

**Virginia Resources Authority
Board of Directors Meeting
Minutes of the Meeting – DRAFT
Held December 23, 2025
Held by Electronic Communication Means
Via Microsoft Teams**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, December 23, 2025, for an all-virtual public meeting of the Board hosted via Microsoft Teams.

The following Board members were present and acting during the meeting: Mr. Cecil “Rhu” Harris, Jr., Chairman; Mr. Gregory Campbell, Director of the Department of Aviation; Ms. Barbara Donnellan; Mr. Daniel Featherly; State Treasurer David Richardson; Mr. Dwayne Roadcap, designee on behalf of the State Health Commissioner; and Mr. Michael Rolband, Director of the Department of Environmental Quality. Mr. David Branscome, Mr. Scott Mayausky, Ms. Maria Tedesco, and Dr. Charlette Woolridge were absent.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; and Ms. Stephanie Jones. Additional attendees were Mr. T.W. Bruno and Ms. Anne Curtis Saunders, both of McGuireWoods LLP; Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; and Mr. Ty Wellford of Davenport & Company, LLC.

Call to Order

Chairman Harris called the meeting to order at 2:00 p.m.

Approval of Agenda

Chairman Harris asked for a motion to approve the agenda as presented. Vice Chair Donnellan made the motion and Treasurer Richardson seconded. The motion carried.

Public Comment

Chairman Harris asked if there were any comments from the public. There were none.

Approval of Meeting Minutes in a Block

Chairman Harris asked if there was a motion to approve the following meeting minutes in a block:

- Audit Committee Meeting held September 8, 2025

- Portfolio Risk Management Committee Meeting held September 8, 2025
- Board of Directors Meeting held September 9, 2025

Director Rolband made the motion and Mr. Featherly seconded. The motion to approve the minutes in a block carried.

Proposed 2026 Meeting Dates

Chairman Harris presented proposed meeting dates for the upcoming calendar year. The proposed Board of Directors 2026 meeting dates presented were Tuesdays March 10, June 2, September 15, and December 8, with the preceding Mondays reserved for Committee meetings.

Consideration of a Resolution

The Chairman called on the Executive Director who described the proposed resolution for settlement and payoff of the outstanding local loan to Accomack-Northampton Transportation District Commission. The State Treasurer remarked this was a great outcome and supported adoption of the resolution. Other Board members voiced similar support for the resolution.

Ms. Donnellan made a motion to approve the RESOLUTION AUTHORIZING AND APPROVING SETTLEMENT AND PAYOFF FOR ACCOMACK-NORTHAMPTON TRANSPORTATION DISTRICT COMMISSION RAILWAY TRANSPORTATION BOND 1990 SERIES. Mr. Rolband seconded. The motion carried.

Old Business

Chairman Harris asked if there was any old business to come before the Board. There was none.

New Business

Chairman Harris asked if there was any new business to come before the Board. There was none.

Adjournment

Chairman Harris thanked members for their participation and adjourned the meeting at 2:14 p.m.

Board Secretary

APPROVED:

Chairman of the Board

VIRGINIA RESOURCES AUTHORITY

- RESOLUTION -

AUTHORIZING AND APPROVING SETTLEMENT AND PAYOFF FOR ACCOMACK-NORTHAMPTON TRANSPORTATION DISTRICT COMMISSION RAILWAY TRANSPORTATION BOND 1990 SERIES

December 23, 2025

WHEREAS, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"); and

WHEREAS, the VRA Act was amended in the 1990 Acts of the General Assembly to include any heavy rail transportation facilities operated by a transportation district created under the Transportation District Act of 1964 (§ 33.2-1900 et seq.) as an eligible project that VRA can finance with a \$6,000,000 limit in the total principal amount of VRA bonds outstanding for this purpose; and

WHEREAS, VRA issued its \$6,000,000 Railway Transportation Revenue Bonds, 1990 Series (the "VRA Bonds"), to fund a loan, dated November 15, 1990, to the Accomack-Northampton Transportation District Commission and its wholly owned entities, Canonie Atlantic Co. and Eastern Shore Railroad, Inc. (collectively, the "Railroad") and acquired the \$6,000,000 Accomack-Northampton Transportation District Commission Railway Transportation Bond 1990 Series (the "ANTDC Bonds"), to evidence the Railroad's obligation to repay the loan; and

WHEREAS, the ANTDC Bonds are secured by Revenues (as defined in the Loan Agreement, dated as of November 15, 1990 (the "Loan Agreement")), deeds of trust filed in Maryland, and in the Clerk's Offices of the Circuit Courts of the Cities of Norfolk and Virginia Beach and the Counties of Accomack and Northampton (collectively, the "Deeds of Trust"), guarantees and an interest in the shares of stock of Canonie Atlantic Co. and Eastern Shore Railroad, Inc., and various other pledged collateral; and

WHEREAS, the Railroad experienced operating challenges and eventually did not generate sufficient Revenues to satisfy debt service payments, and the Commonwealth and VRA made payments on behalf of the Railroad; and

WHEREAS, a working group formed in 2000, comprised of the Office of the Secretary of Commerce and Trade, Office of the Secretary of Transportation, Commonwealth agencies, and VRA agreed that a railroad should be maintained for the economic benefit of the Counties of Accomack and Northampton and the Commonwealth, the payoff of the VRA Bonds was a priority, and the underlying loan to the Railroad and the ANTDC Bonds would remain outstanding and held by VRA or an agency of the Commonwealth; and

WHEREAS, Chapter 1019 of the 2000 Acts of the General Assembly included a \$6,600,000 appropriation for the Eastern Shore Railroad Project, and approximately \$4,600,000 of that amount was used in 2001 to defease the VRA Bonds and reimburse VRA for prior payments

made on behalf of the Railroad; and

WHEREAS, only the VRA Bonds were defeased, which removed the negative implications of implementing the moral obligation securing the VRA Bonds, and VRA continues to hold the ANTDC Bonds secured by the Loan Agreement, the Deeds of Trust and the related security documents; and

WHEREAS, in 2005, at the request of the Railroad, VRA consented to a 30-year Railroad Lease and Operating Agreement (the "Operating Agreement") between Canonie Atlantic Co. and Cassatt Management, LLC; and

WHEREAS, the Operating Agreement and other related documents, including documents signed by Canonie Atlantic Co., and letters exchanged between Railroad officials and representatives and officers of VRA and Commonwealth agencies acknowledge that the ANTDC Bonds remain outstanding and continue to be secured by the terms of the Loan Agreement, the Deeds of Trust and the related security documents; provided that the Commonwealth agreed that so long as freight rail operations continue over the lines owned by the Railroad, the Commonwealth would not seek to foreclose due to non-payment of the ANTDC Bonds; but provided further that provisions relating the release of Railroad property for sale or lease and the granting of easements on Railroad property remain unchanged and enforceable; and

WHEREAS, Cassatt Management, LLC, ceased operations in April of 2018 and the Railroad petitioned the Surface Transportation Board, an independent federal agency, to abandon approximately 49 miles of rail service and common carrier obligations in the Counties of Accomack and Northampton from Hallwood, Virginia, to Cape Charles, Virginia; and

WHEREAS, the Railroad currently has limited rail operations in Maryland, Accomack County and the City of Virginia Beach; and

WHEREAS, there is an effort underway to create a rail-to-trail system in the Railroad's former rail right-of-way on the Eastern Shore, which endeavor is supported by the Counties of Accomack and Northampton, the Commonwealth, and certain federal funds; and

WHEREAS, the Railroad owns property that is no longer necessary for the remaining limited rail operations or the proposed rail-to-trail system but is nevertheless subject to the lien of the Deeds of Trust; and

WHEREAS, given the appropriation in 2000, the VRA Board of Directors is compelled to act in the best interests of the Commonwealth and its taxpayers, and on March 12, 2024, adopted a resolution titled "Resolution Authorizing Administration and Enforcement Actions Related to the Accomack-Northampton Transportation District Commission Railway Transportation Bonds 1990 Series," authorizing certain officers of VRA to administer and enforce the ANTDC Bonds, the Loan Agreement, the Deeds of Trust and the related security documents; and

WHEREAS, the Executive Director of VRA, in consultation with the Secretary of Finance of the Commonwealth, negotiated with the Railroad for the full payoff of the ANTDC Bonds, and consequent release of related collateral, upon receipt by VRA of \$9,000,000 (the "Payoff Amount") from the sale of certain collateral property securing the ANTDC Bonds located in Virginia Beach and subject to the lien of the Deeds of Trust (the "Payoff"), all as set forth in the Settlement Term

Sheet provided to the VRA Board of Directors (the "Term Sheet"); and

WHEREAS, the settlement and payoff of the ANTDC Bonds will be made pursuant to the Settlement and Payoff Letter Agreement by VRA and accepted by the Railroad (the "Settlement Agreement"), a form of which has been provided to the VRA Board of Directors; and

WHEREAS, the Accomack-Northampton Transportation District Commission, Canonic Atlantic Co., and Eastern Shore Railroad, Inc., accepted the terms outlined in the Term Sheet and adopted resolutions authorizing and approving the terms in the Term Sheet and the form of the Settlement Agreement at its December 2, 2025, meetings; and

WHEREAS, the VRA Board of Directors now desires to approve the terms of the Payoff.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY, THAT:

1. The terms of the Payoff as reflected in the Term Sheet and the Settlement Agreement are hereby approved.
2. Each of the Executive Director, Chairman of VRA, and Vice Chairman of VRA is hereby authorized and directed to execute and deliver on behalf of VRA the Settlement Agreement, which shall be in substantially the form provided to the VRA Board of Directors for this meeting, and such other documents or certificates, and to do and perform such acts and things, as such office shall deem necessary or appropriate to carry out the transactions contemplated by this Resolution or contemplated by the Term Sheet or Settlement Agreement.
3. The authorization granted in this Resolution to the Executive Director may be carried out by any employee of VRA designated by the Executive Director or by any Interim or Acting Executive Director, as appropriate, in the absence of the Executive Director.
4. Any authorization herein to execute a document shall include authorization to change the date of such document, record such document where appropriate and to deliver it to the other parties thereto.
5. All other acts of the officers of VRA that are in conformity with the purposes and intent of this Resolution and in furtherance of the consummation of the Payoff are hereby approved and confirmed, and all of the foregoing previously done or performed on behalf of VRA are in all respects hereby approved, ratified and confirmed.
6. After reimbursement of direct expenses incurred by VRA in connection with the Payoff, the remaining Payoff Amount received by VRA shall be remitted back to the Commonwealth.
7. This Resolution shall be effective immediately.