for FY 2005-2006. He then opened the floor for comments.

Mr. Reginald Gardner, School Board Chairman, told that this budget falls short of pleasing anyone. He told that this was a no frills survival budget that included a 3% raise, \$74,000 for the AmeriCorp grant match, a fuel adjustment of \$65,000, and ten buses. He told that it did not include the School Resource Officer, competitive raises, nor increased health care benefits. He told that if the budget were not approved it would mean cutting programs and personnel and could lose as much as 50 positions. He applauded the Board's effort to right the financial ship but cautioned not to drill a hole in the other side. He stated that children were the most valuable product of the County.

Ms. Jennifer Patton asked for support for the future. She told that great strides had been made in the last few years and told that unless the County agrees to fund the budget it would just have buildings. She told that what goes on inside is what teaches the children. She commented that the County could not afford to jeopardize the future of the children. She told that what they were given today was what the County would get back tomorrow. She asked the Board to say yes to Education, Children, the Future, and the Budget.

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Mr. Spencer asked what the difference was between the requested budget and the recommendation of the budget committee.

Mr. Teller told that the budget presented was \$1,760,000 more than what the committee felt could be done without a tax increase.

Mr. Spencer commented that this would require a 12 cent tax increase.

Ms. Donna Truce, President of the Carroll Education Association, state that what was once good enough is not good enough to educate our children today. She told that she had seen a bumper sticker which read "Request the Best" and told she had the same desire for the school. She told that community leaders had supported efforts to improve the buildings and programs and yearly progress had been met, but without funding the school system would regress to good enough. She stated that the schools should be part of the infrastructure with the best teachers hired and retained. She encouraged the Board to full invest in the 2005-2006 budget.

Ms. Norma Quesenberry told that the Board had done an exceptional job to bring other resources in without raising taxes. She told that the State had increased funding while the County had reduced funding. She stated that the school budget should be approved and funded, not cut.

Ms. Rhonda Frazier that the Board for improvements in the County but commented that steps couldn't be taken backward by cutting the budget. She told that with the cost of equipment, rising fuel costs, and competition with other localities the budget needed to be funded. She asked the Board to meet the County obligation by funding the budget.

Mr. Dale Akers told that it was a relief to know that last year there was a 47% tax increase but this year it was only 20.3%. He stated that money does need to go to the school system. He commented that the Board should start out knowing what it cost to run the school system and then add other projects. He told that the County needed to bring in business and had to spend with giving incentives, but stated that if didn't have a first rate school system was losing the battle. He told that his son had some problem learning in school but has advanced greatly over the last two years. He stated that the public should have had input into the budget committee meetings.

Mr. Spencer told that by law the School Board was to provide the budget to the Board by April 1 or the Board was to set the budget. He stated that it was just now being presented. He told that the school budget was to be adopted by May 1.

Mr. Akers told that all needed to work together and commented that it was a cop out to say taxes had to be increased to fund the schools.

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Ms. Patricia Sebens told that she had attended the School Board public hearings. She stated that last year the budget was cut but was told that it would be better this year. She told that she had no complaint about the taxes but that there should be \$2.5M more funds this year. She asked how the money was being spent so that the budget had to be cut if there was additional revenue. She told that a 3% raise was only 1.2% for the year. She stated that there had to be a match for a lot of the funds in order to get them and commented that it took \$74,000 to get the \$294,000 for AmeriCorp.

Mr. Spencer told that the Board could not tell the School Board how to spend the money.

Ms. Sebens asked that the children be remembered.

With no one else to speak, the Public Hearing was Closed at 7:43 p.m.

CITIZEN'S TIME CONTINUED

Mr. Danny Beamer told that he was for motorcross and had been involved in the sport most of his adult life. He told that he respected the person wanting to protect their property.

Mr. Kent Ross told that in the minutes he was asked if he would charge and had said no. He told that his reply was he did not know what was required by Carroll County and would find out from his Attorney Mr. Tolbert. He told that he had 25 people at his track this past weekend and would generate income to the County. He stated that if this was a nuisance he apologized.

Ms. Teresa Longo told that she lives about 1/3 mile from the proposed motorcross track. She told that you have to pass this house to get to hers and that she sees the traffic leaving the track. She told that she moved from a very stressful, high polluted place and chose Dugspur for quietness. She commented that she does not have that anymore. She told that there would be accidents from the traffic. She told that it was very dangerous and commented that there were ATV's and motorcross bikes on the road.

Ms. Helen Frazier told that noise travels straight to a barrier and then into the air. She told that she had worked to keep noise from a 6-lane road from a housing development and noise from one house to another. She stated that trees or barriers could help. She told that she lived near the property and had not had problems. She asked if a noise ordinance would help when fighter jets came over, chainsaws, bull dozers, private planes, or home generators. She stated that an ordinance should not be voted on by someone who has a personal interest. She commented that snoring can reach 85 decibels and stated that Carroll County did not need a noise ordinance.

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Mr. Matt Lee told that he was 22 and lived in Mount Airy. He told that he rode and practiced at Mr. Ross' track and commented that it was a nice place and was very beautiful. He stated that he did have his own insurance. He commented that the roads are curvy but told they could not do anything about that. It told this was a family sport and that people were scared over nothing.

Mr. Bill Bean told that he had been in motorcross 6 years. He presented his son who participates and told that the son's classmates use drugs. He told that he liked to fish, and buys gas and lottery tickets here. He told that the noise level was being worked on and that these were very respectful people.

Mr. Marcus Kuhn, Administrator for Twin County Regional Hospital, told that the medical staff was worried about the local economy and do want to bring businesses in. He told that their concern was that the economy was having an affect on trying to get staff. He told that they wanted to make certain that participants in motorcross had adequate insurance. He told that they had no problem with the sport, just that it was important that the participants had insurance.

Mr. Spencer advised Mr. Kuhn to talk with Mr. Ross to discuss these concerns.

Mr. Evans told that if this was done then they needed to go out and make illegal aliens get insurance and would need to also make sure the beer joints have insurance to cover the people that leave there and hurt or kill someone.

Mr. Bill Duncan told that he was against the Confederate Flag being flown in the Courthouse lawn. He told that the monument had an inscription on it that said it was a lasting memorial and told that they did not need anything else. He told that all symbols are reviewed by some as divisive and racially offensive.

Mr. Conley Kyle told that a tremendous amount of business executives travel through the area. He told that it was hard for business executives and real estate people to operate with this because symbols are divisive. He stated that the community needs to work together and told that this did not attract people.

Ms. Thelma Carter told that she was born in Carroll County, had moved away, and was back now. She told that she did not want a situation that will cause bad publicity. She commented that heritage is very important but wanted publicity that would really build the County up.

Mr. Joseph Canady told that he had owned land here since 1971. He told that he bought land in 1995 at \$40,000. He told that he put a new roof and new windows on the house and cleaned up the yard and in 1998 the value was

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raised to \$71,600. He told that this year he had done nothing to it and it was raised to \$123,400. He told that the Assessment Board was to come out in June but when he was given his tax papers in May it stated no changes. He told that he would like for the Board to look at the property to see what the assessment should be.

Mr. Teller advised Mr. Canaday to see Janie Harrison, County Assessor, to discuss the appellant process that is above the Assessment Board.

Mr. Kenneth Hines told that he had looked at Chillsnet for the March minutes but did not find them. He told that he only found the agenda and was told it was subject to change. He told that he looks at Chillsnet but it doesn't give much information. He stated that people need to be told if the County is thinking about doing something. He told that he had heard a lot about zoning and asked if the Planning Commission meetings were open to the public or secret.

Mr. Evans told that they were open to the public.

Mr. Hines told that he would donate time to help update the information on Chillsnet.

Mr. Evans told that he thought this was being done.

Mr. Teller told that there was a county employee doing a good job and had brought Chillsnet a long way.

Mr. Hines told that people needed to be better informed and told that he would like to have the meetings on the calendar.

TAX REVENUE ANTICIPATION NOTE

Mr. Teller told the Board that a tax revenue anticipation note in the amount of \$2.5M was needed to cover expenses until the tax revenue was collected in December.

Mr. Early asked how much this borrowing would cost the County.

Mr. Teller told that this was unknown since this was the first time going with VML/VACo. He told that it should be between 2.5-3% with the cost being less than \$50,000.

Mr. Early asked if twice per year tax collection eliminate having to borrow.

Mr. Teller told that this would get the County out of the habit of borrowing.

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Mrs. Nichols asked how much it would cost the County to do this.

Mr. Teller told that he had asked Bonita Williams, Treasurer, to study this but did not yet have the figures.

Mr. Spencer suggested appointing a task force to work with the Treasurer and Commissioner to determine the pluses and minuses.

Mr. Teller told that there would be a one-time windfall of \$5-6M.

Mr. Early stated that to implement this for next year a decision would have to be made in advance.

Mr. Teller told that a decision should be made before the new fiscal year or shortly after the start of the new year. He commented that the Board would work on the budget on April 28 and that the Board could get by next year without a tax increase but the budget would be tight.

Mr. Early told that he was fine with a committee to study as long as they don't study it to death.

(Order)

APPROVE TASK FORCE – TWICE PER YEAR TAX COLLECTION

Upon motion by Mr. Early, seconded by Mr. Evans, and passed unanimously, the Board approved appointed a Task Force to work with the Treasurer' Office and Commissioner's Office to study the implementation of twice per year tax collections with recommendations being given to the Board no later than the June meeting.

(Order)

APPOINT TASK FORCE – TWICE PER YEAR TAX COLLECTION

Upon motion by Mr. Evans, seconded by Mr. Jones, and passed, the Board appointed Mrs. Nichols and Mrs. Myers to the Task Force to work with the Treasurer's Office and Commissioner's Office to study the implementation of twice per year tax collections.

Note: Mrs. Nichols and Mrs. Myers Abstained on the above motion.
Mr. Early voted No on the above motion.

(Order)

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APPROVE TAX REVENUE ANTICIPATION NOTE RESOLUTION

Upon motion by Mr. Early, seconded by Mr. Jones, the Board approved the following Resolution:

RESOLUTION OF THE BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA APPROVING THE ISSUANCE AND SALE OF CARROLL COUNTY, VIRGINIA, TAX REVENUE ANTICIPATION NOTE, SERIES 2005, IN THE MAXIMUM PRINCIPAL AMOUNT OF UP TO \$2,500,000, AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN CONNECTION THEREWITH

WHEREAS, Carroll County, Virginia (the "County") has contacted the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia (the "Authority"), regarding its intent to incur short term indebtedness for cash management purposes to pay certain costs and expenses to be incurred by the County prior to the anticipated collection of taxes and other revenue before the end of the current calendar year through the issuance of a tax revenue anticipation note (the "Short Term Financing"), through the Virginia Municipal League/Virginia Association of Counties Commercial Paper Finance Program, and the Authority has indicated its willingness to loan proceeds of its revenue bonds (the "Authority's Bonds") to the County for purposes of the Short Term Financing in accordance with the terms of a Loan Agreement between the Authority and the County (the "Loan Agreement"), with such Loan Agreement to be in form and substance satisfactory to the County Administrator and the Chairman of the Board of Supervisors of the County.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA (THE "BOARD OF SUPERVISORS"):

1. **Issuance of Note and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (the "Act"), and without regard to the requirements, restrictions or other provisions contained in any charter or local or special act applicable to the County, the Board of Supervisors hereby provides for the issuance and sale of a tax revenue anticipation note by the

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County in a maximum principal amount of \$2,500,000, to provide funds for the Short Term Financing and associated costs.

2. **Authorization of Loan Agreement.** The form of the Loan Agreement submitted to this meeting is hereby approved. The County Administrator and the Chairman of the Board of Supervisors of the County are each authorized to execute the Loan Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the County Administrator or the Chairman of the Board of Supervisors, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the County tax revenue anticipation note to the Authority shall be upon the terms and conditions set forth in the Loan Agreement, and the Authority to approve the final terms and provisions in Appendix A is hereby delegated to the County Administrator or the Chairman of the Board of Supervisors. The proceeds of such note shall be applied in the manner set forth in the Loan Agreement and related documents. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement.

3. **Note Details.** The note shall be issued as a single, registered note, shall be designated "Tax Revenue Anticipation Note, Series 2005" (the "Note"), and shall be numbered R-1. The Board of Supervisors authorizes the issuance and sale of the Note on such terms as shall be satisfactory to the County Administrator or the Chairman of the Board of Supervisors; provided, however, that the Note (a) shall be in a principal amount not to exceed \$2,500,000, (b) shall mature no later than May __, 2006, and (c) shall bear interest on the outstanding principal balance thereof at an initial rate of interest approved by the County Administrator or the Chairman of the Board of Supervisors, with such rate to be adjusted periodically in accordance with the terms and conditions of the Loan Agreement and the documents prepared in connection with the issuance of the Authority's Bonds, and shall accrue certain other ongoing costs and expenses upon the terms and conditions described in the Loan Agreement. Subject to the preceding terms, the Board of Supervisors further authorizes the County Administrator or the Chairman of the Board of Supervisors to (a) determine the final principal amount of the Note and (b) to establish the maturity date and the principal amortization schedule, if any, (including the principal installment dates and amounts) for the Note in such manner as the County Administrator or the Chairman of the Board of Supervisors shall determine to be in the best interest of the County. The approval by the County Administrator or the Chairman of the Board of Supervisors of the final terms, purchase price, initial interest rate, interest rate adjustment provisions, maturity date and amortization schedule of the Note shall be evidenced by the execution and delivery of the Note, and no further action shall be necessary on the part of the County. As set forth in the Loan Agreement, the County agrees to pay the Program Expenses associated with the Note and the Loan Agreement, together with any applicable late payment or similar costs and expenses described therein. The principal of and premium,

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if any, and interest on the Note shall be payable in lawful money of the United States of America.

4. **Payment and Redemption Provisions.** The principal of and premium, if any, and interest on the Note shall be payable as set forth in the Note and the Loan Agreement. The County may, at its option, redeem, prepay or refund the Note upon the terms set forth in the Loan Agreement.

5. **Execution and Form of Note.** The Note shall be signed by the County Administrator or the Chairman of the Board of Supervisors of the County, and the County's seal shall be affixed thereon and attested by the Clerk of the Board of Supervisors. The Note shall be issued as a typewritten note in a form sufficient to evidence the County's obligations under the Loan Agreement, consistent with the terms of this Resolution, and approved by the County Administrator or the Chairman of the Board of Supervisors, whose approval shall be evidenced conclusively by the execution and delivery of the Note.

6. **Security for the Note.** The full faith and credit of the County are hereby irrevocably pledged for the payment of principal of and premium, if any, and interest on the Note. Unless other funds are lawfully available and appropriated for timely payment of the Note, the Board of Supervisors shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay when due the principal of and premium, if any, and interest on the Note.

7. **Preparation of Printed Note.** The County shall issue the Note in typewritten form. Upon the reasonable request of the registered owner and upon presentation of the Note at the office of the Registrar (as hereinafter defined), the County shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Note in typewritten form in an aggregate principal amount equal to the unpaid principal of the Note, in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Note may be executed by manual or facsimile signature of the County Administrator or the Chairman of the Board of Supervisors, with the County's seal affixed thereto and attested by the Clerk of the Board of Supervisors; provided, however, that if both such signatures are facsimiles, no Note shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Note surrendered in any such exchange shall be canceled.

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8. **Registration and Transfer of the Note.** The County appoints the County Treasurer as paying agent and registrar (the "Registrar") for the Note. If deemed to be in its best interest, the County may at any time appoint a qualified bank or trust company, or another official of the County, as successor Registrar. The Note may be transferred only by an assignment duly executed by the registered owner thereof in form satisfactory to the Registrar in exchange for a single, new Note having an equal maximum principal amount, of the same form and maturity, and bearing interest at the same rates. Such transfer shall be made in the registration books kept by the Registrar, upon presentation and surrender thereof. The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner.

9. **Mutilated, Lost or Destroyed Note.** If the Note has been mutilated, lost or destroyed, the County shall execute and deliver a new Note of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the County shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the County in connection therewith and, in the case of a lost or destroyed Note, (a) has filed with the County evidence satisfactory to the County that such Note was lost or destroyed and (b) has furnished to the County satisfactory indemnity.

10. **Preparation and Delivery of Note.** The County Administrator, the Chairman of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed to take all proper steps to have the Note prepared and executed in accordance with its terms and to deliver it to the Authority as the purchaser thereof upon receipt of the purchase price from the Authority as set forth in the Loan Agreement.

11. **Tax and Arbitrage Covenants.** The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Note to be includable in the gross income of the registered owner thereof under existing law and other applicable provisions of the Code. 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 any part of the earnings derived from the investment of the gross proceeds of the Note, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Note from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The County shall pay any such required rebate from legally available funds.

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12. **Tax and Other Documents.** The County Administrator or the Chairman of the Board of Supervisors of the County are each authorized and directed to execute and deliver a Tax Certificate as to Arbitrage, an IRS Form 8038-G, a Bank Qualification Allocation Agreement, and a Program Administration Agreement, each in a form approved by one of such authorized representatives of the County and the County's bond counsel.

13. **Bond Counsel.** The Board hereby appoints LeClair Ryan to serve as Bond Counsel in connection with the issuance of the Note.

14. **Other Actions.** All other actions of County officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Note are ratified, approved and confirmed. The County Administrator and any other appropriate County officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Note pursuant to this Resolution and the Loan Agreement.

15. **Filing of Resolution.** The County Administrator is hereby authorized and directed to coordinate the prompt filing of a certified copy of this resolution in the Circuit Court of Carroll County, Virginia, in accordance with Sections 15.2-2607 and 15.2-2627 of the Act.

16. **Effective Date.** This Resolution shall take effect immediately.

NEW RIVER REGIONAL WATER AUTHORITY

Mr. Teller discussed withdrawal from the New River Regional Water Authority with the Board. He told that the agreement limits the liability to the County to just over \$74,000 which is payable over time.

BUDGET ADOPTION SCHEDULE

Mr. Teller told that Board that the State Code mandates adoption of the School Budget by May 1. He told that a meeting had been set for April 28 at 5:00 p.m. to act on the School Budget and also to have a work session on the County budget that night.

GREAT CARROLL COUNTY CLEAN UP

Mr. Teller told that there was a joint effort with the Town, VDOT, and the Garage Owners Association to clean up Carroll County. He told that there was a place that would take the appliances for free and that the County would fund

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taking up to 5 tires. He told that VDOT would be supplying bags and picking them up for free. He suggested helping the Sheriff by offering a reward for catching people throwing trash along the road. He recommended a \$1000 reward to encourage people to call in and report these incidents.

(Order)

AUTHORIZE REWARD – ROADSIDE DUMP VIOLATORS

Upon motion by Mr. Evans, seconded by Mrs. Nichols, and passed unanimously, the Board authorized a \$1000 for information leading to the arrest and conviction of persons found dumping trash along the roadside.

Note: Ms. Connie Beamer donated \$500.00 toward this reward.

Mr. Early stated that something like green boxes need to be provided for the citizens to get rid of the trash.

Mr. Spencer told that this was a good program but would cost a lot of money and taxes would have to be raised.

Mr. Jones stated that the Cana Trash Site helped a lot but every meeting hear that it is not breaking even. He told that they needed to make up their mind.

Mrs. Myers suggested that the people caught could be put out cleaning up the roadsides.

Mr. Teller told that Mr. J. B. Caviness had found a company that would come and get appliances and pay for them. He told that the Landfill had made almost \$1000.00.

BUY LOCAL MONTH

Mr. Teller told that the County, in a joint effort with the Town and the Chamber of Commerce, were promoting August as Buy Local Month. He told that when dollars are spent in Carroll County jobs are created and it helps the community with economic development.

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ARTS & CRAFTS SHOW

Mr. Teller told that there would be an Arts & Crafts Show held on April 23 at the VFW sponsored by Carroll County and Rooftop. He told that local artisans would be showing and selling their products. Many of these artisans will be displaying their work in the visitors center. He told that AmerLink would not be charging a fee to sell the artwork in their facilities and that Carroll County would not be charging a fee. He told that Rooftop would charge a modest fee to help run the program.

RECREATION PARK RECOMMENDATIONS

Mr. Larry Collins, Recreation Director, presented the Board with the recommendations of the Recreation Park Study Committee. The Committee recommended that the Recreation Park and facilities be moved from the existing location at Exit 14 with the recommendation contingent upon locating an area that would accommodate the needs and adequate space for a new enhanced Recreation Park and Facilities from the proceeds from the sale of the present Recreation Park Land and Facilities at Exit 14. The Committee concluded that the area at the present location is inadequate for the County Recreational needs and would be more suited for commercial and industrial development.

MOUNTAIN VIEW YOUTH & FAMILY SERVICES

Mr. Teller told that the Mountain View Youth & Family Services program was primarily grant funded with approximately \$29,000 local funds needed for next year. He told that the program is mostly educational and that he had approached Dr. McBride to see if the School System would take the program. He told that the County would have to provide the \$29,000 to cover the gap and told that there was the issue that the grant may not be funded this year. He recommended to the Board that they allow the program to be moved to the School System.

Mrs. Nichols asked if there was grant funding that would help cover the \$29,000 since it is an educational program and works with drug awareness.

Mr. Spencer told that he liked the aspect of moving it to the School System.

Mr. Jones asked if this would be a part of their budget or separate so that next year they would cut it.

Mr. Spencer told that it could be stated that the Board would fund this separately.

April 19, 2005

Mr. Evans asked what the County would be gaining.

Mr. Teller told that the program would get a place in the school for office space and expenses and would get more support form the school if it were a part of the system.

Mr. Evans asked if it could be worked out that it would stay in the County budget but the school provide the office space.

Mrs. Myers stated that the County would save the office space and electricity.

(Order)

APPROVE MOVING MVY&FS TO SCHOOL SYSTEM

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved moving the Mountain View Youth & Family Services program to the School System with the understanding that at anytime the School System does not want the program it reverts to the Board.

OLD CARROLL COUNTY COURTHOUSE LEASES

Mr. Teller presented the Board with proposed leases for space in the Old Carroll County Courthouse leasing space to the Carroll County Chamber of Commerce and the Carroll County Historical Society.

Mr. Evans asked if the County had other non-profits that all the utilities were paid for or if this was the only one.

Mr. Teller told that this was the only one.

Mr. Evans told that a cap should be put on what the County would pay and stated that the County needed to be careful because costs could skyrocket.

Mr. Spencer suggested holding off on the leases until it could be determined what the monthly amount would be.

Mr. Ricky Dowdy, Maintenance Director, told that it would average \$500/month.

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Mr. Teller stated that this would be a first class museum and chamber that will bring value back to the County and revitalize downtown.

Mr. Spencer stated that the facilities would be improved by these groups.

Mr. Evans stated that there needed to be something that protected the County if the expenses get high.

Mr. Jones agreed that there needed to be a cap on the expenses.

Mr. Spencer told that there would be increased usage that would increase the expenses but stated that both organizations would be bringing in people that would be spending money.

Mr. Jones asked if grants could be found to help with the renovation.

Mr. Spencer told that this would be hard since there is not a primary purpose for the building at this time.

Mr. Joe Pickett, Carroll County Historical Society, told that they would spend a considerable amount just getting the Courthouse to where they could move in. He told that this would probably be about \$30,000 and that was the reason they had asked for a 50-year lease.

(Order)

APPROVE OLD COURTHOUSE LEASES

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed, the Board approved leasing space in the Old Courthouse to the Carroll County Chamber of Commerce and the Carroll County Historical Society and did approve the following leases:

Note: Mr. Jones voted No on the above motion.

LEASE

April 19, 2005

This Lease made this the _____ day of _____, 2005 by and between the Board of Supervisors of Carroll County, Virginia, a political subdivision of the Commonwealth of Virginia, referred to herein as "Lessor" or "County" and the Carroll County Chamber of Commerce, Inc, a non-profit corporation organized under the laws of the Commonwealth of Virginia, referred to herein as "Lessee."

WITNESSETH

In and for the mutual covenants herein and other good and valuable consideration and subject to the terms and conditions as herein set forth, the Lessor hereby leases to the Lessee that certain space in the Old Carroll County Courthouse, located at 515 North Main Street, Hillsville, Virginia, known as the Magistrate Office (1st floor, left side of the Old Courthouse) (hereinafter called "Leased Premises").

1.0 Term: The initial term of this lease shall be for a period of ten (10) years commencing April 1, 2005 and expiring March 31, 2015. At the end of the initial term, the parties may by mutual written agreement extend this Lease for an additional term of ten (10) years upon the same terms and conditions. Neither party may terminate this lease except for a material breach of this Lease. Either party, without violation to the terms of this document, may initiate discussion leading to a mutually agreed termination of this Lease.

2.0 Rent: The Lessee shall not be required to make a rental payment to the Lessor, but shall comply with the terms and conditions as set forth herein in lieu of a rental payment.

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3.0 Use of the Premises: The Lessee shall use the Leased Premises exclusively for the operation of a Chamber of Commerce Office that remains open to the public on a consistent and regular basis. Failure to comply with this provision shall be deemed a material breach. The Lessee may use the Leased Premises exclusively for other purposes necessary and incidental to the Lessee's operation of the Chamber of Commerce Office and for meetings, presentations, and events in furtherance of the Lessee's organizational mission. The Lessee agrees to and shall have the right to renovate the Leased Premises for its use, should the Lessee so desire. In making any significant modifications to the building, the Lessee shall seek the advice of the Courthouse Preservation Committee and the approval of the Lessor.

3.1 Use of the Parking Area. The Lessee may use the County-owned parking adjacent to the Old Courthouse for its official functions.

3.2 Compliance with Laws. In using the Leased Premises, the Lessee shall comply with all applicable federal, state, and local laws and regulations. The Lessor shall retain responsibility for making any structural changes or providing reasonably achievable alternatives as required by the Americans with Disabilities Act with respect to the Old Courthouse building.

4.0 Utilities. The Lessor shall furnish heat, electricity, water, and sewer services to the Leased Premises. The Lessee shall be

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responsible for telephone and internet services. The Lessee shall take all reasonable and prudent measures to conserve utilities furnished by the Lessor.

5.0 Insurance. Lessee covenants to provide on or before the commencement of the term of this Lease and to keep in force during the term, a comprehensive public liability policy of insurance protecting the Lessee from any and all liability arising from its activities upon the Premises. Lessee also shall maintain a policy covering damage or loss to Lessee's personal property and other contents within the Leased Premises. Lessee agrees to carry such insurance with a solvent company licensed to do business in the State of Virginia in the amounts satisfactory to the County.

6.0 Save Harmless: The parties mutually covenant to indemnify and save harmless one another against any and all liability, claims, or costs arising from their respective activities. The Lessee agrees that the Lessor shall not be responsible for any damage or loss by fire or other casualty to the Lessee's personal property or other contents within the Leased Premises. The responsibility for public safety on the exterior sidewalks, stairs, approaches and landings remain with the Lessor.

7.0 Maintenance. The Lessor shall perform the required maintenance and repair for the Old Courthouse building, including heating, plumbing and electrical systems and keep all common areas in a clean and safe condition. The Lessee shall be responsible for keeping the Leased Premises in a clean, safe and attractive condition. The Lessor shall not be responsible for any unauthorized repairs made or arranged by the Lessee.

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8.0 Damage to Building. In the event of damage of the Old Courthouse by fire, enemy action or other casualty, that makes use of the Leased Premises or Licensed Areas impracticable, the Lessor shall make a good faith effort to return the building or damaged portions thereof to a useable condition, subject to the availability of funds. In the event the Lessor determines, after consulting with the Lessee, that it is not practicable to restore the building or portions thereof for use in accordance with this Lease, this Lease shall terminate. The Lessor shall not be liable to the Lessee for loss of use of the Leased Premises or Licensed Areas due to damage or loss by fire or other casualty.

9.0 Hazards. The Lessee shall not bring into, use or allow to be used or stored within the Leased Premises any combustible, flammable, or explosive materials other than normal household type cleaning supplies or normal supplies used for office equipment. The Lessee further agrees that it will not commit any acts or create any condition, which would be in conflict with any provisions of the Lessee's insurance policies covering the Old Courthouse.

10.0 Right of Lessor to Cure. Should the Lessee fail to comply with any of the terms of this lease or should there be any damage loss or cost incurred which may be due to carelessness, ignorance, or neglect on the part of those using the same, the Lessor or its agents or assigns or personal representatives are hereby authorized and empowered, should either elect to do so, to act as agents of the Lessee in having

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work done, or repairs or replacements made, loss restored or premises cleaned and the Lessee agrees to pay promptly therefore.

11.0 Right of Entry. The Lessee agrees to permit the Lessor its agents to enter the Leased Premises for the purpose of inspecting or showing the same or for making any repairs the Lessor may deem necessary or desirable, including, but not limited to, insect or pest extermination, whether the Lessee or any of its staff are present or not, without liability of any prosecution claim or cause of any action for damages.

12.0 Lessor's Rights. The rights and remedies of the Lessor hereunder are cumulative and in addition to those available under the law and may be exercised and enforced by the Lessor, its agents, or employees.

13.0 Assignment. The Lessee shall not assign, sublease or allow others to use the Leased Premises or Licensed Areas without the approval of the Lessor.

14.0 Entire Agreement. It is further understood and agreed between the parties to this Lease contains the entire agreement between the parties, that all prior negotiations and agreements between the parties are merged herein, and that all additions, alterations or changes to this Lease must be in writing and signed by both parties. It is further understood and agreed between the parties that no waiver or

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modification of any clause or condition hereof shall be valid unless the same is reduced to writing and especially adopted as part of this Lease.

15.0 Representatives. For official communications in regard to this Lease, the Lessor's representative shall be the County Administrator and the Lessee's representative shall be the President of the Chamber of Commerce.

16.0 Approved by the Board of Supervisors. This lease was approved by the Board of Supervisors of Carroll County, Virginia on ____ of April 2005 after a public hearing as required by law conducted on _____.

Witness the following signature and seals:

**CARROLL COUNTY BOARD
OF SUPERVISORS**

By Chairman Brian Spencer

Approved as to Form:

Bradley Dalton
County Attorney

COMMERCE

CARROLL COUNTY CHAMBER OF

By Ivan Taylor, President

April 19, 2005

LEASE

This Lease made this the _____ day of _____, 2005 by and between the Board of Supervisors of Carroll County, Virginia, a political subdivision of the Commonwealth of Virginia, referred to herein as "Lessor" and the Carroll County Historical Society, a non-profit corporation organized under the laws of the Commonwealth of Virginia, referred to herein as "Lessee."

WITNESSETH

Whereas, the parties have common objectives to revitalize the Historic Courthouse building to serve as a cultural focal point of the community and to develop a first-class museum celebrating our local heritage; and

Whereas, to advance these objectives, the parties are desirous of entering into a long-term, mutually beneficial arrangement, whereby the Carroll County Historical Society Museum will be located in the Historic Courthouse;

Now Therefore, in and for the mutual covenants herein and other good and valuable consideration and subject to the terms and conditions as herein set forth, the Lessor hereby leases to the Lessee that certain space, known as the Old Circuit Court's Clerk's Office (1st floor of the Old Courthouse) and Old Treasurers Office (2nd floor of the Old Courthouse) in the Old Carroll County Courthouse, located at 515 North Main Street, Hillsville, Virginia (hereinafter called "Leased Premises") and hereby licenses to the Lessee the non-exclusive use of: (1) pertinent and necessary common areas for access to such property including appropriate parking adjoining the rear of the Old Courthouse; (2) the Old Courtroom for tours, meetings, presentations, and

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performances; and (3) the Old Law Library for meetings and other non-exclusive uses upon mutually agreeable terms and conditions (hereinafter collectively called "Licensed Areas").

1.0 Term: The initial term of this lease shall be for a period of fifty (50) years commencing April 1, 2005 and expiring March 31, 2055. At the end of the initial term, the parties may by mutual written agreement extend this Lease for an additional term of twenty-five years upon the same terms and conditions. Neither party may terminate this lease except for a material breach of this Lease.

2.0 Rent: The Lessee shall not be required to make a rental payment to the Lessor, but shall comply with the terms and conditions as set forth herein in lieu of a rental payment.

3.0 Use of the Premises: The Lessee shall use the Leased Premises exclusively for a Historical Society Museum that remains open to the public on a consistent and regular basis. Failure to comply with this provision shall be deemed a material breach. The Lessee may use the Leased Premises exclusively and Licensed Areas on a non-exclusive basis for other purposes necessary and incidental to the Lessee's operation of the museum and for meetings, presentations, and events in furtherance of the Lessee's organizational mission. The Lessee agrees to and shall have the right to renovate the Leased Premises for use as a museum, making such modifications to the interior of the Leased Premises as are reasonably necessary. In

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making any significant modifications to the building, the Lessee shall seek the advice of the Courthouse Preservation Committee.

3.1 Use of the Licensed Areas. The parties shall work cooperatively in scheduling the use of the Licensed Areas and resolving any scheduling conflicts. The Lessee shall maintain the consolidated schedule of events and other activities, in coordination with the County Administrator's office. In the event the parties cannot agree on a scheduling matter, the County Administrator shall make a final decision, after coordination with the President of the Carroll County Historical Society.

3.2 Compliance with Laws. In using the Leased Premises and Licensed Areas, the Lessee shall comply with all applicable federal, state, and local laws and regulations. The Lessor shall retain responsibility for making any structural changes or providing reasonably achievable alternatives as required by the Americans with Disabilities Act with respect to the Old Courthouse building.

4.0 Utilities. The Lessor shall furnish heat, electricity, water, and sewer services to the Leased Premises. The Lessee shall be responsible for telephone and internet services. The Lessee shall take all reasonable and prudent measures to conserve utilities furnished by the Lessor.

5.0 Insurance. Lessee covenants to provide on or before the commencement of the term of this Lease and to keep in force during

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the term, a comprehensive public liability policy of insurance protecting the Lessee from any and all liability arising from its activities upon the Premises. Lessee also shall maintain a policy covering damage or loss to Lessee's museum exhibits, personal property, and other contents within the Leased Premises. Lessee agrees to carry such insurance with a solvent company licensed to do business in the State of Virginia in the amounts satisfactory to the County.

6.0 Save Harmless: The parties mutually covenant to indemnify and save harmless one another against any and all liability, claims, or costs arising from their respective activities. The Lessee agrees that the Lessor shall not be responsible for any damage or loss by fire or other casualty to the Lessee's museum exhibits, personal property, or other contents within the Leased Premises.

7.0 Maintenance. The Lessor shall perform the required maintenance and repair for the Old Courthouse building and keep all common areas in a clean and safe condition. The Lessee shall be responsible for keeping the Leased Premises in a clean and safe condition and maintaining its exhibits and other improvements in an attractive condition. The Lessor shall not be responsible for any unauthorized repairs made or arranged by the Lessee.

8.0 Damage to Building. In the event of damage of the Old Courthouse by fire, enemy action or other casualty, that makes use of the Leased Premises or Licensed Areas impracticable, the Lessor shall make a good faith effort to return the building or damaged portions thereof to a useable condition, subject to the availability of funds. In the event the Lessor determines, after consulting with the Lessee, that it is

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not practicable to restore the building or portions thereof for use in accordance with this Lease, this Lease shall terminate. The Lessor shall not be liable to the Lessee for loss of use of the Leased Premises or Licensed Areas due to damage or loss by fire or other casualty.

9.0 Hazards. The Lessee shall not bring into, use or allow to be used or stored within the Leased Premises any combustible, flammable, or explosive materials other than normal household type cleaning supplies or normal supplies used for office equipment. The Lessee further agrees that it will not commit any acts or create any condition, which would be in conflict with any provisions of the Lessee's insurance policies covering the Old Courthouse.

10.0 Right of Lessor to Cure. Should the Lessee fail to comply with any of the terms of this lease or should there be any damage loss or cost incurred which may be due to carelessness, ignorance, or neglect on the part of those using the same, the Lessor or its agents or assigns or personal representatives are hereby authorized and empowered, should either elect to do so, to act as agents of the Lessee in having work done, or repairs or replacements made, loss restored or premises cleaned and the Lessee agrees to pay promptly therefore.

11.0 Right of Entry. The Lessee agrees to permit the Lessor its agents to enter the Leased Premises for the purpose of inspecting or showing the same or for making any repairs the Lessor may deem necessary or desirable, including, but not limited to, insect or pest

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extermination, whether the Lessee or any of its staff are present or not, without liability of any prosecution claim or cause of any action for damages.

12.0 Lessor's Rights. The rights and remedies of the Lessor hereunder are cumulative and in addition to those available under the law and may be exercised and enforced by the Lessor, its agents, or employees.

13.0 Assignment. The Lessee shall not assign, sublease or allow others to use the Leased Premises or Licensed Areas without the approval of the Lessor.

14.0 Entire Agreement. It is further understood and agreed between the parties to this Lease contains the entire agreement between the parties, that all prior negotiations and agreements between the parties are merged herein, and that all additions, alterations or changes to this Lease must be in writing and signed by both parties. It is further understood and agreed between the parties that no waiver or modification of any clause or condition hereof shall be valid unless the same is reduced to writing and especially adopted as part of this Lease.

15.0 Representatives. For official communications in regard to this Lease, the Lessor's representative shall be the County Administrator and the Lessee's representative shall be the President of the Carroll County Historical Society.

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16.0 Approved by the Board of Supervisors. This lease was approved by the Board of Supervisors of Carroll County, Virginia on _____ after a public hearing as required by law conducted on _____.

Witness the following signature and seals:

**CARROLL COUNTY BOARD
OF SUPERVISORS**

By Chairman Brian Spencer

Approved as to Form:

Bradley Dalton
County Attorney

SOCIETY

CARROLL COUNTY HISTORICAL

By Joe Pickett, President

TRANSIENT OCCUPANCY TAX

Mr. Teller told that the General Assembly had approved Carroll County increasing the lodging tax from 2% to 5% but that it would take Board action to do this.

Mr. Spencer thanked Mr. Evans and Mr. Teller for making the trips to Richmond to get this passed and told that the money could only be spent toward promoting tourism in Carroll County. He told that people that owned and operated the motels in the County had helped to get this passed.

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(Order)

**APPROVE TRANSIENT OCCUPANCY TAX ORDINANCE
AMENDMENT**

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board adopted the ORDINANCE AMENDING THE CARROLL COUNTY TRANSIENT OCCUPANCY TAX as follows:

ORDINANCE AMENDING
THE CARROLL COUNTY TRANSIENT OCCUPANCY TAX
ORDINANCE

ORDINANCE NUMBER 2005-2

The Carroll County Utility Consumers Tax Ordinance (Article IX, Code of Carroll County ("Code"))(enacted February 8, 1989; amended September 13, 1995), is hereby amended as follows:

- (1) Section 4 (Section 116-46 of the Code) is amended to change the tax rate from 2 percent to 5 percent.
- (2) The Amendment dated September 13, 1995 is repealed in its entirety.

This Ordinance shall be effective on July 1, 2005. This Ordinance was duly considered following a required public hearing held on April 19, 2005 and was adopted by the Board of Supervisors of Carroll County, Virginia at its regular meeting held on April 19, 2005.

Mr. Dalton told that he would like to congratulate Mr. Andrew Jennings for his participation along with others from Carroll County High School who participated in the Virginia Scholastic Bowl Competition. He told that this group traveled to Richmond and placed 4th in the State at the AA level. He commended Mr. Jennings as the Co-Captain and remarked that he was a bright young man.

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SUPERVISORS TIME

Mrs. Myers told that she would like to see a caution light placed at the intersection of Route 221 and 638 to be used when Church is going on. She then asked that a plaque be given to the Cardinals team that won the ball game.

Mr. Early told that Curtis Sheppard, who had complained about his neighbors junk last month, had said that part of it is on VDOT right-of-way and asked that VDOT take a look at this. He then told that he received a call on Sunday from Channel 10 wanting to know what was going on at the Courthouse. He told that when he went to the Courthouse there was a POW/MIA flag being flown. He stated that if the intent is to teach history a flag pole in the Courthouse yard is not the best place to do that. He commented that this was not the image Carroll County needs to portray to the public.

MOTION PERTAINING TO SYMBOLS FLYING ON PUBLIC PROPERTY

A motion was made by Mr. Early and seconded by Mrs. Nichols that the United States, Virginia, and Carroll County flag be the only symbols to fly on public property.

Note: Mr. Early and Mrs. Nichols voted Yes on the above motion.

Mrs. Myers, Mr. Evans, Mr. Spencer, and Mr. Jones voted No on the above motion.

Prior to the above vote, the following discussion was held between the Board members and members of the audience:

Mr. Evans stated that we are all Americans and should be proud of our heritage. He told that things have been used wrong and that there was mis-use of flags. He told that flags do not represent slavery and stated that the war was not over slavery but for States rights.

Mr. Spencer told that he didn't think racism was a part of the Sons of the Confederacy. He stated that if we don't remember history we stand to repeat

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it. He told that Carroll County needs to celebrate tourism and history. He commented that more people per capita died during the time of the Civil War than in any other County in the State.

Mr. Early stated that he never once insinuated that flags were about slavery but that is what people think.

Mrs. Nichols asked if the museum was going to have a section for flags to be displayed.

Ms. Shelby Puckett told that the Historical Society was working with the VFW to upgrade the display of military and flag display might be a part of that.

Mr. Evans stated that the County was not moving ahead if it was afraid of history. He told that in the last three months he had seen a lot of sensor police trying to determine what people could do on their own property. He asked who was going to decide what was right and wrong.

Mr. Early asked why the MIA flag was flown first.

Mr. Andy Jackson, Sons of the Confederate, told that the Virginia flag was a neutral flag. He told that they did not have a proper flag to fly so they flew the MIA flag which is a neutral flag. He stated that the purpose of the pole and the flag was to better educate people.

Ms. Janet Tate told that when she was taught about the Civil War she was taught it was about economic and not slavery. She told that when her daughter was taught about the Civil War at UVA she was taught it was about slavery. She stated it was about the economics of slavery.

Mr. Spencer told that he was taught the same thing and then he read other books. He commented that history needed to be embraced and told that he did not see this as a race issue.

Mr. Early commented that it was an issue of perception.

Mr. Bill Duncan told that the monument states it is a lasting memorial. He stated that it was put there by the families that lived it and they did not put a Confederate flag there.

Mrs. Myers asked how many flags were being flown in other places.

Mr. Jackson replied that there were two sites where the flag pole is near a monument and that the flags fly seven days per week twenty-four hours per day there. He told that this flag would only fly 15-20 days per year.

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Mr. Evans told that there differences of opinions and told that if the citizens voted on this Mr. Duncan would find he was in a small minority.

Mr. Early told that when he ran for office he ran on several issues and one of them was zoning. He told that if a plan was not in place the County would look like Route 1 between Richmond and Washington DC. He stated that he was a strong advocate of zoning.

Mr. Early then moved that the issue of zoning be put before the voters at the November election contingent upon the legal requirements for the issue to be placed on the ballot.

Mr. Evans seconded the above motion and stated he would go along with this is land use was put on the November ballot also.

Mr. Early stated that these were different issues but told he was not opposed to discussing. He then withdrew his motion.

(Order)

APPROVE LAND USE TAXATION REFERENDUM

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed, the Board approved placing land use taxation on the November ballot to let the people decide this issue.

Note: Mr. Jones voted No on the above motion.

This referendum is subject to the legal requirements to be placed on the ballot.

(Order)

APPROVE ZONING REFERENDUM

Upon motion by Mr. Early, seconded by Mr. Evans, and passed, the Board approved placing the question of zoning before the voters in the November election.

Note: Mr. Jones voted No on the above motion.

This referendum is subject to the legal requirements to be placed on the ballot.

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Mrs. Nichols told that people wanted a listing of County savings in the paper as well as what the County received from the lottery.

Mr. Andrew Jennings thanked the Board and County Administrator for having him at the meeting.

Mr. Spencer thanked everyone for coming to the meeting. He told that he hoped everyone was as sick as he was for having to borrow the \$2.5M to meet expenses. He told that he had talked with School Board members and they wanted level funding. He told that he had a child but that he could not vote for a 12 cent increase in the taxes. He told that the Board gets demonized and that his child had asked him to walk her into the school today due to things being said. He told that he worried about the children 24/7 but with 200 people just laid off asked how the Board could raise taxes 20.3%. He stated that it was indecent not to get numbers from the School Board that the Board could work with. He told that the School Board should have given the budget by April 1 and stated that he had a problem with a 12 cent increase with 200 people just laid off. He told that last year the Board had a debt payment to make and did not get a thank you but got demonized because the budget was cut. He told that his daughter was 8 years old and stated to leave her alone.

Mrs. Myers told that the kids should not be used and encouraged people to go to the School Board to find out how the money is spent.

Mr. Jennings told that the state of the School System is excellent but that it could stand a little belt tightening.

(Order)

CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A1, A3, A7, A30)

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board convened a Closed Session at 10:47 p.m. until 12:55 a.m. for the discussion of personnel issues as authorized by Virginia Code Section 2.2-3711(A1), for the discussion of the disposal of real property as authorized by Virginia Code Section 2.2-3711(A3), for the discussion of legal matters as authorized by Virginia Code Section 2.2-3711(A7), and for the discussion concerning the awarding of contracts as authorized by Virginia Code Section 2.2-3711(A30).

(Order)

CERTIFICATE OF CLOSED SESSION

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Upon motion by Mrs. Nichols, seconded by Mrs. Myers, and passed unanimously, the Board adopted the following Resolution:

WHEREAS, the Carroll County Board of Supervisors convened in a Closed Session on this date pursuant to an affirmative recorded vote on the motion to close the meeting in accordance with the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3711(D) of the Code of Virginia requires a certification by the Board of Supervisors that such Closed Session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Carroll County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the Closed Session to which this certification applies, and (II) only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed, or considered in the meeting to which this certification applies.

FARMER'S MARKET EXPANSION

Mr. Spencer stated that the County had received \$60,000 toward the Farmer's Market expansion.

Mr. Kevin Semones, Farmer's Market Director, told that the project had been re-bid due to the amount of money available and told that the original bid was over \$68,000.

Mr. Spencer then commented that there was \$100,000 allocated for parking.

Mr. Semones told that this was ARC money that was to be used to pave the grassy area behind the retail shed.

Mr. Spencer asked if there would be signage for trucks loading and unloading to be different from the cars.

Mr. Jones asked if the paving would be in conflict with tourism parking.

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Mr. Teller replied that this would be the same area.

(Order)

AUTHORIZE FARMER'S MARKET EXPANSION

Upon motion by Mr. Early, seconded by Mr. Jones, and passed unanimously, the Board authorized proceeding with the Farmer's Market expansion.

Note: The expansion includes paving the grass area behind the retail building and enlarging the retail building 25' X60'.

(Order)

APPROVE AMERLINK PERFORMANCE AGREEMENT, AMERLINK LEASE, AND ARTS AND CRAFTS AGREEMENT

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed, the Board approved the following Agreements:

Note: Mrs. Nichols Abstained on the above motion stating that she worked for Rooftop but did not work with the Arts and Crafts.

THIS LEASE, made as of the ___ day of April 2005, by and between **CARROLL COUNTY, VIRGINIA**, a body corporate and politic (hereinafter referred to as ("Carroll County")); and **AMERLINK, LTD**, a New York Corporation, AND **HARLINGEN HOLDINGS, INC.**, a corporation organized under the laws of North Carolina, (hereinafter collectively referred to as "Lessee"), and provides as follows:

WHEREAS, the parties hereto are mutually committed to a unique, cooperative arrangement allowing for the operation of a collocated County Tourist Information Center (hereinafter called "TIFC"), Regional Arts and Crafts Gallery (hereinafter called "Gallery"), and the Lessee's Log Home Models and Sales Center (hereinafter called "Sales Center") in a mutually beneficial and economical manner;

WHEREAS, Carroll County is willing to provide the Leased Premises and the Lessee is willing to construct the necessary facilities in furtherance of the parties' mutual objectives;

AND WHEREAS, the parties desire to work together cooperatively to operate all of the collocated facilities in a cost-effective manner on a long-term basis;

April 19, 2005

NOW THEREFORE,

For and in consideration of the covenants, agreements, and undertakings hereinafter set forth, Carroll County does hereby lease unto Lessee and the Lessee hereby accepts from Carroll County, the lease of the property located at the Southwest Virginia Farmers Market, 497 Farmers Market Road, Hillsville, Virginia 24343, and more specifically described on Exhibit A, attached hereto and hereby incorporated by reference (hereinafter called "Premises"), under the following terms and conditions.

1. No Representations: Lessee has examined and knows the condition of the Premises and acknowledges that the Carroll County makes no warranty or representation with respect to the condition of the Premises, except as expressly provided for herein.

2. Term: The term of this Lease shall begin on the date executed and shall continue for 99 years unless sooner terminated as provided for herein (hereinafter called the "lease term").

3. The Lease is granted to the Lessee without rental payment, provided the Lessee complies with the terms and conditions contained herein.

4. **Lessee's Obligations.**

a. Construction of facilities. The Lessee at its sole cost and expense shall construct the Sales Center, TIFC, and Gallery as set forth in Exhibit B, which is hereby incorporated by reference (hereinafter collectively called "facilities"), on the Premises or as otherwise agreed to by the parties in writing. The Lessee shall have the right to place the facilities within the Premises as it deems necessary to meet the mutual objectives of the parties. Upon construction, the Lessee shall retain ownership of the facilities, which shall merge and become part of the real estate and convey to Carroll County upon the expiration or termination of the Lease. The Lessee shall not remove said facilities from the Premises or tear down or destroy said facilities. Upon termination or expiration of the Lease, the Lessee shall have no right or claim for any payment from Carroll County for the construction or value of the facilities.

b. The Lessee shall grant Carroll County and Carroll County reserves the right to use a portion of the facilities as described in Exhibit C, which is hereby incorporated by reference, for use as a TIFC during the Lease Term. This use of the facilities by Carroll County shall be at

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no cost to Carroll County, except as specifically provided for herein. The Lessee shall provide the TIFC area to Carroll County in a completed condition, except that Carroll County shall be responsible for furnishing the TIFC and adding graphics, brochure racks, and other decorative elements and displays.

c. The Lessee agrees to display for sale the arts and crafts of regional artisans throughout its Sales Center ("Gallery") at no cost to the County. This display will be advertised and promoted as a regional arts and crafts gallery and shall become part of state-wide efforts to promote the arts and crafts industry and arts tourism. The arts and crafts shall be displayed in a manner compatible with the operation of the Lessee's sales center and as mutually agreed. The Gallery shall not otherwise be considered space allocated to Carroll County and shall not be part of the TIFC. A separate agreement between the parties shall govern the sale of the arts and crafts and distribution of the proceeds.

5. Carroll County's Obligations.

a. Carroll County will work cooperatively with the Lessee so that the Lessee can complete construction of the facilities.

b. Carroll County will provide electrical service from the Cannery building to be used by the Lessee for its construction activities.

c. Carroll County will on a monthly basis pay to the Lessee its share of the electric, heating, and air conditioning costs for the preceding month, which the parties agree shall be prorated based upon the square footage of the TIFC in relation to the heated square footage of the facilities as a whole. Each party shall be responsible for its own computer system and telephone system.

d. Carroll County will furnish routine custodial services, grounds maintenance, and routine maintenance of buildings and HVAC for the Sales Center, which shall not include the application of any exterior coating such as paint, sealer or stain. Carroll County will provide these routine maintenance services in a commercially reasonable and timely manner. Carroll County will provide snow removal for the parking areas serving the facilities, excluding the parking area constructed for a restaurant on the Premises, and one half of the cost of removing snow from the walkways and deck area that are part of the facilities. Upon construction of a restaurant, the parties will reach agreement as to snow removal with the restaurant operator. Lessee and Carroll County will share the cost of necessary repairs and replacement of the facilities and fixtures, e.g., roof repair and replacement and HVAC repair and replacement, with Carroll County responsible for paying a prorated

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portion of the out-of-pocket cost of such repairs and replacement based upon the square footage of the TIFC in relation to the heated square footage of the facilities as a whole. Upon agreement of the parties prior to making the repair or replacement, either Carroll County or the Lessee may provide its respective share of the cost in materials or labor.

e. The Lessor shall be responsible for the funding and completion of the paving needed to serve the parties collocated facilities. The Lessee will be responsible for the signage advertising the parties collocated activities, including the Southwest Virginia Farmers Market.

6. Signage. The Lessee will place and maintain mutually agreeable signage at the Southwest Virginia Farmers Market, subject to meeting any applicable state and federal requirements. The parties will work together cooperatively to ensure that the signage promotes and is consistent with their respective interests and their mutual objective to turn the Southwest Virginia Farmers Market and the facilities on the Premises into a first-class tourist destination and venue.

7. No Mechanics Liens/Bankruptcy.

(a) The Carroll County and Lessee covenant, each to the other, not to permit any lien to be filed against the demised property on account of non-payment or disputes with respect to labor or materials furnished in connection with repairs or modification or additions to the premises, nor shall the parties permit any judgment, lien or attachment to lie against the property. Should any lien of any nature, including the foregoing but not limited thereto, be filed against the property, the party from whose debt or alleged debt such lien arises, shall within thirty (30) days cause said lien to be removed by substitution of collateral or otherwise.

(b) In the event of the Lessee's insolvency or the filing of any bankruptcy proceeding, Carroll County shall have the right to exercise its rights hereunder and take possession of and operate the premises pending the lawful disposition of the Lessee's property interests.

8. Assignment: Lessee may assign this Lease upon 45 days advance written notice to Carroll County. Any assignee shall be subject to the terms and conditions of this Lease and the performance agreements among the parties hereto.

9. Default: If Lessee shall fail to comply with a material term or condition of this Lease, and shall continue in default for a period of sixty

April 19, 2005

(60) days after written notice thereof by Carroll County of default and demand for performance, Carroll County may, at its option, terminate this Lease, providing that neither terminating this Lease under this clause nor recovering possession of the Lease Premises shall deprive the Carroll County of any such action or remedy against the Lessee for possession or for damage.

10. Insurance.

(a) Lessee covenants to provide on or before the commencement of the term of this Lease and to keep in force during the term, a comprehensive public liability policy of insurance protecting the Lessee from any and all liability arising from its activities upon the Premises. Lessee agrees to carry such insurance with a solvent company licensed to do business in the State of Virginia in the amounts satisfactory to the County.

(b) The Lessee shall maintain fire and casualty insurance upon the facilities and agrees to repair or replace the facilities to a fully operational condition as expeditiously as practicable in the event of fire or other damage or loss to the facilities. So long as Lessee uses its good faith, best efforts to repair or replace the facilities in the event of loss or damage, Carroll County shall not be entitled to any damages for loss of use.

(c) Carroll County shall be responsible for maintaining liability coverage for its activities within the Leased Premises and insurance on its personal property located on the Premises.

11. Warranties. Carroll County gives no warranty with respect to the condition, safety and use of the Premises by the Lessee. The Lessee understands that its use of the Premises is "As Is", without warranty, and with the assumption of all risks.

12. Title. Carroll County represents and covenants that it has fee simple title to the Leased Premises and has the full right and authority to execute this Lease for the term and upon the conditions herein contained.

13. Lessee's Use.

(a) The Lessee shall have the right to enter upon and use the Premises for the purposes set forth herein. The Lessee covenants not to use the Leased Premises for any purpose other than a Sales Center without the consent of Carroll County.

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(b) The Lessor shall consult with the Lessee on new activities brought into the Southwest Virginia Farmers Market property and shall not bring in any new activity, other than the expansion of the Farmers Market itself, without the consent of the Lessee, which shall not be unreasonably withheld. The Lessor shall remove the greenhouse in the Farmers Market by August 20, 2005. The Lessor agrees to place wood siding on the Cannery building to create a barn-like appearance that will be mutually satisfactory to the parties.

14. Headings and Pronouns: Headings or titles of the paragraph and sub-paragraphs are inserted solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect its meaning, construction or effect. Wherever the context may require, any gender or neuter may be substituted for the other and the plural for the singular.

15. Notice: Every notice, approval, consent or other communication authorized or required by this License, shall be effective if given in writing and (I) delivered in person, or (II) sent by United States Registered or Certified Mail, Return Receipt Requested, with postage prepaid, and addressed directly to Carroll County c/o the Carroll County Administrator of Carroll County, Virginia, 605-1 Pine Street, Hillsville, Virginia, and to Lessee at the Leased Premises, or such other address as either respective party may designate by written notice, from time to time.

16. Save Harmless: The parties mutually covenant to indemnify and save harmless one another against any and all liability, claims, or costs arising from their respective activities.

17. Law Applicable: This Lease has been executed in the Commonwealth of Virginia and shall be interpreted and governed by the laws of that state.

18. Covenants: Carroll County and Lessee hereby covenant and agree that each shall do and perform the agreements, undertakings and provisions herein above set forth for each of them, respectively.

This Lease has been authorized and accepted by the Carroll County Board of Supervisors and Lessee upon resolution duly adopted. WITNESS the following signatures, and seals:

CARROLL COUNTY OF CARROLL, VIRGINIA

April 19, 2005

_____(SEAL)
Brian Spencer, Chairman of the Board of Supervisors

Attest:

_____(SEAL)
Clerk

HARLINGEN HOLDING, INC

BY:_____(SEAL)
Richard Baumus Spoor, President

Attest:

_____(SEAL)
Secretary

AMERLINK, LTD.

BY:_____(SEAL)

ATTEST:

April 19, 2005

(SEAL)

Secretary

Exhibits:

A - Description of Premises

B - Description of Facilities to be Constructed

C - Description of Tourist Information Center

PERFORMANCE AGREEMENT

This Performance Agreement made and entered this _____ day of April, 2005, by and between the COUNTY OF CARROLL, VIRGINIA, hereinafter called "COUNTY" and AMERLINK, LTD, a New York Corporation, AND HARLINGEN HOLDINGS, INC, a North Carolina corporation, hereinafter collectively called "COMPANY."

WITNESSETH:

That whereas COUNTY has received grants of and expects to receive the sum of \$300,000 from the Governor's Opportunity Fund through the Virginia Economic Development Partnership and the sum of \$300,000 from the Tobacco Region Opportunity Fund for the purpose of inducing Company to locate in the COUNTY OF CARROLL, VIRGINIA, build facilities, and employ a significant number of persons, and

Whereas the COUNTY is willing to provide said grant funds and real estate assets as described herein to the Company provided the Company meets certain criteria relating to employment projections and capital investment, as more specifically provided for in a the Performance Agreement of even date herewith among the parties hereto and the Virginia Tobacco Indemnification and Community Revitalization Commission and the Virginia Economic Development Partnership (hereinafter "Grant Performance Agreement"); and

And Whereas the COUNTY is providing additional local incentives as provided for herein in exchange for the covenants and commitments of the Company, as set forth herein ;

Now Therefore, the parties hereto, in consideration of the foregoing, and the disbursement of funds and the transfer of other assets as hereafter provided, agree as follows:

1. The Company will construct and operate facilities in the COUNTY OF CARROLL, VIRGINIA, with an investment of at least \$3,000,000.00, excluding grant funds, in improvements, machinery, and

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equipment, and will create 200 jobs at said facility, all over a 39-month time period measured from the date the funds from the Governor's Opportunity Fund are received by Company.

2. The County will grant a Lease, which is attached hereto and hereby incorporated by reference, to the Company for land at the Southwest Virginia Farmers Market for its Sales Center (hereinafter "Lease").

3. The County will provide to the Company annually a local Enterprise Zone incentive in an amount equal to the taxes paid by the Company to the County for that year, until the total incentives paid to the Company equals \$150,000. After the 39 month performance period specified in the Grant Performance Agreement, the incentive payment by the County is contingent upon the Company employing at least 180 full-time persons at its Carroll County facilities.

4. The County shall waive all building permit fees and sewer and water connection fees for the facilities to be constructed by the Company.

5. The County will provide the Company with a 32.4 acre parcel, more or less, in the Carroll County Industrial Park to be used by the Company for its manufacturing and distribution activities (hereinafter the "industrial site"). The County will provide the industrial site to the Company at no cost on or before May 15, 2005. The County will be responsible for having public water and sewer services available at "the curb" of the industrial site. The Company will use said property for its manufacturing and distribution operations in furtherance of this agreement. The Company agrees to re-convey the industrial site property to the County in the event that it fails to construct a sawmill, planer mill, and handcrafted log home facility and commence full-scale operations at all of these facilities ("manufacturing operations") within the performance period specified in the Grant Performance Agreement.

6. The signatories hereto represent and warrant that they are duly authorized to execute this Agreement on behalf of the named parties.

Witness the following signatures and seals the day and year first above written.

THE COUNTY OF CARROLL, VIRGINIA

By _____ (Seal)
Brian Spencer, Chairman

April 19, 2005

AMERLINK, LTD

By _____ (Seal)
Larry Guyette, President

HARLINGEN HOLDINGS, INC

By _____ (Seal)
Richard Baumus Spoor, President

ARTS AND CRAFTS SALES AGREEMENT

This Agreement made and entered this ____ day of April 2005, by and between the **COUNTY OF CARROLL, VIRGINIA**, hereinafter called "COUNTY" and AMERLINK, LTD, a New York Corporation, AND **HARLINGEN HOLDINGS, INC**, a North Carolina corporation, hereinafter collectively called "COMPANY."

WITNESSETH:

The parties, in consideration of the mutual covenants and conditions contained herein and in the other agreements between the parties, agree as follows:

1. The parties have entered into a Lease of even date herewith (hereinafter the "Lease"), which is hereby incorporated by reference. Under the terms of said Lease, the Company will allow the County to display for sale arts and crafts made by regional artisans in the areas of its sales models that are open to the public (hereinafter "Gallery"). The arts and crafts displayed shall be selected by a Committee comprised of one representative from the Company and one representative from the County (hereinafter the "standing committee"). The standing committee may from time to time appoint additional committee members to serve at the pleasure of the standing committee. The committee shall select: (a) handcrafted products that reflect the traditions of the region and (b) are compatible with the Company's sales operations and image.

2. The County, through Rooftop of Virginia (or other agency designated and substituted at the election of the County (hereinafter

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“Roof top”), will arrange for the consignment, storage, delivery, stocking, and display and sale of arts and crafts approved by the committee. The arts and crafts will be displayed in a manner agreeable to the Company, so as to enhance the Company’s model home sales. The Company will cooperate in good faith to allow the Gallery to be operated to maximize: (a) the sale of regional arts and crafts for the benefit of the community and (b) to maximize the sale of the Company’s log home products. The Company shall not be entitled to any portion of the proceeds for allowing its sales areas to be used as the Gallery. The parties agree that the Company’s relinquishment of any portion of the proceeds from the sale of arts and crafts provides a value to the County of an estimated \$100,000 per year.

3. The County, through Rooftop, will provide a receptionist situated in the reception area for the Tourist Information Center and Sales Center from 8:00 till sunset to handle the sales of arts and crafts and provide assistance to visitors to the Tourist Information Center. Additionally, when the Company’s receptionist is not on duty, the receptionist will greet the Company’s customers, provide pre-approved sales information, and direct the customers to the Company’s sales office. The receptionist position may be filled from time to time by County staff assigned to the Tourist Information Center. Any receptionist hired must be mutually agreeable to the parties. On weekends and holidays, the Company will provide a receptionist to work in cooperation with the receptionist provided by the County.

4. The County and the Company will explore the feasibility of taking a portion of the County’s inventory of arts and crafts for distribution to and sale in the Company’s other sales centers. Such an arrangement will be provided for by subsequent agreement.

5. The term of this agreement shall coincide with the lease term provided for in the Lease. Notwithstanding, after 15 years from the date hereof, the parties agree to negotiate whether the Company should take over the County’ obligations in sections 2 and 3 above in return for an agreed upon percentage of the sales proceeds. If the parties agree to change sections 2 and 3 above, they shall do so by an amendment hereto.

6. This agreement may be modified from time to time by the written agreement of the parties.

Witness the following signatures and seals the day and year first above written.

CARROLL COUNTY OF CARROLL, VIRGINIA

April 19, 2005

_____(SEAL)
Brian Spencer, Chairman of the Board of Supervisors

Attest:

_____(SEAL)
Clerk

HARLINGEN HOLDING, INC

BY:_____(SEAL)
Richard Baumus Spoor, President

Attest:

_____(SEAL)
Secretary

AMERLINK, LTD.

BY:_____(SEAL)
Larry Guyette, President

ATTEST:

April 19, 2005

_____(SEAL)
Secretary

AMERLINK, LTD and HARLINGEN HOLDINGS, INC

By _____ (Seal)
Richard Baumus Spoor (Seal)

Attest:

_____(Seal)
Secretary

(Order)

**RESCIND MOTION – ADOPTION OF NEW RIVER WATER
AUTHORITY RESOLUTION**

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed, the Board rescinded their earlier motion approving the WITHDRAWAL APPLICATION and the RESOLUTION OF THE BOARD OF SUPERVISORS OF CARROLL COUNTY, THE BOARD OF SUPERVISORS OF WYTHE COUNTY AND THE COUNCIL OF THE TOWN OF WYTHEVILLE AUTHORIZING THE WITHDRAWAL OF CARROLL COUNTY FROM THE NEW RIVER REGIONAL WATER AUTHORITY AND AMENDING AND RESTATING THE ARTICLES OF INCORPORATION OF THE AUTHORITY.

Note: Mr. Early voted No on the above motion.

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(Order)

ADJOURNMENT

Upon motion by Mrs. Myers, seconded by Mrs. Nichols, and passed unanimously, the Board adjourned at 1:05 a.m. until April 28, 2005 at 5:00 p.m.

Brian E. Spencer, Chairman

Ronald L. Newman, Clerk