

OFFICIAL NOTICE OF SALE

\$61,305,000*

CITY OF NEWPORT NEWS, VIRGINIA,
WATER REVENUE BONDS, SERIES 2021

NOTICE IS HEREBY GIVEN that electronic bids will be received via the PARITY COMPETITIVE BIDDING SYSTEM (“PARITY”) by the City of Newport News, Virginia (the “City”), until 10:30 A.M. *, Newport News, Virginia Time, on

Wednesday, March 10, 2021 *

for the purchase of all, but not less than all, of an issue of \$61,305,000* aggregate principal amount of Water Revenue Bonds, Series 2021, of the City (herein, the “Bonds”).

The Series Bonds will be issued pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia (the “Act”). The Series Bonds are being issued under the provisions of a Bond Resolution adopted by the Council of the City on January 23, 2007, as amended and supplemented (the “Bond Resolution”), including a Supplemental Resolution adopted by the Council of the City on December 8, 2020 (the “Supplemental Resolution”). The Bond Resolution, as amended and supplemented, including as amended and supplemented by the Supplemental Resolution, is referred to herein as the “Resolution.”

The Series 2021 Bonds will be limited obligations of the City, payable solely from Revenues derived from the System and other funds pledged for their payment under the terms of the Resolution. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the City, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2021 Bonds.

AMENDMENT TO THE RESOLUTION

The Resolution provides that certain amendments thereto may be made and implemented with the consent of the beneficial owners of at least a majority in aggregate principal amount of Bonds Outstanding thereunder. Section 2.4(d) of the Resolution requires as a condition to the issuance of Additional Bonds that the City deliver a certificate demonstrating compliance with the rate covenant required by Section 7.11(b) of the Resolution, accompanied by an Accountant’s Certificate confirming such calculations by the City (hereinafter the “Additional Bonds Test”). The City intends to amend the Additional Bonds Test to delete the requirement for the Accountant’s Certificate confirming the City’s rate covenant calculation (hereinafter referred to as the “Amendment”). The Amendment has been consented to by the beneficial owners of the Series 2017 Bonds, constituting a majority in aggregate principal amount of the Bonds Outstanding immediately prior to the issuance of the Series 2021 Bonds. The Amendment shall become effective at such time as the following conditions shall have occurred: (i) the beneficial owners of at least a majority in aggregate principal amount of Outstanding Bonds shall have consented to the Amendment, (ii) notice of the Amendment shall have been given to the Holders as required by Section 9.3 of the Resolution, and (iii) a period of forty (40) days shall have expired since the giving of final notice of the Amendment to the Holders, as required by the Resolution.

By virtue of their purchase of the Series 2021 Bonds, the beneficial owners of the Series 2021 Bonds shall consent to, and shall be deemed to have consented to, the Amendment, and shall waive, and

* Preliminary, subject to change.

shall be deemed to have waived, all requirements in Section 9.3 of the Resolution for the giving of written consent to the Amendment, for receipt of any formal notice of the Amendment as set forth in Section 9.3(a) of the Resolution or for any Certificate of the Trustee set forth in Section 9.3(b) of the Resolution. Upon the issuance of the Series 2021 Bonds, it is expected that the holders of approximately 77.9%* of the Outstanding Bonds will have consented to the Amendment. It is expected that following the issuance of the Series 2021 Bonds, the Amendment will become effective upon satisfaction of the notice period and notice requirements described hereinabove. See APPENDIX C “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION-Conditions Precedent to the Delivery of Bonds” herein.

The Bonds are dated the date of their delivery and mature, subject to the right of prior redemption as hereinafter set forth, on July 15 in each of the following years and in the principal amounts, set forth below:

Initial Maturity Schedule

Year (July 15)*	<u>Principal Amount*</u>
2022	\$3,070,000
2023	3,065,000
2024	3,065,000
2025	3,065,000
2026	3,065,000
2027	3,065,000
2028	3,065,000
2029	3,065,000
2030	3,065,000
2031	3,065,000
2032	3,065,000
2033	3,065,000
2034	3,065,000
2035	3,065,000
2036	3,065,000
2037	3,065,000
2038	3,065,000
2039	3,065,000
2040	3,065,000
2041	3,065,000

The Bonds will bear interest from their date of delivery, payable semiannually on each January 15 and July 15 starting July 15, 2021. The record dates for the payment of the principal of and the interest on the Bonds will be June 30, 2021 and each June 30 and December 31 thereafter.

The City reserves the right to change the date for receipt of bids (the “Scheduled Bid Date”) in accordance with the section of this Official Notice of Sale entitled “Change of Bid Date and Closing Date; Other Changes to Official Notice of Sale”.

* Preliminary, subject to change.

Bid Parameters

	Interest	Pricing	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	127%
Anticipated Delivery Date:	March 23, 2021	Min. Aggregate Bid Price:	104%
Interest Payments Dates:	January 15 and July 15	Max. Price per Maturity:	No Limit
First Interest:	July 15, 2021	Min. Price per Maturity:	No Limit
Coupon Multiples:	1/8 or 1/20 of 1%		
Zero Coupons:	Not Allowed		
Split Coupons:	Not Allowed		
Maximum Coupon:	5.00%		
Minimum Coupon:	No Limit		

	Principal	Procedural	
Optional Redemption:	Bonds maturing on and after July 15, 2032 are callable on July 15, 2031 and thereafter at par	Sale Date and Time:	March 10, 2021 at 10:30 A.M., Local Time
Post-bid Principal Increases in Aggregate:	10%	Bid Submission:	Electronic bids through PARITY Only
Post-bid Principal Reductions in Aggregate:	10%	All or None?	Yes
Term Bonds:	Any two or more consecutive maturities may be designated as term Bonds	Bid Award Method:	Lowest TIC
		Good Faith Deposit:	1% of aggregate par amount, as more fully described on page G-5, under "Good Faith Deposit"

Changes to Initial Maturity Schedule

The Initial Maturity Schedule set forth above represents an estimate of the principal amount of the Bonds to be sold. The City hereby reserves the right to change the Initial Maturity Schedule, based on market conditions immediately prior to the sale, by announcing any such change not later than one (1) hour prior to the time for receipt of bids via TM3 (www.tm3.com). The resulting schedule of maturities will become the "Bid Maturity Schedule". If no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule.

Changes to Bid Maturity Schedule

The City hereby further reserves the right to change the Bid Maturity Schedule after the determination of the winning bidder, by increasing or decreasing the aggregate principal amount of the Bonds, subject to the limitation of no more than a 10% increase or decrease in the aggregate principal amount of the Bonds.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING TERMS (AS HEREAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Terms. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Terms will not change. The City anticipates that the final annual principal amounts and the final aggregate principal amount of the Bonds will be communicated to the successful bidder within twenty-four hours of the City's receipt of the initial public offering prices and yields of the Bonds (the "Initial Reoffering Terms").

Book-Entry System

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable on July 15, 2021 and semiannually on each January 15 and July 15 thereafter, and principal of the Bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City will discontinue the book-entry system with DTC. If the City fails to select another qualified securities depository to replace DTC, the City will deliver replacement Bonds in the form of fully registered bond certificates.

Security for the Bonds

The Series 2021 Bonds will be limited obligations of the City, payable solely from Revenues derived from the System and other funds pledged for their payment under the terms of the Resolution. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the City, is pledged to the payment of the principal of, premium, if any, or interest on the Series 2021 Bonds.

Term Bonds and Mandatory Redemption

The successful bidder may designate two or more of the consecutive serial maturities as one or more term Bond maturities equal in aggregate principal amount of, and with sinking fund requirements corresponding to, such designated serial maturities.

Optional Redemption

The Bonds maturing on and after July 15, 2032 (or portions thereof in installments of \$5,000) are subject to redemption at the option of the City prior to their stated maturities, on or after July 15, 2031, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of \$5,000 of such maturity to be redeemed will be selected by lot), upon payment of a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

Notice of Redemption

If any Bond (or any portion of the principal amount thereof in installments of \$5,000) shall be called for redemption, notice of the redemption thereof, specifying the date, number and maturity of such Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of such Bond is to be redeemed, that such Bond must be surrendered in exchange for the principal amount thereof to be redeemed and a new Bond or Bonds issued equaling in principal amount that portion of the principal amount thereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of such Bond at the address of such registered owner as it appears on the books of registry kept by the Registrar for the Bonds as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of any Bond (or portion thereof in installments of \$5,000) shall have been given as aforesaid, and payment of the principal amount of such Bond (or the portion of the principal amount thereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest on such Bond shall cease to accrue from and after the date so specified for redemption thereof.

So long as the Bonds are in book-entry only form, any notice of redemption shall be given only to DTC or to its nominee. The City shall not be responsible for providing any beneficial owner of the Bonds any notice of redemption.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of PARITY. If you do not have a contract with PARITY, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. By contracting with PARITY a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS OFFICIAL NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS OFFICIAL NOTICE OF SALE, AS IT MAY BE AMENDED BY THE CITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about PARITY, including any fee charged, may be obtained from PARITY at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via PARITY. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of

Sale. Neither the City nor PARITY shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor PARITY shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The City is using PARITY as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone PARITY and notify Public Financial Management, Inc., the City's financial advisor, by telephone at (703) 741-0175. After receipt of bids is closed, the City through PARITY will indicate the apparent successful bidder. Such message is a courtesy only for viewers and does not constitute the award of the Bonds. Each bid will remain subject to review by the City to determine its true interest cost rate and compliance with the terms of this Official Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the City of Newport News, Virginia AON Bid Form (the "Bid Form") via PARITY. Bids must be communicated electronically to PARITY by 10:30 A.M., Newport News, Virginia Time, on the Scheduled Bid Date unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in PARITY. Once the final bid has been saved in PARITY, the bidder may select the final bid button in PARITY to submit the bid to PARITY. Once the bids are released electronically via PARITY to the City, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official Newport News, Virginia Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City, as described under "Award of the Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via PARITY. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

After receipt of bids and by no later than 2:30 p.m. on the Sale Date, the apparent successful bidder indicated on PARITY must submit a good faith deposit (the "Good Faith Deposit") by wire transfer. Wire instructions for the payment of the Good Faith Deposit will be distributed by the City's Financial Advisor on the Sale Date following receipt of bids. The Good Faith Deposit requirement is \$613,050. The award to the apparent successful bidder is contingent upon receipt of the Good Faith Deposit and the Bonds will not be awarded to such bidder until the City has confirmation of the receipt of the Good Faith Deposit.

The proceeds of the Good Faith Deposit will be held as security for the performance by the successful bidder of its bid and applied to the purchase price of the Bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds will be retained as and for full liquidated damages. No interest will be allowed thereon.

Award of Bonds

Award or rejection of bids will be made by the City prior to 5:00 P.M., Newport News, Virginia Time, on the date of receipt of bids. ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., NEWPORT NEWS,

VIRGINIA TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Bonds, if made, will be made by the City within such period of time (11:00 A.M. – 5:00 P.M.).

The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest True Interest Cost, such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount to the price bid the payments of the principal of and the interest on the Bonds from their payment dates to the dated date of the Bonds.

Change of Bid Date and Closing Date; Other Changes to Official Notice of Sale

The City reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to announce any such change via TM3 (www.tm3.com).

Any postponement of the bid date will be announced via TM3 not later than one (1) hour prior to the announced date and time for receipt of the bids. An alternative bid date and time will be announced via TM3 18 hours prior to such alternative bid date.

On such alternative bid date and time, the City will accept bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Official Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via TM3 at the time the bid date and time are announced.

The City may change the scheduled delivery date for the Bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

The City reserves the right to otherwise change this Official Notice of Sale. The City anticipates that it would communicate any such changes via TM3 by 4:00 P.M., Newport News, Virginia Time, on the date prior to the scheduled date for receipt of bids but no later than one (1) hour prior to the scheduled date and time for receipt of bids.

Establishment of Issue Price and Certificate of Successful Bidder; 10% Test or Hold-the-Offering-Price Rule shall Apply if Competitive Sale Requirements are Not Satisfied

The successful bidder will be required to provide to the City within one-half (½) hour after the verbal award of the Bonds the initial offering price/yields of the Bonds to the public (as defined hereinbelow).

The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate, substantially in the form attached to this Official Notice of Sale, setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and bond counsel to the City.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because: (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above are not satisfied, the City shall so advise the successful bidder. The City shall treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The successful bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The successful bidder shall promptly advise the City which of such maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the competitive sale requirements described above are not satisfied. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to either the 10% test or the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (1) the close of the fifth (5th) business day after the sale date or (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public. The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

If the competitive sale requirements are not satisfied and the successful bidder has elected the 10% test to apply to any maturity of the Bonds, then until the 10% test has been satisfied as to each such maturity of the Bonds, the successful bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the successful bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel to the City.

The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of

a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable: (A)(1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the successful bidder and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, (B) to promptly notify the successful bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the successful bidder or such underwriter and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale: (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (A) the successful bidder, (B) any person that agrees pursuant to a written contract with the successful bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the public and (C) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (B) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), (iii) “related party” means any entity if an underwriter and such entity are subject, directly or indirectly, to (I) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (II) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (III) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

Opinion of Bond Counsel

The approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, in substantially the form appearing in the Preliminary Official Statement, will be furnished without

cost to the successful bidder. In the opinion of Bond Counsel, under existing statutes and court decisions and assuming compliance with certain tax covenants described herein, interest on the Bonds (i) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986 (the “Code”) and (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel, under the existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

Delivery

The Bonds will be delivered on or about Tuesday, March 23, 2021, in New York, New York, at DTC against payment of the purchase price therefor (less the amount of the Good Faith Deposit) in Federal Reserve funds.

There will also be furnished the usual closing papers, including certifications as to the Official Statement and no-litigation.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder for the Bonds to accept delivery and pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall constitute or be deemed to constitute a part of any Bond or a part of the contract evidenced thereby and no liability shall attach to the City or any officer or agent thereof (including the Registrar and Paying Agent) because of or on account of any such number or any use made thereof (including any use thereof made by the City or any such officer or agent) or by reason of any inaccuracy, error or omission with respect thereto or in such use. The City will request CUSIP numbers prior to the sale date for the Bonds. The City’s Financial Advisor will be responsible for obtaining the CUSIP numbers for the Bonds. The successful bidder will be obligated to pay the fee of the CUSIP Service Bureau for assigning the CUSIP numbers to the Bonds.

Official Statements

The Preliminary Official Statement at its date is “deemed final” by the City for purposes of Rule 15c2-12 (“Rule “15c2-12”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, but is subject to revision, amendment and completion.

After the award of the Bonds, the City will prepare copies of the Official Statement (no more than 300) and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the City will not include in the Official Statement a “NRO” (“not reoffered”) designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the City in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The City expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to the Municipal Securities Rulemaking Board (“MSRB”). The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the City expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the City in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

Official Statements will be provided within seven (7) business days after the date of the award of the Bonds in such quantities as may be necessary for the successful bidder’s regulatory compliance.

Continuing Disclosure

The City will execute and deliver to the purchasers of the Bonds a Continuing Disclosure Certificate pursuant to which the City will covenant and agree, for the benefit of the holders of the Bonds, consistent with the Rule 15c2-12 to provide annual financial information and operating data for the City, including audited financial statements of the City, with nine (9) months after the end of each fiscal year, beginning with the fiscal year ending June 30, 2021, and, in a timely manner not in excess of ten (10) business days, notices of certain events with respect to the Bonds, whether relating to the City or otherwise, specified in Rule 15c2-12 and notice of any failure of the City to provide required annual financial information referred to above to the MSRB. The continuing obligation of the City to provide annual financial information and notices referred to above will terminate with respect to the Bonds when the Bonds are no longer outstanding. Any failure by the City to comply with the foregoing will not constitute a default with respect to the Bonds. See Preliminary Official Statement under the heading “CONTINUING DISCLOSURE.”

Further Information

For further information relating to the Bonds and the City, reference is made to the City’s Preliminary Official Statement, which will be available for review on and after March 3, 2021 through the internet facilities of Financial Press LLC at finpressllc.com. Further information may also be furnished upon request to Public Financial Advisors LLC at (703) 741-0175. Information about PARITY, including any fees charged, may be obtained from PARITY, 1359 Broadway, Second Floor, New York, New York 10018, Telephone (212) 849-5021.

Reservation of Rights

The right to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

Dated: March 3, 2021

Cynthia D. Rohlf
City Manager

**FORM OF RECEIPT FOR BONDS AND CERTIFICATE
AS TO INITIAL PUBLIC OFFERING PRICES/YIELDS**

The undersigned _____, as winning bidder (the “Winning Bidder”), of \$ _____ aggregate principal amount of Water Revenue Bonds, Series 2021 (the “Bonds”), of the City of Newport News, Virginia (the “City”), DOES HEREBY ACKNOWLEDGE RECEIPT of the Bonds from the City on the date hereof. The Bonds are more particularly described in **Schedule A** attached hereto.

The undersigned DOES HEREBY CERTIFY as follows:

[For use if competitive sale requirements are satisfied] 1. [(a) The Winning Bidder reasonably expected to reoffer the Bonds on the date of Sale Date to the Public at the prices and/or yields set forth in Schedule A hereto.

(b) The Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Winning Bidder constituted a firm offer to purchase the Bonds.]

[For use if competitive sale requirements are not satisfied and “10% Test” applies]

[1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A hereto. As of the date hereof, the Winning Bidder has not sold at least 10% of the Bonds maturing in the years _____ to the Public and the Winning Bidder agrees to report to Bond Counsel to the City the actual sale price to the Public of each such unsold maturity as soon as practicable after at least 10% of such unsold maturity has been sold to the Public.]

[For use if competitive sale requirements are not satisfied and “hold-the-offering-price” rule applies]

[1. *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities (as defined below) the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A hereto.

2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

(a) The Winning Bidder offered the Hold-the-Offering-Price Maturities (as defined below) to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on the Sale Date (as defined below). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, by submitting a bid, the Winning Bidder agreed that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-

offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

2. *Defined Terms.*

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities”.

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities”.

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) *Sale Date* means the date of award of the Bonds by the City to the Winning Bidder. The Sale Date of the Bonds is March 10, 2021.

(g) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another) or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Underwriter* means (i) the Winning Bidder, (ii) any person that agrees pursuant to a written contract with the Winning Bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or

a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the representations contained herein may be relied upon by the City in making certain of the representations contained in its federal tax certificate relating to the Bonds, and we further understand that Hawkins Delafield & Wood LLP, as Bond Counsel to the City, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this certificate has been derived from other purchasers who may be considered Related Parties to the Winning Bidder and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

[SIGNATURE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Receipt and Certificate this _____ day of _____, 2021.

[WINNING BIDDER]

By: _____
Name:
Title:

Attachment - Schedule A

[RECEIPT AND ISSUE PRICE CERTIFICATE]