

Attendance

Members:

• Josh Gaita, Chair	Chancellor District (McLaughlin)	Present
• Thomas Welsh	Berkeley District (Marshall)	Absent
• Tim Welsh	Lee Hill District (Hayes)	Present
• David Goosman	Livingston District (Lane)	Present
• James Shiels	Battlefield District (Yakabouski)	Present
• Al King	Courtland District (Ross)	Present
• H. Vincent Burchett, Jr.	Salem District (Frazier)	Present

Staff and Guests:

- Brendan Hefty, Hefty & Wiley, P.C.
- Kevin Marshall, Economic Development Business Development Manager
- Ben Loveday, Assistant County Administrator (*remote*)
- Edward Petrovitch, County Administrator
- Debbie Sanders, Economic Development Interim Director
- John Badman, McGuire Woods
- Ryan Murray, BonAdventure

Call to Order

Mr. Gaita called the meeting to order at 8:00 AM and confirmed a quorum.

Approval of Minutes

Mr. Goosman moved to approve the minutes of the September 23, 2021 meeting. The motion was seconded by Mr. Burchett and passed by the following recorded votes:

Ayes: 6 Mr. Gaita, Mr. Goosman, Mr. King, Mr. Tim Welsh, Mr. Shiels, Mr. Burchett
Nays: 0
Absent: 1 Mr. Tom Welsh
Abstain: 0

Public Comment (3 minutes per speaker)

No speakers present.

EDA Annual Meeting

The EDA held its annual meeting to elect new officers and establish meeting times and dates. The following officers were elected for Chair, Vice Chair, Treasurer and Secretary:

On a motion by Mr. Goosman, seconded by Mr. Tim Welsh and carried unanimously, Mr. Josh Gaita was re-elected Chairman.

On a motion by Mr. Sheils, seconded by Mr. Tim Welsh and carried unanimously, Mr. Goosman was re-elected Vice Chairman.

On a motion by Mr. King, seconded by Mr. Sheils and carried unanimously, Mr. Burchett was elected Treasurer.

On a motion by Mr. Tim Welsh, seconded by Mr. Goosman and carried unanimously, Ms. Sanders was re-elected Secretary.

Establish Meeting Times / Dates

On a motion by Mr. Goosman, seconded by Mr. Tim Welsh and carried unanimously, the EDA regular meetings will be held bi-monthly on the fourth Thursday of the month at 8:00 a.m. The meetings are held in the Merchants Square Conference Room on the third floor.

Public Hearing and Approval of Resolution for Palmers Creek Apartments Project, Series 2022

A public hearing was held for adoption of a resolution approving the EDA's upcoming Palmers Creek revenue bond issuance for the issuance of Revenue Bond Financing in the amount of \$2,300,000 for Palmers Creek, consisting of completion of the approximately 200 residential units located at 8934 Jefferson Davis Highway. The bonds are not obligations of the EDA or the County and have no impact on the County's debt ratings.

The Chairman opened the public hearing for comments regarding the issuance of up to \$2.3 million in Housing Revenue Bonds. With no comments being heard, the Chairman closed public hearing.

On a motion by Mr. Goosman, seconded by Mr. King and carried unanimously, the EDA authorized the Issuance of up to \$2.,3 million in Housing Revenue Bonds for Palmers Creek Apartments Project, Series 2022.

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA
AUTHORIZING THE ISSUANCE OF
HOUSING REVENUE BONDS,**

SERIES 2022

(PALMERS CREEK APARTMENTS PROJECT)

RECITALS

A. The Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority") is a political subdivision of the Commonwealth of Virginia (the "Commonwealth") duly empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"). Under the Act, the Authority has been given the power to issue its revenue bonds from time to time for the purpose of inducing commercial enterprises to locate or remain in Virginia and to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of the Commonwealth. The Act authorizes the Authority to issue its revenue bonds for the purpose of carrying out any of its powers, to make loans in furtherance of its purposes, to mortgage or pledge any or all of its assets, whether then owned or thereafter acquired, as security for the payment of the principal of, premium, if any, and interest on any such revenue bonds or notes and any agreements made in connection therewith, and to pledge the revenues and receipts from the repayment of such loans made with the proceeds of such bonds, or from any other source, to the payment of such bonds and notes and to refund bonds issued for such purposes. Under the Act, the Authority has been given the power to issue its revenue bonds from time to time and to use the proceeds thereof for the purpose of, among other purposes, the financing and refinancing of facilities used primarily for multi-family residences; to make and execute trust indentures, security documents and other contracts and instruments necessary or convenient in the exercise of such powers; and to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia.

B. To further the Act's purposes, at the request of BWF Palmers Creek, LLC, a Virginia limited liability company (the "Borrower"), the Authority has determined to issue and sell its Housing Revenue Bonds, Series 2022 (Palmers Creek Apartments Project) (the "Bonds"), in the maximum aggregate principal amount of \$2,300,000 pursuant to the Act. The Bonds will be issued at one or more times to assist the Borrower in financing or refinancing certain of the costs of (a) the acquisition, renovation and equipping of a multifamily residential rental housing project consisting of approximately 200 units, located at 8934 Jefferson Davis Highway, Fredericksburg, Spotsylvania County, Virginia 22408, and (b) the issuance of the Bonds, capitalized interest and other eligible expenditures (the "Project").

C. The Bonds will be issued pursuant to a Trust Indenture (the "Indenture") between the Authority and The Huntington National Bank or other institution authorized to act as Trustee under the Indenture and meeting the requirements set forth for the Trustee in the Indenture, as trustee (the "Trustee").

D. The Bonds will be limited obligations of the Authority, the principal of, and premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority from the Loan Agreement (the "Loan Agreement") between the Authority and the Borrower.

E. At the request of the Borrower, the Authority desires to authorize the issuance of the Bonds and the underwriting of the Bonds by The Sturges Company, as underwriter (the "Underwriter").

F. There has been prepared a draft of a Preliminary Official Statement with respect to the public offering of the Bonds (the "Preliminary Official Statement").

G. The foregoing arrangements will be reflected in the following documents, which the Authority proposes to execute to carry out the transactions described above, substantially final forms of which have been filed with the Authority's records:

(a) the Indenture;

(b) a form of the Bonds bearing interest and payable as provided therein and in the Indenture and which is attached to the Indenture as Exhibit A;

(c) the Loan Agreement;

(d) a Bond Purchase Agreement relating to the sale and purchase of the Bonds (the "Bond Purchase Agreement"), to be dated as of the date of its execution, among the Authority, the Borrower and the Underwriter; and

(e) the Preliminary Official Statement.

H. All of the documents listed above, except the Bonds and the Preliminary Official Statements, are referred to in this Resolution as the "Basic Documents."

I. A public hearing has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 15.2-4906 of the Act.

After careful consideration and in furtherance of the public purposes for which the Authority was created, NOW, THEREFORE, BE IT RESOLVED THAT:

1. The issuance of the Bonds to finance or refinance the Project is hereby authorized and approved. The Bonds shall be in substantially the form attached as an exhibit to the Indenture.

2. The Series 2022 Bonds and the Basic Documents are approved in substantially the forms on file with the Secretary of the Authority, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof and the captions of the Bonds) as do not adversely affect the interests of the Authority as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval will be evidenced conclusively by the execution and delivery of the Bonds.

3. The Bonds shall be issued on such terms and in such principal amount (subject to the maximum aggregate amount of \$2,300,000) and shall bear interest pursuant to the formulas and mature on the dates set forth in the Indenture; provided, however, that the maximum rate of interest on the Bonds shall not exceed 12% per annum, and the final maturity thereof shall be no later than December 31, 2023.

4. The execution, delivery and performance by the Authority of the Basic Documents to which it is a party are authorized. The execution of the Bonds, their delivery against payment therefor, and the amount of such payment to be disbursed in accordance with the terms of the Indenture, are hereby authorized.

5. The Chairman and the Vice Chairman of the Authority or either of them is authorized to execute and deliver on behalf of the Authority the Bonds and the Basic Documents to which the Authority is a party, and the Secretary or any Assistant Secretary of the Authority is authorized to affix the seal of the Authority to the Bonds and, if required, the Basic Documents and to attest such seal. The signatures of the Chairman or Vice Chairman and the Secretary or any Assistant Secretary and the seal of the Authority may be by facsimile. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such things and acts, as he or she deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Basic Documents or such instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects hereby approved, ratified and confirmed.

6. The use and distribution by the Underwriter of the Preliminary Official Statement and any supplements thereto are hereby authorized. The Preliminary Official Statement shall be in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be agreed to by the Chairman or Vice Chairman, in consultation with bond counsel to the Authority, and the Chairman and the Vice Chairman of the Authority, or either of them, are authorized to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for the omission of certain pricing and other information as permitted by the Rule.

7. The Chairman and the Vice Chairman of the Authority or either of them is authorized and directed to make such completions, omissions, insertions and other changes to the Preliminary Official Statement as necessary to reflect the terms of the Bonds, as set forth in the Bond Purchase Agreement, and appropriate to complete it as an official statement in final form (the "Official Statement") and to deliver to the Underwriter printed or electronic copies of the Official Statement. Execution of the Official Statement shall constitute conclusive evidence of his making any such completions, omissions, insertions and changes.

8. The Underwriter is authorized to distribute the Official Statement to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriter initially sells the Bonds.

9. The Authority determines that the issuance of the Bonds in accordance with the terms of the Basic Documents and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

10. The members, officers, legal counsel, agents and employees of the Authority and the Trustee are hereby and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, investments or contracts on behalf of the Authority which are necessary or desirable in connection with the sale, execution and delivery of the Bonds and the Basic Documents that are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Bonds and the Basic Documents heretofore taken by the Authority, including but not limited to the execution and delivery of documents, instruments and certifications in connection with the issuance and delivery of the Bonds, and, in connection with the sale, issuance and delivery of the Bonds, the execution and delivery of any amendments, supplements, restatements or modifications of any Basic Documents or other documents previously executed in connection with or relating to the Bonds.

11. The Borrower has agreed to pay the Authority's fees, costs and expenses and to indemnify the Authority and the County of Spotsylvania (the "County") as provided in the Loan Agreement. All costs and

expenses of the Authority in connection with the financing without limitation, including the fees and expenses of bond counsel and counsel to the Authority and the Authority's annual administrative fee, shall be paid by the Borrower, or to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason the

12. Bonds are not issued, it is understood that all such expenses will be paid by the Borrower and that the Authority will have no responsibility therefor.

13. Neither the Directors of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

14. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower. The issuance of the Bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth or the County, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision of the Commonwealth will be pledged to the payment of such Bonds. Neither the County nor the Authority shall be obligated to pay the Bonds or interest or premium thereon or other costs incident thereto except from revenues and money pledged therefor.

15. This resolution shall take effect immediately upon its adoption.

Treasurer's Report

No reports.

Committee Reports

No reports.

Attorney's Report

No reports.

Unfinished Business

No unfinished business.

Closed Session

Mr. Shiels moved that the EDA convene in closed session pursuant to section 2.2-3711(A)(5) of the Code of Virginia for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the County. The motion was seconded by Mr. Tim Welsh and passed by the following recorded votes:

*Ayes: 6 Mr. Gaita, Mr. Tim Welsh, Mr. King, Mr. Goosman, Mr. Shiels, Mr. Burchett
Nays: 0
Absent: 1 Mr. Welsh
Abstain: 0*

Mr. Goosman moved that the EDA certify by roll call vote that only the matters identified in the motion to convene in closed session and lawfully exempted under the Virginia Freedom of Information Act was heard, discussed, or considered. Mr. King seconded the motion, which passed by the following recorded votes:

*Ayes: 6 Mr. Gaita, Mr. Tim Welsh, Mr. King, Mr. Goosman, Mr. Shiels, Mr. Burchett
Nays: 0
Absent: 1 Mr. Welsh
Abstain: 0*

On a motion by Mr. King, seconded by Mr. Goosman and carried unanimously, the EDA authorized extending a 6-month option on EDA-owned land with the amendment to add restrictive covenants to maintain the storm water management pond.

On a motion by Mr. Goosman, seconded by Mr. Shiels and carried unanimously, the EDA authorized the Chairman to sign a Letter of Support for House Bill 1308; a sale and use tax; entitlement to revenues from tourism projects to further business recruitment and job creation.

New Business

No new business.

Next Meeting

The next EDA meeting will be held on May 26, 2022 at 8:00 a.m. in the Merchants Square Conference Room, third floor.

Adjournment

On a motion by Mr. King, seconded by Mr. Shiels and carried unanimously, the meeting was adjourned.