

VIRGINIA:

IN THE CIRCUIT COURT OF AMHERST COUNTY

JESSICA CAMPBELL, BRITTANY
BEHRENS, DONNA BEHRENS, JOHN
BEHRENS, MOLLY PHEMISTER, ALEXIA
REDICK BARTLETT, LELIA DUNNING,
ANDREW C. BENJAMIN, JANICE I.
BENJAMIN, MAKAYLA B. BENJAMIN and
CATHERINE PEEK,

Plaintiff,

Case No. CL15009390

v.

SWEET BRIAR INSTITUTE, and
JAMES F. JONES, JR.,
INDIVIDUALLY and as INTERIM
PRESIDENT OF SWEET BRIAR
INSTITUTE,

Defendants.

CONSENT SETTLEMENT ORDER

This matter comes before the Court on the joint motion of all parties. The parties have resolved their disputes at issue in the above-referenced action pursuant to the Settlement Agreement attached hereto as Exhibit 1 (the "Settlement Agreement") and filed with the Court, conditioned on the entry by the Court of substantially identical consent settlement orders in *Commonwealth of Virginia, ex rel. Ellen Bowyer, in her official capacity as County Attorney for the County of Amherst, Virginia v. Sweet Briar Institute, et al.*, Case No. CL15009373-00 (the "Bowyer Suit"), *Jessica Campbell, et al., v. Sweet Briar Institute, et al.*, Case No. CL15009390-

00 (the “Campbell Suit”), and *John Gregory Brown, et al., v. Sweet Briar Institute*, Case No. CL15009395-00 (the “Faculty Suit”), all pending in this Circuit.

In support of the joint motion, the Court has received the following representations:

Ellen Bowyer, in her capacity as County Attorney for Amherst County, along with Saving Sweet Briar, Inc. (“SSB”) (together, the “Bowyer Plaintiff Parties”) represent that SSB has obtained written pledges from donors who have agreed to make gifts to the College of at least Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) over five years. The Bowyer Plaintiff Parties further represent that such pledges are for donations that may be used for the general operations of the College and are not otherwise restricted as to time or use, with the exception of one pledge identified in Section 1 of the Settlement Agreement;

A total of at least Twelve Million Dollars (\$12,000,000) will be transferred by SSB to the College or be otherwise received by the College from Donors (as defined in the Settlement Agreement), in the following installments: (i) the first installment of at least Two Million Five Hundred Thousand Dollars (\$2,500,000) to be transferred or received by the College within seven (7) business days of the Effective Date (as defined in the Settlement Agreement) of the Settlement Agreement (as defined in the Settlement Agreement, the “Fund Transfer Obligation”); (ii) the second installment of at least Six Million Dollars (\$6,000,000) to be transferred or received within thirty (30) days after the College has received the first installment of donations described in the immediately preceding clause (i); and (iii) the third installment of at least Three Million Five Hundred Thousand Dollars (\$3,500,000) to be transferred or received within thirty (30) days after the College has received the second installment of donations described in the immediately preceding clause (ii);

Upon receipt of each installment of donated funds described above, the College will request that the Attorney General of Virginia initiate the process of consenting to the release of restrictions on the use of the College's institutional funds under the Virginia Uniform Prudent Management of Institutional Funds Act ("UPMIFA") in an amount of up to Sixteen Million Dollars (\$16,000,000) in order to continue operations of the College. Such consent will be granted if the Attorney General determines, after careful analysis, that such use of funds will be consistent with the charitable purposes expressed in individual gift instruments. The requests and subsequent releases of restrictions on these institutional funds will be made in installments as outlined in Section 1(f) of the Settlement Agreement;

The Bowyer Plaintiff Parties represent that they believe that, together, these funds will be sufficient to operate the College for the 2015-16 academic year;

The Bowyer Plaintiff Parties represent that they believe that the College has a sustainable future and that funds can be raised, other than by release of restrictions on the College's institutional funds under UPMIFA or otherwise (except as set forth herein), to operate and transform the College to reach that sustainable future; and

The Bowyer Plaintiff Parties represent that they have a general understanding of and acknowledge the obligations that the College has to its creditors to the extent such obligations are listed on Exhibit F of the Settlement Agreement, and the Bowyer Plaintiff Parties further warrant that they will ensure that the College's new directors are informed as to the general nature of such obligations that the College has to its creditors.

Having considered the joint motion, the representations to the Court, and noting the consent thereto of the Attorney General of Virginia, it is hereby:

ORDERED that the Settlement Agreement is approved; and it is further

ORDERED that, upon SSB's timely satisfaction of the Fund Transfer Obligation within seven (7) business days of the Effective Date as set forth in the Settlement Agreement: at least thirteen (13) current members of the College's Board of Directors (the "Board") will resign; eighteen (18) new directors nominated by the Bowyer Plaintiff Parties, Campbell Plaintiff Parties, and the Faculty Plaintiff Parties will be elected to the Board, and upon their election, those directors will constitute a majority of the Board; and College President James F. Jones, Jr. will resign; and it is further

ORDERED that the releases of claims set forth in Settlement Agreement are approved by the Court and hereby deemed released; and it is further

ORDERED that the College will indemnify and hold harmless the current and past directors and officers of the College as set forth in the Settlement Agreement; and it is further

ORDERED that the College will maintain insurance coverage for the current and past directors and officers of the College as set forth in the Settlement Agreement; and it is further

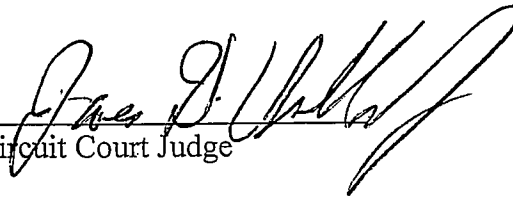
ORDERED that the Settlement Agreement is hereby incorporated by reference into and is an integral part of this Consent Order; and it is further

ORDERED that the failure to reference any provision of the Settlement Agreement in this Consent Order will have no effect on the Court's approval and authorization of, or the validity, binding effect or enforceability of, the Settlement Agreement in its entirety; and it is further

ORDERED that all claims asserted herein are DISMISSED WITH PREJUDICE, with each party to bear its own attorneys' fees and costs.

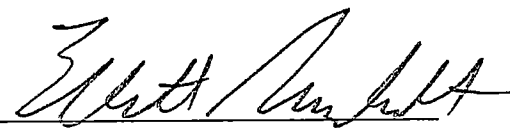
The Court shall retain jurisdiction over this matter in order to enforce the terms of the Settlement Agreement and this Consent Order.

For purposes of the Settlement Agreement and the Effective Date thereof, the entry of this Order shall be deemed to occur as of June 23, 2015.


Circuit Court Judge

WE ASK FOR THIS:

JESSICA CAMPBELL, BRITTANY BEHRENS, DONNA BEHRENS,
JOHN BEHRENS, MOLLY PHEMISTER, ALEXIA REDICK BARTLETT,
LELIA DUNNING, ANDREW C. BENJAMIN, JANICE I. BENJAMIN,
MAKAYLA B. BENJAMIN, CATHERINE PEEK

By: 
Counsel

Elliott J. Schuchardt
SCHUCHARDT LAW FIRM
541 Redbud Street
Winchester, VA 22603

Bedford County Circuit Court, VA

A copy teste: 
 Clerk Dep. Clerk


SWEET BRIAR INSTITUTE

By: 
Counsel

Calvin W. Fowler Jr., Esq.
Williams Mullen
200 South 10th Street, Suite 1600
P.O. Box 1320 (23218-1320)
Richmond, Virginia 23219

N. Thomas Connally, Esq.
Hogan Lovells US LLP
Park Place II, Ninth Floor
7930 Jones Branch Drive
McLean, Virginia 22102-3302

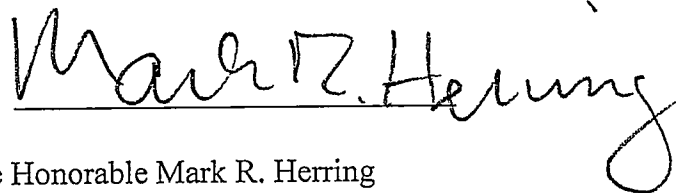
JAMES F. JONES, JR.

By: 
Counsel

Calvin W. Fowler Jr., Esq.
Williams Mullen
200 South 10th Street, Suite 1600
P.O. Box 1320 (23218-1320)
Richmond, Virginia 23219

SEEN AND AGREED:

THE HONORABLE MARK R. HERRING
ATTORNEY GENERAL

By: 

The Honorable Mark R. Herring
Attorney General

By: 

John W. Daniel, II
Deputy Attorney General
Commerce, Environment and Technology/Procurement

Office of the Attorney General
900 East Main Street
Richmond, Virginia 23219

cc: D. Simons - 6/22/15-BK
Piepgrass - 6/22/15-BK