

RESOLUTION NO. 11945-09

A RESOLUTION AUTHORIZING AND DIRECTING PREPAYMENT OF \$20,000,000 PRINCIPAL AMOUNT OF CITY OF NEWPORT NEWS, VIRGINIA, WATER REVENUE BONDS, SERIES 2008, DATED AUGUST 1, 2008.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Newport News, Virginia, as follows:

SECTION 1. Findings and Determinations. The Council (the "Council") of the City of Newport News, Virginia (the "City"), hereby finds and determines as follows:

(a) On August 21, 2008, the City issued to the Virginia Resources Authority its \$20,000,000 principal amount of City of Newport News, Virginia, Water Revenue Bonds, Series 2008, dated August 21, 2008 (the "Series 2008 Bonds"), for the purpose of paying the costs of the acquisition of interests in various parcels of real property in connection with the King William Reservoir Project, together with related expenses.

(b) The Series 2008 Bonds provide that the principal of the Series 2008 Bonds may be prepaid in whole or in part on any interest payment date at a prepayment price equal to 101% of the principal amount so prepaid, such interest payment dates being each February 15 and August 15.

(c) On October 13, 2009, the Council adopted Resolution No. 11917-09 terminating the King William Reservoir Project.

(d) The Council has determined to authorize and direct the Acting City Manager and the Director of Public Utilities to arrange for the prepayment in whole of the Series 2008 Bonds.

(e) Notwithstanding the provisions of the Series 2008 Bonds that require that any prepayment in whole or in part thereof be made on an interest payment date, the Virginia Resources Authority, as registered owner of the Series 2008 Bonds, and SunTrust Equipment Financing & Leasing Corp., as the source of funding of the borrowing evidenced by the Series 2008 Bonds, have advised the City that the Series 2008 Bonds may be prepaid by the City on December 15, 2009, such prepayment to be comprised of the principal amount of the Series 2008 Bonds (*i.e.*, \$20,000,000), a prepayment premium equal to one percent (1%) of the principal amount of the Series 2008 Bonds (*i.e.*, \$200,000) and the interest accrued and unpaid on the Series 2008 Bonds to December 15, 2009 (*i.e.*, \$242,139.96).

SECTION 2. Authorization and Direction to Prepay Series 2008 Bonds. The Acting City Manager and the Director of Public Utilities are hereby authorized and directed to prepay the Series 2008 Bonds in whole on December 15, 2009 upon the terms set forth in Section 1(e) hereof or on such date not later than February 15, 2010 as shall be determined by the Acting City Manager and the Director of Utilities. The prepayment of the Series 2008 Bonds authorized and directed by the immediately preceding sentence shall be made from funds held under Resolution No. 11347-07,

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", adopted by the Council on January 23, 2007, including any unexpended proceeds of the Series 2008 Bonds.

SECTION 3. Effectiveness of Resolution. This resolution shall be in effect on and after the date of its adoption, November 24, 2009.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON NOVEMBER 24, 2009

Mabel Washington Jenkins, CMC
City Clerk

Joe S. Frank
Mayor

A true copy, teste:

City Clerk