

## **MINUTES**

### **MEETING – Virginia Port Authority Board of Commissioners - Session 375**

#### Location:

Virginia International Gateway (VIG) Terminal  
1000 Virginia International Gateway Boulevard  
Portsmouth, Virginia

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The Board of Commissioners (“Board”) of the Virginia Port Authority (“VPA”) held its regular meeting on September 21, 2016, at the Virginia International Gateway (“VIG”) Terminal, Portsmouth, Virginia. VPA Board Chairman John G. Milliken called the meeting to order at 9:00 a.m.

The following were then in attendance:

#### Commissioners:

John G. Milliken, Chairman  
Jennifer D. Aument  
J. William Cofer  
Alan A. Diamonstein  
Gary T. McCollum  
Val S. McWhorter  
Deborah C. Waters  
F. Blair Wimbush  
Manju S. Ganeriwala, State Treasurer

#### Commissioners Absent:

John N. Pullen, Vice Chairman  
Daniel C. Gundersen  
Faith B. Power  
Kim Scheeler

#### VPA Staff:

John F. Reinhart, CEO and Executive Director  
Rodney W. Oliver, Chief Financial Officer  
Cathie Vick, Chief Public Affairs Officer  
Joseph P. Ruddy, Chief Innovation Officer  
James W. Noel, III, General Counsel  
Matthew Barnes-Smith, Vice President, Strategic Planning  
Joe Harris, Senior Director, Media Relations  
Carla Welsh, Director, Creative Services and Brand Management  
Debra J. McNulty, Clerk to the Board  
Jodie Asbell, Deputy Clerk/Executive Secretary to the Executive Director

#### Virginia International Terminals, LLC (VIT) Staff:

Thomas D. Capozzi, Chief Commercial Officer

VIT Staff (continued):

Shawn Tibbetts, Chief Operations Officer

Rich Ceci, Senior Vice President of Technology and Projects

Guests:

Luis Mejia, Treasury Board

Douglas Densmore, Treasury Board

Neil Amin, Treasury Board

David Von Moll, State Controller/Treasury Board

Craig Burns, State Tax Commissioner/Treasury Board

Donald Ferguson, Office of the Attorney General/Treasury Board Counsel

Janet Aylor, Treasury Staff/Director of Debt Management

Michael Tutor, Treasury Staff/Secretary to Board

JoAnne Carter, The PFM Group

William W. Harrison, Jr., Williams Mullen

Stacy Munroe, Williams Mullen

Vanessa Yearick, Williams Mullen

Nicole Williams, Williams Mullen

Ryan Kenrick, Williams Mullen

David White, Virginia Maritime Association

Bill Bateman, Savant Ltd.

Media

Bob McCabe, *The Virginian-Pilot*

(Note: Aubrey Layne, Secretary of Transportation, was unable to attend the VPA Board meeting due to the Commonwealth Transportation Board meeting.)

Mr. Ruddy conducted the safety briefing at this time.

**I. Approval of Minutes**

**Action:** At the request of Chairman Milliken, the minutes of the annual and regular meetings held August 9, 2016, were unanimously approved, as circulated.

Chairman Milliken reported two changes to Standing Committees. He announced that Ms. Deborah Waters would move to the Growth and Operations Committee and Ms. Faith Power would move to the Finance and Audit Committee. **The Chairman also announced that Commissioner Diamonstein has called a meeting of the Growth and Operations**

**Committee scheduled for Monday, October 17<sup>th</sup>, (1:00) to review the Port's Strategic Growth Plan** and the entire Board was invited to attend.

Chairman Milliken welcomed Treasury Board officials in attendance and he asked that everyone introduce themselves.

## **II. Closed Executive Session**

At 9:08 a.m. Chairman Milliken announced that the Board would convene a closed meeting. Motion was made by Mr. Diamonstein to convene a closed meeting in accordance with The Virginia Freedom of Information Act, pursuant to the requirements of §2.2-3711(A)(6), to discuss or consider the investment of public funds into the Port's facilities, including Virginia International Gateway ("VIG"), Norfolk International Terminals, and Richmond Marine Terminal, where competition or bargaining is involved, where, if made public initially, the financial interests of the VPA would be adversely affected; and pursuant to §2.2-3711(A)(3), for the discussion or consideration of the acquisition of real property for a public purpose and as it relates to the operations and growth of the Port's terminal facilities, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and pursuant to §2.2-3711(A)(38), and the provisions of §62.1-132.4, to discuss confidential budgetary information as well as confidential proprietary information and data furnished to the VPA relating to VIG Phase II build-out and long-term lease transaction; and pursuant to the requirements of §2.2-3711(A)(7), to consult with legal counsel regarding the aforementioned VIG transaction requiring the provision of legal advice by such counsel."

The motion was seconded by Mr. McCollum.

## **III. Certification of Open Session and Roll Call**

At 11:45 a.m., the VPA Board came out of closed session and the following certification was read by Mr. Diamonstein:

"I move the following resolution:

WHEREAS, the VPA Board of Commissioners has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board."

The motion was seconded by Ms. Ganeriwala.

A roll call vote of the VPA Board members, certifying the closed session, was conducted as follows:

Ayes: 9 (Aument, Cofer, Diamonstein, Ganeriwala, McCollum, McWhorter, Milliken, Waters, Wimbush)

Nays: 0

Absent During Vote: 4

Absent During Meeting: 4 (2 non-voting)

#### **IV. Report by Chief Financial Officer – Rodney W. Oliver**

Mr. Oliver presented VPA and Virginia International Terminals, LLC operating revenues/expenses, operating income, and change in net position, for the one-month ended July 2016 (FY17). Mr. Oliver announced that July was a very good start to the new fiscal year. A copy of his presentation is attached.

#### **V. Report of Executive Committee**

- I. Status report on negotiations with Virginia International Gateway, Inc. ("VIG") and consideration of Resolution I6-8, authorizing the Virginia Port Authority's Amended and Restated Lease of the Marine Terminal owned by VIG, the development and financing of the Phase II Expansion Project, the execution of various contracts and documents related to the Amended and Restated Lease and related matters.

At the request of Chairman Milliken, Mr. Reinhart provided a summary of the lease negotiations as follows:

- VPA has been in negotiations with VIG – Alinda (Alinda Capital Partners) and USS (Universities Superannuation Scheme) – to move forward with a long-term lease.
- VIG and the VPA have reached an agreement on a long-term lease that has been

presented to the Board.

- Major objectives for the VPA include having the ability to maintain operational control over the long-term and to control ownership of Virginia International Gateway Terminal at the conclusion of the lease.
- The transaction would allow for additional capacity and reduced costs.
- The new lease will be signed today and commence on November 1<sup>st</sup>, 2016.
- Key points between signing and commencement would be conditions precedent to the lease; due diligence completed and Project Plan finalized; legal opinions by both counsels delivered; joint permits approved; defease bonds with a new bond issuance; VIG to secure and finalize financing; and all insurance to be in place.

Mr. Reinhart announced that all of the steps are lined up to move forward with this transaction. He reported that, prior to the board meeting, as required by Virginia Code, the Secretary of Finance and Secretary of Transportation signed and authorized VPA to proceed with the execution of this agreement. Mr. Reinhart announced that, with Board approval, Resolution 16-8 would grant the Executive Director to execute the necessary lease documents at the conclusion of today's meeting.

Chairman Milliken announced that this is a momentous step and that it is worth underscoring The Port of Virginia's goals:

1. Long-term control which is achieved by the lease;
2. Building additional capacity as a bridge to our eventual growth at Craney Island;
3. Cutting our costs per container to be the most efficient container terminal in the United States of America;
4. Giving us flexibility to handle the larger ships with increased efficiency.

The Chairman remarked, "...it can be said we met our policy goals in this new lease".

At this time, Chairman Milliken asked for a motion to approve Resolution 16-8.

Ms. Aument asked to make a few remarks prior to offering a motion. A copy of her remarks is attached hereto.

**Action:** Upon motion by Ms. Aument, seconded by Mr. McCollum, the VPA Board unanimously approved Resolution 16-8 (9-0), authorizing the Virginia Port Authority's Amended and Restated Lease of the Marine Terminal owned by

**Virginia International Gateway, Inc., the development and financing of the Phase II Expansion Project, the execution of various contracts and documents related to the Amended and Restated Lease and related matters.**

2. Consideration of Resolution 16-9, providing for the issuance of Port Facilities Revenue Refunding Bonds and other obligations for the purpose of refunding prior bonds, terminating certain equipment leases, paying the cost of the acquisition, construction, reconstruction and control of Port Facilities and effecting a legal defeasance of Resolution 97-5.

Chairman Milliken presented Resolutions 16-9 and 16-10, which address changes in capital restructuring. He turned the floor over to Mr. McCollum at this time.

Mr. McCollum explained that the new lease with VIG also included the refunding of certain outstanding bonds and the defeasement of Resolution 97-5. He reported that the Board heard from financial advisors and agreed with the plan of finance for the lease and bond issuance. Mr. McCollum recommended approval of Resolutions 16-9 and 16-10.

**Action: Upon motion by Mr. McCollum, seconded by Mr. Diamonstein, the VPA Board unanimously approved Resolution 16-9 (9-0), providing for the issuance of Port Facilities Revenue Refunding Bonds and other obligations for the purpose of refunding prior bonds, terminating certain equipment leases, paying the cost of the acquisition, construction, reconstruction and control of Port Facilities and effecting a legal defeasance of Resolution 97-5..**

3. Consideration of Resolution 16-10, Series Resolution Supplementing Resolution 16-9 and authorizing the issuance of Port Facilities Revenue Refunding Bonds pursuant to Resolution 16-9.

**Action: Upon motion by Mr. McCollum, seconded by Mr. Diamonstein, the VPA Board unanimously approved Resolution 16-10 (9-0), Series Resolution Supplementing Resolution 16-9 and authorizing the issuance of Port Facilities Revenue Refunding Bonds pursuant to Resolution 16-9.**

Mr. McCollum commended the work of Mr. Reinhart and his team, PFM Group and Williams Mullen.

4. Consideration of Resolution 16-11, authorizing amendments to the Operating Agreements of Virginia International Terminals, LLC and HRCP II, L.L.C.

Chairman Milliken asked Mr. Reinhart to explain the purpose of Resolution 16-11. Mr. Reinhart reported that the restructuring of the lease and associates documents also required updates to the operating agreements with VIT and HRCP II.

**Action:** Upon motion by Mr. Diamonstein, seconded by Ms. Aument, the VPA Board unanimously approved Resolution 16-11 (9-0), authorizing amendments to the Operating Agreements of Virginia International Terminals, LLC and HRCP II, L.L.C.

5. Consideration of Resolution 16-12, authorizing the temporary limited suspension of Section 3.4.1 of the Bylaws of the Virginia Port Authority

**Chairman Milliken announced that Resolution 16-12 would be deferred until the November 15<sup>th</sup> meeting of the VPA Board. There were no objections from the Board.**

Chairman Milliken also thanked Mr. Reinhart and his team and the financial and legal advisors for their “yeoman’s effort” on the work associated with the renegotiated lease.

#### **VI. Report by Chief Innovation Officer – Joseph P. Ruddy**

1. Consideration of Resolution 16-13, authorizing the VPA to enter into a contract to continue construction of the Craney Island Eastward Expansion – South & Division Cross Dikes Stage 2A.
2. Consideration of Resolution 16-14, authorizing the Virginia Port Authority to enter into a contract to continue construction of the Craney Island Eastward Expansion – South & Division Cross Dikes Stage 2B.

At the request of the Chairman, Mr. Ruddy explained the purpose of Resolution 16-13 and 16-14, as they relate to the construction of the Craney Island Eastward Expansion. Mr. Ruddy deferred to Mr. McWhorter at this time who made statements regarding the language in Resolution 16-13, with regard to bid disparities. Mr. McWhorter offered the following motion:

**Action:** Mr. McWhorter made a motion to approve Resolution 16-13 and Resolution 16-14, “to include revisions, on the condition that, if the difference between the low bidder and the second low bidder does in fact exceed 25%, then the low bidder should be advised of this disparity and has to review and confirm its bid price and, if that is done, I recommend awarding the contract to the low

**bidder.” The motion was seconded by Mr. Diamonstein and Resolutions 16-13 and 16-14 were unanimously approved by the Board, as revised (9-0).**

With regard to Ms. Ganeriwala’s inquiry, Mr. McWhorter explained the process to remedy contract bid disparities. A discussion ensued.

3. Consideration of Resolution 16-15, authorizing the Virginia Port Authority to enter into a contract to construct rail improvements at the Richmond Marine Terminal.

At the request of Chairman Milliken, Mr. Ruddy explained that Resolution 16-15 authorizes rail expansion plans for the Richmond Marine Terminal, that were detailed in the resolution.

**Action: Upon motion by Mr. Wimbush, seconded by Ms. Waters, the VPA Board unanimously approved Resolution 16-15 (9-0), authorizing the Virginia Port Authority to enter into a contract to construct rail improvements at the Richmond Marine Terminal.**

#### **VII. Report by CEO and Executive Director – John F. Reinhart**

Mr. Reinhart thanked the Board, Secretary Layne, and the team, remarking on today’s achievement. He announced that Governor McAuliffe is scheduled to announce his approval today for VPA to move forward with the lease of Virginia International Gateway (Press Conference at 1:30).

In closing, Mr. Reinhart announced that the VIG lease reflects one of the most important opportunities for the future of this Port - seizing the opportunity to build capacity; staying ahead of the competition; and to be the premier choice for shippers on the East Coast.

#### **VIII. Unfinished Business**

There was no unfinished business to report.

#### **IX. New Business**

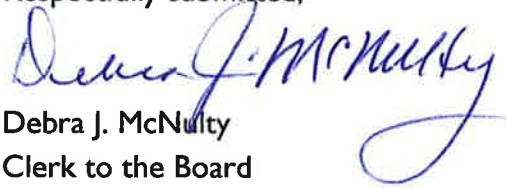
There was no new business to report at this time.

#### **X. Other Business, Opportunity for Public Comment, and Adjournment**



There being no further business and no public comments, the meeting adjourned at 12:12 p.m.

Respectfully submitted,



Debra J. McNulty  
Clerk to the Board

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*The next meeting of the VPA Board of Commissioners is scheduled for November 15, 2016, at 9:00 a.m.  
(rescheduled from November 22 due to Thanksgiving holiday).*

*Committee meetings will be scheduled Monday afternoon, November 14<sup>th</sup>.*

## **Virginia Port Authority Board of Commissioners**

Remarks of Commissioner Jennifer D. Aument  
Regarding the Board's Approval of a Long-Term Lease to Operate  
Virginia International Gateway (VIG) Terminal  
September 21, 2016

We had a lengthy discussion today about this transaction; it is one of many that we have had over the last two years about the opportunity that is in front of us. Actually, this morning as we were walking through what the future looks like with this partnership in place it really put me back to about nine months ago when we were sitting around the board table dealing with the congestion issues that were plaguing the Port and, at that period of time you will recall that the Chairman, Secretary Layne, John and his team, Shawn, were out at this facility and others sitting with truckers and other port stakeholders about the challenges of congestion and the lack of capacity to meet the changing needs of our customers and the realities of that. I think what we were really looking at nine months ago was what it looks like when the Commonwealth's economic engine slows down or stops. It was, I think, a stark reminder to all of us that it's our job to make sure that we keep that economic engine running.

Obviously, the key to that as we have all agreed in the last few months of these discussions is we have to have the capacity at this Port to support this Board and this Commonwealth's vision for the Port and for this economic engine. In a perfect world, we'd have ownership of this beautiful facility out here and John and Shawn and the team could go to work and we'd own the whole harbor and have total flexibility and, boy, wouldn't that be an easier discussion and an easier two years for your team, John, to have that. But it is not a perfect world. We have partners in this harbor and so we, as a board, and our predecessors before us have looked at numerous options on what action we must take to have that capacity and insure that we keep that economic engine going. And we looked at a number of options over the years. The Commonwealth has, various entities of this Board have, status quo, and I think we have seen ports south of us have charged forward with their investment. That failing to take action is a very dangerous thing for this port. Others have considered privatization of this entire harbor and I think that the outcome was clear from that process that it was not the right solution for this port. Purchasing the port terminal was another option that was considered and not a viable option and not in the best interest of the Commonwealth at that time, at the price and the terms that would be required.

So we looked to the option of how do we rework this lease with our partners at USS and Alinda to give us more flexibility, more capacity, and a pathway to ownership and I believe following these discussions that this option, of all of those options in front of this board, that this option is the best option and one that is in the best interest of the Commonwealth. It does deliver the capacity that supports our vision, it provides a clear and fair pathway to ownership, and it enables us to keep that engine running. And so I am pleased to support this resolution. I will say, that once we got to that option you have to go to work with your partners to align commercial outcomes and policy outcomes and I'll tell you from experience

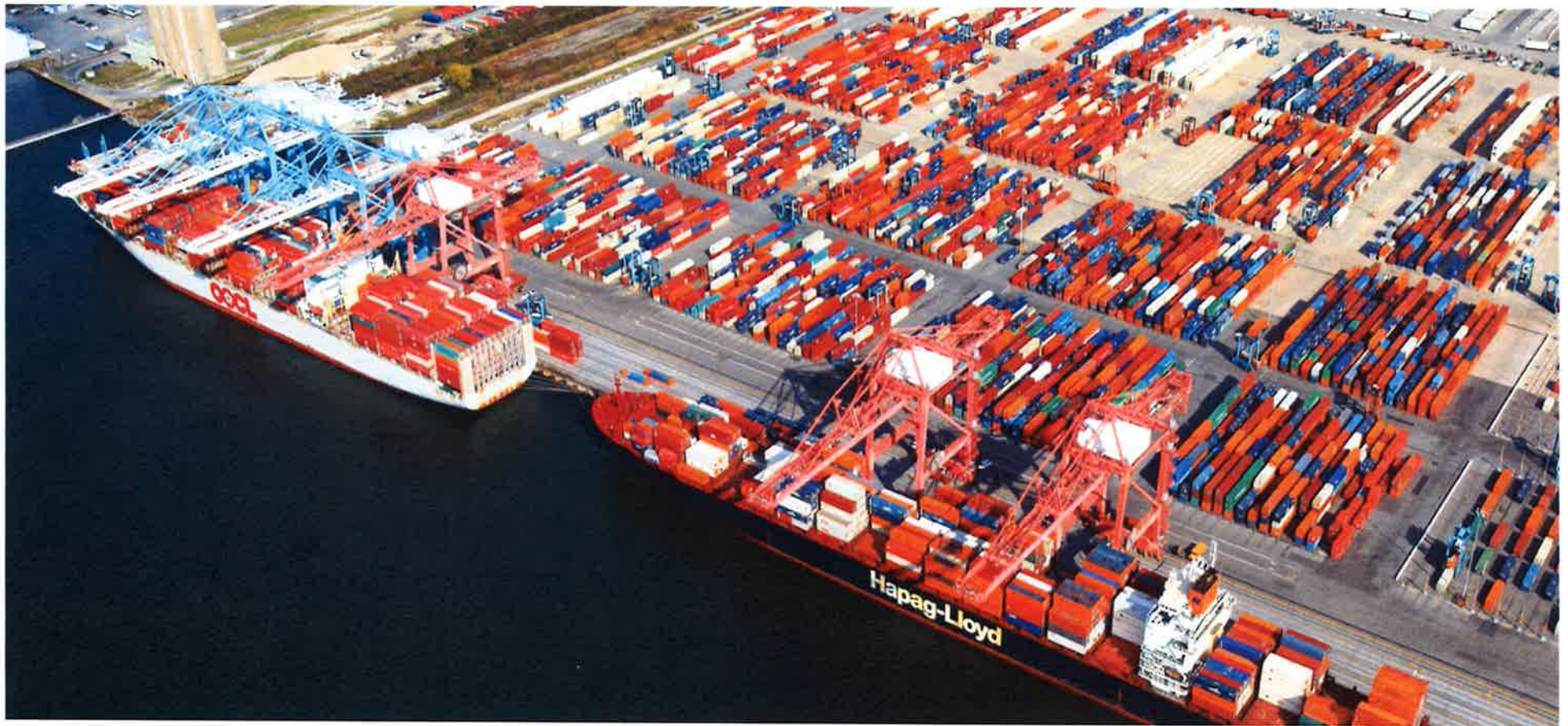
that is a very difficult thing to do, it's complex, it takes a whole lot of time, it takes a whole lot of energy, and a lot of patience and a lot of compromise. So I really want to commend the team for that herculean effort in the thousands of pages of carefully crafted documentation that goes with an effort of that magnitude and I believe from our discussions that we are there and to the Chairman's point that we have met our policy objectives through this transaction and I was pleased today as a board that we were reassured by management and the team of advisors supporting the Commonwealth that we will have confidence in the construction schedule, that we have significant contingencies in place, and that we go in with 100% design at this stage. I think that's important.

We were briefed today on a strong governance, a regime in place for project delivery to insure we can support this transaction with an on-time delivery, that we have a realistic pathway to ownership because that ultimately is the key goal and that it is a fair pathway to a fair price ultimately for this terminal and the long-term, that this transaction will improve the future cash flow position of the Port from an NPV perspective and that with continued support from the Commonwealth, you know we've been advised that this Port be able to meet our debt obligations even in a variety of downside scenarios. We were reassured today that adequate reserves and strategies are in place to meet any essential credit risks when we look at a very long-term horizon. So I was pleased today to hear from management and the team of advisors that these important elements have been met and that we can go in on the confidence that we have a plan and "plan Bs" as we look at decades of economic changes at the Port.

I am pleased to support the resolution (Resolution 16-8) and I want to thank the team again and for their hard work and, John, for your leadership and Mr. Chairman, but before I close I want to thank our partners. We have been sitting across the table from our partners and working on this transaction for the last two years and I just want to encourage the team to ensure that on both sides that we are now sitting on the same side of the table and that we are prepared to work shoulder to shoulder with our partners at USS and Alinda to make sure that this project is a success for them and most important a success for the Port and it will indeed deliver the outcome to keep our economic engine of the Commonwealth moving and support what I think is a very exciting future for The Port of Virginia.

## July 2016 Financial Report

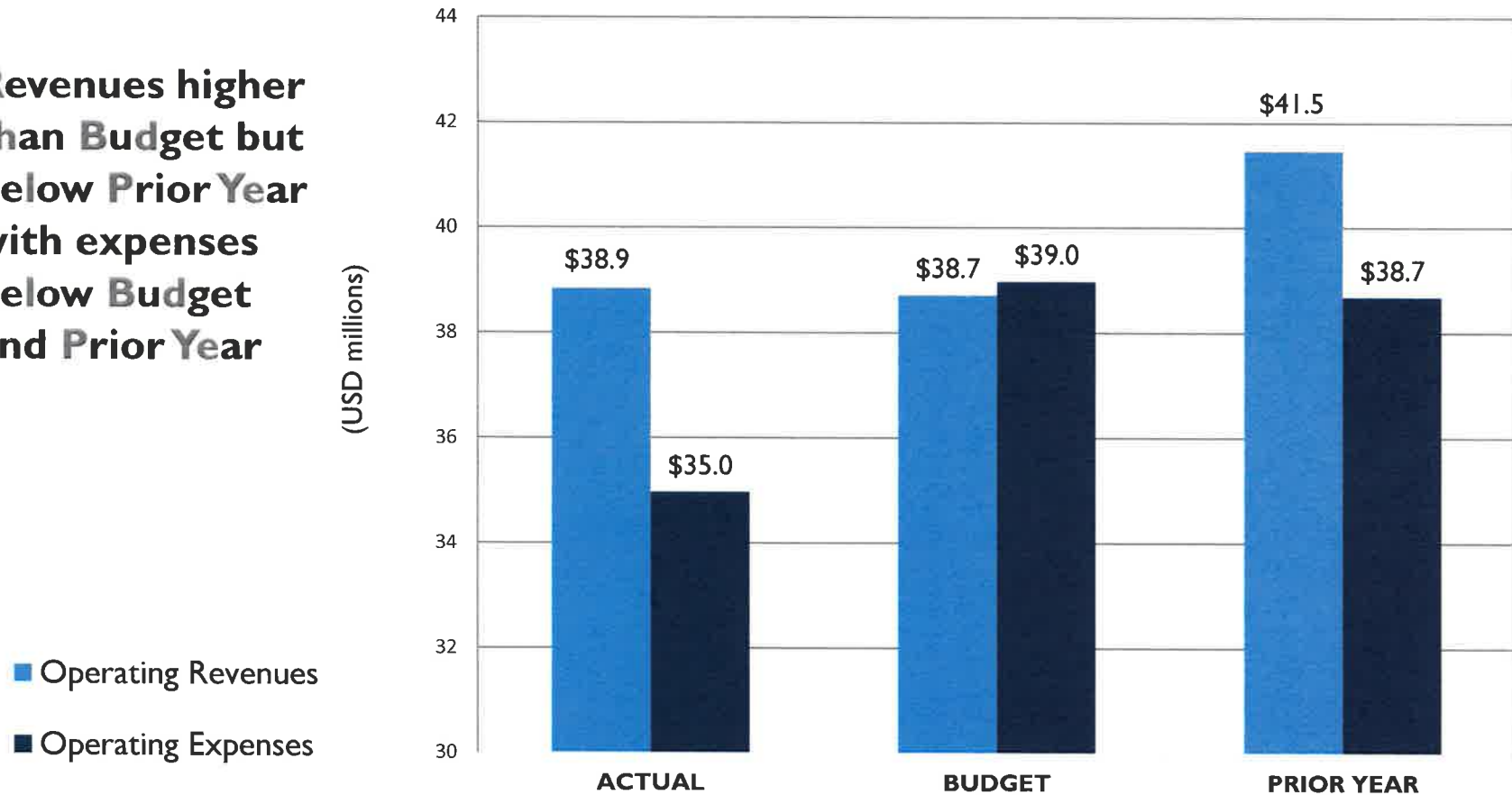
Rodney W. Oliver  
Chief Financial Officer



# OPERATING REVENUES AND EXPENSES:

## For the One Month Ended July 31, 2016

Revenues higher than Budget but below Prior Year with expenses below Budget and Prior Year

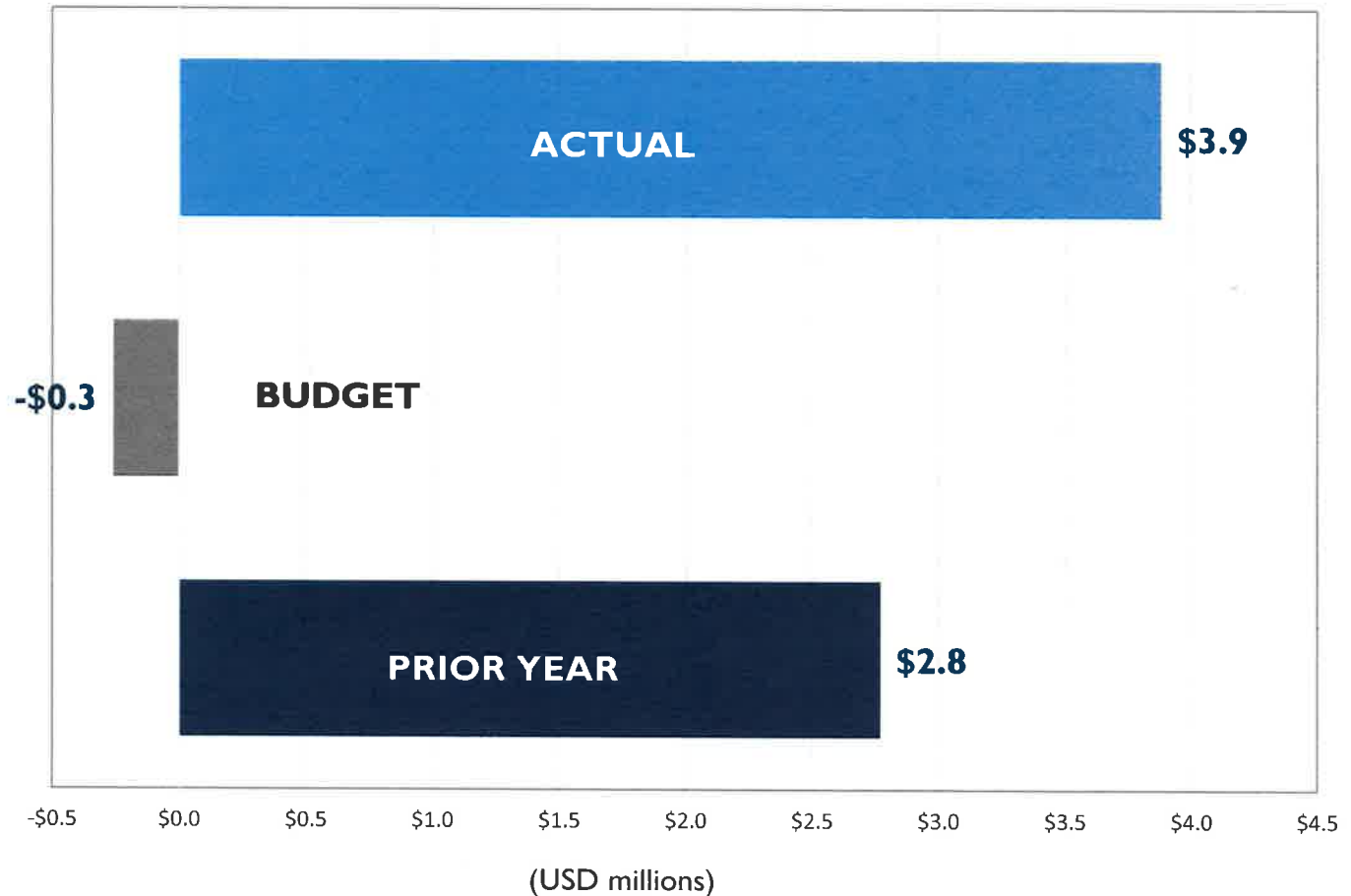




# OPERATING INCOME(LOSS):

## For the One Month Ended July 31, 2016

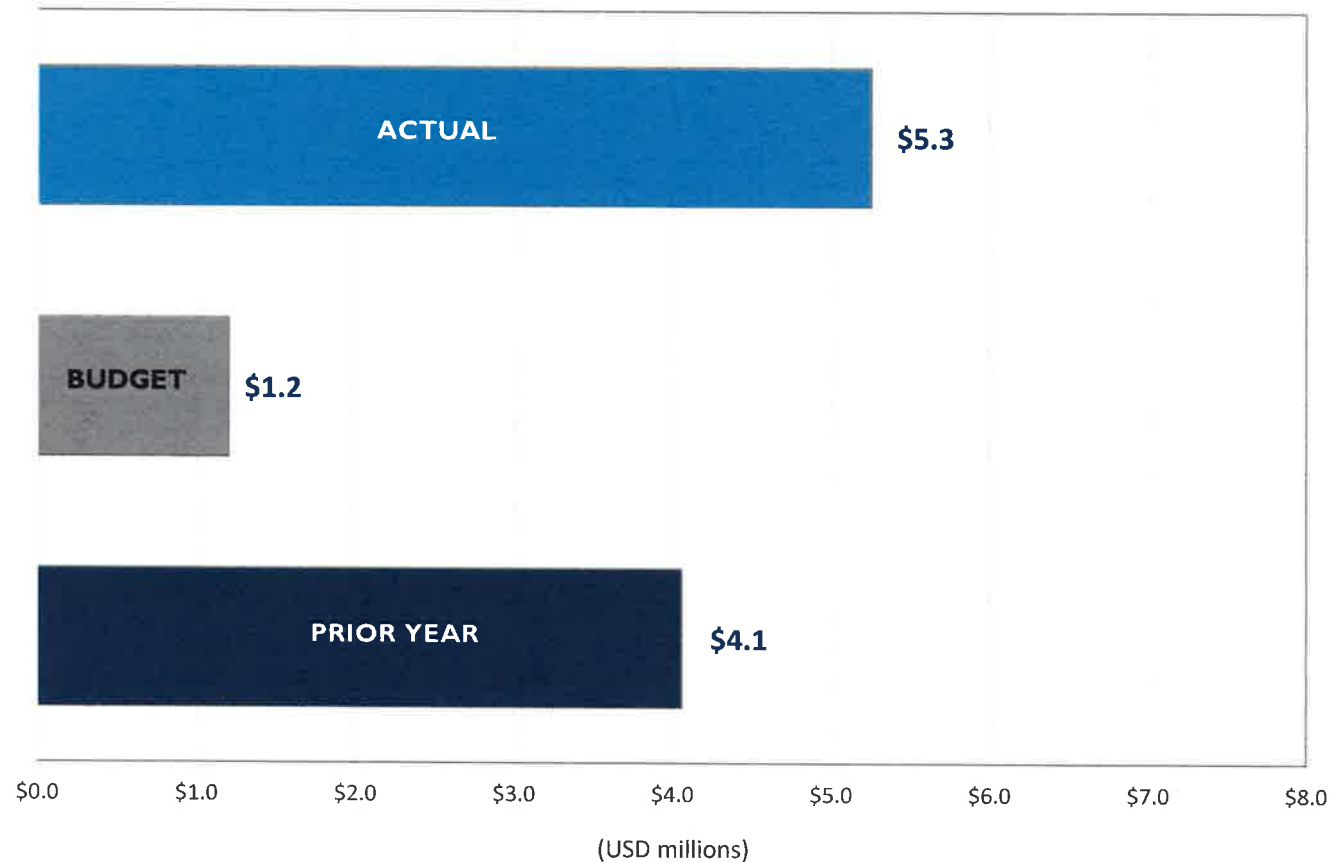
Positive  
Operating  
Income with  
favorable  
variances to  
Budget and  
Prior Year



# CHANGE IN NET POSITION:

## For the One Month Ended July 31, 2016

**Favorable  
Change in Net  
Position  
compared to  
Budget and  
Prior Year**



## **RESOLUTION 16-8**

### **RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY'S LONG-TERM LEASE OF THE MARINE TERMINAL OWNED BY VIRGINIA INTERNATIONAL GATEWAY, INC., THE DEVELOPMENT AND FINANCING OF THE PHASE II EXPANSION PROJECT AND RELATED MATTERS**

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority, on behalf of the Commonwealth, to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

Virginia International Gateway, Inc., a Virginia corporation ("VIG"), owns a container cargo marine terminal (the "Terminal") on 230 acres of land, having an address of 1000 Virginia International Gateway Boulevard, Portsmouth, Virginia 23703. The Terminal was opened in September, 2007 and utilizes a 3200 foot long pier with a depth of 55 feet. Currently, there are eight cranes on the Terminal. The Terminal also includes 46 acres of undeveloped land and additional river frontage which may be improved to increase the Terminal's container cargo capacity.

The Authority currently leases the Terminal from VIG pursuant to a Deed of Facilities Lease Agreement, dated July 6, 2010 (the "Current Lease"), which has a term that expires on June 30, 2030.

VIG has expressed an interest in entering into an Amended and Restated Deed of Facilities Lease Agreement, dated of even date herewith, with the Authority (the "Restated Lease") which would provide for, among other things, (a) the extension of the term of the Current Lease to December 31, 2065, (b) the development and financing of the 46 acres of undeveloped land and additional river frontage to increase the Terminal's container cargo capacity (the "Phase II Expansion Project"), and (c) the grant to the Authority of an option to



purchase the Terminal from VIG at the end of the term of the Restated Lease, and the Authority has investigated the merits and risks of such Restated Lease.

As part of the overall plan of finance for the development of the Phase II Expansion Project, VIG has expressed an interest in entering into a Construction Authority Agreement (the "CAA") and an Installment Sale Contract (the "ISC"), both dated of even date herewith, with the Authority which provide for the development and financing of the Phase II Expansion Project and the acquisition and financing of various equipment and other assets to be located on the Terminal, and the Authority has investigated the merits and risks of the CAA and the ISC.

In connection with the extension of the term of the Current Lease, it is necessary for the Authority to enter into the following additional transaction documents:

1. Amendment No. 1 to Environmental Agreement, by and between VIG, the Authority, and Virginia International Terminals, LLC ("VIT"), dated of even date herewith (the "Environmental Agreement");
2. Amended and Restated Easement Agreement, by and among VIG, the Authority and VIT, dated of even date herewith (the "Easement Agreement");
3. Amendment No. 1 to Confidential License Agreement, by and between VIG and the Authority, dated of even date herewith (the "License Agreement");
4. Amended and Restated Memorandum of Deed of Facilities Lease Agreement, by and between VIG and the Authority, dated of even date herewith (the "Memorandum"); and
5. Amended and Restated Subordination, Non-Disturbance, Attornment Agreement, by and among the Authority, VIT, VIG and MUFG Union Bank, N.A., to be dated the date of its execution and delivery (the "SNDA").

In connection with the extension of the term of the Current Lease, it is necessary for VIT to enter into an Amended and Restated Facilities Maintenance and Lease Compliance Agreement with VIG, dated of even date herewith (the "FMA"), the Easement Agreement, the Environmental Agreement and the SNDA.

There has been presented to the Authority's Board of Commissioners (the "Board") (a) the Restated Lease, including the Exhibits and Schedules attached thereto, (b) the CAA, including the Exhibits and Schedules attached thereto, (c) the ISC, including the Exhibits and Schedules attached thereto, (d) the Environmental Agreement, (e) the Easement Agreement, (f) the License Agreement, (g) the Memorandum and (h) the SNDA (collectively, the "VPA Restated Lease Documents") and the FMA.

The Board has duly reviewed and considered the forms of the VPA Restated Lease Documents and the FMA and has determined that all are in acceptable form. The Board has found and determined that the extension of the term of the Current Lease and the development

and financing of the Phase II Expansion Project on the terms contemplated by the VPA Restated Lease Documents and the FMA are in conformity with the purposes of the Authority set forth in the Act and are in the public interest and otherwise beneficial to the Commonwealth of Virginia.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Lease. The form of the VPA Restated Lease Documents and the FMA presented at this meeting and the execution and delivery of the VPA Restated Lease Documents by the Authority are hereby authorized. The Executive Director shall obtain the approvals of the Attorney General's Office, the Secretary of Finance, the Secretary of Transportation and the Governor, as necessary, prior to, or concurrently with, approving and executing the VPA Restated Lease Documents on behalf of the Authority. The Authority authorizes the execution and delivery of the FMA, the Easement Agreement, the Environmental Agreement and the SNDA by the Chief Operations Officer of VIT.

Section 2. Approval of Other Documents. The Board hereby authorizes the Executive Director to approve the form and content of, and to execute and deliver, all Transaction Documents, as that term is defined in the Restated Lease, to which the Authority is a party, on behalf of the Authority, the execution of such Transaction Documents by the Executive Director to be conclusive evidence of his approval of the form and content thereof. The Board hereby further authorizes the Executive Director to execute and deliver any ancillary documents on the Commencement Date, as that term is defined in the Restated Lease, which he deems necessary to cause the Commencement Date under the Restated Lease to occur on a timely basis.

Section 3. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority, any of whom may act, are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in connection with the transactions contemplated by the VPA Restated Lease Documents and the FMA.

Section 4. Other Definitions. All terms not otherwise defined herein, shall have the meanings given to them in the Restated Lease.

Section 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 21st day of September, 2016.



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John G. Milliken  
Chairman

ATTEST:



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Debra J. McNulty  
Clerk

Resolution No. 16-10  
[Series Resolution]

RESOLUTION SUPPLEMENTING RESOLUTION NO. 16-9 OF THE VIRGINIA PORT AUTHORITY AND AUTHORIZING THE ISSUANCE OF UP TO \$350,000,000 PORT FACILITIES REVENUE REFUNDING BONDS, SERIES 2016, FOR THE PURPOSE OF DEFEASING ALL OUTSTANDING BONDS ISSUED UNDER HERETOFORE ADOPTED RESOLUTION NO. 97-5, TERMINATING ALL OUTSTANDING EQUIPMENT LEASES ISSUED UNDER RESOLUTION NO. 97-5 AND TERMINATING RESOLUTION 97-5 AND THE TRUST ESTATE CREATED THEREBY (INCLUDING THE IMPLEMENTATION OF AN ALTERNATIVE FORM OF PREPAYMENT AS PART OF THE DEFEASANCE); DIRECTING THE TRANSFER AND DEPOSIT OF VARIOUS FUNDS MADE AVAILABLE ON ACCOUNT OF THE AFORESAID DEFEASANCE; ESTABLISHING GUIDELINES AND STANDARDS AND DELEGATING TO THE EXECUTIVE DIRECTOR OF THE AUTHORITY RESPONSIBILITY FOR FIXING THE PRINCIPAL AMOUNT, THE MATURITY DATES, THE INTEREST RATES, THE REDEMPTION PROVISIONS AND OTHER DETAILS OF SUCH REVENUE REFUNDING BONDS; PROVIDING FOR THE APPLICATION OF PROCEEDS THEREOF AND FOR THE AWARD OF SAID REVENUE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENTS WITH RESPECT TO SAID REVENUE REFUNDING BONDS; DIRECTING THE AUTHENTICATION AND DELIVERY OF SAID REVENUE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SAID REVENUE REFUNDING BONDS, AND APPROVING AN OFFICIAL STATEMENT RELATING THERETO; AUTHORIZING AN ESCROW DEPOSIT AGREEMENT FOR THE PURPOSE OF SAID DEFEASANCE; AUTHORIZING THE TERMINATION OF THE SERVICE AGREEMENT WITH VIRGINIA INTERNATIONAL TERMINALS, LLC, AND THE EXECUTION AND DELIVERY OF A PAYMENT AGREEMENT WITH VIRGINIA INTERNATIONAL TERMINALS, LLC.

WHEREAS, the Virginia Port Authority (the "Authority") acting by its Board of Commissioners (the "Board") has heretofore adopted Resolution No. 16-9 (the "Bond Resolution"), which in Section 208 authorizes the issuance of the Series 2016 Bonds (as hereinafter defined); and

WHEREAS, the Authority has issued, and there are currently outstanding in the aggregate principal amount of \$245,505,000, multiple series of its Port Facilities Revenue Bonds and Port Facilities Revenue Refunding Bonds (collectively, the "Outstanding Bonds") issued under its Resolution No. 97-5, as supplemented and amended (the "1997 Resolution"); and

WHEREAS, the Authority has issued, and there are currently outstanding in the aggregate principal amount of \$14,158,674.96, its Master Equipment Leases (collectively, the "Outstanding Equipment Leases" and together with the Outstanding Bonds, the "Obligations To Be Refunded") under the 1997 Resolution; and

WHEREAS, the Authority has determined that it is necessary and desirable to defease the Outstanding Bonds and to terminate the Outstanding Equipment Leases so that upon the defeasance of the Outstanding Bonds and the termination of the Outstanding Equipment Leases, the 1997 Resolution may be rescinded and terminated pursuant to Section 1201(a) thereof and the estate pledged to the trustee thereunder may cease, terminate and become void; and

WHEREAS, the Authority has determined to refund and defease the Outstanding Bonds and terminate the Outstanding Equipment Leases to the extent possible from unencumbered cash and investments on hand together with the proceeds from the issuance and sale of revenue refunding bonds pursuant to Section 208 of the Bond Resolution in an aggregate principal amount not to exceed \$350,000,000 in two or more series, one to be designated the "Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2016A (Taxable)" (the "Series 2016A Bonds"), the other to be designated the "Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2016B (AMT)" (the "Series 2016B Bonds"), and any others to be designated as the Executive Director shall so determine in a Series Certificate delivered at closing of the issuance and sale of the Series 2016 Bonds (the "Closing Date") (collectively, the "Series 2016 Bonds"); and

WHEREAS, the Authority has determined that it is necessary and desirable to terminate the Service Agreement, by and between the Authority and Virginia International Terminals, LLC ("VIT"), dated June 1, 1997, as amended and restated (the "Service Agreement"), simultaneously with the issuance and sale of the Series 2016 Bonds; and

WHEREAS, there has been presented to the Board a proposed Payment Agreement, by and between the Authority and VIT, to be dated of even date with the issuance and sale of the Series 2016 Bonds, together with a Joinder To Payment Agreement, executed by HRCP II, L.L.C. (collectively, the "Payment Agreement"), which Payment Agreement will satisfy the obligations of the Authority pursuant to Section 718(b) of the Bond Resolution; and

WHEREAS, there has also been presented to the Board the following: (i) a proposed Preliminary Official Statement describing the Series 2016 Bonds, the security therefor, and the Authority and its operations (the "Preliminary Official Statement"), (ii) the form of the hereinafter-defined Bond Purchase Agreement, (iii) the form of a proposed Escrow Deposit Agreement to be entered into with an escrow agent, pursuant to which a portion of the proceeds of the Series 2016 Bonds will be invested in Defeasance Obligations (as such term is defined in the 1997 Resolution) that mature in amounts and pay interest at rates sufficient to pay, when due, all of the outstanding principal, redemption premium, and interest on the Outstanding Bonds (the "Escrow Deposit Agreement"), and (iv) the form of a Continuing Disclosure Agreement as set forth in an Appendix to the Preliminary Official Statement (collectively, the "Refunding Documents"); and

WHEREAS, Morgan Stanley & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Co-Senior Managing Underwriters") have presented to the Board the form of a proposed Bond Purchase Agreement between the Co-Senior Managing Underwriters and the Authority, by which the Co-Senior Managing Underwriters anticipate making a proposal for the sale by the Authority, and the purchase by the Co-Senior Managing Underwriters, of all or a portion of the Series 2016 Bonds (the "Bond Purchase Agreement"); and

WHEREAS, the Board has duly reviewed and considered the forms of the Payment Agreement and the Refunding Documents and has determined that each is in acceptable form; and

WHEREAS, the Board has found and determined that the issuance and sale of the Series 2016 Bonds on the terms contemplated hereby are in conformity with the purposes of the Authority set forth in the Act and are in the public interest and otherwise beneficial to the Commonwealth of Virginia; and

WHEREAS, Section 208 of the Bond Resolution contemplates that the Board will fix or provide for in this Series Resolution the aggregate principal amount of the Series 2016 Bonds, the maturity dates, the interest rates, the redemption provisions and other details thereof and provide for the application of the proceeds thereof; and

WHEREAS, the Board has determined that it is necessary to delegate to the Executive Director the authority to approve the sale of the Series 2016 Bonds and the details of the Series 2016 Bonds that cannot be determined except under actual market conditions as they exist at the time of the issuance of the Series 2016 Bonds, but subject to the parameters established hereby.

NOW, THEREFORE, IT IS RESOLVED by the Board of the Authority, as follows:

Section 1. Authorization of Bonds. (a) Pursuant to Section 208 of the Bond Resolution, the Authority is hereby authorized to issue the Series 2016 Bonds in an aggregate principal amount not to exceed \$350,000,000 for the purpose of providing funds, with other funds available therefor, (i) to defease the Outstanding Bonds issued under the 1997 Resolution, (ii) to terminate the Outstanding Equipment Leases issued under the 1997 Resolution, (iii) to make certain deposits to the credit of the Series 2016A and 2016B Debt Service Reserve Accounts (as herein defined) and any other Debt Service Reserve Accounts established for any additional Series 2016 Bonds, if necessary as determined by the Executive Director in a Series Certificate executed and delivered on the Closing Date, and (iv) to pay the costs incident to the issuance of the Series 2016 Bonds. The Series 2016 Bonds shall mature no later than July 1, 2051.

(b) Subject to the provisions of Section 6 of this Resolution, the Series 2016 Bonds will be issued in fully registered form, in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in the custody of DTC or otherwise as may be permitted by DTC's rules. One Series 2016A Bond and one Series 2016B Bond will be issued for the original principal amount of each maturity of each series respectively. Beneficial owners will not receive physical delivery of the Series 2016 Bonds. Individual purchases of Series 2016 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000. Payments of the principal of and premium, if any, and interest on the Series 2016 Bonds will be made to DTC or its nominee as registered owner of the Series 2016 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2016 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the

Series 2016 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2016 Bonds.

Replacement Series 2016 Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 2016 Bonds rather than to DTC, or its nominee, but only in the event that:

- (1) DTC determines not to continue to act as securities depository for the Series 2016 Bonds;
- (2) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties; or
- (3) the Authority has determined that it is in the best interests of the beneficial owners of the Series 2016 Bonds not to continue the book-entry system of transfer.

Upon occurrence of the events described in clause (1) or (2), the Authority will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the Authority fails to locate another qualified securities depository to replace DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants (as defined in DTC's rules), the Replacement Bonds to which such Participants are entitled. In the event the Authority makes the determination described in clause (2) or (3) (the Bond Registrar has no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and if the determination under clause (2) has also been made, and the Authority has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the Series 2016 Bonds by mailing an appropriate notice to DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants, the appropriate Replacement Bonds to which Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

The Series 2016 Bonds will be issued substantially in the form set forth in Section 202 of the Bond Resolution, with appropriate variations, omissions and insertions as may be permitted or required by the Bond Resolution and this Series Resolution. There may be endorsed on the Series 2016 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

(c) The Series 2016 Bonds shall be issued in such principal amount; shall be dated a date that is on or before the date of their delivery; shall be Current Interest and/or Capital Appreciation Serial Bonds and/or Term Bonds; shall mature not later than the dates specified in Section 1(a) hereof, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption; and shall bear interest payable on January 1 and July 1 in each year commencing on January 1, 2017 at such rates per annum no one of which shall exceed six percent (6.00%) per annum, all as may be determined by a Series Certificate of the Executive Director executed and delivered on the Closing Date.

(d) Pursuant to the Bond Resolution, the Authority hereby makes or confirms the following appointments:

(i) as Trustee under the Bond Resolution, Wells Fargo Bank, National Association, Columbia, Maryland;

(ii) as Paying Agent and Bond Registrar for the Series 2016 Bonds, Wells Fargo Bank, National Association, Columbia, Maryland;

(iii) as Escrow Agent under the Escrow Deposit Agreement for the Outstanding Bonds, U.S. Bank, National Association, Richmond, Virginia;

(iv) as Depositary for amounts deposited to the Operating Account referred to in Section 504(a) of the Bond Resolution, Bank of America, Norfolk, Virginia;

(v) as Depositary for amounts deposited to the Senior Obligations Fund referred to in Section 511 of the Bond Resolution, Bank of America, Norfolk, Virginia;

(vi) as Depositary for amounts deposited to the Residual Fund referred to in Section 512 of the Bond Resolution, Bank of America, Norfolk, Virginia; and

(vii) as Verification Agent for purposes of providing an independent confirmation of the sufficiency and yield of the Defeasance Obligations credited to the escrow created under the Escrow Deposit Agreement, The Arbitrage Group, Inc., Tuscaloosa, Alabama.

Section 2. Debt Service Reserve Account. (a) Pursuant to Section 508 of the Bond Resolution, there is hereby created with the Trustee a Debt Service Reserve Account for each of the Series 2016A Bonds and the Series 2016B Bonds designated, respectively, "Series 2016A Debt Service Reserve Account" and "Series 2016B Debt Service Reserve Account". So long as the Series 2016A Bonds are outstanding, the Series 2016A Debt Service Reserve Account shall be maintained in an amount equal to fifty percent (50%) of the maximum Principal and Interest Requirements for the applicable Bond Year for the Series 2016A Bonds (the "Series 2016A Reserve Account Requirement"). So long as the Series 2016B Bonds are outstanding, the Series 2016B Debt Service Reserve Account shall be maintained in amount equal to fifty percent (50%) of the maximum Principal and Interest Requirements for the applicable Bond Year for the Series 2016B Bonds (the "Series 2016B Reserve Account Requirement").

(b) On the Closing Date, any money held in any Debt Service Reserve Account (as such term is defined in the 1997 Resolution) previously funded from the proceeds of the Outstanding Bonds shall be transferred by the trustee under the 1997 Resolution (the "1997 Trustee") to the credit of the Series 2016B Debt Service Reserve Account up to the amount of the Series 2016B Reserve Account Requirement. Any excess money in any Debt Service Reserve Account previously funded from the proceeds of the Outstanding Bonds remaining after the aforesaid transfer shall be applied as directed by the Executive Director in a Series Certificate executed and delivered on the Closing Date. In lieu of the foregoing transfers, a lesser amount may



be used to acquire any instrument permitted by the Bond Resolution to satisfy such Series 2016B Reserve Account Requirement, and the excess amount shall be deposited in accordance with the directions contained in the Executive Director's Series Certificate executed and delivered on the Closing Date.

(c) If additional Series of 2016 Bonds have been designated by the Executive Director in a Series Certificate executed and delivered on the Closing Date, then additional Debt Service Reserve Accounts may be established therefor in accordance with the terms of the Bond Resolution and funded in accordance with the directions contained in the Executive Director's Series Certificate executed and delivered on the Closing Date.

Section 3. Revenue Stabilization Fund. (a) Pursuant to Section 509 of the Bond Resolution, a special fund has been created with the Trustee and designated the "Virginia Port Authority Series 2016 Bonds Revenue Stabilization Fund" (the "Revenue Stabilization Fund"). On the Closing Date, the following transfers shall be made to the credit of the Revenue Stabilization Fund:

(i) Any money held in the Debt Service Reserve Account (as such term is defined in the 1997 Resolution) previously funded from cash of the Authority shall be transferred by the 1997 Trustee to the credit of the VIT Operating Account to meet the Liquidity Reserve Requirement, as such terms are defined in the Payment Agreement, and any excess remaining, if any, shall be transferred to the Revenue Stabilization Fund;

(ii) The Authority shall then cause the 1997 Trustee to transfer any money then held by it in VIT's Capital and Extraordinary Maintenance Account (as that term is defined in the Service Agreement) to the Authority, and the Authority shall deposit such amount, if any, as may be required to the VIT Operating Account to meet the Liquidity Reserve Requirement, as such terms are defined in the Payment Agreement. The Authority shall deposit any excess after satisfying the Liquidity Reserve Requirement as aforesaid to its Operating Account to meet its Liquidity Reserve Requirement, and the Authority shall transfer the remaining balance, if any, to the credit of the Revenue Stabilization Fund; and

(iii) To the extent that the amount of the Authority's CE Reserve (as such term is defined in the 1997 Resolution) is greater than the Authority's Liquidity Reserve Requirement under the Bond Resolution, the excess shall be transferred by the Authority on the Closing Date to the credit of the Revenue Stabilization Fund.

Section 4. Optional Redemption. The Series 2016 Bonds may be subject to optional redemption as market conditions shall dictate at the time of sale upon the payment of such redemption premiums, if any, as such market conditions shall dictate; provided that the Executive Director has approved such optional redemption as evidenced in the Executive Director's Series Certificate executed and delivered on the Closing Date.

Section 5. Terms of Purchase. The Executive Director is hereby authorized, if the Authority's Financial Advisor shall so recommend, to accept an offer of the Underwriters in the form of the Bond Purchase Agreement, to purchase all, or a portion of, the Series 2016 Bonds at a

price representing a discount from the initial public offering prices of the Series 2016 Bonds equal to the sum of:

- (i) the amount of net original issue discount and original issue premium, if any,  
and
- (ii) the amount of the underwriters' discount, not to exceed seven-tenths of one percent (0.70%) of the par amount of the Series 2016 Bonds, plus accrued interest, if any, upon the terms and conditions set forth in the Bond Purchase Agreement.

Section 6. Approval of Bond Purchase Agreement. The form of the Bond Purchase Agreement presented at this meeting relating to the offering and sale of the Series 2016 Bonds to the Underwriters and the execution and delivery thereof by the Authority are hereby authorized, and if the Executive Director shall accept the offer of the Underwriters, the Bond Purchase Agreement shall be executed in the manner therein set forth to evidence the acceptance by the Authority of such offer, with such changes, insertions and omissions as may be approved by the Executive Director, the execution of the Bond Purchase Agreement by the Executive Director to be conclusive evidence of the Authority's approval of any such changes, insertions and omissions.

The Executive Director is hereby further authorized to execute any other bond purchase agreements or bond modification agreements deemed necessary by him, on the advice of the Authority's Financial Advisor and the Authority's Bond Counsel, in order to effectuate the private placement of all, or any portion of, the Series 2016 Bonds. In the event that a private placement of all or any portion of the Series 2016 Bonds shall occur, the Executive Director, acting on the advice of the Authority's Bond Counsel, is hereby authorized in a Series Certificate executed and delivered on the Closing Date to provide for any amendment to the registration provisions of this Resolution set forth in Section 1(b).

Section 7. Approval of Official Statement. The Preliminary Official Statement in the form presented to this Board is approved, with such changes, insertions and omissions as may be determined by the Executive Director. The use and distribution by the Underwriters of the Preliminary Official Statement in connection with the offering of the Series 2016 Bonds, prior to the availability of the Official Statement, are hereby authorized. The Executive Director is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and the distribution of such Preliminary Official Statement shall be conclusive evidence that the Authority has deemed such Preliminary Official Statement final. The Chairman or Vice Chairman of the Board and the Executive Director of the Authority are hereby authorized and directed to execute and deliver to the Underwriters for their use and distribution in making a public offering of the Series 2016 Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement) a final Official Statement, together with any amendment or supplement to such final Official Statement as may be necessary to comply with the Bond Purchase Agreement, which in the case of such final Official Statement shall be substantially in the form of the Preliminary Official Statement approved by the Board, with such changes, insertions and omissions as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve, and which in the case of any such

amendment or supplement shall be in such form as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve. The execution and delivery by the Chairman or Vice Chairman and the Executive Director of the final Official Statement or any such amendment or supplement thereto shall be conclusive evidence that the Authority has approved any such changes, insertions and omissions, amendment or supplement, as the case may be.

Section 8. Approval of Other Refunding Documents. The Board approves the form of the Refunding Documents. The Executive Director is hereby authorized to execute and deliver the other Refunding Documents, such Documents to be in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Executive Director, and his execution of such Documents to be conclusive evidence of such approval.

Section 9. Execution of the Bonds. The Series 2016 Bonds shall be executed with the original or facsimile signature of the Executive Director and the original signature of the Secretary of the Authority, and the seal of the Authority shall be impressed, or a facsimile of the seal of the Authority shall be imprinted, on the Series 2016 Bonds. The Series 2016 Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the Underwriters upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Executive Director.

Section 10. Application of Proceeds. (a) The proceeds of the Series 2016 Bonds shall be applied by the Trustee, pursuant to written instructions from the Authority or its authorized representative, as follows:

(i) an amount sufficient in accordance with the report of the Verification Agent shall be transferred to the Escrow Agent for deposit, together with other available funds and investments on hand, and applied by the Escrow Agent as required by the Escrow Deposit Agreement to defease the Outstanding Bonds;

(ii) an amount sufficient to terminate the Outstanding Equipment Leases shall be transferred to the Escrow Agent and satisfy all obligations of the Authority due thereunder;

(iii) an amount equal to the Series 2016A Reserve Account Requirement shall be deposited to the credit of the Series 2016A Debt Service Reserve Account;

(iv) if necessary as determined by the Executive Director in a Series Certificate executed and delivered on the Closing Date, an amount equal to all or any portion of the Series 2016B Reserve Account Requirement shall be deposited to the credit of the Series 2016B Debt Service Reserve Account;

(v) if any additional Series of 2016 Bonds has been authorized by the Executive Director in a Series Certificate executed and delivered on the Closing Date, an amount equal to the Reserve Account Requirement for such Series, if any; and

(vi) the balance of such proceeds shall be deposited to the Authority's Operating Account to be used by the Authority to pay the cost of issuance of the Series 2016 Bonds.

Section 11. Defeasance and/or Tender Offer. The investment of available funds of the Authority in Government Obligations in accordance with the provisions of the Escrow Deposit Agreement between the Authority and the Escrow Agent in order to provide for the defeasance of the Outstanding Bonds issued under the 1997 Resolution is hereby authorized. Upon such investment and the confirmation thereof by the Escrow Agent, and upon termination of the Outstanding Leases and the confirmation thereof by the Trustee, the Executive Director is hereby authorized to take any and all action deemed necessary by him, on the advice of Bond Counsel, to terminate Resolution 97-5 and to void and terminate the trust estate created thereby.

In the event that the Executive Director can negotiate more favorable terms of prepayment of all or a portion of the Outstanding Bonds with any holder thereof when compared to effectuating a defeasance of such Outstanding Bonds pursuant to the terms hereof, the Executive Director is hereby authorized and empowered on behalf of the Authority to effectuate such alternative form of prepayment on the advice of the Authority's Financial Advisor. In connection with any such alternative prepayment, if at all, the Executive Director is authorized to execute a dealer manager agreement and approve and deliver an information statement or offer to purchase and any such documents and notices related thereto, each in such form as may be recommended by the Authority's Bond Counsel and the Authority's Financial Advisor, in the event that such an agreement and/or related documents and notices are determined by the Executive Director and/or an affected holder of the Outstanding Bonds to be necessary or desirable in accomplishing such an alternative form of prepayment.

Section 12. Tax Covenant. The Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, so that interest on the Series 2016B Bonds will remain exempt from existing Federal income taxes to which it is subject on the date of the issuance of such Series 2016B Bonds.

Section 13. Termination of Service Agreement Authorized; Approval of Payment Agreement. The Executive Director is hereby authorized to terminate the Service Agreement on the Closing Date. The Executive Director is hereby authorized to execute and deliver the Payment Agreement with VIT on the Closing Date, such agreement to be in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the Executive Director, his execution of such agreement to be conclusive evidence of his approval of any such changes, insertions and omissions. The Authority hereby authorizes the execution and delivery of the Payment Agreement on behalf of VIT by the Chief Operations Officer of VIT. The Authority hereby further authorizes the execution and delivery of the Joinder to Payment Agreement on behalf of HRCP II, L.L.C. by VIT, as its sole member, by the Chief Operations Officer of VIT.

Section 14. Bond Insurance. The Executive Director is hereby authorized to negotiate and accept a commitment and to pay the premium for a municipal bond insurance policy (which may cover one or more maturities of the Series 2016 Bonds) from a municipal bond insurer and to negotiate and agree to such terms and conditions with such insurer as he deems necessary or proper after consultation with Authority's Financial Advisor and Bond Counsel.

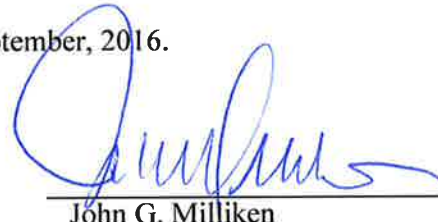
Section 15. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in connection with the issuance of the Series 2016 Bonds.

Section 16. Other Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 17. Effective Date. This Series Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

**PASSED AND ADOPTED** this 21st day of September, 2016.

  
\_\_\_\_\_  
John G. Milliken  
Chairman

Attest:

  
\_\_\_\_\_  
Debra J. McNulty  
Clerk

**Resolution No. 16-11**

**RESOLUTION AUTHORIZING AMENDMENTS TO THE OPERATING AGREEMENTS OF VIRGINIA INTERNATIONAL TERMINALS, LLC AND HRCP II, L.L.C.**

WHEREAS, the Virginia Port Authority (the "Authority") is the sole member of Virginia International Terminals, LLC ("VIT"), and VIT is the sole member of HRCP II, L.L.C. ("HRCP"); and

WHEREAS, the Authority is executing that certain Amended and Restated Deed of Facilities Lease Agreement of even date herewith with Virginia International Gateway, Inc., a Virginia corporation (the "Restated Lease"); and

WHEREAS, the Authority has determined that certain amendments are necessary to the operating agreements of VIT and HRCP in connection with that certain Payment Agreement and Joinder To Payment Agreement, each to be dated of even date with the Commencement Date (as defined in the Restated Lease), and other matters.

NOW, THEREFORE IT IS RESOLVED BY THE BOARD OF COMMISSIONERS OF THE VIRGINIA PORT AUTHORITY, as follows:

Section 1. Amendment and Restatement of VIT and HRCP Operating Agreements. The Executive Director of the Authority, as sole member of VIT, is hereby authorized to execute and deliver a Second Amended and Restated Operating Agreement of VIT, such Second Amended and Restated Operating Agreement to be in substantially the form presented at this meeting with such changes, omissions and insertions as may be approved by the Executive Director, his execution of such Second Amended and Restated Operating Agreement to be conclusive evidence of his approval of such changes, omissions and insertions. Further, the Executive Director is hereby authorized to execute and deliver on behalf of the Authority, as sole member of VIT, the sole member of HRCP, a Third Amended and Restated Operating Agreement of HRCP, such Third Amended and Restated Operating Agreement to be in substantially the form presented at this meeting with such changes, omissions and insertions as may be approved by the Executive Director, his execution of such Third Amended and Restated Operating Agreement to be conclusive evidence of his approval of such changes, omissions and insertions.

Section 2. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority, any of whom may act, are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may, in their discretion, deem necessary or proper in connection with the adoption of this Resolution.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

**[END OF RESOLUTION]**

PASSED AND ADOPTED this 21st day of September, 2016.

  
\_\_\_\_\_  
John G. Milliken  
Chairman

ATTEST:

  
\_\_\_\_\_  
Debra J. McNulty  
Clerk

Resolution No. 16-13

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO A  
CONTRACT TO CONTINUE CONSTRUCTION OF THE CRANEY ISLAND EASTWARD  
EXPANSION – SOUTH DIVISION CROSS DIKES STAGE 2A

The Virginia Port Authority's Procurement and Property Surplus Manual (formerly entitled "Purchasing Policies and Procedures Manual"), revised November 19, 2013, the Virginia Port Authority (the "Authority") Board of Commissioners (the "Board") require approval by the Board through resolution for all procurements \$1,000,000, or greater, prior to signing of a contract.

The Craney Island Eastward Expansion project is cost shared with the U.S. Army Corps of Engineers, and the Federal government appropriated funds in FY10 to initiate construction. A minimum of eight to ten years are required for construction of the Craney Island Eastward Expansion dikes and dredge material consolidation, prior to developing the first phase of a marine terminal.

Construction of the cross dikes and Craney Island Eastward Expansion will allow The Port of Virginia to help position the Commonwealth of Virginia to capture additional port growth in the future; and Commonwealth Port Fund Bonds will be allocated for construction of the Craney Island Eastward Expansion – South & Division Cross Dikes Stage 2A; and

The Authority issued an Invitation for Bids (IFB) #2016-29 to construct the Craney Island Eastward Expansion – South & Division Cross Dikes Stage 2A and two bids were received, the lowest bid submitted by Manson Construction, in response to the IFB to complete this portion of the project.

Now therefore, it is resolved by the Board of Commissioners of the Virginia Port Authority as follows:

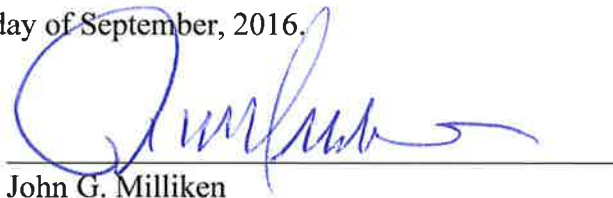
Section 1. Authorization of Project. Subject to the conditions set forth in Section 2 below, the Board approves the Project and authorizes the Executive Director to enter into a contract with Manson Construction, at a cost of ten million, four hundred eight thousand three hundred dollars (\$10,408,300).



Section 2. Condition of Authorization. The authorization set forth in Section 1 above is conditioned upon (a) the Authority notifying Manson Construction if its bid is more than twenty-five percent (25%) lower than the bid of the next lowest bidder for the project, and (b) if such is the case, receipt of written confirmation from Manson Construction that it has reviewed and confirmed its bid for the project.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and adopted this 21<sup>st</sup> day of September, 2016.

  
\_\_\_\_\_  
John G. Milliken  
Chairman

Attest:

  
\_\_\_\_\_  
Debra J. McNulty, Clerk

Resolution No. 16-14

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO A  
CONTRACT TO CONTINUE CONSTRUCTION OF THE CRANEY ISLAND EASTWARD  
EXPANSION – SOUTH DIVISION CROSS DIKES STAGE 2B

The Virginia Port Authority's Procurement and Property Surplus Manual (formerly entitled "Purchasing Policies and Procedures Manual"), revised November 19, 2013, the Virginia Port Authority (the "Authority") Board of Commissioners (the "Board") require approval by the Board through resolution for all procurements \$1,000,000, or greater, prior to signing of a contract.

The Craney Island Eastward Expansion project is cost shared with the U.S. Army Corps of Engineers, and the Federal government appropriated funds in FY10 to initiate construction. A minimum of eight to ten years are required for construction of the Craney Island Eastward Expansion dikes and dredge material consolidation, prior to developing the first phase of a marine terminal.

Placement of preformed vertical drains (PVDs) into the cross dikes is needed to help the cross dikes settle and strengthen the underlying soils. Construction of the Craney Island Eastward Expansion will allow The Port of Virginia to help position the Commonwealth of Virginia to capture additional port growth in the future; and Commonwealth Port Fund Bonds will be allocated for construction of the Craney Island Eastward Expansion – South & Division Cross Dikes Stage 2B.

The Authority issued an Invitation for Bids (IFB) #2017-03 to place the Preformed Vertical Drains– South & Division Cross Dikes Stage 2B with a bid opening date of September 30, 2016.

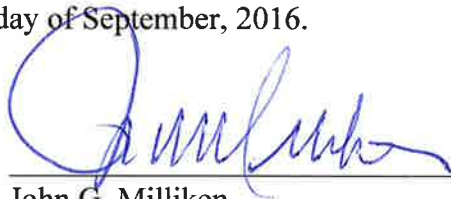
Now therefore, it is resolved by the Board of Commissioners of the Virginia Port Authority as follows:

Section 1. Authorization of Project. Subject to the conditions set forth in Section 2, the Board approves the project and authorizes the Executive Director to sign a contract not to exceed three million, five hundred thousand dollars (\$3,500,000).

Section 2. Condition of Authorization. The authorization set forth in Section 1 above is conditioned upon (a) the Authority notifying the low bidder if its bid is more than twenty-five percent (25%) lower than the bid of the next lowest bidder for the project, and (b) if such is the case, receipt of written confirmation from the low bidder that it has reviewed and confirmed its bid for the project.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and adopted this 21<sup>st</sup> day of September, 2016.



John G. Milliken  
Chairman

Attest:



Debra J. McNulty, Clerk

**Resolution No. 16-15**

**RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER  
INTO A CONTRACT TO CONSTRUCT PORT OF RICHMOND RAIL  
IMPROVEMENTS**

The Virginia Port Authority's Procurement and Property Surplus Manual (formerly entitled "Purchasing Policies and Procedures Manual"), revised November 19, 2013, the Virginia Port Authority (the "Authority") Board of Commissioners (the "Board") require approval by the Board through resolution for all procurements \$1,000,000, or greater, prior to signing of a contract.

The Port of Richmond Rail Improvements project is funded primarily by a Rail Enhancement Fund Grant through the Department of Rail and Public Transportation, Agreement Number: 76514-03.

Construction of the rail improvements will rehabilitate approximately 3.5 miles of spur track between the CSX Transportation, Inc. Rail Yard at Goodes Street in Richmond, Virginia and the Port of Richmond Terminal, in Richmond, Virginia, and to rehabilitate approximately 7,225 linear feet of track on the Port of Richmond Terminal in Richmond, Virginia; and

The Authority issued an Invitation for Bids (IFB) #2017-09 to construct the Port of Richmond Rail Improvements and eight bids were received, the lowest responsive bid was submitted by Queen City Railroad Construction, Inc., in response to the IFB.

Now therefore, it is resolved by the Board of Commissioners of the Virginia Port Authority as follows:

Section 1. Authorization of Project. The Board approves the Project and authorizes the Executive Director to enter into a contract with Queen City Railroad Construction, Inc. at a cost of One million, one hundred six thousand, two hundred fifteen dollars (\$1,106,215.00).

Section 2. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and adopted this 21<sup>st</sup> day of September, 2016.



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John G. Milliken  
Chairman

Attest:



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Debra J. McNulty, Clerk