

EDMUNDS & WILLIAMS

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RESPOND TO:
P.O. Box 958
Lynchburg, Virginia 24505-0958

September 15, 2014

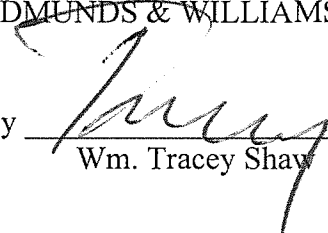
Mr. Jack Hobbs
Industrial Development Authority
of the Town of Amherst, Virginia
174 South Main Street
Amherst, VA 24521

Dear Jack:

Enclosed are an executed Amendment to Financing Agreement, effective September 1, 2014, certified Resolution of the Amherst Industrial Development Authority and our opinion to the Authority and SunTrust Bank.

EDMUNDS & WILLIAMS, P.C.

By



Wm. Tracey Shaw

WTS/ap

AMENDMENT TO FINANCING AGREEMENT

THIS AMENDMENT TO FINANCING AGREEMENT (the “**Amendment**”) is made and entered into by and between **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF AMHERST, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**Authority**”), **SWEET BRIAR INSTITUTE**, a Virginia not-for-profit corporation (“**Borrower**”), and **SUNTRUST BANK**, a bank organized under the laws of Georgia (“**Bank**”) (each, a “**Party**”, and collectively, the “**Parties**”) effective September 1, 2014 (“**Effective Date**”).

RECITALS

WHEREAS, the Authority approved the issuance of an Educational Facilities Revenue Refunding Bond (Sweet Briar College) Series 2011 in the principal amount of Ten Million and 00/100 Dollars (\$10,000,000.00) on September 6, 2011 (the “**Bond**”);

WHEREAS, Borrower and the Authority entered into a Financing Agreement, dated September 1, 2011, in order to allow the Authority to issue and sell the Bond and refund the proceeds of such sale to the Borrower in exchange for the Note (as defined below) (the “**Financing Agreement**”);

WHEREAS, the Parties and the Authority entered into a Bond Purchase Agreement, dated September 21, 2011, under which the Authority assigned all of its right, title and interest in the Financing Agreement and Note to Bank and the Bank became the holder of the Note (the “**Bond Purchase Agreement**”);

WHEREAS, Borrower executed the Series 2011 Promissory Note in favor of the Authority, in the principal amount of Ten Million and 00/100 Dollars (\$10,000,000.00) dated September 23, 2011 pursuant to the terms of the Financing Agreement and in consideration of receipt of the proceeds of the Authority’s sale of the Bond (the “**Note**”);

WHEREAS, the Parties now wish to amend the Financing Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Article I of the Financing Agreement is hereby amended to insert the following definitions:

“Liquidity Ratio” means, with respect to the Borrower, the ratio of
(a) Liquid Assets to (b) Total Funded Debt.

“Liquid Assets” shall mean the sum of Borrower’s unrestricted cash and investments and temporarily restricted cash and investments as then recorded on Borrower’s balance sheet.

“Total Funded Debt” shall mean the sum of Borrower’s bonds payable and capital lease obligations as then recorded on Borrower’s balance sheet.

2. Article IV of the Financing Agreement is hereby amended to insert the following as new Section 4.9 as follows:

Section 4.9 Liquidity Covenant. At the end of each fiscal year, the Borrower shall have a Liquidity Ratio of not less than 1.10:1.

3. Article V, Section 5.1(b) of the Financing Agreement is hereby deleted in its entirety and the following is substituted in its place and stead:

Failure of Borrower to observe or perform any of its other covenants, conditions or agreements hereunder for a period of 30 days following notice thereof given by the Authority or holder of the Bond specifying such failure and requesting that it be remedied. Notwithstanding the foregoing, failure of Borrower to observe or perform the bond rating covenant as described in Section 4.8 of the Financing Agreement (the “**Bond Rating Covenant**”) or the liquidity covenant as described in Paragraph 2 of this Amendment and added as Section 4.9 of the Financing Agreement pursuant to the terms of this Amendment (the “**Liquidity Covenant**”) shall constitute an Event of Default only if Borrower simultaneously fails to comply with both the Bond Rating Covenant and the Liquidity Covenant.

4. Capitalized terms not defined in the preamble or body of this Amendment are defined in the Financing Agreement or any amendments thereto.

5. All provisions of the Financing Agreement and any amendments thereto not specifically amended hereby shall be unaffected by this Amendment and shall remain in full force and effect.

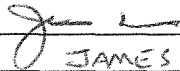
6. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Amendment, facsimile signatures shall be treated as original signatures.

7. This Amendment shall be governed by the substantive laws of the Commonwealth of Virginia without giving effect to conflict of laws principles.


8. This Amendment shall be binding on the Parties and their respective successors and permitted assigns. Neither Party may assign this Amendment except as may be permitted by the Financing Agreement.

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Amendment on the Effective Date.


INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF AMHERST,
VIRGINIA

By: 
Its: JAMES MEADE
CHAIRMAN

SWEET BRIAR INSTITUTE


By: Scott C. Shank
Its: Vice President for Finance
and Administration

SUNTRUST BANK


By: Dennis R. Howard
Its: Senior Vice President

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF AMHERST, VIRGINIA
CONCERNING \$10,000,000.00 COLLEGE FACILITIES REFUNDING REVENUE BOND
(SWEET BRIAR COLLEGE) SERIES 2011
(the "Bond")**

WHEREAS, the Industrial Development Authority of the Town of Amherst, Virginia, a political subdivision of the Commonwealth of Virginia ("Authority"), has been duly created by the Town of Amherst, Virginia, pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended; and

WHEREAS, the Authority has previously issued and delivered the Bond to SunTrust Bank, a bank organized under the laws of Georgia (the "Bond Purchaser") for the benefit of Sweet Briar Institute, a Virginia non stock, nonprofit corporation (the "Borrower") subject to the terms of a Financing Agreement, dated September 1, 2011 (the "Agreement"), between the Authority and the Borrower which was assigned by the Authority to the Bond Purchaser; and

WHEREAS, the Borrower and the Bond Purchaser have requested the execution and delivery by the Authority of an Amendment to Financing Agreement, dated as of September 1, 2014, (the "Amendment") modifying certain of the Borrower's financial covenants under the Agreement, a copy of which Amendment has been presented to this meeting;

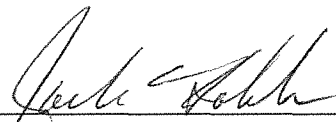
NOW, THEREFORE, IT IS RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF AMHERST, VIRGINIA:

The Amendment is hereby approved and the Chairman and the officers of the Authority are hereby authorized and directed to execute and deliver the Amendment in substantially the form submitted to this meeting.

CERTIFICATE

The undersigned Secretary of the Authority hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on September 8, 2014, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority, this 8th day of September 2014.



Secretary, Industrial Development Authority of the
Town of Amherst, Virginia

[SEAL]



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September 8, 2014

SunTrust Bank
Lynchburg, Virginia

Industrial Development Authority
of the Town of Amherst, Virginia
Amherst, Virginia

**Educational Facilities Revenue Refunding Bond (Sweet Briar College) Series 2011
Amendment to Financing Agreement**

Ladies and Gentlemen:

We have been asked to render an opinion on the execution and delivery (the "Transaction") of the Amendment to Financing Agreement, with an effective date of September 1, 2014 (the "Amendment"), by the Industrial Development Authority of Amherst County, Virginia (the "Authority"), Sweet Briar Institute (the "Borrower") and SunTrust Bank (the "Bank"). The Amendment amends the Financing Agreement among the Authority, Borrower and Bank relating to the Authority's Educational Facilities Revenue Refunding Bond (Sweet Briar College) Series 2011 dated September 6, 2011, in the original principal amount of \$10,000,000 (the "**Bond**").

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Borrower, the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. We have also assumed that the Amendment has been duly authorized, executed and delivered by the Bank.

In rendering the opinion in this letter, we have assumed, without investigation, that immediately prior to the Transaction the interest on the Bond was excludable from gross income for federal income tax purposes and that the Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Without limiting the generality of the foregoing, we have made no investigation of, and are rendering no opinion regarding, the use of the proceeds of the Bond or any investment of such proceeds, the use of any portion of the facilities financed with the proceeds of the Bond, or any other matters occurring before or after the issuance of the Bond that may affect the tax exemption of interest on the Bond, except as expressly set forth herein.

September 8, 2014
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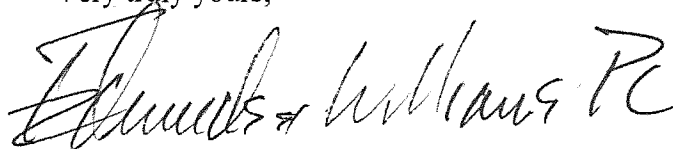
Based upon the foregoing, we are of opinion that, under existing law:

1. The Amendment has been duly authorized, executed and delivered by the Authority and the Borrower and is a valid and binding agreement of the Authority and the Borrower enforceable in accordance with its terms. The enforceability of the Amendment is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to usual equity principles that may limit the specific enforcement of certain obligations and remedies.

2. The Transaction will not adversely affect the excludability from gross income of interest on the Bond for federal income tax purposes or the status of the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

This opinion is furnished to you by us as bond counsel to the Authority and the Borrower solely for your benefit and is rendered solely in connection with the Transaction. This opinion may be relied upon only in connection with the subject transaction and may not be relied upon by any other person or for any other purpose without our prior written consent. No opinion is implied or may be inferred beyond the matters expressly stated herein. The opinion expressed herein is as of the date hereof, and we assume no obligation to update or supplement such opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. In compliance with Internal Revenue Service requirements, we inform you that any U.S. federal tax advice contained in this letter is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding any federal tax penalties.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Edmund S. Williams PC". The signature is written in dark ink and is positioned below the typed name "Edmund S. Williams PC".