



**NORFOLK  
AIRPORT  
AUTHORITY**

# Board of Commissioner's Meeting

March 28, 2024



**NORFOLK AIRPORT AUTHORITY**

# 1. Call to Order

Norfolk Airport Authority  
Board of Commissioner's Meeting



# Agenda

1. Call to Order
2. Approval of Previous Board Meeting Minutes
  - Thursday, February 1, 2024
3. Public Comments
4. CEO & Staff Report
5. NAA BOC Chair Report
6. Committee Reports
  - Finance and Audit Committee
    - Approval of Preliminary FY25 Operating Budget
7. Old Business
  - None
8. Closed Meeting
9. New Business
  - St. Mary's Home for Disabled Children Bond Modification
10. Adjournment

# 2. Approval of Meeting Minutes

Norfolk Airport Authority  
Board of Commissioner's Meeting



# Regular Agenda

- Approval of Board Meeting Minutes of February 1, 2024

# 3. Public Comments

Norfolk Airport Authority  
Board of Commissioner's Meeting



# 4. CEO & Staff Report

Norfolk Airport Authority  
Board of Commissioner's Meeting



# New Executive Staff

- **Chris Jones, Chief Marketing & Communications Officer**
  - Chris' primary responsibility is to manage and oversee all our marketing, communications, customer experience, and air service activities. This includes our websites, marketing campaigns, public outreach and involvement, airline air service coordination, and our customer experience programs.

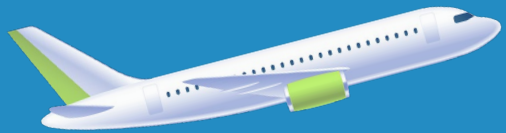




# Featured Employee

- Gene Bonney,  
Building Maintenance  
Department Manager
  - 11 years with the Authority
  - Gene oversees all aspects of maintaining our physical facilities including the terminal buildings and all other infrastructure and facilities at the airport





# Air Service/Marketing

March 28, 2024

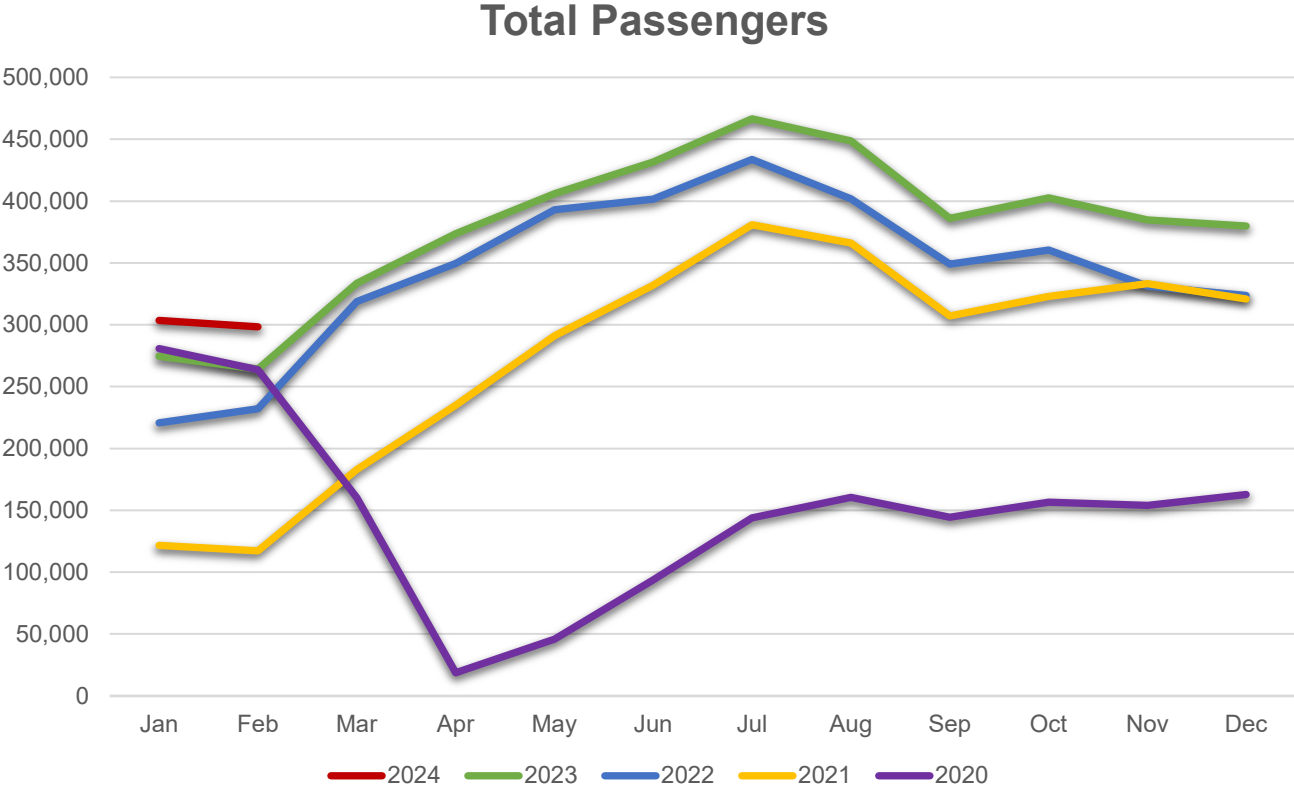


NORFOLK AIRPORT AUTHORITY

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# Our Market Strength Continues to Grow

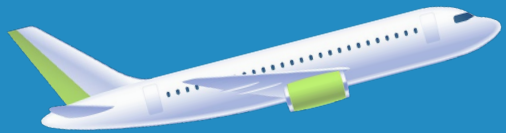
- CY2023 was another record-breaking year!
- We saw 4.55 million passengers use our airport in 2023
- January and February were again record months



# Our Market Strength Continues to Grow

- Service coming soon:
  - **Spirit** will begin daily nonstop service to **Boston** on April 10
  - **Breeze** will begin 4x weekly nonstop service to **San Diego** on May 1
  - **Frontier** will begin 3x weekly nonstop service to **San Juan** on June 2
  - **Delta** will resume daily nonstop service to **Minneapolis** on June 7
  - **Southwest** will begin Saturday nonstop service to **St. Louis** on June 7
  - **Breeze** will begin 2x weekly nonstop service to **Phoenix** on October 3





# Capital Development

March 28, 2024



NORFOLK AIRPORT AUTHORITY

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# Runway 5/23 Rehabilitation

- Runway 5/23 Rehabilitation of Concrete Extensions
  - To be completed in two phases
  - Estimated cost of construction is \$40 million for both phases of construction
    - Phase 1 (R/W 23 end) completed Nov 2<sup>nd</sup>
    - Phase 2 (R/W 5 end) to begin April 1, 2024
      - Bids opened Jan 31<sup>st</sup>
      - Awarded to Virginia Paving
      - \$20.4M



# Moving Walkways

- Opened bids May 19<sup>th</sup>
- FAA approved low bid on Jul 24<sup>th</sup>
- Grant issued on Sep 12<sup>th</sup>
- **Realigned placement**
  - **Split system**
- Anticipated construction is May '24 – Feb '25
  - Based on current schedule for delivery of materials



**BUILDING BETTER  
AIRPORTS ACROSS AMERICA**

# Arrivals Restrooms

- Low bid approved
  - Compo Construction
  - \$1.69M
- Construction:
  - North Restrooms
    - February – June '24
  - South Restrooms
    - June – Sept '24





# Holdroom Seating

- New seating
  - Arconas
- Concourse A
  - Summer '24
- Concourse B
  - Fall '24
- Cost
  - \$1.2M



# Alpha Expansion

- 3 Holdrooms / Gates
- Additional Restrooms/Pet Relief Area
- Estimated cost: \$33M
- Groundbreaking Summer/Fall '24
- Completion December '25



# CBP Federal Inspection Services Facility

- Estimated cost: \$33M
  - \$3.0M Congressionally Directed Spending (CDS)
  - \$6.0M BIL ATP grant received
- Design Complete:
  - June/July 2024
- Will include a Global Entry processing center
- Groundbreaking Fall '24
- Completion December '25



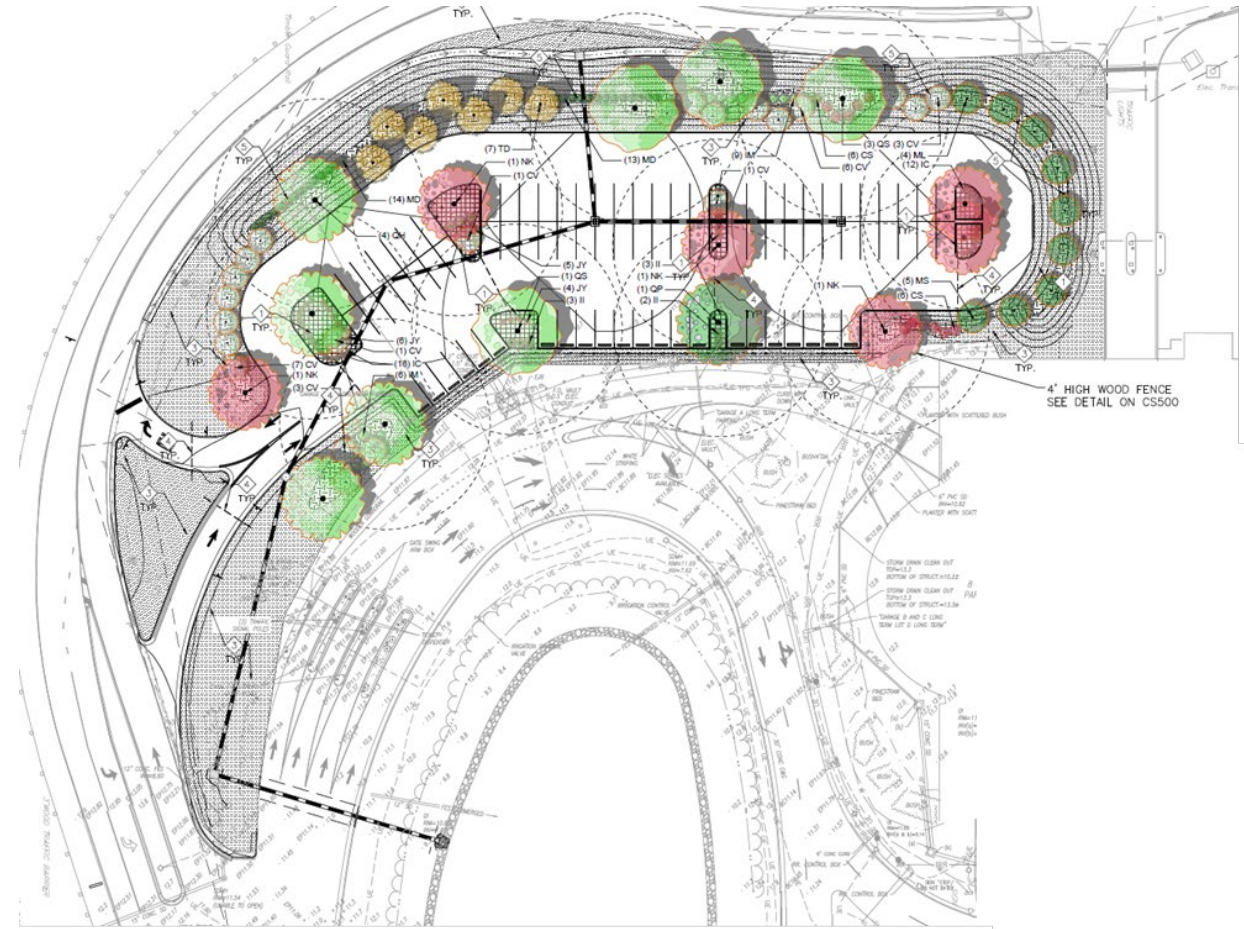
# Airport Hotel

- Negotiations complete
  - Contract signed
  - Due diligence complete
- Working with City on TDFP map amendment
- Groundbreaking Fall '24
- Completion December '26



# Proposed Cell Phone Waiting Lot

- New 80-space cellphone lot better situated to be more accessible & user friendly
- Cost: \$1.18M
- Construction started Feb '23
- Completion December '25



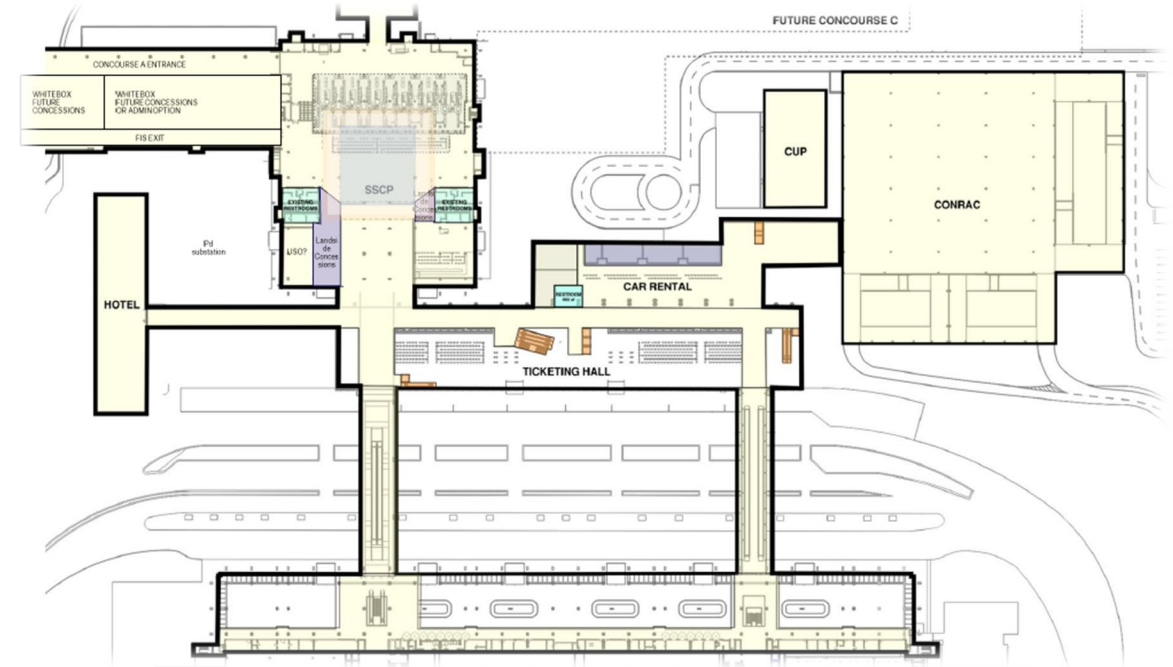
# Consolidated Rental Car Facility

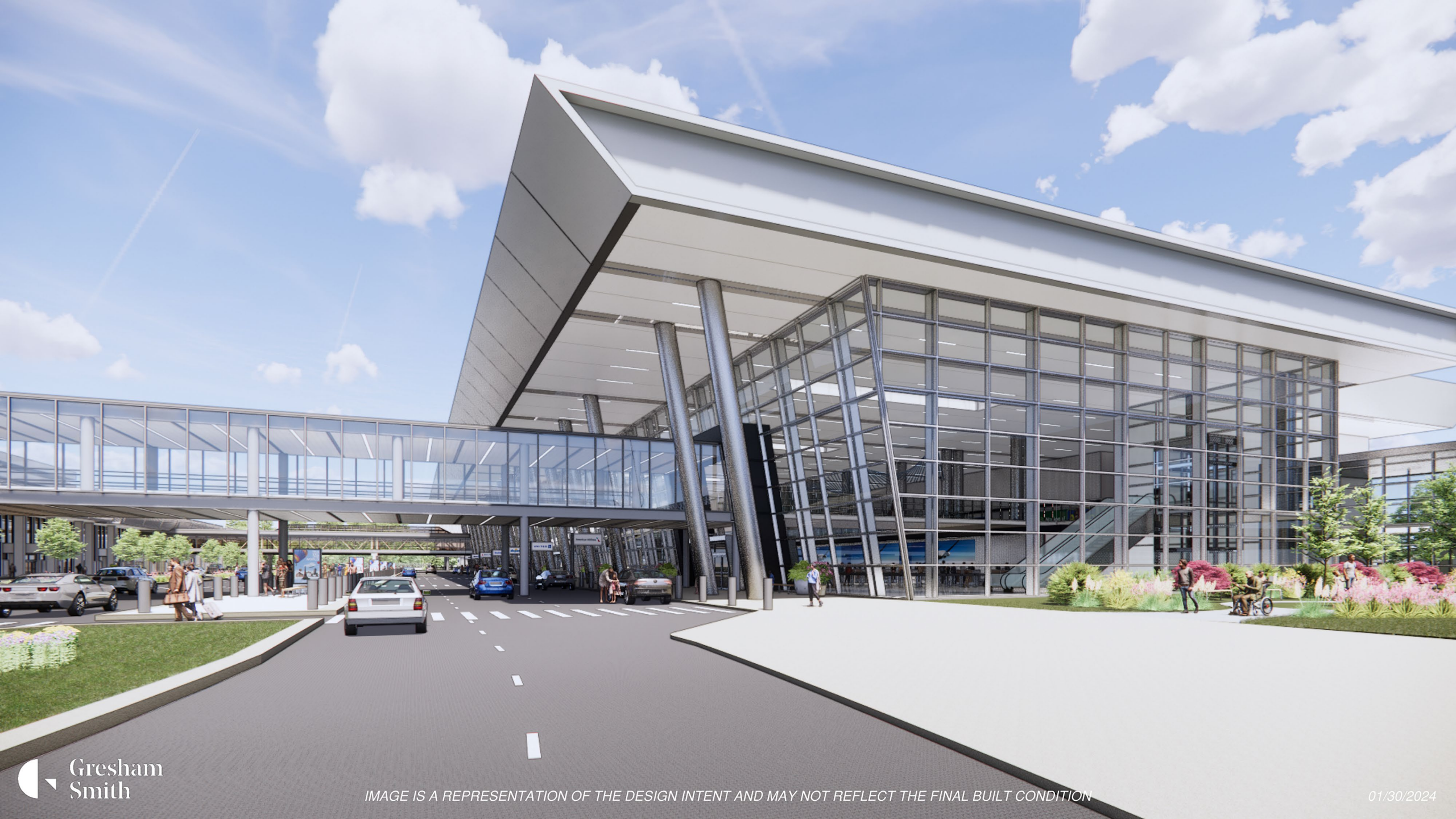
- Consolidates all rental car operations into a single facility
- Includes a QTA reducing the need to take cars off airport for servicing
- Working through procurement options
- Schedule TBD



# Terminal Development

- Project Scope:
  1. Linear Ticket Lobby
  2. Consolidated Checked Bag Inspection
  3. Expanded Baggage Make-up Area
  4. New Shipping and Receiving Area
  5. Consolidated TSA Checkpoint
- CMaR under contract Summer '25
- Construction start Summer of '26
- Construction complete end of '28



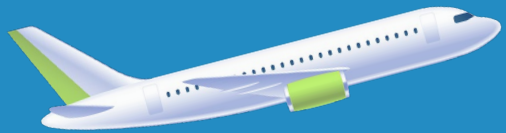




# Capital Development Summary

FY START	PROJECT DESCRIPTION	PROPOSED BUDGET	AIP ENTITLEMENTS	AIP DISCRETIONARY	AIG ENTITLEMENTS	ATP DISCRETIONARY	STATE ENTITLEMENTS	STATE DISCRETIONARY	PFC FUNDING FUTURE (ASSUMED PFC GARBS)	LOCAL FUNDING (DEBT SERVICE)	LOCAL FUNDING (PAY-GO)	FUNDED BY OTHERS
FY 24	Departures Terminal Program (Consolidated Checkpoint Included) - Design & Construction	450,000,000	-	-	-	-	-	-	111,000,000	230,000,000	109,000,000	-
FY 25	CONRAC Facility - Design & Construction	160,000,000	-	-	-	-	-	-	-	-	-	160,000,000
FY 24	Hotel - Design & Construction	50,000,000	-	-	-	-	-	-	-	-	-	50,000,000
FY 27	Runway 5/23 Reconstruction - Design & Construction (Grading, Drainage and 23 End Profile Improvements)	45,000,000	10,000,000	10,000,000	-	-	4,000,000	3,000,000	18,000,000	-	-	-
FY 24	Alpha Concourse Gate Addition - Design & Construction	33,000,000	-	-	12,000,000	-	-	-	21,000,000	-	-	-
FY 24	Gate 1 Federal Inspection Services Facility Modernization - Design & Construction	33,000,000	5,000,000	-	2,000,000	6,000,000	-	-	12,000,000	8,000,000	-	-
FY 25	Admin. Offices Consolidation - Design & Construction	18,000,000	-	-	-	-	-	-	-	18,000,000	-	-
FY 24	Closure of Runway 14/32 - Design & Construction	12,000,000	5,000,000	-	-	-	3,000,000	2,000,000	-	2,000,000	-	-
FY 26	Intersection Improvements & LTW Exit - Design & Construction	12,000,000	-	-	-	-	-	-	-	12,000,000	-	-
	<b>GRAND TOTAL CIP:</b>	<b>813,000,000</b>	<b>20,000,000</b>	<b>10,000,000</b>	<b>14,000,000</b>	<b>6,000,000</b>	<b>7,000,000</b>	<b>5,000,000</b>	<b>166,000,000</b>	<b>270,000,000</b>	<b>109,000,000</b>	<b>210,000,000</b>





# Finance/Administration

March 28, 2024



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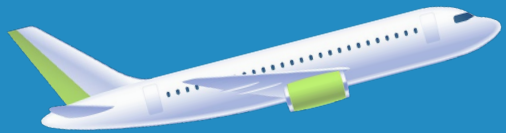
# January Financial Highlights

- **Operating Expense – under budget (favorable) by \$2,606,434 or 9.7%**
  - **Salaries, wages and benefits** – under budget by \$1,074,975 or 7.5% due to open positions.
  - **Advertising and promotions** – under budget by \$279,339 or 40.0% due to timing of advertising.
  - **Utilities** – under budget by \$243,087 or 10.1% due to seasonality of utilities expenses.
  - **Insurance** – under budget by \$52,532 or 7.2% due to favorable insurance rates.
  - **Stormwater and sanitation** – under budget by \$5,587 or 0.8%.
  - **Professional services** – under budget by \$270,391 or 51.1% due to the timing of billing of services used during the year and reduction of legal professional services expenses.
  - **Maintenance and repairs** – under budget by \$501,611 or 22.9% due to lower necessary maintenance requirements.
  - **Administrative** – under budget by \$68,700 or 24.6% due to lower education and tuition expenses.
  - **Supplies** – under budget by \$59,535 or 13.0% due to lower usage.
  - **Services** – over budget by \$46,317 or 1.8% due to timing of services utilized.
  - **Other** – under budget by \$97,295 or 27.7% due to lower fuel costs, timing of travel, and lower safety apparel expenses.

# January Financial Highlights

- **Operating Revenue** – ahead of budget (favorable) by \$940,288 or 2.5%
  - **Parking** – ahead of budget by \$557,679 or 4.0% due to seasonality and longer stay lengths.
  - **Rental cars** – ahead of budget by \$177,640 or 3.4% due to seasonality.
  - **Landing fees** – ahead of budget by \$60,466 or 1.0% due to seasonality. Landing fees will be trued up at the end of year reconciliation.
  - **Rent** – under budget by \$166,960 or 1.8% as a gate was down for maintenance for four months, timing of Spirit’s incentives, and Southwest and United not leasing space that had been projected during the budget process.
  - **Concessions** – ahead of budget by \$288,225 or 8.6% due to better-than-expected food, advertising, and rideshare commissions.
  - **Other** – ahead of budget by \$25,238 or 15.4%.

• **Operating Income** – ahead of budget (favorable) by \$3,546,722 or 31.8%



# Strategic Plan Update

March 28, 2024



NORFOLK AIRPORT AUTHORITY

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# Strategic Plan Update

## GOAL #1 OUR PEOPLE Support and develop our staff, maximize organizational and employee efficiency and performance.



6% FROM DEC 2023

**75%**  
PERCENT COMPLETE

- 100% **Objective 1A:** Optimize our organizational structure
- 84% **Objective 1B:** Better engage our employees
- 52% **Objective 1C:** Foster a culture of transparency, and strong communications, where information is shared and voices are heard
- 52% **Objective 1D:** Create a formal employee training and development program
- 88% **Objective 1E:** Hire and retain diverse, qualified, and competent employees

## GOAL #2 OUR CUSTOMERS Grow our traffic and provide a world-class customer experience.



12% FROM DEC 2023

**64%**  
PERCENT COMPLETE

- 64% **Objective 2A:** Increase customer and passenger satisfaction; improve customer experience.
- 69% **Objective 2B:** Increase air service offerings and expand direct flight destinations
- 59% **Objective 2C:** Identify and capitalize on economic development opportunities

## GOAL #3 OUR COMMITMENT Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.



3% FROM DEC 2023

**72%**  
PERCENT COMPLETE

- 93% **Objective 3A (Diversity):** Assess the Diversity of the Authority
- 68% **Objective 3B (Equity):** Ensure applicants and employees are treated fairly and given equal opportunities
- 64% **Objective 3C (Inclusion):** Create an Inclusive Work Culture
- 71% **Objective 3D:** Enhance Small Business Participation
- 65% **Objective 3E:** Improve physical and mental accessibility into and throughout our facilities

## GOAL #4 OUR FACILITY Optimize facilities to create and sustain growth, expand opportunities, and diversify revenue sources.



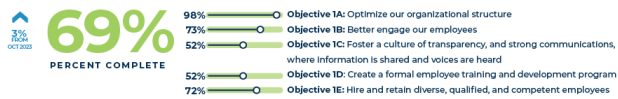
7% FROM DEC 2023

**48%**  
PERCENT COMPLETE

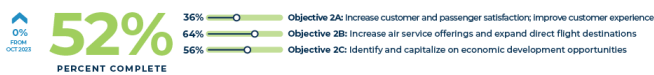
- 72% **Objective 4A:** Enhance the Passenger Experience
- 21% **Objective 4B:** Expand and Diversify Revenue Sources
- 52% **Objective 4C:** Increase our Infrastructure reliability, sustainability, and resiliency; decrease our environmental footprint

## DECEMBER 2023 GOALS PROGRESS

### GOAL #1 OUR PEOPLE Support and develop our staff, maximize organizational and employee efficiency and performance.



### GOAL #2 OUR CUSTOMERS Grow our traffic and provide a world-class customer experience.



### GOAL #3 OUR COMMITMENT Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.



### GOAL #4 OUR FACILITY Optimize facilities to create and sustain growth, expand opportunities, and diversify revenue sources.



# 5. Chair Report

Norfolk Airport Authority  
Board of Commissioner's Meeting



# 6. Committee Reports

Norfolk Airport Authority  
Board of Commissioner's Meeting





# Finance and Audit Committee

- Preliminary FY25 Budget

	Actual FY 2023	Projected FY24*	Budget FY24	FY25 Budget vs FY24 Budget	
<b>Operating Revenues:</b>					
Parking	23,074,850	24,372,709	24,000,000	28,670,000	4,670,000
Landing fees	8,194,451	9,295,978	10,281,000	11,742,000	1,461,000
Rent	8,692,778	12,071,745	15,775,000	18,036,000	2,261,000
Concessions	2,954,938	3,267,357	4,500,000	4,836,000	336,000
Rental Cars	8,584,322	8,852,678	9,090,000	9,710,000	620,000
Other	1,477,972	1,646,730	1,500,000	1,564,000	64,000
<b>Total Operating Revenues</b>	<b>52,979,311</b>	<b>59,507,197</b>	<b>65,146,000</b>	<b>74,558,000</b>	<b>9,412,000</b>
<b>Operating Expenses:</b>					
Salaries, wages and benefits	21,057,365	22,688,236	24,492,098	28,533,817	4,041,719
Advertising and promotion	960,775	924,660	1,197,000	1,197,000	-
Utilities	3,725,915	3,757,139	4,357,788	4,020,889	(336,899)
Insurance	911,042	1,035,487	1,250,000	1,250,000	-
Payment to City of Norfolk	2,650,000	2,650,000	2,650,000	2,650,000	-
Stormwater and Sanitation	1,195,662	1,246,770	1,256,200	1,310,000	53,800
Professional services	625,129	649,381	907,500	735,000	(172,500)
Maintenance and repairs	3,471,059	3,379,290	3,367,200	3,337,200	(30,000)
Administrative expenses	879,345	1,002,007	1,037,030	1,160,980	123,950
Services	4,423,289	4,656,470	4,521,089	4,984,649	463,559
Other	568,456	639,251	995,950	1,023,868	27,918
<b>Total Operating Expenses</b>	<b>40,468,035</b>	<b>42,628,691</b>	<b>46,031,855</b>	<b>50,203,403</b>	<b>4,171,548</b>



# 7. Old Business

Norfolk Airport Authority  
Board of Commissioner's Meeting



# Old Business

- None

# 8. Closed Meeting

Norfolk Airport Authority  
Board of Commissioner's Meeting



# 9. New Business

Norfolk Airport Authority  
Board of Commissioner's Meeting



# New Business

- St. Mary's Home for Disabled Children Bond Modification
  - Third Modification Agreement
    - Modifies the covenant for days cash on hand from 300 days to 240 days
    - No Adverse Effect Opinion from Bond Counsel



To: Mark A. Perryman, Assoc. AIA  
President & Chief Executive Officer

From: Mark A. Trank *MAT*  
Senior Vice President & General Counsel

Date: March 25, 2024

Re: St. Mary's Home for Disabled Children – Third Bond Modification

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As you know, NAA, perhaps oddly for an airport authority, has served as a conduit issuer for 501(c)(3) bond issues under its enabling legislation (Chapter 463 of the Acts of Assembly of 1948, as amended), and has previously done so for St. Mary's Home for Disabled Children in Norfolk in 2002 and 2003.

St. Mary's is now seeking to finalize an agreement with Bank of America to change a financial covenant in its loan agreements with the bank. Since NAA is a party to the original agreements, St. Mary's bond counsel has requested that the Authority execute the attached Modification Agreements (for the 2002 and 2003 series bonds).

Bond counsel for the borrower has prepared the attached opinion letters for each Modification, and copies are attached for your information.

As you may recall, in March 2023 the Board adopted a resolution approving a change in the interest rate provisions. Here, the change is to a bank covenant. Per bond counsel, under the current loan agreements, the requirement is for the borrower to have 300 Days' Cash on Hand at each semi-annual testing date. Days' Cash on Hand is defined as, generally, Unrestricted Cash and Investments divided by Operating Expenses. The Bank has agreed to reduce this requirement to 240 because 300 is a very high requirement compared to what banks are now requiring in the market.

Since there is no financial impact on the Authority, bond counsel has opined that a formal approval process similar to the previous modifications is not necessary: "(i) the execution and delivery of the Modification Agreement by any officer of the Authority is authorized and permitted by law and the Agreement, and (ii) the execution and delivery of the Modification Agreement by the parties thereto does not impair the excludability of interest on the Bond from gross income of the holder thereof for federal income tax purposes."



Based on the foregoing, formal Board action and approval of the Third Modification Agreements are not required. However, I recommend that the Board be informed of the request at the March 28, 2024 meeting, and adopt a motion authorizing you to execute the documents on behalf of the Authority.

Let me know if you would like to discuss these matters further.

Attachments

cc: Jarred Roenker, CPA, Vice President & Chief Financial Officer (w/ att.)





March \_\_, 2024

Norfolk Airport Authority  
Norfolk, Virginia

Bank of America, N.A.  
Baltimore, Maryland

Norfolk Airport Authority  
Revenue Bond (St. Mary's Home for Disabled Children, Inc. Project)  
Series 2002

Ladies and Gentlemen:

We have examined a fully executed copy of the Third Modification Agreement dated as of March \_\_, 2024 (the "Modification Agreement"), among the Norfolk Airport Authority (the "Authority"), Bank of America (the "Bondowner"), and St. Mary's Home for Disabled Children, Inc. (the "Borrower"), consented to by St. Mary's Home for Disabled Children Foundation, as guarantor. The Modification Agreement modifies certain terms of the Authority's Revenue Bond (St. Mary's Home for Disabled Children, Inc. Project), Series 2002, in the original principal amount of \$10,000,000 (the "Bond"), and the Bond Purchase and Financing Agreement dated as of October 1, 2002, by and among the Authority, the Borrower and the Bondowner (as previously modified, the "Agreement"), pursuant to which the Authority issued the Bond.

As to questions of fact material to our opinion in this letter, we have relied upon the representations, warranties, reaffirmations and certifications of the Authority and the Borrower contained in the Modification Agreement, in the Agreement, and in certain documents and certificates delivered in connection therewith, in each case without undertaking any independent verification. We have assumed that no events have occurred subsequent to the dates of such representations, warranties, reaffirmations, certifications, answers and attachments that would adversely affect them, and that such representations, warranties, reaffirmations, certifications, answers and attachments are complete and accurate as of the date hereof.

Failure by the Authority or the Borrower to comply, subsequent to the date hereof, with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the use, expenditure and investment of Bond proceeds, the use of the facilities financed with the proceeds of the Bond and the timely payment of certain investment earnings of Bond proceeds or penalties to the Treasury of the United States, may cause interest on the Bond to become includable in gross income for federal income tax purposes retroactive to the issue date of the Bond. The Borrower covenanted in the Agreement not to take any action which would, or fail to take any action which failure would, cause interest on the Bond to become includable in gross income of the holder thereof

for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder. Pursuant to the Modification Agreement, the Borrower has reaffirmed such covenants.

We have assumed that all documents delivered to us are accurate and complete, that each such document delivered as an original is authentic and that each such document delivered as a copy conforms to the original document in all respects. We have also assumed that the signatures of all persons are genuine and authentic, and that each such person is legally competent. We have further assumed that immediately prior to the execution and delivery of the Modification Agreement, the interest on the Bond continued to be excludable from gross income of the holder thereof for federal income tax purposes.

Based upon the foregoing, and subject to the assumptions and qualifications herein, it is our opinion under existing statutes, regulations and rulings that (i) the execution and delivery of the Modification Agreement by any officer of the Authority is authorized and permitted by law and the Agreement, and (ii) the execution and delivery of the Modification Agreement by the parties thereto does not impair the excludability of interest on the Bond from gross income of the holder thereof for federal income tax purposes.

The foregoing opinion is based solely upon Virginia law and federal income tax laws and regulations, and we express no opinion based upon any other federal laws or the laws of any other state or local government.

This opinion letter is solely for your benefit. It may not be distributed to or relied upon by any other person, quoted in whole or in part or otherwise reproduced in any other document (except that copies of this opinion may be included in any binder or compilation of documents for the transaction to which this opinion relates), nor is it to be filed with any governmental agency other than the Authority and federal and state regulatory agencies having jurisdiction over the Bondowner, except with our prior written consent.

This letter is given as of the date hereof and we assume no obligation to update, revise, or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Our opinions are limited to the matters expressly set forth herein, and no opinion is to be inferred or may be implied beyond the matters expressly so stated.

Very truly yours,

### THIRD MODIFICATION AGREEMENT

THIS THIRD MODIFICATION AGREEMENT (this "Amendment") is dated as of March 15, 2024, among Bank of America, N.A. (the "Lender"), Norfolk Airport Authority, a political subdivision of the Commonwealth of Virginia (the "Authority"), and St. Mary's Home for Disabled Children, Inc., a Virginia nonstock corporation (the "Borrower").

#### RECITALS

The provisions of Section 1 below are applicable to these recitals.

Pursuant to a Bond Purchase and Financing Agreement dated as of October 1, 2002 by and among the Borrower, the Lender and the Authority, as amended by (i) a Modification of Bond Purchase and Financing Agreement dated as of December 16, 2014, between the Lender and the Borrower, a copy of which has been provided to the Authority, and (ii) a Modification Agreement dated as of June 1, 2023 by and among the Borrower, the Lender and the Authority (collectively, the "Financing Agreement"), the Authority issued its Revenue Bond (St. Mary's Home for Disabled Children, Inc. Project), Series 2002 (the "Bond") for the purposes set forth in the Financing Agreement, the Lender purchased the Bond, and the Authority made a loan to the Borrower of the proceeds of the Bond. As of the date hereof, immediately before giving effect to the principal payment required to be made by Borrower on date hereof, the unpaid principal amount of the Bond is \$\_\_\_\_\_. The Authority, Lender, and Borrower desire to change the semiannual liquidity covenant and to make certain related changes to the Financing Agreement. This Amendment is made for that purpose.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Capitalized Terms; Effective Date. Capitalized terms used in this Amendment which are not otherwise defined herein shall have the meanings assigned thereto in the Financing Agreement as amended by this Amendment. Except as expressly provided to the contrary herein, all amendments to the Financing Agreement set forth herein shall be effective as of the date hereof.

Section 2. Representations and Warranties. The Borrower hereby represents and warrants that:

(a) After giving effect to this Amendment, the Borrower is in compliance in all material respects with all of the terms, covenants and conditions of the Financing Agreement;

(b) After giving effect to this Amendment, there exists no circumstance which is or, with the giving of notice, the lapse of time, or both, would be an Event of Default;

(c) After giving effect to this Amendment, the representations and warranties of the Borrower contained in Section 2.2 of the Financing Agreement are true in all material respects with the same effect as though such representations and warranties had been made on the

date hereof except to the extent such representations and warranties related specifically to an earlier date;

(d) The Borrower has full corporate power and authority to execute, deliver and perform its obligations under this Amendment and to incur the obligations provided for herein, all of which have been duly authorized by all proper and necessary corporate action. No consent or approval of, notice to or filing with, any public authority which has not been obtained or made is required as a condition to the validity of this Amendment; and

(e) This Amendment constitutes the valid and legally binding obligation of the Borrower, enforceable against the Borrower in accordance with the terms hereof.

Section 3. Financing Agreement Amendments. Section 7.6(b) of the Financing Agreement is hereby amended and restated to read as follows:

“(b) As of each June 30 and each December 31, the Company and the Guarantor shall collectively maintain consolidated days’ cash on hand of not less than **240**, defined as:

(i) the product of (A) consolidated Unrestricted Cash and Investments of the Company and the Guarantor as of the test date, divided by (B) consolidated operating expenses (which shall include interest expense but exclude depreciation and amortization) of the Company and the Guarantor for the 12-month period ending on the last day of the then most recently ended fiscal year of the Company (which shall be the test date if the test date is the last day of a fiscal year), determined in accordance with generally accepted accounting principles, multiplied by

(ii) the number of calendar days in the then most recently ended fiscal year of the Company.

Compliance with this covenant shall be tested no more than semiannually, on each June 30 and December 31. The Company and the Guarantor may transfer or grant rights in any funds held in accordance with this Section that are superior to the rights of the Lender and shall not be required to maintain such amounts other than on the two testing dates.

“Unrestricted Cash and Investments” means unrestricted cash, cash equivalents and marketable securities, excluding (a) trustee held funds not available to pay operating expenses, and (b) funds restricted by the donor thereof to a purpose other than the payment of operating expenses.”

Section 4. Effectiveness. This Amendment shall be effective on the date set forth in the preamble above, subject to the execution and delivery by the Borrower, the Lender and the Authority; provided, however, that the effectiveness of Section 3 above shall be subject to the further conditions that:

(a) Saint Mary's Home for Disabled Children Foundation shall have executed and delivered the Consent and Reaffirmation of Guarantor in the form attached to this Amendment; and

(b) Lender shall have received an opinion letter issued by Bond Counsel, in form and substance reasonably satisfactory to the Lender, to the effect that this Amendment shall not impair the excludability of interest on the Bond from gross income of the holder thereof for purposes of federal income taxation.

Section 5. No Other Amendments; Reaffirmation. Except as expressly amended hereby, the terms of the Financing Agreement shall remain in full force and effect in all respects, and the Borrower hereby reaffirms its obligations under the Financing Agreement, as amended by this Amendment.

Section 6. References. All references in the Financing Agreement or the Bond to the "Agreement" and all references to the "Agreement" or similar words in any guaranty agreement or any other document or instrument that refers to the Financing Agreement, shall be deemed to be references to the Financing Agreement as amended by this Amendment.

Section 7. Applicable Law. This Amendment shall be construed in accordance with and governed by the laws of Commonwealth of Virginia.

Section 8. Successors. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 9. Entire Agreement. This Amendment and the Financing Agreement represent the final agreement of the parties with respect to the subject matter hereof, and may not be contradicted, modified or supplemented in any way by evidence of any prior or contemporaneous written or oral agreements of the parties.

Section 10. Execution in Counterparts; Delivery by Electronic Means. This Amendment may be executed in counterparts and any counterpart executed by a party and delivered by telecopier or other electronic means shall be effective as an original. Any party delivering a counterpart of this Amendment by telecopier or other electronic means shall forthwith deliver the original of such counterpart by one of the other methods permitted under the Financing Agreement for the giving of notices thereunder; provided, however, that failure by such party to do so shall not impair the effectiveness of the counterpart delivered by telecopier or other electronic means.

[Signature page(s) follow.]

IN WITNESS WHEREOF, each of the Authority, the Borrower and the Lender has caused this Amendment to be duly executed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

AUTHORITY:

**NORFOLK AIRPORT AUTHORITY**

By: \_\_\_\_\_

Name:

Title:

(SEAL)

Attest:

By: \_\_\_\_\_

Name:

Title:

BORROWER:

**ST. MARY'S HOME FOR DISABLED  
CHILDREN, INC.**

By: \_\_\_\_\_ (SEAL)

Shannon Edsall

Chief Financial Officer

LENDER:

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_

Timothy Brooks

Senior Vice President

CONSENT AND REAFFIRMATION OF GUARANTOR

The undersigned, Saint Mary's Home for Disabled Children Foundation, hereby consents to the foregoing Amendment and reaffirms its Guaranty Agreement dated as of October 1, 2002, giving effect to such Amendment.

Date: As of March 15, 2024

GUARANTOR:

SAINT MARY'S HOME FOR DISABLED  
CHILDREN FOUNDATION

By: \_\_\_\_\_ (SEAL)  
Andrew Rivenbark  
President

# 10. Adjournment

Next Meeting:  
Thursday, May 23, 2024  
1:00pm

