

**King and Queen County
Industrial Development Authority/
Economic Development Authority
Minutes
February 18, 2022**

A Special Called meeting of the King and Queen County Industrial Development Authority/Economic Development Authority was held February 18, 2022 at 8:30 a.m. in the General District Court Hearing Room in the Courts and Administration Building.

Members Present: George Longest, Jesse Holmes, Robert Fraser, Pamela Ashley, Tommy Adkins

CALL TO ORDER

Chairman Longest opened the meeting at 8:30. Chairman Longest advised the purpose of the called meeting. It was discovered by bond council as part of the closing that term limits for several of the members of the EDA had been recorded incorrectly and as such action at the previous meeting would need to be reaffirmed prior to bond closing next week.

A motion was made by Mr. Fraser and seconded by Mr. Adkins to adopt the following resolution:

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY
OF KING & QUEEN COUNTY, VIRGINIA**

WHEREAS, the Board of Supervisors (**the “Board of Supervisors”**) of the County of King & Queen, Virginia (**the “County”**) directed Davenport & Company LLC (**the “Financial Advisor”**) to prepare and distribute a Request for Proposals (**the “RFP”**) to obtain financing proposals to finance various County capital needs consisting primarily of a school capital project;

WHEREAS, the Financial Advisor reviewed responses to the RFP for the financing of the Project (as defined below) and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommends that the Board of Supervisors accept the proposal dated December 16, 2021 (**the “Proposal”**) from Atlantic Union Public Finance, Inc. (**the “Lender”**) for such financing with an interest rate as set forth in such Proposal and subject to such other terms as set forth therein;

WHEREAS, the Board of Supervisors has requested the Economic Development Authority of King & Queen County, Virginia (**the “Authority”**) to (a) issue, offer and sell its public facilities lease revenue bond in an amount of approximately \$20,000,000 (**the “Bond”**) to finance the renovation and reconstruction of a new elementary school and various additional capital projects (**together, the “Project”**), (b) lease the County’s King & Queen Elementary School property (**the “Leased Property”**) from the King & Queen County School Board (**the “School Board”**) for an approximately twenty-five year term under a Ground Lease (as defined below), and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a Lease Agreement (as defined below) with the Authority and (c) secure the Bond by an Leasehold Deed of Trust (as defined below) assigning the Authority’s rights under such Lease Agreement for the benefit of the Lender, all in accordance with a Bond Purchase Agreement (as defined below);

WHEREAS, there have been presented to this meeting drafts of the following documents **(collectively, the “Documents”)** in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

- a. a Ground Lease, dated as of February 1, 2022, between the School Board and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein **(the “Ground Lease”)**;
- b. a Lease Agreement, dated as of February 1, 2022, between the Authority and the County **(the “Lease Agreement”)** conveying to the County a leasehold interest in such Leased Property;
- c. a Bond Purchase Agreement, dated as of February 1, 2022 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued **(the “Bond Purchase Agreement”)**;
- d. a Leasehold Deed of Trust, dated as of February 1, 2022, between the Authority and the deed of trust trustees named therein **(the “Leasehold Deed of Trust”)** whereby the Authority grants to the trustees named therein, a security interest in the leasehold interest created under the Lease Agreement and assigns the Lease Agreement to the Lender as the holder of the Bond;
- e. a specimen Bond.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF KING & QUEEN COUNTY, VIRGINIA:

The following plan for financing the Project is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing of the Project and to lease the Leased Property from the School Board for a lease term of approximately twenty-six years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted a resolution as its moral obligation to the repayment of the Bond and as a statement of its intent to consider the appropriation of funds sufficient to pay rent under the Lease Agreement annually during the term thereof. The Bond will be further secured by a Leasehold Deed of Trust of the Leased Property assigning the Lease Agreement to the Lender as the holder of the Bond. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement, exercise its rights under the Leasehold Deed of Trust, or otherwise exclude the School Board and the County from possession of the Leased Property, subject to the terms of the Documents. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.

The Authority hereby (a) acknowledges and consents to the County’s approval of the Proposal and the issuance and delivery of the Bond to the Lender, (b) approves the Documents and (c) approves the form of the Bond in the principal amount of \$20,000,000, with an annual fixed interest rate of 2.04%, for an amortization of approximately 21 years from its date of issuance, maturing no later than February 1, 2043, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates

as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same. The County Administrator or Chairman of the Board of Supervisors of the County is hereby authorized to determine the final terms of the Bond, including, but not limited to the principal amount, maturity and amortization, whose determination shall be conclusive, as evidenced by his execution of such Bond.

The Chairman and Vice-Chairman of the Authority, either of whom may act, are authorized and directed to execute the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing them, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Bond by manual or facsimile signature, the Secretary and Assistant Secretary, if any, either of whom may act, are hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Bond and attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Bond to the Lender.

All costs and expenses in connection with the financing of the Project and the issuance of the Bond, including the Authority's fees and expenses and the fees and expenses of Bond Counsel, the Financial Advisor, the County Attorney, counsel for the Authority, and the Lender, if any, for the issuance and delivery of the Bond shall be paid from the proceeds of the Bond or other legally available funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor. It is anticipated that the Bond will be paid and by the Authority from funds received under the Lease Agreement.

The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond.

The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**), and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections, at the request of the County, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bond, (c) providing for the County to pay any such rebate amount, and (d) filing Internal Revenue Service Form 8038-G, and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond and the financing of the Project. The foregoing shall be subject to the advice, approval and direction of Bond Counsel.

8. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

9. Nothing in this Resolution, the Bond, or the Documents shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be

obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.

10. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and delivery of the Bond and the financing of the Project are hereby approved and ratified.

11. This Resolution shall take effect immediately.

Motion to adopt resolution was approved unanimously.

Ms. Robinson arrived at this point in the meeting.

Ms. Ammons provided an update on the EDA grant status for the telecenter and the selection process for a Clerk of the Works for the upcoming County construction projects.

It was requested that Mr. Miller reach out to Fulcrum to see if the April meeting could be held there.

ELECTION OF OFFICERS

A motion was made by Ms. Ashley and seconded by Mr. Fraser for the slate of officers remain the same for 2022 as in 2021.

Chairman – George Longest
Vice Chairman – Robert Fraser
Secretary/Treasurer – Jessie Holmes

Motion was approved unanimously.

There being no further business brought forth, the meeting was adjourned at 8:45 a.m.

Jesse Holmes, Secretary