

VIRGINIA HIGHLANDS AIRPORT AUTHORITY

SPECIAL CALLED MEETING

Members Present: Dr. James Baker
Frank Sims
Jeffery Johnson
Ben Jenkins
Daniel Ruble

Absent: John White
Kent Hutton

Guest Present: See Attachment

The Virginia Highlands Airport Authority Board of Directors held its Special Called meeting on Tuesday, January 16, 2024, at 5:30 P.M. in the “Dr. F. Ellison Conrad” Conference Room of the Terminal Building. Dr. Baker, Chairman, determined that a quorum of the Board was present and called the meeting to order. Also, present were Mickey Hines, Airport Manager, Kristy Miller, Executive Assistant.

Dr. Baker stated that the purpose of the Special Called Meeting is to discuss the Resolution for the Virginia Resources Authority (“VRA”) authorizing the issuance, sale and award of a taxable airport revenue Bond, Series 2024.

Mr. Hines introduced Mr. Ben Wills and Ms. Megan Gilliland with Kaufman & Canoles, P.C who joined the meeting via Microsoft Teams.

Mr. Hines asked Mr. Wills and Ms. Gilliland to relate to the Board the difference between a Taxable Bond and a Tax-Exempt Bond and to clarify the interest rate.

Mr. Wills stated that the true interest cost of a loan refers to the discount rate which equates the principal and semi-annual interest payments on the bonds to the purchase price for the local loan, which in this case is six hundred thousand dollars (\$600,000) principal amount of the loan – the true interest cost would be interest rate established based on the loan closing date. The interest rate will be set four weeks to the day before closing and is subsidized below market rates by 50 basis points (0.50%). Since we haven’t set a closing date yet, the interest rate is subject to change. That is why a not-to-exceed parameter is included in the financing resolution. That provides flexibility in the event that interest rates increase between now and when the loan interest rate is set.

Ms. Gilliland stated that as to the tax status of the loan, based on feedback from the bond counsel, the loan would receive a tax-exempt rate; however, the local bond would be issued as a taxable local bond since VRA isn’t requiring a tax-

exempt opinion from your local bond counsel in connection with the loan. As such, the local bond would be issued as a taxable local loan, which should reduce the cost associated with the legal work.

Discussion ensued.

Mr. Hines thanked Mr. Ben Wills and Ms. Megan Gilliland with Kaufman & Canoles, P.C for joined the meeting via Microsoft Teams and for answering the Boards questions.

Mr. Ruble moved to approve the Resolution. Mr. Johnson seconded the motion.

Discussion ensued.

Dr. Baker called for a vote to approve the Resolution. The motion carried unanimously by members presents 5-0.

Mr. Ruble moved to adjourn. Mr. Jenkins seconded the motion. The motion carried unanimously. The meeting adjourned at 5:53 P.M


Mr. Frank Sims, Secretary


Dr. James Baker, Chairman

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND
AWARD OF A TAXABLE AIRPORT REVENUE BOND, SERIES
2024, OF VIRGINIA HIGHLANDS AIRPORT AUTHORITY, IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$600,000
AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT
THEREOF**

WHEREAS, the Virginia Highlands Airport Authority (the “Authority”) is a validly existing independent public body corporate, duly created pursuant to Chapter 3, Title 5.1, Code of Virginia of 1950, as amended (the “Act”), by the Board of Supervisors of Washington County, Virginia (the “County”), to own and operate the Virginia Highlands Airport (the “Airport”) serving the County;

WHEREAS, the Authority desires to issue a taxable airport revenue bond in an aggregate principal amount not to exceed \$600,000 (the “Bond”), to finance the construction and installation of new utilities at the Airport, together with related expenses (the “Project”);

WHEREAS, the Authority has applied to the Virginia Resources Authority (“VRA”), as Administrator of the Virginia Airports Revolving Fund (the “Fund”), for the purchase of the Bond, and VRA has, pursuant to a commitment letter dated December 8, 2023, and acknowledged and accepted by the Authority on December 12, 2023, indicated its willingness to purchase such Bond utilizing funds available in the Fund; and

WHEREAS, there have been presented to the Authority drafts of the following documents proposed in connection with the issuance and sale of the Bond:

(a) A Financing Agreement (the “Financing Agreement”) between VRA, as Administrator of the Fund, and the Authority, setting forth the terms of the Bond; and

(b) A Support Agreement (the “Support Agreement”) between the County, the Authority and VRA, as Administrator of the Fund;

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA HIGHLANDS AIRPORT AUTHORITY:

1. Authorization and Issuance of Bond; Use of Proceeds. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Act, the Authority hereby authorizes the issuance and sale of the Bond to provide funds, together with other available funds, to pay the costs of the Project and to pay the costs incurred with the issuance of the Bond. The sale of the Bond to VRA, as Administrator of the Fund, in accordance with the terms of this resolution and the Financing Agreement is hereby approved.

2. Authorization of Financing Agreement and Support Agreement. The Chairman, Vice-Chairman, and Managing Director of the Authority, any of whom may act, are hereby authorized and directed to execute the Financing Agreement and the Support Agreement, which shall be in substantially the forms submitted to the Authority, which are hereby approved,

with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the Chairman, Vice-Chairman, or Managing Director of the Authority, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Financing Agreement.

3. Bond Details. The Bond shall be issued as a single, registered bond, shall be dated the date of its delivery to VRA, as Administrator of the Fund, shall be numbered R-1, shall mature no later than December 31, 2051, shall be issued in an aggregate principal amount not to exceed \$600,000, shall have a "true" interest cost not to exceed 4.00%, and shall be sold to VRA, as Administrator of the Fund, at a price not less than 100% of the aggregate principal amount of the Bond.

The Chairman, Vice-Chairman, and Managing Director of the Authority, any of whom may act, shall evidence his approval of the final terms and purchase price of the Bond by executing and delivering to VRA, as Administrator of the Fund, the Financing Agreement. The actions of the Chairman, Vice Chairman, or Managing Director in determining the final terms and the purchase price of the Bond shall be conclusive, and no further action shall be necessary on the part of the Authority.

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

5. Pledge of Revenues. Subject to the Authority's right to apply Revenues to the payment of Operation and Maintenance Expenses, the principal of the Bond and all other amounts due under the Financing Agreement shall be payable solely from Revenues and other sources pledged thereto in the Financing Agreement. Additional bonds secured on a parity as to the pledge of Revenues with the Bond may be issued under the terms of the Financing Agreement.

Nothing in the Bond, the Financing Agreement or this resolution shall be deemed to create or constitute a general obligation indebtedness of or a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof, including the Authority and the County.

6. Execution and Form of Bond. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Bond by manual or facsimile signature, the Managing Director of the Authority is hereby authorized and directed to attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Bond to VRA upon payment therefor. The Bond shall be substantially in the form attached hereto as Exhibit A with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the officer signing the Bond, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

7. Preparation of Printed Bond. The Authority shall initially issue the Bond in typewritten form. Upon request of the registered owner and upon presentation of the Bond in typewritten form at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Bond in typewritten form, in denominations of \$5,000 and multiples thereof (except that one Bond may be issued in an odd denomination of less than \$5,000), of the same form and maturity and registered in such names as requested by VRA or its duly authorized attorney or legal representative. The printed Bond may be executed in the manner specified in paragraph 6. The typewritten Bond surrendered in any such exchange shall be canceled.

8. Registration and Transfer of Bond; Persons Treated as Owners. The Managing Director is hereby appointed paying agent and registrar (the "Registrar") for the Bond; provided that the Managing Director is further authorized, if deemed to be in the best interests of the Authority, at any time to appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute and deliver in exchange a new Bond having an equal aggregate principal amount, of the same form and maturity, and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

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, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each payment date.

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

10. Preparation and Delivery of Bond. The Chairman, Vice-Chairman and Managing Director are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver it to VRA, as Administrator of the Fund, as the purchaser thereof upon payment therefor. The Chairman, Vice-Chairman and Managing Director are further authorized and directed to agree to and comply with, on behalf of the Authority, any and all further conditions and requirements of VRA not inconsistent with this resolution in connection with its purchase of the Bond.

11. Other Actions. All other actions of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bond are hereby authorized, ratified and approved. The officers of the Authority 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 Bond pursuant to this resolution and the Financing Agreement.

12. Effective Date; Filing. This resolution shall take effect immediately.

* * *

The undersigned Secretary of the Virginia Highlands Airport Authority (the "Authority") hereby certifies that the foregoing constitutes a true, correct and complete copy of a resolution adopted by the Authority at a meeting duly called and held on January 16, 2024, with the members present and absent and voting on the resolution as set forth below, that such meeting was duly convened and held in all respects in accordance with law, and that the foregoing resolution has not been repealed, revoked, rescinded or amended.

<u>Member</u>	<u>Attendance</u>	<u>Vote</u>
John R. White	Absent	—
Ben Jenkins	Present	Yes
Kent Hutton	Absent	—
Daniel I. Ruble	Present	Yes
Frank Sims	Present	Yes
Jeffery Johnson	Present	Yes
Dr. James E. Baker	Present	Yes

WITNESS MY HAND of the Virginia Highlands Airport Authority, this 16th day of January, 2024.


Secretary, Virginia Highlands Airport Authority

