

Resolution No. 22-01

**RESOLUTION SUPPLEMENTING RESOLUTION 16-9, AS AND SUPPLEMENTED,
AUTHORIZING THE ISSUANCE OF PORT FACILITIES REVENUE
REFUNDING BONDS IN CALENDAR YEAR 2022, GRANTING
AUTHORITY TO THE EXECUTIVE DIRECTOR OF VIRGINIA PORT AUTHORITY
TO APPROVE THE ISSUANCE OF SUCH BONDS AND RELATED MATTERS**

The Virginia Port Authority (the "Authority") acting by its Board of Commissioners (the "Board") adopted Resolution No. 16-9 on September 21, 2016 (as previously supplemented, the "Bond Resolution"), which in Section 210 permits the issuance of bonds of the Authority for the purpose of, among other things, providing funds for refunding all or, if then permitted by law, any Bonds of any one or more Series of Bonds then outstanding, including the payment of any redemption premium and accrued interest thereon and any expenses in connection with such refunding.

The Authority has previously issued the following Bonds under the Bond Resolution pursuant to Series Resolutions adopted on September 16, 2016 (i) the Port Facilities Revenue Refunding Bonds Series 2016A (Taxable) with an outstanding principal balance of \$137,620,000 (the "Series 2016A Taxable Bonds"), (ii) the Port Facilities Revenue Refunding Bonds Series 2016B (AMT) with an outstanding principal balance of \$91,405,000 (the "Series 2016B AMT Bonds") and, (iii) the Port Facilities Revenue Refunding Bond, Series 2016C (the "Series 2016C Bond") with an outstanding principal balance of \$25,970,000. The Series 2016A Taxable Bonds, the Series 2016B AMT Bonds and the Series 2016C Bond are collectively referred to as the "Port Facilities Revenue Bonds". To take advantage of potential low interest rates as they may exist from time to time in calendar year 2022, the Board has now determined to refund all or a portion of the Port Facilities Revenue Bonds by the issuance and sale of refunding bonds pursuant to Section 210 of the Bond Resolution to be designated the "Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2022" (the "Series 2022 Bonds"), which Series 2022 Bonds may be issued in one or more series throughout calendar year 2022 and shall be appropriately designated to differentiate one series from another. The Series 2022 Bonds shall be issued as tax-exempt or taxable refunding issue(s) subject to certain Refunding Conditions, herein defined.

The Board has found and determined that the issuance and sale of the Series 2022 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 (the "Commonwealth").

In Item 458.B.1 of Chapter 552 of the Acts of Assembly of 2021, Reconvened Special Session I, the General Assembly of the Commonwealth has authorized the Authority to refund the Port Facilities Revenue Bonds.

Section 210 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its refunding bonds, fix the amount and the details thereof and describe the Port Facilities Revenue Bonds to be refunded. The definition of "Series Resolution" in the Bond Resolution states that if the Board shall delegate to the Finance and Audit Committee of the Board or the Executive Director the power to determine specifically the matters generally authorized by a Series Resolution of the Board, the resolution of the Finance and Audit Committee, or the certificate of the Executive

Director, as the case may be, in furtherance of such Series Resolution shall be deemed to be part of the Series Resolution.

The Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form and content of any preliminary official statement (“Preliminary Official Statement”), final official statement (“Official Statement”), continuing disclosure agreement, bond purchase agreement, direct bond purchase agreement, escrow agreement (“Escrow Agreement”) and any other documents deemed necessary by the Authority’s bond counsel to consummate the refunding of the Port Facilities Revenue Bonds and the issuance of the Series 2022 Bonds (collectively, the “Refunding Documents”). As the actual terms of the Series 2022 Bonds and the identity of the Port Facilities Revenue Bonds to be refunded cannot be determined until the time the Authority enters the market, the Board has determined that it is necessary to delegate to the Executive Director the power to approve the issuance of the Series 2022 Bonds, the details thereof and the Port Facilities Revenue Bonds to be refunded, subject to the Refunding Conditions herein set forth, by the execution and delivery of one or more certificates of the Executive Director which shall be deemed to be part of this Series Resolution.

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

Section 1. Authorization of Bonds. (a) The Authority is authorized to issue the Series 2022 Bonds on a tax-exempt or taxable basis, in one or more series throughout calendar year 2022 pursuant to Section 210 of the Bond Resolution, as determined by the Executive Director, for the purpose of providing funds, with other funds as may be available therefor, for refunding all or a part of one or more series of the Port Facilities Revenue Bonds, including the payment of any redemption premium and accrued interest thereon; paying cost of issuance of the Series 2022 Bonds (“Cost of Issuance”); and as necessary, funding reserves for the payment of principal of and interest on the Series 2022 Bonds, subject, however, to the following conditions (the “Refunding Conditions”):

- (i) The aggregate principal amount of the Series 2022 Bonds shall not exceed \$255,000,000;
- (ii) If issued in more than one series, the Series 2022 Bonds shall be appropriately designated to differentiate one series from another;
- (iii) The final maturity of any series of the Series 2022 Bonds is not later than one year after the final maturity of the Port Facilities Revenue Bonds to be refunded;
- (iv) The net present value savings to be achieved by the Authority upon issuance of each series of the Series 2022 Bonds shall not be less than 4.0% of the aggregate principal amount of the related refunded Port Facilities Revenue Bonds; and
- (v) The principal amortization of each series of the Series 2022 Bonds shall be substantially similar to the principal amortization of the Port Facilities Revenue Bonds to be refunded so as to achieve approximately level debt service savings, unless the Chairman of the Board and the Chairman of the Authority’s Finance and Audit Committee shall have each approved an alternative financing structure.

(b) The Series 2022 Bonds will be issued in fully registered form, and may be sold in a public offering or a private placement. Any such series of the Series 2022 Bonds offered in a public sale shall be issued 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 2022 Bond in each series will be issued for the original principal amount of each maturity. Unless any such series of the Series 2022 Bonds are offered in a private placement, beneficial owners will not receive physical delivery of the Series 2022 Bonds. Unless any such series of the Series 2022 Bonds are offered in a private placement, individual purchases of the Series 2022 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000.

Unless any such series of the Series 2022 Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2022 Bonds will be made to DTC or its nominee as registered owner of the Series 2022 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2022 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2022 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2022 Bonds.

Replacement Series 2022 Bonds (the “Replacement Bonds”) will be issued directly to beneficial owners of Series 2022 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 2022 Bonds;
- (2) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties;
- (3) the Authority has determined that it is in the best interests of the beneficial owners of the Series 2022 Bonds not to continue the book-entry system of transfer; or
- (4) the Series 2022 Bonds being replaced were originally issued in a private placement.

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 2022 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 2022 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, this Series Resolution and any certificate of the Executive Director deemed a part of this Series Resolution. There may be endorsed on the Series 2022 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) Subject to the Refunding Conditions, the Series 2022 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 Bonds and shall be Serial Bonds and/or Term Bonds; shall mature, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption in accordance with the Refunding Conditions and Section 2 hereof; and shall bear interest payable on January 1 and July 1 in each year commencing on such date, at such rates per annum, as may be determined by a certificate of the Executive Director delivered at the Closing.

(d) If any issue of the Series 2022 Bonds are offered in a public offering, the Authority delegates to the Executive Director the authority to appoint the underwriting syndicate for such issue of the Series 2022 Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

(e) If any issue of the Series 2022 Bonds are offered in a private placement to a direct purchaser, the Authority delegates to the Executive Director the authority to approve the direct purchaser of such Series 2022 Bonds.

(f) The Executive Director is authorized to obtain the services of a firm qualified under the Bond Resolution to verify the mathematical computations associated with the refunding of the Port Facilities Revenue Bonds to be refunded, including its provision of an independent confirmation of the sufficiency and yield of the Defeasance Obligations deposited in the escrow fund created under any escrow agreement ("Escrow Agreement") approved by the Executive Director.

Section 2. Optional Redemption. The Series 2022 Bonds may be subject to the right of prior redemption at the option of the Authority upon such terms as the Executive Director shall determine with the advice of the Authority's financial advisor ("Financial Advisor").

Section 3. Terms of Purchase; Approval of Bond Purchase Agreement. The Executive Director is hereby authorized, if the Authority's Financial Advisor shall so recommend, to accept an offer of the underwriters in a public offering or an offer of an institutional buyer in a private placement, in the form of a bond purchase agreement ("Bond Purchase Agreement"), to purchase all of any issue of the Series 2022 Bonds at the price stated therein. Multiple Bond Purchase Agreements may be executed by the Executive Director to consummate the sale of more than one issue of Series 2022 Bonds. The Executive Director's execution and delivery of the Bond Purchase Agreement(s) shall constitute conclusive evidence of his acceptance of the purchase price of an issue of Series 2022 Bonds and his approval of the form and content of any Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of an issue of Series 2022 Bonds, the form and content of the Preliminary Official Statement shall be approved by the Executive Director. Subject to the approval of its form and content by the Executive Director, the use and distribution by the underwriters selected by the Executive Director of the Preliminary Official Statement in connection with the offering of the Series 2022 Bonds, prior to the availability of a final 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 and Exchange Commission, 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 an issue of the Series 2022 Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement applicable thereto) 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 Executive Director, 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 of the Board 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 5. Approval of Other Refunding Documents. The Executive Director shall approve the form and content of the other Refunding Documents and is hereby authorized to execute and deliver the other Refunding Documents, his execution of such Refunding Documents to be conclusive evidence of such approval.

Section 6. Execution of the Series 2022 Bonds. The Series 2022 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 2022 Bonds. The Series 2022 Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the underwriters in the case of a public offering or to or for the account of the institutional buyer in the case of a private placement upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Executive Director.

Section 7. Application of Proceeds. (a) The proceeds of any issue of the Series 2022 Bonds shall be applied by the Trustee as follows:

- (i) an amount equal to accrued interest, if any, received upon the delivery of the applicable issue of Series 2022 Bonds and an amount sufficient to provide for capitalized interest, if any, shall be deposited to the applicable Series 2022 Subaccount in the Debt Service Account of the Debt Service Fund held by the Trustee under the Bond Resolution;
- (ii) an amount equal to the Reserve Account Requirement, if any, for the applicable issue of Series 2022 Bonds shall be deposited to the applicable Series 2022 Subaccount of the Debt Service Reserve Account of the Debt

Service Fund; provided that in lieu thereof, such amount, or any lesser amount, may be used to acquire any instrument permitted by the Bond Resolution to satisfy such Reserve Account Requirement;

- (iii) an amount may be deposited to the applicable issue's Series 2022 Project Account of the Construction Fund to be used to pay Cost of Issuance; and
- (iv) the balance of the proceeds shall be transferred by the Trustee to the escrow agent (the "Escrow Agent") under the Escrow Agreement for deposit, together with other available funds as set forth in paragraph (b) below, in the escrow fund established in the Escrow Agreement (the "Escrow Fund") and applied by the Escrow Agent as required by the Escrow Agreement.

(b) Simultaneously with the application of the proceeds of any issue of the Series 2022 Bonds as provided above, the Trustee shall take the following actions:

- (i) the amount held in the applicable series Debt Service Account of the Debt Service Fund for the payment of principal and interest due on the Port Facilities Revenue Bonds to be refunded shall be transferred to the Escrow Fund;
- (ii) the amount held in the applicable series Debt Service Reserve Account of the Debt Service Fund that constitutes the Reserve Account Requirement for the Port Facilities Revenue Bonds to be refunded shall be transferred to the Escrow Fund; and
- (iii) an amount, if any, determined by the Executive Director held in the Residual Fund shall be transferred to the Escrow Fund.

Section 8. Defeasance. The Executive Director is authorized to purchase Defeasance Obligations to be held under the Escrow Agreement on any date (which needs not be the same date in each case) between the dated date of the applicable Bond Purchase Agreement and the delivery date of the Series 2022 Bonds.

Section 9. Tax Covenant. If a tax-exempt issuance of any series of the Series 2022 Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), as amended, so that interest on the Series 2022 Bonds will not be included in the gross income of the owners of the Series 2022 Bonds for federal income tax purposes. If applicable, pursuant to Section 147(f) of the Code, and applicable regulations thereunder, the Authority designates its Executive Director and its Chief Financial Officer, either of whom may act, as the public hearing officer to hold any public hearings required in order to ensure the federal tax-exempt status of interest on the Series 2022 Bonds.

Section 10. Pledge of Net Revenues Subordinate to Certain Payments. Pursuant to the provisions of an Amended and Restated Deed of Facilities Lease Agreement, a Construction Authority Agreement and an Installment Sales Contract, each dated September 21, 2016 with Virginia International Gateway, Inc. the Authority hereby reaffirms the provisions of Section 202, Section 504 and Section 506 of the Bond Resolution, including acknowledging that debt service payments on the Series 2022 Bonds will be subordinate as to payment from the Authority's Net Revenue to the Senior Obligations.

Section 11. Ratification; Further Action. The actions related to this Resolution 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 2022 Bonds.

Section 12. Other Definitions. All terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 13. Series Resolution. This Resolution supplements the Bond Resolution and constitutes a Series Resolution as defined therein.

Section 14. Effective Date; Termination of Effectiveness. This Series Resolution shall take effect immediately upon its adoption. If no Series 2022 Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on December 31, 2022, this Resolution shall expire and terminate.

PASSED AND ADOPTED this 16 day of January, 2022.

John G. Milliken, Chairman

Attest:

Ryenne A. Shields, Secretary