

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE

OF UP TO \$9,500,000 WATER AND SEWER SYSTEM REVENUE BONDS,

SERIES 2020, OF JAMES CITY SERVICE AUTHORITY

- WHEREAS, the James City Service Authority (the “Authority”) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act ((formerly the Virginia Water and Sewer Authorities Act) Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) by the Board of Supervisors of James City County, Virginia (the “County”), and is authorized to acquire, construct, operate and maintain water, sewer and other facilities and to borrow money and to issue its revenue bonds to pay all or part of the cost of such facilities; and
- WHEREAS, the Authority and Wilmington Trust, National Association (as successor to U.S. Bank National Association) (the “Trustee”), have entered into a Master Indenture of Trust dated as of April 1, 2003, as supplemented and amended (collectively, the “Master Indenture”), which authorizes the Authority to issue bonds from time to time to pay the cost of water and wastewater facilities and related financing costs; and
- WHEREAS, the Authority finds it desirable to issue one or more series of bonds in the principal amount of up to \$9,500,000 (the “Series 2020 Bonds”), the proceeds of which will be used to (a) finance the upgrade, repair and replacement of a portion of the Authority’s water distribution system, (b) fund as necessary any reserves, and (c) pay costs of issuing the Series 2020 Bonds; and
- WHEREAS, the form and details of the Series 2020 Bonds will be as set forth in a Fourth Supplemental Indenture of Trust (the “Fourth Supplemental Indenture”), between the Authority and the Trustee, supplementing the terms of the Master Indenture; and
- WHEREAS, the Authority staff and Davenport & Company LLC, as financial advisor to the Authority (the “Financial Advisor”), have recommended that the Authority offer the Series 2020 Bonds for sale through one or more of the following methods: (a) a direct bank loan from a commercial banking or other financial institution (a “Direct Sale”), (b) a public offering through a competitive sale (a “Competitive Sale”), or (c) a public offering through a negotiated underwriting (a “Negotiated Sale”); and
- WHEREAS, the Authority has prepared a draft of a Preliminary Official Statement (the “Preliminary Official Statement”), with respect to the public offering of the Series 2020 Bonds; and
- WHEREAS, the Securities and Exchange Commission has adopted its Rule 15c2-12 (the “SEC Rule”) pursuant to the Securities and Exchange Act of 1934, as amended, requiring that the underwriters of certain municipal securities confirm certain continuing disclosure undertakings; and
- WHEREAS, in the event of a Competitive Sale or a Negotiated Sale, the Authority will enter into an undertaking with respect to the SEC Rule (the “Disclosure Agreement”); and

WHEREAS, there have been presented to the Authority forms of the following documents proposed in connection with the issuance and sale of the Series 2020 Bonds:

- (a) Fourth Supplemental Indenture of Trust;
- (b) the Preliminary Official Statement; and
- (c) the Disclosure Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, that

1. The Authority authorizes the issuance and sale of the Series 2020 Bonds, in one or more series, pursuant to the Fourth Supplemental Indenture as Bonds under the Master Indenture; provided (a) the principal amount of the Series 2020 Bonds shall not exceed \$9,500,000; (b) the final maturity of the Series 2020 Bonds shall be on or before December 31, 2040, (c) the aggregate price at which the Series 2020 Bonds are sold to the purchaser shall not be less than 97.0% of the principal amount thereof plus accrued interest, and (d) the Series 2020 Bonds in the aggregate shall have a true interest cost not to exceed 5.0% (taking into account any original issue discount or premium).
2. The proceeds of the Series 2020 Bonds shall be used as set forth in the Fourth Supplemental Indenture.
3. (a) The General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to determine whether to sell the Series 2020 Bonds through a Direct Sale, a Competitive Sale, a Negotiated Sale or any combination thereof.

(b) If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Direct Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to solicit bids from banking institutions and other financial firms, to determine which bid (or bids) offers the best terms to the Authority, and, subject to the limitations set forth in Section 1, to arrange for the issuance and sale of the Series 2020 Bonds to the purchaser. Following a Direct Sale, the General Manager shall file with the records of the Authority a certificate setting forth the final terms of the Series 2020 Bonds. The actions of the General Manager in selling the Series 2020 Bonds by Direct Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.

If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Competitive Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to take all proper steps to advertise the Series 2020 Bonds for sale, to receive public bids and to award the Series 2020 Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 1. Following a Competitive Sale, the General Manager shall file a certificate with the Secretary or Assistant Secretary of the Authority setting forth the final terms of the Series 2020 Bonds. The actions of the General Manager in selling the Series 2020 Bonds by Competitive Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.

- (c) If the General Manager determines that the Series 2020 Bonds (or a portion thereof) shall be sold through a Negotiated Sale, the General Manager is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to choose an investment banking firm or firms to serve as underwriters for the Series 2020 Bonds and to execute and deliver to the underwriters, as purchasers of the Series 2020 Bonds, a bond purchase agreement reflecting the final terms of the Series 2020 Bonds. The bond purchase agreement shall be in a form approved by the General Manager, in collaboration with counsel to the Authority, the Financial Advisor and the Authority's bond counsel; with general provisions substantially similar to those in prior bond purchase agreements executed by the Authority. The actions of the General Manager in selling the Series 2020 Bonds by Negotiated Sale shall be conclusive, and no further action with respect to the sale and issuance of the Series 2020 Bonds shall be necessary on the part of the Authority.
 - (d) The General Manager is further authorized to determine the final terms of the Series 2020 Bonds, which authorization shall include the authorization to (i) determine or approve the principal amount, interest rates, maturity schedules and the price to be paid for the Series 2020 Bonds by the purchaser, subject to the limitations set forth in Section 1, (ii) determine the redemption provisions of the Series 2020 Bonds, if any, and (iii) determine the dated date and the principal and interest payment dates of the Series 2020 Bonds, all as the General Manager determines to be in the best interests of the Authority..
4. The Chairman or Vice Chairman (either of whom may act and who are referred to together as the "Authorized Officer"), are authorized and directed to execute and deliver the Fourth Supplemental Indenture and, in the event of a Competitive Sale or a Negotiated Sale, the Disclosure Agreement. The Fourth Supplemental Indenture and the Disclosure Agreement (if required) shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes (including changes in the name and series identification of the Series 2020 Bonds) not inconsistent with this resolution as may be approved by the Authorized Officer, his execution to constitute conclusive evidence of the Authority's approval of any such completions, omissions, insertions and changes.
 5. The Authorized Officer and the Secretary or Assistant Secretary are authorized and directed to execute the Series 2020 Bonds in accordance with the Fourth Supplemental Indenture, to deliver them to the Trustee for authentication, and to cause the Series 2020 Bonds so executed and authenticated to be delivered to or for the account of the purchasers upon payment of the purchase price therefor.
 6. The Preliminary Official Statement is hereby approved as the general form of the Preliminary Official Statement by which the Series 2020 Bonds may be offered for sale to the public in a Competitive Sale or a Negotiated Sale. The General Manager, in consultation with the Financial Advisor and, with respect to any specific disclosure issues, members of the Authority, is authorized to finalize the Preliminary Official Statement by making such updates and modifications as the General Manager may consider appropriate. After the Series 2020 Bonds have been sold in a Competitive Sale or a Negotiated Sale, the General Manager, in consultation with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official

Statement. The execution thereof by the General Manager shall constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. In addition, the Authority shall arrange for the delivery to the purchaser of an electronic copy and, if requested, a reasonable number of printed copies of the final Official Statement, within seven business days after the Series 2020 Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the purchaser initially sells any of the Series 2020 Bonds.

7. The officials and employees of the Authority are authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2020 Bonds, including, but not limited to, a certificate setting forth the expected use and investment of the proceeds of the Series 2020 Bonds to show that such expected use and investment will not violate the provisions of the Internal Revenue Code of 1986, as amended, and related Treasury regulations applicable to "arbitrage bonds" and Internal Revenue Service Form 8038-G.
8. The Authority intends that the adoption of this resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
9. All other actions of the officials, employees or agents of the Authority previously taken in conformity with the purpose or intent of this resolution and in furtherance of the issuance and sale of the Series 2020 Bonds are approved and confirmed.
10. All other resolutions or parts thereof in conflict herewith are repealed.
11. This resolution shall take effect immediately upon adoption.

Ruth M. Larson

Ruth M. Larson
Vice Chairman, Board of Directors

ATTEST:

Teresa J. Fellows
Teresa J. Fellows
Deputy Secretary to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LARSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HIPPLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ICENHOUR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SADLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 24th day of March, 2020.

The undersigned Secretary of the James City Service Authority certifies that:

1. A regular meeting of the James City Service Authority was held on March 24, 2020, at which the following directors were present and absent:

PRESENT: Michal J. Hipple
Jim Icenhour
Ruth Larson
John J. McGlennon
Sue Sadler

ABSENT: [None]

2. A resolution entitled "Resolution Authorizing the Issuance and Sale of up to \$9,500,000 Water and Sewer System Revenue Bonds, Series 2020, of James City Service Authority," was adopted at such meeting by the [unanimous] vote of the directors of the Authority present at the time of such vote.

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the meeting on March 24, 2020.

4. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the James City Service Authority this 24th day of March, 2020.

(SEAL)



Secretary,
James City Service Authority

WtrSwrBndSale20-res2