

Resolution No. 15-3

SERIES RESOLUTION SUPPLEMENTING RESOLUTION 02-4  
OF THE VIRGINIA PORT AUTHORITY AND AUTHORIZING  
THE ISSUANCE OF UP TO \$66,800,000 OF THE AUTHORITY'S  
COMMONWEALTH PORT FUND REVENUE BONDS, SERIES  
2015 AND RELATED MATTERS.

The Virginia Port Authority (the “Authority”) acting by its Board of Commissioners (the “Board”) adopted Resolution No. 02-4 on May 28, 2002 (as previously amended and supplemented, the “Bond Resolution”), which in Section 2.09 permits the issuance of Additional Bonds of the Authority for the purpose of providing funds for paying all or any portion of the cost of additional Projects.

The Authority now wishes to issue the Series 2015 Bonds, in one or more Series, in a principal amount not to exceed \$66,800,000, the proceeds of which will be used to finance, along with other funds of the Authority, (i) certain facilities to be located at Norfolk International Terminals, including without limitation container yard expansion, North Gate expansion, rail yard expansion, additional container handling equipment and dredging; (ii) certain facilities to be located at Portsmouth Marine Terminal, including without limitation container yard and rail infrastructure improvements and additional container handling equipment; (iii) certain facilities to be located at the Virginia Inland Port including without limitation container yard and rail infrastructure improvements, (iv) certain facilities to be located at the Port of Richmond including without limitation facility infrastructure improvements and additional container handling equipment, and (v) the expenses incurred in connection with the issuance of the Series 2015 Bonds (collectively, the “2015 Projects”).

The issuance and sale of the Series 2015 Bonds on the terms contemplated by this Series Resolution are in conformity with the purposes of the Authority set forth in the Act and are in the public interest and otherwise beneficial to the Commonwealth of Virginia. Chapter 3, Acts of Assembly 2014, Special Session I, as proposed to be amended by the Governor on December 17, 2014 in Item C-40.20 (the “Governor’s Amendment”), specifically authorizes the project originally authorized for construction of Craney Island Marine Terminal to be renamed and modified to include the 2015 Projects. The budget conference report adopted by the 2015 General Assembly preserved the Governor’s Amendment, and is currently pending final approval.

Section 2.09 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its Additional Bonds, fix the amount and the details thereof and the purpose thereof and describing in brief and general terms the facilities to be acquired or constructed and approving the estimate of the cost thereof. The definition of “Series Resolution” in the Bond Resolution states that if

the Board shall delegate to the Finance and Audit Committee of the Board or the Executive Director the power to determine specifically the matters generally authorized by a Series Resolution of the Board, the resolution of the Finance and Audit Committee, or the certificate of the Executive Director, as the case may be, in furtherance of such Series Resolution shall be deemed to be part of the Series Resolution.

The Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form and content of any preliminary official statement, final official statement, continuing disclosure agreement, bond purchase agreement, and any other documents deemed necessary by the Authority's bond counsel to consummate the issuance of the Series 2015 Bonds (collectively, the "Financing Documents"). As the actual terms of the Series 2015 Bonds cannot be determined until the time the Authority enters the market, the Board has determined that it is necessary to delegate to the Executive Director the power to approve the issuance of the Series 2015 Bonds and the details thereof, subject to the Financing Conditions herein set forth, by the execution and delivery of one or more certificates of the Executive Director which shall be deemed to be part of this Series Resolution.

NOW THEREFORE IT IS RESOLVED by the Board of Commissioners of Virginia Port Authority, as follows:

Section 1. Authorization of Bonds. (a) The Authority is authorized to issue the Series 2015 Bonds on a tax-exempt or taxable basis, in one or more series throughout calendar year 2015 pursuant to Section 2.09 of the Bond Resolution, as determined by the Executive Director, subject to the approval of the Treasury Board, for the purpose of providing funds, with other funds as may be available therefor, for paying all or a part of the 2015 Projects subject, however, to the following conditions (the "Financing Conditions"):

(i) The aggregate principal amount of the Series 2015 Bonds shall not exceed \$66,800,000, and the proceeds generated from the sale of the Series 2015 Bonds for deposit into the 2015 Construction Fund to pay costs of the 2015 Projects, excluding costs of issuance, shall not exceed \$64,999,000;

(ii) If issued in more than one series, the Series 2015 Bonds shall be appropriately designated to differentiate one series from another;

(iii) The final maturity of any series of the Series 2015 Bonds is not later than July 1, 2040;

(iv) The true interest cost on the Series 2015 Bonds shall not exceed 5.00%; and

(v) The inclusion of the Governor's Amendment in the final amended budget approved by the 2015 General Assembly and signed by the Governor.

(b) The Series 2015 Bonds will be issued in fully registered form, and may be

sold in a public offering or a private placement. Any such issue of the Series 2015 Bonds offered in a public sale shall be issued in the name of Cede & Co., a nominee of the Depository Trust Company, New York, New York (“DTC”), and immobilized in the custody of DTC or otherwise as may be permitted by DTC’s rules. One Series 2015 Bond in each series will be issued for the original principal amount of each maturity. Unless any such issue of the Series 2015 Bonds are offered in a private placement, beneficial owners will not receive physical delivery of the Series 2015 Bonds. Unless any such issue of the Series 2015 Bonds are offered in a private placement, individual purchases of the Series 2015 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000.

Unless any such issue of the Series 2015 Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2015 Bonds will be made to DTC or its nominee as registered owner of the Series 2015 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2015 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2015 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2015 Bonds.

Replacement Series 2015 Bonds (the “Replacement Bonds”) will be issued directly to beneficial owners of Series 2015 Bonds rather than to DTC, or its nominee, but only in the event that:

- (1) DTC determines not to continue to act as securities depository for the Series 2015 Bonds;
- (2) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties;
- (3) the Authority has determined that it is in the best interests of the beneficial owners of the Series 2015 Bonds not to continue the book-entry system of transfer; or
- (4) the Series 2015 Bonds being replaced were originally issued in a private placement.

Upon occurrence of the events described in clause (1) or (2), the Authority will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the Authority fails to locate another qualified securities depository to replace DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants (as defined in DTC’s rules), the Replacement Bonds to which such Participants are entitled. In the event the Authority makes the determination described in clause (2) or (3) (the Bond Registrar has no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and if the determination under clause (2) has also been

made, and the Authority has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the Series 2015 Bonds by mailing an appropriate notice to DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants, the appropriate Replacement Bonds to which Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

The Series 2015 Bonds will be issued substantially in the form set forth in Section 2.02 of the Bond Resolution, with appropriate variations, omissions and insertions as may be permitted or required by the Bond Resolution, this Series Resolution and any certificate of the Executive Director deemed a part of this Series Resolution. There may be endorsed on the Series 2015 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

(c) Subject to the Financing Conditions, the Series 2015 Bonds shall be issued in such principal amount; shall be dated a date that is on or before the date of their delivery; shall be Current Interest Bonds and shall be Serial Bonds and/or Term Bonds; shall mature, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption in accordance with Section 2 hereof; and shall bear interest payable on January 1 and July 1 in each year commencing on such date, at such rates per annum, as may be determined by a certificate of the Executive Director delivered at the Closing.

(d) If any issue of the Series 2015 Bonds are offered in a public offering, the Authority delegates to the Executive Director the authority to appoint the underwriting syndicate for such series of the Series 2015 Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

(e) The Authority delegates to the Executive Director the authority to appoint the Trustee, Bond Registrar and Paying Agent for the Series 2015 Bonds.

Section 2. Optional Redemption. The Series 2015 Bonds shall be subject to the right of prior redemption at the option of the Authority upon such terms as the Executive Director shall determine with the advice of the Authority's financial advisor.

Section 3. Terms of Purchase; Approval of Bond Purchase Agreement. The Executive Director is hereby authorized, subject to the prior approval of the Treasury Board as set forth in Section 9 herein, if the Authority's Financial Advisor shall so recommend, to accept an offer of the underwriters in a public offering or an offer of an institutional buyer in a private placement, in the form of the Bond Purchase Agreement, to purchase the Series 2015 Bonds at the price stated therein. The Executive Director's execution and delivery of the Bond Purchase Agreement shall constitute conclusive evidence of his acceptance of the purchase price of the Series 2015 Bonds and his approval of the form and content of the Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of the Series 2015 Bonds, the form and content of the Preliminary Official Statement shall be approved by the Executive Director. Subject to the approval of its form and content by the Executive Director, the use and distribution by the underwriters selected by the Executive Director of the Preliminary Official Statement in connection with the offering of the Series 2015 Bonds, prior to the availability of the Official Statement, are hereby authorized. The Executive Director is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and the distribution of such Preliminary Official Statement shall be conclusive evidence that the Authority has deemed such Preliminary Official Statement final. The Chairman or Vice Chairman of the Board and the Executive Director of the Authority are hereby authorized and directed to execute and deliver to the underwriters for their use and distribution in making a public offering of the Series 2015 Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement applicable thereto) a final Official Statement, together with any amendment or supplement to such final Official Statement as may be necessary to comply with the Bond Purchase Agreement, which in the case of such final Official Statement shall be substantially in the form of the Preliminary Official Statement approved by the Executive Director, with such changes, insertions and omissions as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve, and which in the case of any such amendment or supplement shall be in such form as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve. The execution and delivery by the Chairman or Vice Chairman and the Executive Director of the final Official Statement or any such amendment or supplement thereto shall be conclusive evidence that the Authority has approved any such changes, insertions and omissions, amendment or supplement, as the case may be.

Section 5. Approval of Other Financing Documents. The Executive Director shall approve the form and content of the other Financing Documents and is hereby authorized to execute and deliver the other Financing Documents, his execution of such Financing Documents to be conclusive evidence of such approval.

Section 6. Execution of the Bonds. The Series 2015 Bonds shall be executed with the original or facsimile signature of the Executive Director and the original signature of the Secretary of the Authority, and the seal of the Authority shall be impressed, or a facsimile of the seal of the Authority shall be imprinted, on the Series 2015 Bonds. The Series 2015 Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the underwriters in the case of a public offering or to or for the account of the institutional buyer in the case of a private placement upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Executive Director.

Section 7. Application of Proceeds. The proceeds of the Series 2015 Bonds shall be deposited by the Trustee in the Construction Fund and applied to the cost of the 2015 Projects, including the costs of issuance of the Series 2015 Bonds.

Section 8. Tax Covenant. If a tax-exempt issuance of the Series 2015 Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, so that interest on the Series 2015 Bonds will remain exempt from existing federal income taxes to which they are subject on the date of the issuance of such Series 2015 Bonds.

Section 9. Treasury Board Approval. The Authority requests the Treasury Board of the Commonwealth to approve the terms and conditions and structure of the Series 2015 Bonds in accordance with the provisions of Section 2.2-2416.5 and 2.2-2416.7 of the Code of Virginia of 1950, as amended. The Authority is authorized and directed to make application for such approval to the Treasury Board and to furnish such materials and do such things as may be required to obtain such approval.

Section 10. Reimbursement. VPA officers have represented to the Board that it is necessary to proceed with the acquisition, construction, rehabilitation and equipping of the 2015 Projects. The Board hereby agrees that the officers and staff of the Authority may proceed with the plans therefor and enter into contracts, advance monies and take such other steps as it may deem necessary and appropriate therefor. The Authority hereby declares its intention to be reimbursed from the proceeds of the Series 2015 Bonds for all costs expended by it prior to the issuance of the Series 2015 Bonds within sixty (60) days prior to the date of this Resolution with respect to the planning and the construction, rehabilitation and equipping of the Series 2015 Projects (the "Expenditures"). The Authority reasonably expects to reimburse itself up to \$6,000,000 for Expenditures with the proceeds of the Series 2015 Bonds. The declaration and expectations stated in this Section 10 are intended to be evidence of official intent within the meaning of Treasury Regulation Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended. Each Expenditure will be, unless otherwise approved by Bond Counsel, (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Series 2015 Bonds or (c) a nonrecurring item that is not customarily payable from current revenues. The Authority intends to make a reimbursement allocation, which is a written allocation by the Authority that evidences the Authority's use of proceeds of the Series 2015 Bonds to reimburse the Expenditure no later than eighteen (18) months after the later of the date on which the Expenditure is paid or the Series 2015 Projects are placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure is paid. The Authority recognizes that exceptions are available for certain "preliminary expenditures," cost of issuance, certain de minimus amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least five (5) years.

Section 11. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in connection with the issuance of the Series 2015 Bonds.

Section 12. Other Definitions. All terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 13. Series Resolution. This Resolution supplements the Bond Resolution and constitutes a Series Resolution as defined therein.

Section 14. Effective Date; Termination of Effectiveness. This Series Resolution shall take effect immediately upon its adoption. If no Series 2015 Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on December 31, 2015, this Resolution shall expire and the authorization to issue the Series 2015 Bonds shall terminate.

PASSED AND ADOPTED this 24<sup>th</sup> day of March, 2015.

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John G. Milliken, Chairman

Attest:

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Debra J. McNulty, Clerk

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