

RESOLUTION NO. 12899-16

RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AMENDING RESOLUTION NO. 11347-07 ADOPTED ON JANUARY 23, 2007, ENTITLED "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF".

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

SECTION 1. Findings and Determinations. It is hereby found and determined as follows:

(a) On January 23, 2007, the Council of the City adopted Resolution No. 11347-07 (hereinafter, the "Bond Resolution"), entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF".

(b) Sections 8.1(2), 8.1(6) and 8.1(7) of the Bond Resolution provide that certain amendments may be made to the Bond Resolution by a Supplemental Resolution adopted by the Council of the City without the consent of the Trustee or the Bondholders and upon the delivery of a Bond Counsel Opinion as required by Section 8.4(c) of the Bond Resolution. This Resolution shall constitute a Supplemental Resolution under and within the meaning of the Bond Resolution, adopted pursuant to Sections 8.1(2) and (7) of the Bond Resolution.

(c) The amendments to the Bond Resolution set forth below shall not apply to the City's Outstanding City of Newport News, Virginia Water Revenue Bonds, Series 2007 (the "Series 2007 Bonds") and shall be applicable only to any Additional Bonds issued under the Bond Resolution after the date of adoption of this Resolution.

SECTION 2. Amendments to Resolution No. 11347-07.

(a) The definition of "Investment Securities" in Section 1.1 of Resolution No. 11347-07 is hereby amended to add a new clause (xi) as follows; provided, however, in no event shall Investment Securities described in clause (xi) below be used with respect to any monies held in any Fund or Account relating to, or providing for the payment of, or providing security for, the Series 2007 Bonds, including, without limitation, amounts in the Revenue Fund, unless

the bond insurer for the Series 2007 Bonds shall have consented in writing to such Investment Securities:

“(xi) solely with respect to monies in the Construction Fund (excluding any Capitalized Interest Account), the Revenue Fund, the Renewal and Replacement Fund, the Debt Service Reserve Fund, and the Rate Stabilization Fund, any pooled investment fund organized in accordance with the Government Non-Arbitrage Investment Act (Code of Virginia, Title 2.2, Chapter 47).”

(b) Paragraph (f) of Section 5.5 of the Bond Resolution shall be amended and restated in its entirety to read as follows:

“(f) In the event that on any Interest Payment Date or Principal Payment Date there is a deficiency in the Debt Service Fund, the amount of such deficiency shall be made up from the following Funds and in the order of priority set forth below:

- (1) Debt Service Reserve Fund (such amounts to be applied solely to pay principal or interest on the applicable Series of Bonds secured thereby);
- (2) Revenue Fund;
- (3) Subordinate Obligations Fund;
- (4) Renewal and Replacement Fund;
- (5) Rate Stabilization Fund; and
- (6) Construction Fund.”

(c) The last sentence of paragraph (a) of Section 5.6 of the Bond Resolution is hereby amended and restated to read as follows:

“To the extent deposits to and withdrawals from the Debt Service Reserve Fund are required by this Bond Resolution, such deposits to and withdrawals from the Debt Service Reserve Fund shall be made to and from the respective accounts thereof solely to pay principal of or interest on the applicable Series of Bonds secured thereby.”

(d) Paragraph (a) of Section 5.12 of the Bond Resolution shall be amended and restated to read as follows; provided, however, in no event shall the following apply with respect to any monies held in any Fund or Account relating to, or providing for the payment of, or providing security for, the Series 2007 Bonds, and such Series 2007 Bonds shall be governed by Paragraph (a) of Section 5.12 of the Bond Resolution in effect prior to the date of adoption of this Resolution):

“(a) In computing the amount in any Fund or Account other than the Debt Service Reserve Fund, obligations purchased as an investment of Moneys therein shall be valued at the lower of cost or fair market value. Obligations purchased as an investment of moneys in the Debt Service Reserve Fund shall be valued at their cost, plus any accrued interest paid upon the purchase of such investments not yet received. The amounts in each Fund and Account created and established under this Bond Resolution shall be valued

semiannually on the last day of the second and fourth fiscal quarter of each Fiscal Year and at such other times as shall be deemed to be necessary or appropriate by the Trustee or the City.”

SECTION 3. Filing of this Supplemental Resolution with Circuit Court. The City Clerk be and hereby is authorized and directed to file a copy of this Supplemental Resolution, certified by the City Clerk to be a true and correct copy thereof, with the Circuit Court of the City of Newport News, Virginia.

SECTION 4. Effectiveness of Supplemental Resolution. This Supplemental Resolution shall be effective from and after March 8, 2016, the same being the date of the adoption of this Supplemental Resolution by the Council of the City, subject to delivery to the Trustee of the Opinion of Bond Counsel required by Section 8.4(c) of the Bond Resolution.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON MARCH 8, 2016

Mabel Washington Jenkins, MMC
City Clerk

McKinley L. Price, DDS
Mayor

A true copy, teste:

City Clerk