

[Refunding Resolution]

Resolution [05-6]

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO [\$25,000,000] OF THE AUTHORITY'S COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS (2002 RESOLUTION), SERIES 2005, TO REFUND THE SERIES 1996 BONDS, SUBJECT TO CERTAIN CONDITIONS.

BE IT RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Findings and Determinations.

(a) The Board of Commissioners (the "Board") of the Virginia Port Authority (the "Authority") has previously adopted Resolution 02-4 (the "2002 Bond Resolution"), providing in Section 2.10 for the issuance of additional Series of the Authority's Commonwealth Port Fund Bonds ("Refunding Bonds") for the purpose of providing funds, with other funds available therefore, for refunding all or, if then permitted by law, any Bonds or 1988 Resolution Bonds or Other Indebtedness of any one or more series of such Indebtedness then outstanding, including the payment of any redemption premium thereon and interest which will accrue on such bonds to the redemption date or stated maturity date or dates and any expenses in connection with such refunding.

(b) The Authority has previously adopted Resolution 88-7 (the "1988 Bond Resolution") pursuant to which it has issued several series of its Commonwealth Port Fund Bonds, including Series 1996 (the "Series 1996 Bonds"), which bear an interest rate of __%. The Series 1996 Bonds were issued in an original principal amount of \$_____, and as of January 1, 2005, the principal amount of \$_____ remains outstanding.

(c) The Board has previously considered and approved issuance of the Authority's Commonwealth Port Fund Bonds, Series 2005, in an amount not to exceed \$60,000,000, to provide funds for the payment of new projects (the "Series 2005 New Money Bonds"). In preparing to issue the Series 2005 New Money Bonds, the Authority has evaluated the possibility of issuing Refunding Bonds (the "Series 2005 Refunding Bonds") to pay off all or any part of the outstanding balance of the Series 1996 Bonds. It is not clear at this time that issuance of the Series 2005 Refunding Bonds would result in a present value savings sufficient to justify the costs of their issuance. However, staff would like additional time to develop this refinancing option and to present that option to Treasury Board next month for its approval, with the goal of issuing the Series 2005 Refunding Bonds, if at all, in conjunction with the Series 2005 New Money Bonds, so as to minimize the transaction costs of both series.

(d) Accordingly, inasmuch as the Board has already authorized the Authority to negotiate the sale of the Series 2005 New Money Bonds with the Underwriters, as defined in Resolution 05-2, the Board hereby authorizes the Authority to negotiate the sale of the Series 2005 Refunding Bonds with the Underwriters subject, however, to the Refunding Conditions, as hereinafter defined.

Section 2. Authorization of Refunding Bonds Subject Refunding Conditions. (a) Pursuant to Section 2.10 of the 2002 Bond Resolution, the Series 2005 Refunding Bonds, are hereby authorized to be issued for the purpose of providing funds, with other funds available therefore, for refunding all or any part of the Series 1996 Bonds, including the payment of any redemption premium thereon and interest which will accrue on such bonds to the redemption date or stated maturity date or dates and any expenses in connection with such refunding, subject, however, to the following conditions (the “Refunding Conditions”):

(i) The aggregate principal amount of the Series 2005 Refunding Bonds shall not exceed [\$25,000,000];

(ii) The Series 2005 Refunding Bonds shall be Current Interest Bonds, dated a date that is on or before the date of their delivery, shall be Serial Bonds or a combination of Serial Bonds and Term Bonds, shall mature in such amounts on July 1 of such years not later than 2030, subject to the right of prior redemption and sinking fund requirements [as may be necessary to achieve approximately level debt service], and shall bear interest payable on January 1 and July 1 in each year, commencing no later than January 1, 2006, at such rates per annum no one of which shall exceed six per cent (6%) per annum.

(iii) The net present value savings to be achieved by the Authority upon issuance of the Series 2005 Refunding Bonds shall not be less than 5.00%.

(iv) Staff of the Authority shall present to the Board at a future meeting such additional details and legal documents as shall be required for the Board to make such findings and undertake such approvals as are necessary to issuance of a new series of Bonds under Section 2.10 of the 2002 Bond Resolution, including without limitation, forms of the series resolution, the bond purchase agreement, and the official statement to be distributed in connection with the offering and sale of the Series 2005 Refunding Bonds.

Section 3. Further Action. 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 useful in connection with the issuance of the Series 2005 Refunding Bonds, subject to and upon the advice of counsel and the financial advisor.

Section 4. Other Definitions. All terms not otherwise defined herein shall have the meanings ascribed thereto in the 2002 Bond Resolution.

Section 5. Treasury Board Approval. The Authority requests the Treasury Board of the Commonwealth of Virginia to approve the terms and structure of the Series 2005 New Money Bonds and the Series 2005 Refunding Bonds in accordance with the provisions of Section 2.2-2416.5 and 7, Code of Virginia of 1950, as amended. Staff is authorized and directed to make application for such approval of the Treasury Board and to furnish such materials and do such things as may be required to obtain such approval.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

PASSED AND ADOPTED this ____th day of _____, 2005.

E. Massie Valentine, Jr., Vice Chairman

Attest:

Debra J. McNulty, Clerk

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