

AGENDA

Hampton Roads Transportation Accountability Commission Annual Organizational Board Meeting

June 16, 2016

12:30 p.m.

The Regional Board Room
723 Woodlake Drive, Chesapeake, VA 23320

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Public Comment Period (5 Minute Limit)**
- 4. Chair's Comments**
- 5. Consent Items**
 - Recommended Action: Approval
 - A. **Minutes of May 19, 2016 HRTAC Regular Meeting (Attachment 5A)**
 - B. **Legal Structure for Future HRTF Revenue Bonds (Attachment 5B)**
 - C. **FY2017 HRTAC Meeting Schedule (Attachment 5C)**
- 6. Action Items**
 - A. **Election of FY2017 Officers of the Commission (Attachment 6A) - Nominating Committee Chair, Mayor Wright**
 - Recommended Action: Discussion/Approval
 - B. **HRTAC Investment Policy (Attachment 6B) - Finance Chair, Senator Wagner**
 - Recommended Action: Discussion/Approval
 - C. **Amendment to the HRTAC Approved FY2016-FY2022 Funding Plan, Route 460/58/13 Connector Improvements, Standard Project Services to Support Preliminary Engineering Phase (Attachment 6C) - FSAC Chair Crawford**
 - Recommended Action: Discussion/Approval
 - D. **Amended and Reinstated Bylaws, First Reading - Counselor Inglima**
 - Recommended Action: Discussion
 - E. **High Rise Bridge Construction Project: Approval of Allocation of Funds for Standard Project Services to Support Right of Way and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I, and Authorization to Prepare and Finalize Project Agreement (UPC 106692) (Attachment 6E) - Executive Director Page**
 - Recommended Action: Discussion/Approval
 - F. **Resolutions of Appreciation of Outgoing Members - Chair Sessoms**
 - Recommended Action: Discussion/Approval

7. Information Items

- A. HRTF Financial Report (Attachment 7B) – Finance Chair, Senator Wagner**
- B. Next HRTAC Regular Meeting – September 15, 2015, 12:30 p.m., Regional Building Board Room**

8. Adjournment

Agenda Item 5A
Consent Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: May 19, 2016 Meeting's Minutes

Recommendation:

The Commission is asked to approve the May 19, 2016 Regular meeting's minutes.

Background:

The Commission approves meeting minutes for the permanent record of the Commission.

Fiscal Impact:

There is no fiscal impact in relation to this Consent Item.

Suggested Motion:

Motion is to approve the minutes of the Regular Commission meeting on May 19, 2016.



**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the May 19, 2016 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:38 p.m. in the HRTPO Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Voting Members in Attendance:

William Sessions, Chair	Alan Krasnoff
Kenneth Alexander	McKinley Price
Rex Alphin	Frank Wagner
Paul Fraim	George Wallace
Michael Hipple	Jeffrey Wassmer
Linda Johnson	Kenneth Wright
Chris Jones	David Yancey*

HRTAC Executive Director

Kevin Page

HRTAC Non-Voting Members in Attendance:

John Malbon*

Other Participants:

Tom Inglima	James Utterback
Grindly Johnson	Cathie Vick

HRTAC Voting Members Absent:

Clyde Haulman, Vice Chair	Dallas Jones
Eugene Hunt	Christopher Stolle
Raystine Johnson-Ashburn	

HRTAC Non-Voting Members Absent:

Charlie Kilpatrick	John Reinhart
Jennifer Mitchell	

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Donna Sayegh (Citizens); Earl Sorey (CH); Randy Martin (FR); Mary Bunting, Brian DeProfio (HA); Sanford B. Wanner (IW); Jason Purse (JC); Britta Ayers, Bryce Causty, Uri Cooper, Bryan Stilley, Jerri Wilson (NN); Thelma Drake, Jeff Raliski (NO); Bob Baldwin, Sherri Neil, Lydia Pettis-Patton (PO); Dannan O'Connell, Randall Wheeler (PQ); Patrick Roberts (SU); Dave Hansen (VB); John Herzke (Clark Nexsen); Frank Papcin (CTAC); Rob Correll, Don Quisenberry (eScribe Solutions); Nick Antonucci, Anil Sharma, Mike Snare

(HNTB); George Consolvo, Kevin White (Kaufman & Canoles); Ross Grogg (Kemper Consulting); Ken Yarberry (RK&K); Karen McPherson (McPherson Consulting); Gary Webb (Parsons); Mark Geduldig-Yatrofsky (Portsmouthcitywatch.org); Ellis W. James (Sierra Club and NEC Observer); Dianna Howard (VBTP, VBTA, TLP); Tony Gibson, Dawn Odom, (VDOT); Kirsten Tynch (VHB); Amber Randolph (Willcox & Savage); Kelli Arledge, Nancy Collins, Bob Crum, Randy Keaton, Danetta Jankosky, Mike Long, Joe Turner, Chris Vaigneur (HRTDC); Jennifer Coleman (HRTAC); Michael Kimbrel, Camelia Ravanbakht (HRTPO)

1. Call to Order

Chair William Sessoms called the meeting to order at 12:38 p.m.

2. Approval of Agenda

Mr. Rex Alphin Moved to approve the agenda; seconded by Ms. Linda Johnson. The Motion Carried.

3. Public Comment Period (limit 5 minutes per individual)

Mr. Frank Papcin expressed concern regarding the need for a revenue source for transportation which does not impact the poorest people in the region-namely tolls. He specifically referenced HOT lanes, the projected increase in port facility cargo movement, and their effects on commerce.

Ms. Donna Sayegh also addressed the imposition of tolls and their negative effects. She questioned the port contributions, how much money is being taken in, and how much investors are making

4. Chair's Comments

Chair Sessoms announced he was going to task the Executive Director to poll Commission members regarding the meeting schedule. He stated that HRTAC may only need to meet on a quarterly basis. He suggested the meetings be scheduled for a full year and not occur when the General Assembly is in session. Secondly, Chair Sessoms asked Mr. Kenneth Wright to speak regarding the Nominating Committee. Mr. Wright reported that at the June 16, 2016 meeting, the Nominating Committee will recommend Mr. Will Sessoms as Chair for the upcoming year and Mr. Michael Hipple as Vice Chair.

5. Consent Items

A. Minutes of March 17 and April 21, 2016 HRTAC Regular Meetings.

Mr. Paul Fraim Moved to approve the minutes; seconded by Mr. Rex Alphin. The Motion carried.

B. Investment of Funds in the Virginia Local Government Investment Pool.

Mr. Kevin Page explained the plan will allow greater flexibility in investments and Senator Frank Wagner, Finance Committee Chair, recommended the investment option.

Mr. Rex Alphin Moved to enter into the arrangement; seconded by Mr. Michael Hipple. The Motion carried.

6. Action Items

A. Draft HRTAC Proposed FY 2017 Budget

Senator Wagner noted the proposed budget is \$500,000 less than that of the previous year.

Mr. George Wallace Moved to approve the budget; seconded by Mr. Chris Jones. The Motion carried.

B. Amendment to Executive Director's Employment Agreement

Senator Wagner explained that as part of the Finance Committee's annual employment review, the Committee was recommending an amendment to the Executive Director's employment agreement, with a compensation increase of 3.5%, adjustments and modifications to address an issue caused by VRS' retirement benefit calculation, travel reimbursement and personal vehicle use. Chair Sessoms noted these items were previously discussed with the Commission and were received favorably by the members present. Senator Wagner acknowledged that other localities may vary compensation increase percentage, but Mr. Page has had exemplary performance.

Mr. Kenneth Wright asked if the Commission would align its incentive compensation with the Region's localities. Chair Sessoms responded research was performed, with localities awarding between 1% and 4%.

Mr. Hipple questioned the possibility of a five-year contract. Chair Sessoms recommended moving forward with the stated amendment, although the employment agreement amendment could be adjusted in the next 60 days.

Ms. Linda Johnson praised Mr. Page's diligence in keeping the public informed

Mr. Fraim Moved to approve the amendment; seconded by Mr. Alphin. The Motion carried, with Delegate Chris Jones, Mr. Alan Krasnoff, and Senator Kenneth Alexander dissenting.

C. Bond Validation

Mr. George Consolvo, Kaufman and Canoles, HRTAC Bond Counsel, presented information regarding the activities the Commission should pursue to prepare for a potential bond issue. He indicated his presentation would address:

- Actions to provide financial flexibility if bonds are issued in the future
- Review of taxes/bonds and limitations

- Finance Plan structure
- Legal validation

Mr. Consolvo stated that the finance plan does not include tolls as a source of payment of bonds and does not obligate HRTAC to issue bonds.

Mr. George Wallace asked for an explanation regarding the limit of arbitrage. Mr. Consolvo explained it is a public finance policy, which states monies that one cannot borrow for a project, and then delay spending the money to invest the borrowed funds at a higher yield than the yield on the original bond. Mr. Wallace further asked if the projects funding structure can change after construction begins. Mr. Consolvo explained that it would be possible within certain time limits.

Mr. Consolvo requested to have Kaufman and Canoles proceed with preparing bond documents and to present them at the June 16, 2016 Regular meeting for approval.

Mr. David Yancey requested guidance so the Commission avoids bond package errors similar to those made in Alabama which resulted in bankruptcies. Mr. Consolvo indicated their recommendation involves a specific and stable revenue stream.

Mr. Wallace expressed concern regarding the lack of a gas tax floor on the revenue stream and questioned if it would have an impact.

Mr. Page noted the higher liquid assets on hand contributes to:

- Greater stability of flow of funds
- Reduces risk
- Higher credit rating

Mr. Michael Hipple Moved to authorize bond counsel to prepare indenture documents providing for the structure of HRTF Revenue Bonds, and to begin preparations to obtain judicial validation of such structure, subject to further review and approval by the Commission; seconded by Mr. Chris Jones. The Motion carried.

D. Authorization of Public Hearing on the Proposed Amendment to the Approved HRTAC Funding Plan—Route 460/58/13 Improvements

Mr. Hipple Moved to authorize a public hearing; seconded by Ms. Johnson. The Motion carried.

7. Information Items

A. HRTF Financial Report

Senator Wagner reported a balance of \$426,344,000 plus an additional \$12,000,000 deposit recently received, bringing the total account balance to approximately \$438 million.

Next Meeting

The next HRTAC Regular Meeting will be held on June 16, 2016 at 12:30 p.m.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:24 p.m.

William D. Sessoms, Jr.
HRTAC Chair

Agenda Item 5B
Consent Item

To: Chair Sessions and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: Legal Structure for Future HRTF Revenue Bonds

Recommendation:

The Finance Committee recommends that the Commission adopt the proposed Legal Structure for Future HRTF Revenue Bonds and adopt the prepared resolutions with respect to approving that structure and authorizing bond counsel to file a motion for judgement in Chesapeake Circuit Court to validate such structure and related matters.

Background:

At its May 19, 2016 Regular meeting, the Commission authorized preparation by bond counsel of a draft Master Indenture and form of Series Indenture providing for the legal structure of tax-exempt HRTF Revenue Bonds (as defined below), and preparations to obtain judicial validation of such structure, with specific bond issues subject to further review and approval by the Commission. Virginia Code Section 33.2-2606 permits the Commission to issue bonds supported by revenues of the Hampton Roads Transportation Fund ("HRTF Revenue Bonds"). Although the Commission's current plan is to utilize pay-as-you-go ("pay go") financing, the considerable lead time involved in preparing and judicially validating a legal/contractual structure for tax-exempt HRTF Revenue Bonds makes it advisable for the Commission to authorize advancing judicial validation at this time. This action would preserve the Commission's flexibility to issue HRTF Revenue Bonds in the future for purposes of reimbursing pay go expenditures it has previously made, or to allocate funds to new projects. There will be no actual bond issue without further review and formal approval by the Commission. Toll revenues would not be required to support any HRTF Revenue Bonds. At its June 9, 2016 meeting, the Finance Committee was briefed on the drafted Master Indenture and form of Series Indenture providing for the legal structure of tax-exempt Revenue Bonds. The Finance Committee took action to recommend that the Commission approve the structure and authorize bond counsel to file a motion of judgement to validate such structure and related matters at its June 16, 2016 meeting.

Fiscal Impact:

The fiscal impact in relation to this Action Item are included in the FY2016 and the FY2017



HRTAC Adopted Budgets.

Suggested Motion:

Motion is to adopt the proposed Legal Structure for Future HRTF Revenue Bonds and authorize bond counsel to file a motion for judgement in Chesapeake Circuit Court to validate such structure and related matters.



Outline of Proposed HRTF Revenue Bonds Security Structure

1. REVENUES

The following HRTAC Revenues will be the sources of funds to provide for the payment of bonds issued under the HRTF Revenue Bonds Master Indenture of Trust:

(i) the revenues dedicated to the Hampton Roads Transportation Fund as described in Section 33.2-2600 of the Virginia Code, including the special sales and use tax revenues under Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues under Section 58.1-2295.A.2 of the Virginia Code, together with any other funds that may be appropriated to the Hampton Roads Transportation Fund by the General Assembly; and

(ii) any other revenues available under HRTAC's legislation that may be designated as HRTAC Revenues under future supplemental indentures.

2. REVENUE FUND

The revenues transferred to the Revenue Fund under the Master Indenture are not pledged to secure bonds, but are the source of the monthly transfers that will be made to the Funds that will be used to pay the bondholders, in the following order of priority, after providing for the payment of operating expenses in accordance with HRTAC's annual budget.

3. BOND DEBT SERVICE FUND (pledged to secure senior bonds)

Revenues will be transferred on a monthly basis to this fund to provide adequate sources for payment of principal and interest on the senior bonds on their next payment dates.

4. DEBT SERVICE RESERVE FUND (pledged to secure senior bonds)

Revenues will then be transferred as necessary to replenish any deficiency in the Debt Service Reserve Fund, which would be sized to equal the maximum annual debt service requirement on all senior bonds that are secured by the Master Indenture.

5. SUBORDINATE DEBT SERVICE FUND (pledged to secure subordinate bonds)

Revenues will then be transferred on a monthly basis to this fund to provide adequate sources for payment of principal and interest on any HRTF revenue bonds that are sold as subordinate bonds.

6. SUBORDINATE DEBT SERVICE RESERVE FUND (pledged for subordinate bonds)

Revenues will then be transferred as necessary to replenish any deficiency in the Subordinate Debt Service Reserve Fund, which would be sized to equal the maximum annual debt service requirement on the subordinate bonds, if any.

7. REBATE FUND

Revenues will then be transferred as necessary to pay any amounts required to be paid to the IRS as “arbitrage rebate” on any series of tax-exempt HRTF revenue bonds if any proceeds thereof have been invested and had earnings in excess of the yield on such bonds.

8. GENERAL FUND

The balance remaining after providing for the above purposes will not be pledged to bondholders, but may be used by HRTAC for any of its purposes, including, without limitation, pay-as-you-go projects.

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

HRTF REVENUE BONDS - TIMELINE

Target Date	Action	Responsibility	Status
Feb. 16, 2016	Recommend revised Funding Plan	Funding Strategies Committee (“FSC”) / Public Financial Management (“PFM”)	Done
March 14, 2016	Public Hearing on Funding Plan	HRTAC / FSC	Done
March 17, 2016	Approval of Funding Plan	HRTAC / Willcox & Savage, General Counsel (“W&S”)	Done
May 19, 2016	Presentation on Implementing a Legal Structure for Tax-Exempt Bond Financing	Kaufman & Canoles, Bond Counsel (“K&C”)	Done
May 31, 2016	Draft Master Indenture of Trust, form of Supplemental Indenture and Bond form (collectively, the “Master Documents”) and Resolutions to approve Master Documents and filing of Validation Suit	K&C	Done
June 9, 2016	Finance Committee Review of Master Documents	Finance Committee	
June 16, 2016	Resolution to approve the Master Documents	HRTAC	
June 16, 2016	Resolution to authorize filing of Validation Suit	HRTAC	
July 15, 2016	File Validation Suit	K&C / W&S	
> Oct. 2016	Target for completion of validation and any appeal	K&C / W&S	
> Oct. 2016	Issue Trustee and Underwriter RFPs Prepare Rating Agency Presentation	PFM	
> Oct. – Nov., 2016	Select Underwriter; Finalize Transaction Documents	K&C, PFM, W&S, others	
> Nov. – Dec., 2016	Pricing and Closing of Inaugural Bond Issue	K&C, PFM, W&S, others	



HRTAC RESOLUTION 2016-08

RESOLUTION AUTHORIZING HAMPTON ROADS TRANSPORTATION FUND REVENUE BONDS

WHEREAS, the Hampton Roads Transportation Accountability Commission (the “Commission”), has been empowered under the Code of Virginia of 1950, as amended (the “Virginia Code”), to receive all of the amounts dedicated to the Hampton Roads Transportation Fund (the “HRTF”) from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code;

WHEREAS, as provided in Chapter 26, Title 33.2, of the Virginia Code (the “HRTAC Act”), the Commission shall use the moneys deposited in the HRTF solely for the purposes of funding new construction projects on new or existing highways, bridges, and tunnels (“Projects”) in the localities comprising Planning District 23 established pursuant to Chapter 42, Title 15.2, of the Virginia Code (the “Member Localities”), giving priority to Projects expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within the Member Localities;

WHEREAS, Section 33.2-2606 of the HRTAC Act authorizes and empowers the Commission to issue bonds and other evidences of debt and provides that the provisions of Article 5 (Section 33.2-1920 et seq.) of Chapter 19 of Title 33.2 of the Virginia Code shall apply, *mutatis mutandis*, to the issuance of such bonds and other evidences of debt (collectively, the “Bonds”) for any of the Commission’s purposes;

WHEREAS, Section 33.2-1920 of the Virginia Code permits the Commission’s Bonds to be payable from and secured by a pledge of all or any part of the revenues, moneys or funds of the Commission as specified in a resolution adopted or indenture entered into by the Commission, but that such Bonds shall not constitute debt of the Commonwealth of Virginia (the “Commonwealth”), or any political subdivision thereof (including any Member Locality) other than the Commission, and that such Bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code;

WHEREAS, the Commission has been advised that by the execution and delivery of a Master Indenture of Trust to be dated as of July 1, 2016 (the “Master Indenture”), with a bank or trust company (the “Trustee”), the Commission may provide for the financing and refinancing of the costs of Projects through the issuance from time to time of its Bonds payable from and secured by the HRTF and other revenues available under the HRTAC Act (collectively, the “HRTAC Revenues”);

WHEREAS, the Master Indenture provides that, as a condition to the issuance of any series of Bonds, the Commission shall deliver to the Trustee, among other documents, certificates and opinions, a related Supplemental Series Indenture of Trust (“Supplemental Series Indenture”);

WHEREAS, the Master Indenture and a form of Supplemental Series Indenture have been presented to this meeting for review and approval by the Commission; and

WHEREAS, in addition to the conditions described above, the issuance of any series of the Bonds shall be conditioned upon further approving resolutions of the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION:

1. Authorization and Findings Regarding Bonds. The Commission hereby authorizes the issuance of its Bonds as hereinafter provided, in one or more series from time to time in accordance with the terms of this Resolution, to be known as the “Hampton Roads Transportation Fund Revenue Bonds,” with appropriate series designations. The Bonds shall be substantially in the form attached as an exhibit to the form of Supplemental Series Indenture. The Commission shall use the proceeds of the issuance of the Bonds for Projects approved in accordance with the HRTAC Act. The Commission hereby finds and determines that (i) the purposes of the Commission and the HRTAC Act will be furthered by the issuance of Bonds as described in the above Recitals, (ii) the financing and refinancing of the costs of Projects with proceeds of the Bonds will benefit of the inhabitants of the Commonwealth and the Member Localities and promote their safety, health, welfare, convenience and prosperity and will constitute the performance of an essential governmental function in accordance with Section 33.2-1920 of the Virginia Code, and (iii) the use of proceeds of the Bonds as described above will be in accordance with Sections 33.2-2606 and 33.2-2611 of the HRTAC Act.

2. Details of Bonds. The final details of each series of the Bonds, including without limitation, their series designation, dated date, aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices, and the principal amount of each maturity, shall be established in accordance with the requirements of 33.2-1920 of the Virginia Code in further resolutions of the Commission.

3. Approval of Indenture. The Master Indenture and the form of Supplemental Series Indenture are approved. The Chair or Vice Chair of the Commission, either of whom may act (the “HRTAC Representative”), is authorized to execute and deliver on the Commission’s behalf the Master Indenture in substantially the form submitted to this meeting, with such changes, insertions or omissions as may be approved by such HRTAC Representative with advice of counsel. Such approval shall be evidenced conclusively by the execution and delivery of such documents on the Commission’s behalf. The issuance of any series of Bonds shall be conditioned upon further approving resolutions of the Commission whereby the Commission would approve the related Supplemental Series Indenture for such series of Bonds.

4. Pledge of Revenues. The HRTAC Revenues are hereby pledged to secure the payment of the principal of and premium, if any, and interest on the Bonds in such amounts and

under such terms and conditions as provided in the Master Indenture. Neither the members, commissioners, officers, employees or agents of the Commission nor any person executing the Bonds on behalf of the Commission shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not constitute a debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than the Commission, and shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code. The Commission hereby represents and acknowledges that its authority to receive any or all of the HRTAC Revenues is subject to appropriation by the General Assembly of the Commonwealth and that neither the General Assembly nor the Commission can or will pledge, covenant or agree to impose or maintain at any particular rate or level any of the taxes and fees dedicated to the HRTF by the Commonwealth.

5. Sale of Bonds. The Bonds may be sold in such manner, either at public or private sale or on a competitive or negotiated basis, as may be determined by the Commission by subsequent resolution to be in the best interests of the Commission.

6. Preparation, Execution, Authentication and Delivery of Bonds. After Bonds are sold or awarded, the HRTAC Representative is authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver the Bonds to the Trustee for authentication, and to cause the Bonds so executed and authenticated to be delivered to or for the account of the first purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture. The Bonds shall be signed by the manual or facsimile signature of the HRTAC Representative, shall be countersigned by the manual or facsimile signature of the Executive Director of the Commission or his or her designee, and the Commission's seal shall be affixed thereto or a facsimile thereof printed thereon.

7. Tax Matters Relating to Bonds. The HRTAC Representative is authorized and directed to execute and deliver on the Commission's behalf simultaneously with the issuance of each series of Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (collectively, the "Tax Code"), to maintain such exemption, and to provide that the expected use and investment of the proceeds of the Bonds will comply with the non-arbitrage regulations of Section 148 of the Tax Code. The HRTAC Representative is further authorized to make on behalf of the Commission such elections under the Tax Code with respect to the Bonds as he or she may deem to be in the best interests of the Commission after consultation with Bond Counsel, as defined in the Master Indenture.

8. Securities Disclosure Matters Relating to Bonds. The HRTAC Representative is authorized and directed to approve and deem final in connection with the sale of each series of Bonds such disclosure documents as may be required in accordance the Securities Exchange Act of 1934, as amended, including, without limitation, Rule 15c2-12, as amended, promulgated

thereunder (the “Municipal Securities Rule”). The HRTAC Representative is further authorized and directed to execute and deliver on the Commission’s behalf simultaneously with the issuance of each series of Bonds such continuing disclosure agreements as may be required in accordance with the Municipal Securities Rule.

9. Severability. If any section, subsection, paragraph, sentence, clause, or phrase of, or project referenced by, this Resolution is for any reason held or decided to be unconstitutional or invalid, such decision of unconstitutionality or invalidity shall not affect the validity of the remaining portions. The Commission hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof and each project referenced therein even though any one or more sections, subsections, sentences, clauses, phrases or projects might be declared unconstitutional or invalid.

10. Additional Actions. Each officer and authorized representative of the Commission is authorized to execute and deliver on the Commission’s behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture. Any of the foregoing previously done or performed by any officer or authorized representative of the Commission is in all respects approved, ratified and confirmed.

11. Effective Date. This Resolution shall take effect immediately.

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The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on June 16, 2016.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission



HRTAC RESOLUTION 2016-09

RESOLUTION AUTHORIZING CERTAIN LEGAL PROCEEDINGS TO ESTABLISH THE VALIDITY OF HAMPTON ROADS TRANSPORTATION FUND REVENUE BONDS

WHEREAS, the Hampton Roads Transportation Accountability Commission (the “Commission”), has been empowered under the Code of Virginia of 1950, as amended (the “Virginia Code”), to receive all of the amounts dedicated to the Hampton Roads Transportation Fund (the “HRTF”) from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code;

WHEREAS, as provided in Chapter 26, Title 33.2, of the Virginia Code (the “HRTAC Act”), the Commission shall use the moneys deposited in the HRTF solely for the purposes of funding new construction projects on new or existing highways, bridges, and tunnels (“Projects”) in the localities comprising Planning District 23 established pursuant to Chapter 42, Title 15.2, of the Virginia Code (the “Member Localities”), giving priority to Projects expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within the Member Localities;

WHEREAS, Section 33.2-2606 of the HRTAC Act authorizes and empowers the Commission to issue bonds and other evidences of debt and provides that the provisions of Article 5 (Section 33.2-1920 et seq.) of Chapter 19 of Title 33.2 of the Virginia Code shall apply, *mutatis mutandis*, to the issuance of such bonds and other evidences of debt (collectively, the “Bonds”) for any of the Commission’s purposes;

WHEREAS, Section 33.2-1920 of the Virginia Code permits the Commission’s Bonds to be payable from and secured by a pledge of all or any part of the revenues, moneys or funds of the Commission as specified in a resolution adopted or indenture entered into by the Commission, but that such Bonds shall not constitute debt of the Commonwealth of Virginia (the “Commonwealth”), or any political subdivision thereof (including any Member Locality) other than the Commission, and that such Bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code;

WHEREAS, in a resolution adopted the date hereof entitled “Resolution Authorizing Hampton Roads Transportation Fund Revenue Bonds” (the “Bond Authorizing Resolution”), the Commission has approved a Master Indenture of Trust to be dated as of July 1, 2016 (the “Master Indenture”), between the Commission and a bank or trust company (the “Trustee”), together with a form of Supplemental Series Indenture of Trust, to provide for the financing and refinancing of the costs of Projects through the issuance from time to time of its Bonds payable

from and secured by the HRTF and other revenues available under the HRTAC Act (collectively, the “HRTAC Revenues”);

WHEREAS, in the Bond Authorizing Resolution the Commission has found and determined that (i) the purposes of the Commission and the HRTAC Act will be furthered by the issuance of Bonds as described in the above Recitals, (ii) the financing and refinancing of the costs of Projects with proceeds of the Bonds will benefit of the inhabitants of the Commonwealth and the Member Localities and promote their safety, health, welfare, convenience and prosperity and will constitute the performance of an essential governmental function in accordance with Section 33.2-1920 of the Virginia Code, and (iii) the use of proceeds of the Bonds as described above will be in accordance with Sections 33.2-2606 and 33.2-2611 of the HRTAC Act; and

WHEREAS, Section 33.2-1921 of the Virginia Code provides that the provisions of Article 6, Chapter 26, Title 15.2 of the Virginia Code pertaining to the judicial determination of validity of bonds (the “Validation Procedures”) shall apply to all suits, actions and proceedings of whatever nature involving the validity of bonds issued by the Commission under the HRTAC Act, and the Validation Procedures may, among other things, establish the validity of the Bonds, the legality of all proceedings taken in connection with the authorization or issuance of the Bonds, the validity of the taxes or other means provided for the payment of the Bonds, the validity of the powers granted to HRTAC under the HRTAC Act, and the validity of all pledges of revenues and of all the covenants and provisions that constitute a part of the contract between HRTAC and the owners of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION:

1. Authorization of Validation. In consultation with and with the approval of Willcox & Savage, P.C., as the Commission’s general counsel, Kaufman & Canoles, P.C., as the Commission’s Bond Counsel, is authorized to initiate a validation proceeding in the Circuit Court of the City of Chesapeake, Virginia, with respect to the Bonds under the Validation Procedures to establish the validity of the Bonds and any or all of the other matters permitted under the Validation Procedures. Bond Counsel is also authorized on the Commission’s behalf and in consultation with and with the approval of the Commission’s general counsel to continue all proceedings and undertake all acts (including, without limitation, the preparation and filing of required motions and documents and the giving of required notices) as it may deem necessary and proper in connection with the validation proceeding.

2. Authorization of Defense. In consultation with and with the approval of the Commission’s general counsel, Bond Counsel is also authorized to undertake the defense of the Commission in any legal challenge of the validity of the Bonds, the HRTAC Act, the organization or composition of the Commission, the powers granted to the Commission, the creation or funding of the HRTF or the tax revenues dedicated thereto, the composition of the HRTAC Revenues, the selection or approval of the Projects, the consideration or approval of the Bond Authorization Resolution, the validity of the Master Indenture or any supplement thereto, or the pledge of the HRTAC Revenues thereunder, or any related matters or proceedings.

3. **Severability.** If any section, subsection, paragraph, sentence, clause, or phrase of this Resolution is for any reason held or decided to be unconstitutional or invalid, such decision of unconstitutionality or invalidity shall not affect the validity of the remaining portions. The Commission hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof even though any one or more sections, subsections, sentences, clauses, or phrases might be declared unconstitutional or invalid.

4. **Effective Date.** This Resolution shall take effect immediately.

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The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on June 16, 2016.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

MASTER INDENTURE OF TRUST

between

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

and

**[_____],
as Trustee**

Dated as of July 1, 2016

Relating to

**Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund Revenue Bonds**

TABLE OF CONTENTS

ARTICLE I	
DEFINITIONS AND RULES OF CONSTRUCTION	2
Section 1.1 Definitions.....	2
Section 1.2 Rules of Construction	9
ARTICLE II	
ESTABLISHMENT OF TRUST	10
Section 2.1 Security for Bonds	10
Section 2.2 Bond Credit Facility.....	11
ARTICLE III	
GENERAL TERMS AND CONDITIONS OF BONDS	11
Section 3.1 Authority for Master Indenture.....	11
Section 3.2 Indenture Constitutes Contract	11
Section 3.3 Form and Details of Each Series of Bonds	11
Section 3.4 Obligation of Bonds.....	11
Section 3.5 Payment of Bonds.....	11
Section 3.6 Execution of Bonds.....	12
Section 3.7 Authentication of Bonds	12
Section 3.8 Registration, Transfer and Exchange.....	12
Section 3.9 Charges for Exchange or Transfer	13
Section 3.10 Temporary Bonds.....	13
Section 3.11 Mutilated, Lost, Stolen or Destroyed Bonds.....	13
Section 3.12 Cancellation of Bonds.....	14
ARTICLE IV	
REDEMPTION OF BONDS	14
Section 4.1 Redemption of Bonds	14
Section 4.2 Selection of Bonds for Redemption.....	14
Section 4.3 Notice of Redemption	14
Section 4.4 Payment of Redeemed Bonds	15
ARTICLE V	
ISSUANCE OF BONDS	15
Section 5.1 Issuance of Bonds	15
Section 5.2 Parity of Bonds	16
Section 5.3 Conditions of Issuing a Series of Bonds	16

Section 5.4	Modification of Certain Definitions.....	18
Section 5.5	Delivery of Bonds.....	18
Section 5.6	Application of Bond Proceeds	19
Section 5.7	Subordinate Obligations.....	19
ARTICLE VI		
GENERAL COVENANTS AND PROVISIONS		19
Section 6.1	Payment of Bonds	19
Section 6.2	Covenants and Representations of HRTAC	19
Section 6.3	Further Assurances.....	19
Section 6.4	Records and Accounts; Inspections and Reports	19
Section 6.5	Reports by Trustee	20
Section 6.6	Covenants with Bond Credit Providers and DSRF Credit Providers	20
ARTICLE VII		
ESTABLISHMENT OF FUNDS AND ACCOUNTS		20
Section 7.1	Establishment of Funds.....	20
Section 7.2	Establishment and Custody of Certain Special Funds	21
ARTICLE VIII		
OPERATION OF REVENUE FUND, PLEDGED FUNDS AND GENERAL FUND.....		21
Section 8.1	Revenue Fund	21
Section 8.2	Operating Fund	22
Section 8.3	Bond Debt Service Funds	23
Section 8.4	Debt Service Reserve Funds	23
Section 8.5	Subordinate Debt Service Funds.....	25
Section 8.6	General Fund.....	25
ARTICLE IX		
OPERATION OF CERTAIN SERIES-SPECIFIC FUNDS.....		26
Section 9.1	Cost of Issuance Funds	26
Section 9.2	Project Funds	26
Section 9.3	Rebate Funds.....	26
ARTICLE X		
GENERAL FUND AND ACCOUNT PROVISIONS		26
Section 10.1	Additional Funds and Accounts.....	26
Section 10.2	Non-Presentment of Bonds	27
Section 10.3	Trustee's Fees, Costs and Expenses.....	27
Section 10.4	Purchase of Term Bonds.....	27

ARTICLE XI	
SECURITY FOR DEPOSITS AND PERMITTED INVESTMENTS.....	28
Section 11.1 Security for Deposits.....	28
Section 11.2 Permitted Investments.....	28
Section 11.3 Valuation of Investments	28
Section 11.4 Investments through Trustee's Bond Department	29
ARTICLE XII	
DISCHARGE AND DEFEASANCE.....	29
Section 12.1 Discharge	29
Section 12.2 Defeasance	29
ARTICLE XIII	
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS	30
Section 13.1 Events of Default	30
Section 13.2 Remedies Upon Default.....	31
Section 13.3 Other Remedies.....	31
Section 13.4 Effect of Discontinuance or Abandonment.....	32
Section 13.5 Restriction on Owners' Actions.....	32
Section 13.6 Power of Trustee to Enforce	32
Section 13.7 Remedies Not Exclusive	32
Section 13.8 Waiver of Events of Default; Effect of Waiver	33
Section 13.9 Application of Money	33
Section 13.10 Notice of Certain Defaults; Opportunity to Cure Such Defaults	34
Section 13.11 Rights of Bond Credit Provider	34
ARTICLE XIV	
THE TRUSTEE	34
Section 14.1 Acceptance of Trusts and Obligations	34
Section 14.2 Fees, Charges and Expenses of Trustee.....	36
Section 14.3 Notice Required of Trustee.....	37
Section 14.4 Intervention by Trustee	37
Section 14.5 Merger or Consolidation of Trustee.....	37
Section 14.6 Resignation by Trustee	38
Section 14.7 Removal of Trustee.....	38
Section 14.8 Appointment of Successor Trustee; Temporary Trustee	38
Section 14.9 Concerning any Successor Trustee	39
Section 14.10 Trustee Protected in Relying on Resolutions.....	39

ARTICLE XV	
SUPPLEMENTAL INDENTURES	39
Section 15.1 Supplemental Indentures Not Requiring Consent of Owners.....	39
Section 15.2 Supplemental Indentures Requiring Consent.....	41
Section 15.3 Opinion of Counsel Required	42
Section 15.4 No Unreasonable Refusal	42
ARTICLE XVI	
MISCELLANEOUS	42
Section 16.1 Consents of Owners	42
Section 16.2 Limitation of Rights.....	42
Section 16.3 Limitation of Liability of Members, Officers, Etc.....	42
Section 16.4 Notices	43
Section 16.5 Successors and Assigns.....	43
Section 16.6 Severability	43
Section 16.7 Applicable Law.....	43
Section 16.8 Counterparts.....	43

This **MASTER INDENTURE OF TRUST** (this “Master Indenture”) is made as of July 1, 2016, between the **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION**, a political subdivision of the Commonwealth of Virginia (“HRTAC” or the “Commission”), and [_____], and its successors (the “Trustee”).

RECITALS

WHEREAS, HRTAC is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the power under the Code of Virginia of 1950, as amended (the “Virginia Code”), to receive all of the amounts dedicated to the Hampton Roads Transportation Fund (the “HRTF”) from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code;

WHEREAS, as provided in Chapter 26, Title 33.2, of the Virginia Code (the “HRTAC Act”), the Commission shall use the moneys deposited in the HRTF solely for the purposes of funding new construction projects on new or existing highways, bridges, and tunnels in the Member Localities (as hereinafter defined), giving priority to projects expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within the Member Localities;

WHEREAS, Section 33.2-2606 of the HRTAC Act authorizes and empowers HRTAC to issue bonds and other evidences of debt and provides that the provisions of Article 5 (Section 33.2-1920 et seq.) of Chapter 19 of Title 33.2 of the Virginia Code shall apply, *mutatis mutandis*, to the issuance of such bonds and other evidences of debt (collectively, the “HRTAC Bonds”) for any of the Commission’s purposes;

WHEREAS, Section 33.2-1920 of the Virginia Code permits the HRTAC Bonds to be payable from and secured by a pledge of all or any part of the revenues, moneys or funds of HRTAC as specified in a resolution adopted or indenture entered into by HRTAC, but that such HRTAC Bonds shall not constitute debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, and that such HRTAC Bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code; and

WHEREAS, HRTAC has found and determined that the purposes of HRTAC and the HRTAC Act will be furthered by providing, by the execution and delivery of this Master Indenture, for the financing and refinancing of the costs of Projects (as hereinafter defined) through the issuance from time to time of HRTAC Bonds payable from and secured by the HRTAC Revenues (as hereinafter defined).

NOW, THEREFORE, HRTAC hereby covenants and agrees with the Trustee and with the Owners, from time to time, of the HRTAC Bonds, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. The following words and terms shall have the following meanings in this Master Indenture unless the context requires otherwise:

“Account” means any account established in a Fund with respect to a Related Series of Bonds or otherwise pursuant to the terms of this Master Indenture or any Supplemental Indenture.

“Accreted Value” means with respect to Capital Appreciation Bonds of any Series, the amount set forth in the Related Series Supplement as the amount representing the initial public offering price plus the accreted and compounded interest on such Bonds as of any point in time.

“Agency Obligations” means senior debt obligations of U.S. government-sponsored agencies that are not backed by the full faith and credit of the U.S. government, including, but not limited to, Federal Home Loan Mortgage Corporation debt obligations, Farm Credit System consolidated system wide bonds and notes, Federal Home Loan Banks consolidated debt obligations, Federal National Mortgage Association debt obligations, Student Loan Marketing Association debt obligations, Resolution Funding Corporation debt obligations, and U.S. Agency for International Development guaranteed notes.

“Amortization Requirement” as applied to any Term Bonds of any maturity for any Bond Year, means the principal amount or amounts fixed by, or computed in accordance with the terms of, the Related Series Supplement for the retirement of such Term Bonds by mandatory purchase or redemption on the Principal Payment Date or Dates established by such Related Series Supplement.

“Annual Budget” means the budget of HRTAC for any Fiscal Year as adopted by HRTAC in accordance with the HRTAC Act, as such budget may be amended from time to time throughout such Fiscal Year.

“Bankruptcy Law” means Title 11 of the United States Code, as it is amended from time to time and any successor to or replacement of such Title and any other applicable federal or state bankruptcy, insolvency or other similar law.

“Bond” or **“Bonds”** means any or all of the HRTAC Bonds issued pursuant to Article V, but excludes the Subordinate Obligations.

“Bond Counsel” means (i) Kaufman & Canoles, a Professional Corporation, or (ii) other counsel selected by HRTAC which is nationally recognized as experienced in matters relating to obligations issued or incurred by states and their political subdivisions.

“Bond Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement, municipal bond insurance or similar credit enhancement or liquidity facility established to provide credit or liquidity support for all or any portion of a Series of Bonds as provided in the Related Series Supplement.

“Bond Credit Provider” means, as to all or any portion of a Series of Bonds, the Person providing a Bond Credit Facility, as designated in the Related Series Supplement in respect of such Series of Bonds.

“Bond Debt Service Fund” means the Bond Debt Service Fund established with respect to a Series of Bonds pursuant to Section 7.1.

“Business Day” means any day on which commercial banking institutions generally are open for business in New York and the Commonwealth.

“Capital Appreciation Bonds” means a Series of Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Related Series Supplement and is payable upon redemption or on the maturity date of such Bonds or on the date, if any, upon which such Series of Bonds become Current Interest Bonds.

“Commonwealth” means the Commonwealth of Virginia.

“Cost of Issuance Fund” means the Cost of Issuance Fund established with respect to a Series of Bonds as provided in Section 7.1.

“Current Interest Bonds” means a Series of Bonds the interest on which is payable currently on the Interest Payment Dates provided therefor in the Related Series Supplement.

“Custodian” means a bank or trust company that is (i) organized and existing under the laws of the United States or any of its states and (ii) selected by HRTAC and acceptable to the Trustee.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund established with respect to a Series of Bonds pursuant to Section 7.1.

“Defeasance Obligations” means noncallable (i) Agency Obligations, (ii) Government Obligations, (iii) Government Certificates, (iv) Defeased Municipal Obligations, and (v) Defeased Municipal Obligation Certificates.

“Defeased Municipal Obligation Certificates” means evidence of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a Custodian.

“Defeased Municipal Obligations” means obligations of the Commonwealth or any county, city, town, district, authority, agency, political subdivision or other public body of the Commonwealth that are rated in the highest rating category by any Rating Agency and provision for the payment of the principal of and redemption premium, if any, and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable, will along with any cash held by the trustee or escrow agent provide sufficient money to pay the principal of and redemption premium, if any, and interest on such obligations.

“DSRF Credit Facility” means a letter of credit, surety bond or similar credit enhancement facility acquired by HRTAC to substitute for cash or investments required to be held in a Debt Service Reserve Fund for any Series of Bonds pursuant to the Related Series Supplement. A DSRF Credit Facility shall not be used for any Subordinate Debt Service Reserve Fund.

“DSRF Credit Provider” means the Person providing a DSRF Credit Facility.

“Escrow Fund” means an escrow fund relating to a Series of Refunding Bonds that may be established pursuant to the Related Series Supplement and Sections 7.1 and 7.2 hereof.

“Event of Default” means any of the events enumerated in Section 13.1.

“Fiscal Year” means the twelve-month period commencing on July 1 of one year and ending on June 30 of the following year.

“Fund” means any fund established pursuant to the terms of this Master Indenture or any Supplemental Indenture.

“GAAP” means generally accepted accounting principles, existing from time to time, as applicable to state and local governmental units.

“Government Certificates” mean certificates representing ownership of United States Treasury bond principal at maturity or interest coupons for accrued periods, which bonds or coupons are held in the capacity of custodian by a Custodian that is independent of the seller of such certificates.

“Government Obligations” means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

“HRTAC” or **“Commission”** means the Hampton Roads Transportation Accountability Commission, a political subdivision of the Commonwealth.

“HRTAC Act” means Chapter 26, Title 33.2 of the Virginia Code, as the same may be amended from time to time, and any successor statutes.

“HRTAC Bonds” means any bonds or other evidences of debt that HRTAC is permitted to issue under the Virginia Code.

“HRTAC Representative” means (i) the Chair or Vice Chair of HRTAC, and (ii) any other member, officer or employee of HRTAC authorized by resolution of HRTAC to perform the act or sign the document in question.

“HRTAC Revenues” means, in any period, (i) all of the HRTF Revenues received by HRTAC during such period, and (ii) any and all other revenues available under the HRTAC Act that may be designated as HRTAC Revenues pursuant to a Supplemental Indenture.

“HRTF” means the Hampton Roads Transportation Fund established pursuant to Section 33.2-2600 of the HRTAC Act.

“HRTF Revenues” means the revenues dedicated to the HRTF from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code, together with any other funds that may be hereafter appropriated to the HRTF.

“Initial Resolution” means the resolution numbered 2016-__ and entitled “Resolution Authorizing Hampton Roads Transportation Fund Revenue Bonds,” adopted by HRTAC on June 16, 2016.

“Interest Payment Date” means any [January 1] or [July 1], as the case may be; provided, however, that “Interest Payment Date” may mean, if so provided in a Series Supplement, such other date or dates provided therein or permitted thereby.

“Interest Requirement” for any Interest Payment Date, as applied to all of the Current Interest Bonds or a portion thereof, means the total of the interest regularly scheduled to become due on such Bonds on such Interest Payment Date. Interest expense shall be excluded from the definition of Interest Requirement to the extent that proceeds of any Bonds or other funds are held by the Trustee to pay such interest. Unless HRTAC shall otherwise provide in a Supplemental Indenture, interest expense on Bond Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds, shall not be included in the determination of an Interest Requirement.

“Majority Owners” means the Owners of at least 51% of the aggregate principal amount of the Bonds Outstanding.

“Master Indenture” means this Master Indenture of Trust dated as of July 1, 2016, between HRTAC and the Trustee, as the same may be modified, altered, amended and supplemented in accordance with its terms by one or more Series Supplements and other Supplemental Indentures.

“Member Localities” means, collectively, each county and city located in Planning District 23, established pursuant to Chapter 42, Title 15.2, of the Virginia Code, currently consisting of the Counties of Isle of Wight, James City, Southampton and York, and the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, and any other localities which may hereafter be added to Planning District 23 or to HRTAC by amendment to the Virginia Code.

“Officer’s Certificate” means a certificate signed by an HRTAC Representative and filed with the Trustee.

“Operating Expenses” means any expenditure made or to be made by HRTAC that is properly categorized as an “expense” under GAAP, including, without limitation, the administrative expenses of HRTAC and any expenses incurred by or on behalf of HRTAC with respect to the operation and maintenance of any Project, but shall exclude for this purpose

expenses related to the payment of debt service on any Bonds or Subordinate Obligations or expenditures for capital improvements with respect to any Project.

“Operating Fund” means the Operating Fund established pursuant to Section 7.1.

“Opinion” or “Opinion of Counsel” means a written opinion of any attorney or firm of attorneys, who or which may be Bond Counsel or counsel for HRTAC or the Trustee.

“Optional Tender Bonds” means any Series of Bonds issued under this Master Indenture a feature of which is an option on the part of the Owners of such Bonds to tender to HRTAC, or to the Trustee, any Paying Agent or other fiduciary for such Owners, or to an agent of any of the foregoing, all or a portion of such Bonds for payment or purchase.

“Outstanding” when used in reference to the Bonds and as of a particular date, means all Bonds authenticated and delivered under this Master Indenture except:

(a) Any Bond canceled or required to be canceled by the Trustee at or before such date;

(b) Any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered under this Master Indenture;

(c) Any Bond deemed paid under Article XII except that any such Bond shall be considered Outstanding until its maturity or redemption date only for the purpose of actually being paid and for purposes of Articles III and IV and Section 6.1 (or the corresponding provisions of the Related Series Supplement, as the case may be); and

(d) Any Bond not deemed Outstanding under, but only to the extent provided for in, Section 15.2.

“Owner” means the registered owner of any Bond.

“Paying Agent” means any national banking association, state bank, bank and trust company or trust company appointed by HRTAC to fulfill the duties of a “paying agent” for the Bonds or any portion thereof as commonly understood in the municipal bond market and meeting the qualifications of, and subject to the obligations of, the Trustee in Article XIV. Unless otherwise provided in a Supplemental Indenture, the Trustee shall be the Paying Agent.

“Payment Date” means a date that is an Interest Payment Date or a Principal Payment Date or both.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Principal” or “principal” means (i) with respect to a Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unpaid interest) except when used in connection with the

authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default in which case “principal” means the initial public offering price of the Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of an Amortization Requirement, if applicable, or at maturity.

“Principal and Interest Requirements” for any Payment Date or for any period means the sum of the Principal Requirements and the Interest Requirements for such date or such period, respectively.

“Principal Payment Date” means any [July 1] upon which the principal amount of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement or such other date or dates as may be provided by the Related Series Supplement.

“Principal Requirement” means for any Principal Payment Date, as applied to all Bonds or a portion thereof, the total of the principal regularly scheduled to become due on such Principal Payment Date. Principal payments shall be excluded from the definition of Principal Requirement to the extent that proceeds of any Bonds or other funds are held by the Trustee to pay such Principal.

“Project” means any transportation facility or project that HRTAC may finance or provide pursuant to the Virginia Code.

“Project Fund” means the Project Fund to be established with respect to a Series of Bonds as provided in Section 7.1.

“Purchase Price” means the purchase price established in any Series Supplement for Optional Tender Bonds as the purchase price to be paid for such Bonds upon an optional or mandatory tender of all or a portion of such Bonds.

“Rating Agency” means, with respect to any Bonds Outstanding, any nationally recognized credit rating agency if and for so long as such rating agency, at the request of HRTAC, maintains a rating on such Bonds.

“Rating Confirmation” means written evidence that no rating that has been requested by HRTAC and is then in effect from a Rating Agency with respect to a Series of Bonds will be withdrawn, reduced, or suspended solely as a result of an action to be taken hereunder.

“Rebate Amount” means the liability of HRTAC under Section 148 of the Tax Code (including any “yield reduction payments”) with respect to any Series of Bonds as may be calculated or specified (including with such reserves or error margin as HRTAC may deem appropriate) in accordance with the Related Series Supplement or the Related Tax Regulatory Agreement.

“Rebate Fund” means the Rebate Fund to be established with respect to a Series of Bonds as provided in Section 7.1.

“Refunding Bonds” shall have the meaning set forth in Section 5.3(f).

“Reimbursement Fund” means the Reimbursement Fund Related to a Series of Bonds that may be established by the Related Series Supplement and Section 7.2 hereof.

“Reimbursement Obligations” means any reimbursement or payment obligations of HRTAC for which moneys in the Reimbursement Fund are pledged or payable pursuant to the provisions of this Master Indenture or any Series Supplement.

“Related” means (i) when used with respect to any Fund, Account or Series of Bonds, the Fund, Account or Series of Bonds so authorized, designated and established by this Master Indenture and the Series Supplement authorizing a particular Series of Bonds, (ii) when used with respect to a Series Supplement, Tax Regulatory Agreement or other document contemplated hereunder, such document authorizing or related to a particular Series of Bonds, or Supplemental Indenture related thereto and (iii) when used with respect to a Bond Credit Facility, DSRF Credit Facility or Reimbursement Obligation, the Bond Credit Facility or DSRF Credit Facility securing a particular Series of Bonds and the Reimbursement Obligation entered into in connection therewith.

“Reserve Determination Date” means (i) the tenth day after each Interest Payment Date, or, if such day is not a Business Day, on the first Business Day thereafter or (ii) any other date set forth in a Series Supplement or an Officer’s Certificate for the valuation of a Debt Service Reserve Fund.

“Reserve Requirement” means, with respect to a Debt Service Reserve Fund established for a Series of Bonds, the maximum Principal and Interest Requirements on such Bonds in the then-current or any future Fiscal Year, unless a greater or lesser amount is specified in the Related Series Supplement.

“Revenue Fund” means the Revenue Fund established by Section 7.1.

“Serial Bonds” means the Bonds of a Series that are stated to mature in semiannual or annual installments as designated in the Related Series Supplement.

“Series” means all of the Bonds of a particular series authenticated and delivered pursuant to this Master Indenture and the Related Series Supplement and identified as such pursuant to such Series Supplement, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Master Indenture and such Series Supplement, regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions.

“Series Supplement” means a Supplemental Indenture providing for the issuance of a Series of Bonds, as such Series Supplement may be modified, altered, amended and supplemented by a Supplemental Indenture in accordance with the provisions of this Master Indenture.

“Subordinate Debt Service Fund” means a Subordinate Debt Service Fund established by Section 7.1(e).

“Subordinate Debt Service Reserve Fund” means a Subordinate Debt Service Reserve Fund established by Section 7.1(f).

“Subordinate Obligations” means any HRTAC Bonds that are made specifically subordinate as to payment and security to the Bonds.

“Supplemental Indenture” means any indenture supplementary to or amendatory of this Master Indenture or any Supplemental Indenture or Series Supplement now or hereafter duly executed and delivered in accordance with the provisions of this Master Indenture, including a Series Supplement.

“Tax Code” means the Internal Revenue Code of 1986, as amended, as in effect upon the issuance of and thereafter applicable to any Series of Bonds and the regulations of the U.S. Department of the Treasury promulgated thereunder as in effect upon the issuance of and thereafter applicable to any Series of Bonds.

“Tax Regulatory Agreement” means, with respect to any Series of Bonds, the Tax Certificate and Regulatory Agreement, dated the date of the issuance of the Related Series of Bonds, entered into by HRTAC for the benefit of the Owners of the Bonds of such Series, as the same may be modified, altered, amended or supplemented pursuant to its terms.

“Term Bonds” means all or some of the Bonds of a Series, other than Serial Bonds, that shall be stated to mature on one or more dates and that are so designated in the Related Series Supplement.

“Trustee” means [_____], and its successors serving in the same capacity under this Master Indenture.

“Variable Rate Bonds” means any Series of Bonds the interest rate on which is not established, at the time such Bonds are issued, at a single numerical rate for the entire term of such Bonds.

“Verification Agent” means (i) a firm of nationally-recognized independent certified public accountants or (ii) any other qualified firm acceptable to HRTAC and the Trustee.

“Virginia Code” means the Code of Virginia of 1950, as amended.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of this Master Indenture unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) All references in this Master Indenture to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Master Indenture unless otherwise indicated.

(d) The headings and table of contents as used in this Master Indenture are solely for convenience of reference and shall not constitute a part of this Master Indenture nor shall they affect its meaning, construction or effect.

(e) Unless specifically provided otherwise in this Master Indenture or a Supplemental Indenture, any requirement that an obligation be or remain in a particular rating category assigned by a Rating Agency shall be applied without regard to any refinement or gradation of the rating category by numerical modifier or otherwise.

(f) Unless otherwise provided in a Supplemental Indenture, where the character or amount of any asset, liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes hereof or for the purpose of any document, affidavit or certificate to be executed and delivered in accordance with or pursuant to this Master Indenture or a Supplemental Indenture, the same shall be done in accordance with GAAP; provided, however, that whenever the context makes clear that the requirement is that cash, or its equivalent, be available to pay debt service on HRTAC Bonds, computations regarding such requirement shall be computed on a cash basis, and not on a GAAP basis.

ARTICLE II **ESTABLISHMENT OF TRUST**

Section 2.1 Security for Bonds. (a) In order to provide for the payment of the principal of and the premium, if any, and interest on the Bonds issued hereunder, and to secure the performance of all of the obligations of HRTAC with respect to the Bonds, this Master Indenture and the Series Supplements, subject to the terms hereof and thereof, HRTAC pledges and grants to the Trustee:

(1) All of the HRTAC Revenues; and

(2) All other property of any kind mortgaged, pledged or hypothecated to provide for the payment of or to secure the Bonds by HRTAC or by anyone on its behalf and with its written consent at any time as and for additional security under this Master Indenture and the Series Supplements in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of this Master Indenture and the Series Supplements.

(b) In order to provide for the payment of the principal of and the premium, if any, and interest on each Series of Bonds issued hereunder, and to secure the performance of all of the obligations of HRTAC with respect to such Series, this Master Indenture, and the Related Series Supplement, subject to the terms hereof and thereof, HRTAC pledges and grants to the Trustee with respect to such Series (and to such Series only) the money and investments held in the Related Project Fund (if any), Related Bond Debt Service Fund and Related Debt Service Reserve Fund (if any).

(c) HRTAC's authority to receive any or all of the HRTAC Revenues is subject to appropriation by the General Assembly of the Commonwealth, and neither the General Assembly nor the Commission can or will pledge, covenant or agree to impose or maintain at any particular rate or level any of the taxes and fees dedicated to the HRTF by the Commonwealth.

Section 2.2 Bond Credit Facility. Any Bond Credit Facility which is given to secure some, but not all, of the Bonds, together with money drawn or paid under it, shall be held by the Trustee solely as security for the Bonds of the Series to which such Bond Credit Facility is Related. Neither such Bond Credit Facility nor any money drawn or paid under it will secure the payment of any other Series of Bonds. The status of the Bond Credit Facility as a Bond or a Subordinate Obligation or otherwise will be provided for in the Related Series Supplement.

ARTICLE III GENERAL TERMS AND CONDITIONS OF BONDS

Section 3.1 Authority for Master Indenture. This Master Indenture has been executed and delivered under the Initial Resolution. HRTAC has ascertained that the execution of and the transactions contemplated by this Master Indenture are in furtherance of both HRTAC's purposes and the exercise of the powers granted to HRTAC by the Virginia Code.

Section 3.2 Indenture Constitutes Contract. In consideration of the Owners' purchase and acceptance of the Bonds, the provisions of this Master Indenture and the Supplemental Indentures shall be a part of HRTAC's contract with the Owners and shall be deemed to be and shall constitute a contract among HRTAC, the Trustee and the Owners from time to time of the Bonds.

Section 3.3 Form and Details of Each Series of Bonds. The forms, details and terms of each Series of Bonds, the funds and accounts to be established with respect to such Series, and such other matters as HRTAC may deem appropriate shall be set forth in the Related Series Supplement.

Section 3.4 Obligation of Bonds. This Master Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of and premium, if any, and interest of each Series of Bonds. The Bonds of each Series are limited obligations of HRTAC payable solely from the revenues, money and other property pledged by this Master Indenture and the Related Series Supplement. Each Bond shall contain on its face a statement to the effect that (i) it shall not be a debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, and (ii) it shall not constitute indebtedness within the meaning of any debt limitation or restriction, except as may be provided under the Virginia Code.

Section 3.5 Payment of Bonds. The principal of and premium, if any, and interest on Bonds of each Series shall be payable in lawful money of the United States of America, but only from the revenues, money or property pledged to such payment pursuant to this Master Indenture and the Related Series Supplement. The principal of and premium, if any, and interest on Bonds of each Series shall be payable at such place or places and in such manner as specified in the

Related Series Supplement. Unless otherwise provided in the Related Series Supplement, if a Payment Date for any Bonds of any Series or the date fixed for the redemption of any such Bonds is not a Business Day, then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such Payment Date or date fixed for redemption.

Section 3.6 Execution of Bonds. (a) Except as may be otherwise provided in the Related Series Supplement, all of the Bonds of each Series shall be executed on behalf of HRTAC by, or bear the facsimile signature of the Chair or Vice Chair of HRTAC, and the corporate seal of HRTAC (which may be a facsimile) will be affixed (or imprinted or engraved if a facsimile) thereon and attested by the manual or facsimile signature of the Executive Director of HRTAC.

(b) If any of the officers who have signed or sealed any of the Bonds of a Series or whose facsimile signature is on such Bonds ceases to be an officer of HRTAC before the Bonds so signed and sealed have been actually authenticated by the Trustee or delivered by HRTAC, the Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though such officer had not ceased to be an officer of HRTAC. Any Bond of a Series may be signed and sealed on behalf of HRTAC by those Persons who, at the actual date of the execution of the Bond, are the proper officers of HRTAC, although at the date of the original issuance of the Bond they were not officers of HRTAC.

Section 3.7 Authentication of Bonds. Except as may be otherwise provided in the Related Series Supplement, no Bond of any Series shall be secured by this Master Indenture, entitled to its benefits or be valid for any purpose unless there is endorsed on the Bond the Trustee's certificate or authentication, substantially in the form prescribed by the Related Series Supplement. The Trustee shall authenticate each Bond with the signature of an authorized officer or employee of the Trustee, but it shall not be necessary for the same Person to authenticate all of the Bonds. The Trustee's certificate of authentication on a Bond of any Series issued by HRTAC shall be conclusive evidence that the Bond has been duly authenticated and delivered under this Master Indenture.

Section 3.8 Registration, Transfer and Exchange. (a) Except as may be otherwise provided in the Related Series Supplement, HRTAC shall cause books for the registration and registration for transfer or exchange of the Bonds of each Series to be kept at the designated corporate trust office of the Trustee. HRTAC appoints the Trustee as its registrar and transfer agent to keep such books and to make registrations and registrations of transfer or exchange under such reasonable regulations as HRTAC or the Trustee may prescribe.

(b) Upon surrender for registration of transfer or exchange of any Bond at the designated corporate trust office of the Trustee, HRTAC shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of like date, tenor and of any authorized denomination for the aggregate principal amount which the Owner is entitled to receive, subject in each case to such reasonable regulations as HRTAC or the Trustee may prescribe. All Bonds presented for registration of transfer, exchange, redemption or payment shall be accompanied by a written instrument or instruments of transfer

or authorization for exchange, in form and substance reasonably satisfactory to HRTAC and the Trustee, duly executed by the Owner or by the Owner's duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

(c) New Bonds of any Series delivered upon any transfer or exchange shall be valid obligations of HRTAC evidencing the same debt as the Bonds surrendered and shall be secured by this Master Indenture and the Related Series Supplement and entitled to their benefits to the same extent as the Bonds surrendered. Registrations of transfers or exchange will be made by the Trustee within such time periods as are customary in the municipal securities industry.

Section 3.9 Charges for Exchange or Transfer. Except as provided in Section 3.11, no charge shall be made for any registration of transfer or exchange of Bonds, but HRTAC or the Trustee may require payment by the Owner of the Bonds of a sum sufficient to cover any applicable tax or other governmental charge that may be imposed.

Section 3.10 Temporary Bonds. (a) Until Bonds of any Series in definitive form are ready for delivery, HRTAC may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of definitive Bonds and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, in substantially the form set forth in the Related Series Supplement, with appropriate omissions, variations and insertions.

(b) Except as may be otherwise provided in the Related Series Supplement, HRTAC shall, without unreasonable delay, prepare, execute and deliver to the Trustee, and, upon the presentation and surrender of the Bond or Bonds of any Series in temporary form to the Trustee at its designated corporate trust office, the Trustee shall authenticate and deliver in exchange, a Bond or Bonds of the same maturity and Series in definitive form, in the authorized denominations, and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made at HRTAC's expense.

Section 3.11 Mutilated, Lost, Stolen or Destroyed Bonds. (a) If any Outstanding Bond is mutilated, lost, stolen or destroyed, HRTAC shall execute, and, upon HRTAC's request in writing, the Trustee shall authenticate and deliver, a new Bond of the same Series, principal amount, interest rate and maturity and of like tenor as the mutilated, lost, stolen or destroyed Bond in exchanged and substitution for a mutilated Bond, or in lieu of and substitution for a lost, stolen or destroyed Bond.

(b) Application for exchange and substitution of mutilated, lost, stolen or destroyed Bonds shall be made to the Trustee at its designated corporate trust office and the applicant shall furnish to HRTAC and the Trustee security or indemnification to their satisfaction. In every case of loss, theft or destruction of a Bond, the applicant shall also furnish to HRTAC and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant. In every case of mutilation of a Bond, the applicant shall surrender the Bond so mutilated for cancellation.

(c) Notwithstanding the foregoing provisions of this Section, if any Bond has matured and no default has occurred which is then continuing in the payment of the principal of

or premium, if any, or interest on the Bond, HRTAC may authorize the payment of the Bond (without surrender except in the case of a mutilated Bond) instead of issuing a substitute Bond, provided security or indemnification is furnished as provided in this Section.

(d) HRTAC and the Trustee may charge the Owner their reasonable fees and expenses in connection with the issuance of any substitute Bond. Every substitute Bond issued pursuant to the provisions of this Section shall constitute a contractual obligation of HRTAC, whether or not the lost, stolen or destroyed Bond is found or delivered at any time, or is enforceable by anyone, and shall be entitled to all of the benefits of this Master Indenture and the Supplemental Indentures equally and proportionally with any and all other Bonds duly issued under this Master Indenture to the same extent as the Bond in substitution for which such Bond was issued.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all of the rights and remedies with respect to the payment of mutilated, lost, stolen, or destroyed Bonds, including those granted by any law or statute now existing or hereafter enacted.

Section 3.12 Cancellation of Bonds. Any temporary or mutilated Bond surrendered to the Trustee, or any Bond redeemed or paid at maturity, or any Bond delivered for transfer, exchange or replacement, or purchase pursuant to instructions from HRTAC, shall be canceled or destroyed, and the Trustee shall deliver the canceled Bond or a certificate of destruction of such Bond to HRTAC.

ARTICLE IV REDEMPTION OF BONDS

Section 4.1 Redemption of Bonds. The Bonds of each Series shall be subject to redemption as specified in the Related Series Supplement.

Section 4.2 Selection of Bonds for Redemption. Bonds of any Series to be called for redemption shall be selected as provided in the Related Series Supplement. The Trustee shall treat each Bond of a denomination greater than the minimum denomination authorized in the Related Series Supplement as representing the number of separate Bonds that can be obtained by dividing the Bond's actual principal amount by such minimum denomination.

Section 4.3 Notice of Redemption. (a) Except as otherwise provided in the Related Series Supplement, in the case of any redemption of the Bonds of any Series, the Trustee shall give notice in the name of HRTAC, when directed in writing by HRTAC and as provided for in this Section, that Bonds of a particular Series identified by serial or CUSIP numbers have been called for redemption and, in the case of Bonds to be redeemed in part only, the principal amount of the Bonds that have been called for redemption (or if all the Outstanding Bonds of a Series are to be redeemed, so stating, in which event serial or CUSIP numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of the Bonds at the designated corporate trust office of the Trustee, at the applicable redemption price(specifying the price) together with any accrued interest to such date, and that all interest on the Bonds to be redeemed will cease to accrue on and after such date.

(a) Unless otherwise specified in the Related Series Supplement, such notice shall be mailed by first class mail, postage prepaid, not less than thirty nor more than sixty days before the date fixed for redemption, to the Owners of the Bonds called for redemption, at their respective addresses as they last appear on the registration books maintained by the Trustee; provided, however, that failure to give such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for the redemption of Bonds of any other Owners to whom notice was properly given. If, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Trustee moneys sufficient to redeem all of the Bonds called for redemption, on written instructions of HRTAC the notice may state that it is conditional on the deposit of redemption moneys with the Trustee not later than the opening of business on the redemption date.

Section 4.4 Payment of Redeemed Bonds. (a) Except as otherwise provided in the Related Series Supplement, if notice of redemption has been given as provided in Section 4.3, the Bonds called for redemption shall be due and payable on the date fixed for redemption at a redemption price equal to the principal amount of and premium, if any, on the Bonds, together with accrued interest to the date fixed for redemption. Payment of the redemption price shall be made by the Trustee upon surrender of the Bonds, if funds are on deposit for that purpose. If less than the full principal amount of a Bond is called for redemption, HRTAC shall execute and deliver and the Trustee shall authenticate, upon surrender of the Bond, and without charge to the Owner, Bonds of the same Series for the unredeemed portion of the principal amount of the Bond so surrendered.

(b) If any Bond has been duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond has been made or provided for, then, notwithstanding that the Bond called for redemption has not been surrendered for cancellation, interest on the Bond shall cease to accrue from the date fixed for redemption. In addition, from and after the date fixed for redemption, the Bond shall no longer be entitled to any lien, benefit or security under this Master Indenture, and its Owner shall have no rights in respect of the Bond except to receive payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption of the Bond.

ARTICLE V ISSUANCE OF BONDS

Section 5.1 Issuance of Bonds. (a) HRTAC may issue Bonds pursuant to Series Supplements as hereinafter provided, subject to the terms and conditions contained in this Master Indenture, for any purpose permitted to be financed from the proceeds of HRTAC Bonds under the HRTAC Act or any other provision of the Virginia Code, including without limitation the construction and acquisition of any Project and the refunding of any Bonds previously issued and Outstanding. Such Bonds may be issued in any form permitted by law, including, but not limited to, Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Optional Tender Bonds, Serial Bonds or Term Bonds or any combination thereof.

(b) HRTAC shall not issue or incur any HRTAC Bonds that will be secured by a pledge of revenues, money or property pledged by this Master Indenture to the payment of any Series of Bonds, except for Bonds and Subordinate Obligations; provided, however, that

nothing contained in this Master Indenture shall prevent HRTAC from issuing or incurring HRTAC Bonds payable out of or secured by a pledge of revenues to be derived on and after the date the pledge and lien of this Master Indenture is discharged and satisfied as provided in Article XII.

(c) Subject to the restrictions set forth in subsection (b) of this Section, HRTAC reserves the right in its sole discretion and without the consent of the Trustee or any Owner of any Bond or the holder or owner of any Subordinate Obligation to issue from time to time HRTAC Bonds for any lawful purpose authorized by the Virginia Code.

Section 5.2 Parity of Bonds. This Master Indenture constitutes a continuing irrevocable pledge of the HRTAC Revenues and other revenues, money and property of HRTAC pledged in Section 2.1(a) to secure payment of the principal of and premium, if any, and interest on all Bonds which may, from time to time, be executed, authenticated and delivered under this Master Indenture. Except as otherwise provided in this Master Indenture, all Bonds shall in all respects be equally and ratably secured under this Master Indenture without preference, priority or distinction on account of the time of their authentication, delivery or maturity, so that all Bonds at any time outstanding under this Master Indenture will have the same right, lien and preference under this Master Indenture with respect to the pledge set forth in Section 2.1(a) with like effect as if they had all been executed, authenticated and delivered simultaneously. Nothing in this Master Indenture shall be construed, however, as (i) requiring that any Bonds bear interest at the same rate or in the same manner as any other Bonds, have the same or an earlier or later maturity, have the same Principal or Interest Payment Dates as other Bonds, or be subject to mandatory or optional redemption before maturity on the same basis as any other Bonds, (ii) prohibiting HRTAC from entering into financial arrangements, including any Bond Credit Facility or DSRF Credit Facility, designed to assure that funds will be available for the payment of certain Bonds at their maturity or tender for purchase, or (iii) prohibiting HRTAC from pledging funds or assets of HRTAC other than those pledged under this Master Indenture or any Supplemental Indenture for the benefit of any Bonds.

Section 5.3 Conditions of Issuing a Series of Bonds. Before the issuance and authentication of any Series of Bonds by the Trustee, HRTAC shall deliver or cause to be delivered to the Trustee:

(a) In the case of the initial Series of Bonds issued under this Master Indenture only:

(1) An original executed counterpart of this Master Indenture;

(2) A certified copy of the Initial Resolution, which authorized the execution and delivery of this Master Indenture; and

(3) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, to the effect that this Master Indenture has been duly authorized, executed and delivered by HRTAC;

(b) An original executed counterpart of the Related Series Supplement which may include provisions (i) authorizing the issuance, fixing the principal amount and setting forth

the details of the Bonds of the Series then to be issued, the interest rate or rates and the manner in which the Bonds are to bear interest, the Principal and Interest Payment Dates of the Bonds, the purposes for which the Bonds are being issued, the date and the manner of numbering the Bonds, the series designation, the denominations, the maturity dates and amounts, the Amortization Requirements or the manner for determining such Amortization Requirements, and any other provisions for redemption before maturity; (ii) for Bond Credit Facilities for the Series and for the Funds to be established with respect to the Series of Bonds as required or authorized under this Master Indenture; (iii) for the application of the proceeds of the Bonds of the Series; (iv) any term or condition necessary or expedient for the issuance of Bonds constituting Variable Rate Bonds or Optional Tender Bonds, including without limitation, tender and remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and changing interest rate modes; (v) for the amount, if any, to be deposited into the Related Debt Service Reserve Fund, which will be an amount at least equal to the Reserve Requirement for the Bonds of the Series then to be issued; and (vi) for such other matters as HRTAC may deem appropriate;

(c) A certified copy of each resolution adopted by HRTAC authorizing the execution and delivery of the Related Series Supplement, any Related Bond Credit Facility and any Related Reimbursement Obligation and the issuance, sale, execution and delivery of the Series of Bonds then to be issued;

(d) Original executed counterparts of the Related Tax Regulatory Agreement, any Related Bond Credit Facility and any Related Reimbursement Obligation;

(e) Except for the initial Series of Bonds to be issued under this Master Indenture and for any Series of Refunding Bonds, an Officer's Certificate to the effect that during any twelve consecutive months of the eighteen months preceding the issuance of the Series of Bonds to be issued the HRTAC Revenues were not less than [2.0] times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Bonds Outstanding and the Series of Bonds to be issued; *[Note: HRTAC's financial advisor should be asked to determine a reasonable ratio for this test]*

(f) If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under this Master Indenture ("Refunding Bonds") evidence satisfactory to the Trustee that HRTAC has made provision for the payment or redemption of all of the Bonds to be refunded as required by this Master Indenture and the Related Series Supplement and for the payment of the estimated expenses of HRTAC and the Trustee incident to the refunding, including, if applicable, the fees of the Verification Agent and the escrow agent for the Related Escrow Fund;

(g) An opinion of Bond Counsel to the effect that (i) the Bonds of the Series then to be issued have been duly authorized, (ii) all conditions precedent to the issuance of such Bonds have been fulfilled, (iii) the Related Series Supplement has been duly authorized, executed and delivered by HRTAC and complies in all respects with the requirements of this Master Indenture and (iv) Bonds are valid and legally binding limited obligations of HRTAC and are secured by this Master Indenture and the Related Series Supplement to the extent provided herein and therein;

(h) An Officer's Certificate, dated the date of delivery of the Bonds of the Series then to be issued, to the effect that to the best of the knowledge of the signatory, upon and immediately following such delivery, no Event of Default under this Master Indenture or any Series Supplement with respect to any Series of Bonds Outstanding will have occurred and be continuing;

(i) A written order and authorization to the Trustee on behalf of HRTAC, signed by a HRTAC Representative, to authenticate and deliver the Bonds of the Series then to be issued to or upon the order of the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price (including accrued interest, if any) of such Series of Bonds; and

(j) Any additional document or instrument specified in the Related Series Supplement.

Section 5.4 Modification of Certain Definitions. (a) In the case of the following described types of Bonds, the definition of the term "Principal and Interest Requirements" for the purposes of preparing and delivering the Officer's Certificate described in Section 5.3(e) above shall be modified as follows.

(1) Optional Tender Bonds. If any of the Outstanding Bonds or additional Bonds of the Series then to be issued constitute Optional Tender Bonds, then the options of the Owners of such Bonds to tender the same for payment prior to their stated maturity or maturities shall be disregarded, (ii) if such Bonds also constitute Variable Rate Bonds, HRTAC shall also make the adjustments described in subsection (a)(2) below, and (iii) any obligation HRTAC may have, other than its obligation on such additional Bonds (which need not be uniform as to all Owners thereof), to reimburse any Person for its having extended a Bond Credit Facility shall be disregarded.

(2) Variable Rate Bonds. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds, then the interest rate used in the above-described computations shall be the greater of (i) the interest rate on any additional Bonds issued as Variable Rate Bonds for the first period of calculation of such interest and (ii) the weighted average interest rate at which HRTAC could reasonably expect to have borrowed on the date of issuance of such Bonds by issuing such Bonds with a fixed rate or rates of interest. HRTAC's reasonable expectation shall be established by an Officer's Certificate and a letter of a knowledgeable professional, including HRTAC's financial advisor, confirming the interest rate expectation as reasonable.

(b) The conversion of Bonds constituting Variable Rate Bonds to bear interest at fixed rate or rates or vice-versa, in accordance with their terms, shall not constitute a new issuance of Bonds under this Master Indenture.

Section 5.5 Delivery of Bonds. When the documents mentioned in Section 5.3 shall have been filed with the Trustee and when the Bonds of the Series then to be issued shall have been executed and authenticated as required by this Master Indenture, the Trustee shall deliver such Bonds at one time to or upon the order of the purchasers named in the Related Series Supplement, but only upon payment to or upon the order of HRTAC of the purchase price of

such Bonds and the accrued interest, if any, thereon. Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is the Owner of such Bonds, delivery shall be made in accordance with the DTC FAST System.

Section 5.6 Application of Bond Proceeds. The Trustee shall apply the proceeds of any Series of Bonds as provided in the Related Series Supplement.

Section 5.7 Subordinate Obligations. Nothing in this Master Indenture shall prohibit or prevent HRTAC from authorizing and issuing Subordinate Obligations for any lawful purpose payable from HRTAC Revenues subject and subordinate to the payment of any Bonds and to the deposits required to be made from HRTAC Revenues to the Bond Debt Service Funds, the Debt Service Reserve Funds and the Rebate Funds or any other Fund or Account established to secure any Bonds, or from securing any Subordinate Obligations and their payment by a lien and pledge of HRTAC Revenues junior and inferior to the lien on and pledge thereof for the payment and security of the Bonds; provided, however, that such Subordinate Obligations may only be declared immediately due and payable upon the occurrence of a default thereunder if payment of the Bonds has been accelerated in accordance with Article XIII.

ARTICLE VI GENERAL COVENANTS AND PROVISIONS

Section 6.1 Payment of Bonds. HRTAC shall promptly pay the principal of (whether at maturity, by mandatory sinking fund or optional redemption, or otherwise) and premium, if any, and interest on each Series of the Bonds on the dates and as provided in this Master Indenture, the Related Series Supplement and in such Series of Bonds; provided, however, that such obligations are limited obligations of HRTAC and are payable solely from revenues, moneys and other property pledged by HRTAC to the Trustee under Article II to secure payment of such Series of Bonds or all Series of Bonds issued under this Master Indenture.

Section 6.2 Covenants and Representations of HRTAC. HRTAC shall faithfully observe and perform all of its covenants, conditions and agreements contained in this Master Indenture, in every Bond executed, authenticated and delivered under this Master Indenture and in all pertinent proceedings of its members; provided, however, that HRTAC's liability for any breach of or default under any such covenant, condition or agreement shall be limited solely to and satisfied solely from the sources of payment described in Section 6.1.

Section 6.3 Further Assurances. Subject to the provisions of Section 6.1, HRTAC shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying and pledging to the Trustee of all the rights assigned by this Master Indenture and revenues, money and other property pledged by this Master Indenture to the payment of the principal of and premium, if any, and interest on the Bonds. HRTAC shall fully cooperate with the Trustee in protecting the Owners' rights and security.

Section 6.4 Records and Accounts; Inspections and Reports. HRTAC shall maintain or cause to be maintained proper books of record and account, separate from any of its

other records and accounts, showing complete and correct entries of all transactions relating to the Bonds. All books and documents in HRTAC's possession relating to the Bonds shall at all times be open to inspection by such agents as may be designated by the Trustee or the Owners of 25% or more in aggregate Principal amount of Bonds then Outstanding. HRTAC shall have an annual audit made by an accountant or accounting firm within 270 days after the end of each Fiscal Year and shall furnish to the Trustee copies of the audit report as soon as such report is available, which report shall include statements in reasonable detail, certified by the accountant or accounting firm who or which prepared the report. Such audit report shall reflect HRTAC's financial position as of the end of such Fiscal Year and the results of its operations and changes in the financial position of its fund for such Fiscal Year.

Section 6.5 Reports by Trustee. The Trustee shall make periodic reports to HRTAC of all money received, invested and expended by it with respect to the HRTAC Bonds. The Trustee shall furnish to HRTAC upon request (i) a statement of the Principal amount of HRTAC Bonds Outstanding and unpaid as of the date of such request, (ii) the balance in each of the Funds and Accounts held by it pursuant to this Master Indenture, and (iii) such information as may be necessary to complete the annual audit of HRTAC as required by the HRTAC Act or to make any other report required by any other law now or hereafter in effect.

Section 6.6 Covenants with Bond Credit Providers and DSRF Credit Providers. HRTAC may make such covenants as it may in its sole discretion determine to be appropriate with any Bond Credit Provider or DSRF Provider that shall agree to provide for Bonds of any one or more Series a Bond Credit Facility or a DSRF Credit Facility that shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds or substitute for amounts in the Related Debt Service Reserve Fund. Such covenants (if any) shall be set forth in the Related Series Supplement or other Supplemental Indenture and, if so included, shall be binding on HRTAC, the Trustee, any Paying Agent and the Owners of the Bonds the same as if such covenants were set forth in full in this Master Indenture.

ARTICLE VII ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 7.1 Establishment of Funds.

(a) The Funds listed below are hereby established with respect to all of the Outstanding Bonds and Subordinate Obligations issued under or in accordance herewith and HRTAC's operations, and HRTAC shall hold each such Fund without commingling the monies held therein.

- (1) Revenue Fund;
- (2) Operating Fund; and
- (3) General Fund.

(b) The Funds listed below are to be established with respect to each separate Series of Bonds in the Related Series Supplement, and the Trustee shall hold such Funds without

commingling the monies held therein, except that (i) HRTAC has the option not to establish a Debt Service Reserve Fund for a Series of Bonds and (ii) HRTAC shall hold each Cost of Issuance Fund.

- (1) Cost of Issuance Fund;
- (2) Project Fund and/or Escrow Fund, as appropriate;
- (3) Bond Debt Service Fund;
- (4) Debt Service Reserve Fund; and
- (5) Rebate Fund.

(c) A Subordinate Debt Service Fund is to be established with respect to each Subordinate Obligation or series thereof issued by HRTAC, and the Trustee shall hold each such Fund without commingling the monies held therein.

(d) A Subordinate Debt Service Reserve Fund may be established by HRTAC and the Trustee with respect to any Subordinate Obligation or series thereof.

(e) HRTAC may direct that a Bond Debt Service Fund and/or Debt Service Reserve Fund established for a Series of Bonds shall also provide for the payment of and/or secure any Refunding Bonds issued to refund such Series of Bonds in whole or in part.

Section 7.2 Establishment and Custody of Certain Special Funds. (a) HRTAC may establish with the Trustee or an escrow agent satisfactory to the Trustee in connection with the issuance of any Series of Refunding Bonds an Escrow Fund to provide for the application and investment of the portion of the proceeds of such Series to be used to refund the refunded Bonds. Such Escrow Fund shall be established under or in accordance with the Related Series Supplement.

(b) HRTAC may establish with the Trustee in connection with the incurrence of any Reimbursement Obligation a Reimbursement Fund. Amounts held for the credit of any Reimbursement Fund shall be paid out by the Trustee as necessary to enable HRTAC to meet its obligations constituting Reimbursement Obligations. HRTAC may direct that amounts held for the credit of a Reimbursement Fund shall be pledged to the payment of any Related Reimbursement Obligation incurred by HRTAC.

ARTICLE VIII **OPERATION OF REVENUE FUND, PLEDGED FUNDS AND GENERAL FUND**

Section 8.1 Revenue Fund. (a) HRTAC will hold the Revenue Fund as a separate Fund. The Revenue Fund itself is not pledged to secure any of the Bonds or the Subordinate Obligations. HRTAC will deposit into the Revenue Fund all HRTAC Revenues immediately upon receipt.

(b) At least once each month, not later than the last Business Day of each month, after providing for the transfer of funds to the Operating Fund in accordance with the Annual Budget to pay Operating Expenses, HRTAC shall make transfers from the Revenue Fund in the amounts and in the order of priority set forth below:

FIRST: To each Bond Debt Service Fund ratably, the amount, if any, required under the Related Series Supplement so that the balance therein on the next Payment Date shall equal the amount of principal, if any, and interest due on the next Payment Date on the Related Series of Bonds; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in a Bond Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

SECOND: To each Debt Service Reserve Fund, ratably, the amount, if any, required so that the balance in each such Fund shall be equal to the respective Reserve Requirement (which shall include the reimbursement of any DSRF Credit Provider for any drawings on a DSRF Credit Facility and the payment of any interest, penalties or fees assessed by the DSRF Credit Provider);

THIRD: To each Subordinate Debt Service Fund, ratably, the amount, if any, required so that the balance in each such Fund shall equal the amount of principal, if any, and interest due on the Related Subordinate Obligations on the next ensuing payment date; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in a Subordinate Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

FOURTH: To each Subordinate Debt Service Reserve Fund, ratably, the amount, if any, required to restore the balance thereof to its Reserve Requirement;

FIFTH: To each Rebate Fund the amounts necessary to provide for the payment of any Rebate Amounts with respect to the Related Series of Bonds as confirmed in an Officer's Certificate; and

SIXTH: To the General Fund, the balance remaining in the Revenue Fund.

(c) In the case of Bonds of a Series secured by a Bond Credit Facility, amounts on deposit in the Revenue Fund may be transferred to the Bond Debt Service Fund or as the case may be, the Related Reimbursement Fund or elsewhere as provided in the Related Series Supplement to reimburse the Bond Credit Provider for amounts drawn under the Bond Credit Facility to pay the principal of and premium, if any, and interest on such Bonds.

Section 8.2 Operating Fund. (a) HRTAC shall promptly deposit in the Operating Fund any amounts made available to HRTAC, from any source, for use in paying the Operating Expenses.

(b) HRTAC will hold the Operating Fund and neither such Fund nor any amount therein is pledged to secure the Bonds or the Subordinate Obligations. HRTAC shall pay

Operating Expenses from the Operating Fund as they become due and in accordance with the purposes and amounts provided in the Annual Budget. In determining the balance on deposit in the Operating Fund for any purpose of this Master Indenture, there shall be deducted the amount of any issued but unpaid checks drawn against the Operating Fund. Investment earnings on amounts in the Operating Fund, if any, shall be transferred to the General Fund and applied for purposes of Section 8.6 below.

Section 8.3 Bond Debt Service Funds. (a) The Trustee shall promptly deposit the following amounts in each Bond Debt Service Fund:

(1) The amount, if any, of the proceeds of the Related Series of Bonds required by the Related Series Supplement to be deposited in the Bond Debt Service Fund with respect to accrued and/or capitalized interest;

(2) All amounts required to be transferred to the Bond Debt Service Fund from the Revenue Fund pursuant to Section 8.1(b);

(3) Any amounts required to be transferred to the Bond Debt Service Fund from the Bond Debt Service Reserve Fund as provided under this Master Indenture; and

(4) Any other amounts required to be paid to the Bond Debt Service Fund or otherwise made available for deposit therein by HRTAC, including amounts made available pursuant to the Related Series Supplement.

(b) The Trustee shall pay out of each Bond Debt Service Fund ratably to the Trustee or, if applicable, the Paying Agent for the Related Series of Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on such Bonds then due, (ii) on any redemption date, the amount required for the payment of accrued interest on such Bonds to be redeemed, unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Trustee or the Paying Agent, as applicable, to such payment, and (iii) the accrued interest included in the Purchase Price of any Bonds of the Related Series purchased for retirement pursuant to this Master Indenture.

(c) The Trustee shall pay out of each Bond Debt Service Fund for the Related Series of Bonds on each Principal Payment Date and redemption date for such Bonds, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied by the Trustee to such payments either itself or through the Paying Agent for such Bonds.

Section 8.4 Debt Service Reserve Funds. (a) Except as specifically provided below, the amount in each Debt Service Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Related Bond Debt Service Fund and only with respect to the Related Series of Bonds. If there are insufficient funds in the Related Bond Debt Service Fund to pay the principal of and interest on a particular Series of Bonds when due, then the Trustee shall transfer the amount of deficiency from the amount, if any, on deposit in the Related Debt Service Reserve Fund to such Bond Debt Service Fund. The Trustee promptly shall notify HRTAC of the transfer.

(b) On each Reserve Determination Date, the Trustee shall determine if the balance in each of the Debt Service Reserve Funds is at least equal to the Reserve Requirement for the Related Series of Bonds. In making each such determination, investments in each Debt Service Reserve Fund shall be valued as provided in Section 11.3 or as otherwise provided in the Related Series Supplement. If on any Reserve Determination Date the amount in any Debt Service Reserve Fund is less than its Reserve Requirement, the Trustee shall promptly notify HRTAC of such fact and the amount of the deficiency; provided, however, a deficiency shall not be restored except as provided in Section 8.1(b).

(c) Any interest earned from the investment of money in a Debt Service Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to the Related Rebate Fund to pay any Rebate Amounts in accordance with the Series Supplements and Tax Regulatory Agreements (as confirmed in an Officer's Certificate) to the extent that such transfer will not cause the balance in the Debt Service Reserve Fund to be less than its Reserve Requirement. If on any Reserve Determination Date there exists a surplus in a Debt Service Reserve Fund, the Trustee shall transfer such surplus to the Revenue Fund and/or to the Related Rebate Fund to pay any Rebate Amounts in accordance with the Series Supplements and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in a Debt Service Reserve Fund as the result of the payment at maturity, redemption or defeasance under Article XII of a portion of the Bonds of the Related Series on or as of such Reserve Determination Date, then the Trustee is authorized to transfer the surplus (including to an Escrow Fund for any such Bonds to be redeemed or defeased) as specified in (i) a Series Supplement (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

(d) In lieu of maintaining and depositing money or securities in a Debt Service Reserve Fund, HRTAC may deposit with the Trustee a DSRF Credit Facility in an amount equal to all or a portion of the applicable Reserve Requirement. Any DSRF Credit Facility will permit the Trustee to draw or obtain under it for deposit in the Debt Service Reserve Fund amounts that, when combined with the other amounts in such Fund, are not less than the applicable Reserve Requirement.

(1) The Trustee will make a drawing on or otherwise obtain funds under any DSRF Credit Facility before its expiration or termination (i) whenever money is required for the purposes for which Debt Service Reserve Fund money may be applied and (ii) unless such DSRF Credit Facility has been extended or a qualified replacement for it delivered to the Trustee, in the event HRTAC has not deposited immediately available funds equal to the applicable Reserve Requirement at least two Business Days preceding the expiration or termination of such DSRF Credit Facility.

(2) If HRTAC provides the Trustee with a DSRF Credit Facility as provided in this subsection, the Trustee will transfer the corresponding amount of funds then on deposit in the applicable Debt Service Reserve Fund to HRTAC, provided HRTAC delivers to the Trustee (i) an Opinion of Bond Counsel that such transfer of funds will not adversely affect the excludability from gross income for purposes of federal income taxation of interest on any Bonds the interest on which was excludable on the date of their issuance and (ii) HRTAC

covenants to comply with any directions or restrictions contained in such opinion concerning the use of such funds.

Section 8.5 Subordinate Debt Service Funds. (a) The Trustee shall promptly deposit the following amounts in each Subordinate Debt Service Fund:

(1) The amount, if any, of the proceeds of the Related Subordinate Obligation, required to be deposited in the Subordinate Debt Service Fund in respect of accrued and/or capitalized interest;

(2) All amounts required to be transferred to the Subordinate Debt Service Fund from the Revenue Fund pursuant to Section 8.1(b); and

(3) Any other amounts required to be paid to the Subordinate Debt Service Fund or otherwise made available for deposit therein by HRTAC.

(b) The Trustee shall pay out of each Subordinate Debt Service Fund (i) on each interest payment date, the amount required for the payment of interest on the Related Subordinate Obligations then due and (ii) on any redemption date, the amount required for the payment of accrued interest on the Related Subordinate Obligations to be redeemed, unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied to such payment. The Trustee shall also pay out of the Subordinate Debt Service Fund the accrued interest included in the Purchase Price of any Subordinate Obligations purchased for retirement pursuant to this Master Indenture.

(c) The Trustee shall pay out of each Subordinate Debt Service Fund on each principal payment date and redemption date for the Related Subordinate Obligations, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied to such payments.

(d) To the extent there is a deficiency in the Subordinate Debt Service Fund on any payment date with respect to Related Subordinate Obligations, the Trustee shall transfer the amount of such deficiency from the amount, if any, on deposit in the Related Subordinate Debt Service Reserve Fund, if any. The Trustee promptly shall notify HRTAC of any such transfer.

Section 8.6 General Fund. (a) HRTAC shall hold the General Fund and, except as otherwise provided below, neither such Fund nor any amount therein is pledged to secure the Bonds or the Subordinate Obligations.

(b) HRTAC shall apply the balance in the General Fund as follows:

FIRST: To cure any deficiency in the amount required to be on deposit in any Bond Debt Service Fund, Debt Service Reserve Fund, Rebate Fund, Subordinate Debt Service Fund or Subordinate Debt Service Reserve Fund, in that order; and

SECOND: To any other lawful purpose approved by resolution of HRTAC, including, without limitation, expenditures for capital improvements with respect to any Project.

ARTICLE IX **OPERATION OF CERTAIN SERIES-SPECIFIC FUNDS**

Section 9.1 Cost of Issuance Funds. There shall be deposited in each Cost of Issuance Fund the portion of the proceeds of the Related Series of Bonds and such other amounts as may be specified in the Related Series Supplement. HRTAC shall use such amounts to pay costs of issuance incurred in connection with the issuance of the Related Series of Bonds. HRTAC shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund, the Related Project Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and confirmed in an Officer's Certificate. Investment earnings on any Cost of Issuance Fund may be transferred therefrom periodically as provided in the Related Series Supplement and Tax Regulatory Agreement.

Section 9.2 Project Funds. There shall be deposited into each Project Fund such portion of the proceeds of the Related Series of Bonds and other amounts as may be specified in the Related Series Supplement. HRTAC shall use the amounts in each Project Fund in accordance with the requirements of the Related Series Supplement and Tax Regulatory Agreement. Upon the filing with the Trustee of an Officer's Certificate that each Project to be financed from the Related Project Fund is complete, the Trustee shall transfer any amounts remaining on deposit in such Project Fund to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and confirmed in an Officer's Certificate. Investment earnings in a Project Fund may be transferred periodically therefrom as provided in the Related Series Supplement and Tax Regulatory Agreement.

Section 9.3 Rebate Funds. There shall be deposited in each Rebate Fund amounts to be used to pay Rebate Amounts with respect to the Related Series of Bonds as may be specified in the Related Series Supplement and the Related Tax Regulatory Agreement and confirmed in an Officer's Certificate. HRTAC shall use the balance in a Rebate Fund to pay the Rebate Amounts and any other obligations under Section 148 of the Tax Code in connection with the Related Series of Bonds. HRTAC may transfer any amounts on deposit in a Rebate Fund that are not needed for such purpose to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Series Supplement or Tax Regulatory Agreement and confirmed in an Officer's Certificate.

ARTICLE X **GENERAL FUND AND ACCOUNT PROVISIONS**

Section 10.1 Additional Funds and Accounts. Upon payment of its additional reasonable costs and expenses, if any, the Trustee may create additional Funds and Accounts or subaccounts within any Fund or Account established by this Master Indenture or any Supplemental Indenture if HRTAC so directs in a Supplemental Indenture or the Trustee deems

such additional Funds, Accounts or subaccounts to be necessary for the proper administration of the various Funds and Accounts. The Trustee shall make transfers to or from such Funds, Accounts or subaccounts so long as required transfers can be made consistently with the provisions of this Master Indenture or any Supplemental Indenture.

Section 10.2 Non-Presentment of Bonds. (a) If any Owner fails to present his or her Bond for payment when its principal becomes due (whether at maturity, by mandatory or optional redemption, by acceleration, or otherwise), all liability of HRTAC to the Owner for the payment of the Bond shall be completely discharged if the Trustee holds for the Owner's benefit money sufficient to pay the principal of and premium, if any, and interest due on such Bond to its maturity or redemption date and thereupon it shall be the Trustee's duty to hold this money, without liability to the Owner for interest on it, for the Owner's benefit, who shall thereafter be restricted exclusively to this money for any claim under this Master Indenture or on the Bond.

(b) Any money which shall have been set aside by the Trustee for the payment of the principal of and premium, if any, and interest on the Bonds and which shall remain unclaimed by the Owners of any of the Bonds for a period of four years and eleven months after the date on which such money shall have become payable, shall, unless otherwise required by law, be paid to HRTAC (along with any investment earnings on such money earned after the respective maturity or redemption date), and thereafter the Trustee shall have no further responsibility with respect to such money.

Section 10.3 Trustee's Fees, Costs and Expenses. The Trustee's initial or acceptance fees and expenses for a Series of Bonds shall be paid from the Related Cost of Issuance Fund. HRTAC shall pay or provide for the payment of all other fees and expenses of the Trustee as provided in Section 14.2. The Trustee shall not deposit any such payments it receives in the Funds or Accounts established by this Master Indenture.

Section 10.4 Purchase of Term Bonds. (a) Amounts made available by or on behalf of HRTAC for such purpose, if so directed by HRTAC in an Officer's Certificate, shall be applied by the Trustee prior to the 45th day preceding any mandatory sinking fund redemption date for Term Bonds of the Related Series to the purchase of the Term Bonds that are subject to such sinking fund redemption, at prices (including any brokerage and other charges) not exceeding the redemption price payable for such Term Bonds pursuant to such sinking fund redemption plus unpaid interest accrued to the date of purchase. Upon such purchase of any Term Bond, the Trustee shall then credit an amount equal to the principal of the Bond so purchased toward the next succeeding Amortization Requirement for such Term Bond.

(b) As soon as practicable after the 45th day preceding the date of any mandatory sinking fund redemption for the Term Bonds of the Related Series, the Trustee shall proceed to call for redemption on such redemption date the Term Bonds of the maturity for which sinking fund redemption is required in such amount as shall be necessary to complete the retirement of the principal amount specified for such sinking fund redemption. The Trustee shall so call such Term Bonds for redemption whether or not it then has moneys in the Related Bond Debt Service Fund, as applicable, sufficient to pay the applicable redemption price thereof and interest thereon to the redemption date. The Trustee shall pay out of each such Fund directly to Owners or to the appropriate Paying Agents, on each such redemption date, the amount required

for the redemption of the Related Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

ARTICLE XI **SECURITY FOR DEPOSITS AND PERMITTED INVESTMENTS**

Section 11.1 Security for Deposits. All amounts deposited with HRTAC or the Trustee under the Master Indenture in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously held in bank accounts which are secured for the benefit of HRTAC and the Owners of the Bonds in the manner required and to the full extent permitted by the Virginia Security for Public Deposits Act, Chapter 44 of Title 2.2 of the Virginia Code or any successor provision of law; provided, however, that it shall not be necessary for the Trustee to give security for the deposit of any amounts with it for the payment of the principal of or premium, if any, or interest on any Bonds issued under the Master Indenture, or for any Person to give security for any investments described in Section 11.2 below purchased under the provisions of this Article XI as an investment of such amounts.

Section 11.2 Permitted Investments. (a) Subject to the provisions of any Supplemental Indenture, any amounts held in any Fund or Account established by this Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a HRTAC Representative, in any investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Investment of Public Funds Act, Chapter 45 of Title 2.2 of the Virginia Code or any successor provision of law. Notwithstanding anything to the contrary contained herein, HRTAC may invest the amounts on deposit in the General Fund to the same extent as provided in Section 33.1-23.03:5 of the Virginia Code for excess funds in the Transportation Trust Fund.

(b) Subject to the provision of any Supplemental Indenture, all Investments shall be held by or under the control of the Trustee or HRTAC, as the case may be, and while so held shall be deemed a part of the Fund or Account in which the amounts were originally held. The Trustee, at the direction of HRTAC, shall sell and reduce to cash a sufficient amount of investments whenever the cash balance in any Fund or Account is insufficient for its purposes.

Section 11.3 Valuation of Investments. (a) Unless otherwise provided in a Supplemental Indenture, HRTAC or the Trustee shall value the investments in each Fund and Account established under this Master Indenture or any Supplemental Indenture and held by it or at its direction as of the last Business Day of each month; provided that, notwithstanding the foregoing, a Debt Service Reserve Fund shall be valued only on Reserve Determination Dates.

(b) Unless otherwise provided in a Supplemental Indenture, each such investment shall be valued (i) at amortized cost if the weighted average life of all investments held in the same Fund or Account is five years or less or (ii) at its fair market value or the amortized cost thereof, whichever is lower if the weighted average life of all investments held in the same Fund or Account exceeds five years. A DSRF Credit Facility shall be valued at the amount that the Trustee is authorized to draw thereon to pay debt service on the Series of Bonds secured thereby.

Section 11.4 Investments through Trustee's Bond Department. Unless otherwise directed by HRTAC, the Trustee may make investments permitted by Section 11.2 through its own trust or bond department.

ARTICLE XII DISCHARGE AND DEFEASANCE

Section 12.1 Discharge. If the following conditions exist:

(a) the principal of any and all of the Series of Bonds and the interest due or to become due thereon together with any redemption premium required by redemption of any of the Bonds prior to maturity shall be paid, or is caused to be paid, or is provided for under Section 12.2 below, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds shall have been paid and discharged in accordance with this Article, and

(b) all of the covenants, agreements, obligations, terms and conditions of HRTAC under this Master Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Bond Registrar and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, then the right, title and interest of the Trustee in the trust estate granted pursuant to Article II above shall thereupon cease and the Trustee, on the request of and at the expense of HRTAC, shall release this Master Indenture and the trust estate and shall execute such documents to evidence such release as may be reasonably required by HRTAC and shall turn over to HRTAC, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds and Accounts established hereunder except for amounts required to pay such Bonds.

Section 12.2 Defeasance. (a) If HRTAC shall pay or provide for the payment of the entire indebtedness on particular Bonds in any one or more of the following ways:

(1) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, as and when the same shall become due and payable;

(2) by delivering such Bonds to the Trustee for cancellation; or

(3) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue on such Defeasance Obligations (the "Defeasance Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates, without consideration of any reinvestment of the Defeasance Amount, as a Verification Agent shall verify to the Trustee's satisfaction;

(4) and if HRTAC shall also pay or provide for the payment of all other sums payable hereunder by HRTAC with respect to such Bonds, and, if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV of this Master Indenture (or the corresponding provisions of the Related Series Supplements) or provisions satisfactory to the Trustee shall have been made for the giving of

such notice, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture except as provided in subsection (d) below.

(b) HRTAC may at any time surrender to the Trustee for cancellation any Bonds previously authenticated and delivered that HRTAC may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired as provided in this Section.

(c) Upon such defeasance all rights of HRTAC, including its right to provide for optional redemption of Bonds on dates other than planned pursuant to such defeasance, shall cease unless specifically retained by filing a written notification thereof with the Trustee on or prior to the date the Defeasance Amount is deposited with the Trustee or escrow agent.

(d) When a Bond is deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Indenture, except for the purposes of any such payment (to the exclusion of all other Owners) from the Defeasance Amount and except for the provisions of this Section, Articles III and IV (and the corresponding sections of the Series Supplements) and Section 6.1 of this Master Indenture.

ARTICLE XIII **DEFAULT PROVISIONS AND REMEDIES OF** **TRUSTEE AND OWNERS**

Section 13.1 Events of Default. (a) The occurrence and continuation of one or more of the following events shall constitute an Event of Default with respect to the Bonds:

(1) default in the payment of any installment of interest in respect of the Bonds of any Series as the same shall become due and payable; or

(2) default in the payment of the principal of or premium, if any, in respect of the Bonds of any Series as the same shall become due and payable either at maturity, upon redemption, or otherwise; or

(3) default in the payment of any Amortization Requirement in respect of any Term Bond as the same shall become due and payable; or

(4) failure on the part of HRTAC duly to observe or perform any other of the covenants or agreements on the part of HRTAC contained in this Master Indenture, a Series Supplement, a Tax Regulatory Agreement or any Bond, subject to the provisions of Section 13.10 below; or

(5) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the HRTAC Revenues and the other Funds and Accounts pledged pursuant to this Master Indenture, or the filing by HRTAC of any petition for reorganization of HRTAC or rearrangement or readjustment of the obligations of HRTAC under the provisions of any applicable Bankruptcy Law.

(b) Notwithstanding any other provision of this Master Indenture, failure to pay the principal or any Amortization Requirement or interest on any Subordinate Obligation will not constitute an Event of Default with respect to any of the Bonds.

(c) HRTAC may, pursuant to a Series Supplement, provide for a particular Series of Bonds different or additional Events of Default and remedies upon the occurrence thereof including, but not limited to, Events of Default upon the occurrence of events specified in any agreement entered into in connection with the delivery of a Bond Credit Facility and acceleration of the full principal amount of such Bonds.

Section 13.2 Remedies Upon Default. (a) If an Event of Default under Section 13.1 above occurs and is continuing, the Trustee may, and upon the written request to the Trustee by the Majority Owners shall, subject to the requirements of Section 14.1(l) below, by written notice to HRTAC, declare the principal of the Bonds and all interest accrued thereon to the date of acceleration to be immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before the entry of a judgment or decree for payment of the money due, the Trustee may, or the Majority Owners may by written notice to HRTAC and the Trustee, and subject to the requirements of Section 14.1(l), direct the Trustee to, rescind and annul such declaration and its consequences if:

(1) there has been paid to or deposited with the Trustee by or for the account of HRTAC, or provision satisfactory to the Trustee has been made for the payment of a sum sufficient to pay: (i) all overdue installments of interest on the Bonds; (ii) the principal of, and redemption premium, if any, on any Bonds which have become due other than by such declaration of acceleration and interest thereon; (iii) to the extent lawful, interest upon overdue installments of interest and redemption premium, if any; and (iv) all sums paid or advanced by the Trustee hereunder, together with the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel prior to the date of notice of rescission; and

(2) all Events of Default, other than the nonpayment of principal of, redemption premium, if any, and interest on the Bonds which have occasioned such acceleration, have been cured or waived.

(c) No such rescission and annulment shall affect any subsequent default or impair any consequent right arising therefrom.

Section 13.3 Other Remedies. (a) Upon the occurrence and continuation of an Event of Default, the Trustee may in its discretion, and shall at the written request of the Majority Owners, and having been indemnified as provided in Section 14.1(1), pursue any available remedy, at law or in equity, to enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under this Master Indenture or the Supplemental Indentures or to remedy any Event of Default.

(b) Notwithstanding anything in this Master Indenture or the Supplemental Indentures to the contrary, upon the occurrence and continuation of an Event of Default, the

Majority Owners will control and direct all actions of the Trustee in exercising such of the rights and powers conferred by this Section on the Trustee or the Owners.

(c) So long as any Bonds are Outstanding, no owner or holder of any Subordinate Obligation may exercise any remedy under this Master Indenture or any Supplemental Indenture.

Section 13.4 Effect of Discontinuance or Abandonment. If any proceeding taken by the Trustee on account of any default has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, then HRTAC, the Trustee, and the Owners will be restored to their former positions and rights under this Master Indenture and all rights, remedies and powers of the Trustee will continue as though no such proceeding had been taken.

Section 13.5 Restriction on Owners' Actions. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or any remedy under this Master Indenture or any Supplemental Indenture or the Bonds, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified as provided in Section 14.1(h), or of which by such Section it is deemed to have notice; (ii) the Majority Owners of the Bonds have been made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Master Indenture or to institute the action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred as provided in Section 14.1(1); and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Master Indenture or for any other remedy under this Master Indenture. It is intended that no one or more Owners will have any right to affect, disturb or prejudice the security of this Master Indenture, or to enforce any right under this Master Indenture or the Bonds, except in the manner provided for in this Master Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in this Master Indenture and for the benefit of all Owners. Nothing in this Master Indenture will affect or impair the right of the Owners generally to enforce payment of the Bonds in accordance with their terms.

Section 13.6 Power of Trustee to Enforce. All rights of action under this Master Indenture or under any of the Bonds secured by it which are enforceable by the Trustee may be enforced without the possession of any of the Bonds, or their production at the trial or other related proceedings. Any suit, action or proceedings instituted by the Trustee may be brought in its own name, as trustee, for the equal and ratable benefit of the Owners subject to the provisions of this Master Indenture.

Section 13.7 Remedies Not Exclusive. No remedy in this Master Indenture conferred on or reserved to the Trustee, or on or to the Owners, is intended to be exclusive of any other

remedy, and each remedy is cumulative, and is in addition to every other remedy given under this Master Indenture or now or hereafter existing at law, in equity or by statute.

Section 13.8 Waiver of Events of Default; Effect of Waiver. (a) The Trustee will waive any Event of Default and its consequences at the written request of the Majority Owners. If any Event of Default with respect to the Bonds has been waived as provided in this Master Indenture, the Trustee will promptly give written notice of the waiver to HRTAC and by first class mail, postage prepaid, to all Owners if the Owners had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under this Master Indenture.

(b) No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given by this Article to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 13.9 Application of Money. (a) Any amounts received by the Trustee pursuant to this Article will, after payment of the costs and expenses of the proceedings resulting in the collection of the money, the expenses, liabilities and advances incurred or made by the Trustee and the fees (whether ordinary or extraordinary) of the Trustee and expenses of HRTAC in carrying out the provisions of this Master Indenture, be deposited in an appropriate Account that the Trustee will establish in the Revenue Fund. The amounts in such Account shall be applied as follows:

FIRST: To the payment of the persons entitled to it of all installments of interest then due on the Bonds, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

SECOND: To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of this Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Bonds due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege;

THIRD: To the payment of the persons entitled to it of all installments of interest then due on the Subordinate Obligations, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege; and

FOURTH: To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Subordinate Obligations that have become due (other than Subordinate Obligations matured or called for redemption for the payment of which money is held pursuant to the provisions of this Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Subordinate Obligations due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege.

(a) Whenever money is to be applied pursuant to the provisions of this Section, it will be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee applies such money, it will fix the date on which payment is to be made, and interest on the amount of principal to be paid on such date will cease to accrue. The Trustee will give, in such form as it may deem appropriate, notice to the Owners of the fixing of such payment date.

Section 13.10 Notice of Certain Defaults; Opportunity to Cure Such Defaults.

Notwithstanding anything to the contrary in this Master Indenture, no default under Section 13.1(a)(4) will constitute an Event of Default until actual notice of the default is given to HRTAC by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds, and HRTAC has had (i) 30 days after receipt of the notice with respect to any default in the payment of money or (ii) 90 days after receipt of the notice of any other default to correct the default or to cause the default to be corrected; provided, however, that if the default can be corrected, but cannot within the 90-day period, it will not constitute an Event of Default if corrective action is instituted by HRTAC within the 90-day period and diligently pursued (as determined by the Trustee) until the default is corrected.

Section 13.11 Rights of Bond Credit Provider. Notwithstanding anything contained in this Master Indenture to the contrary, until HRTAC has reimbursed a Bond Credit Provider for amounts paid under a Bond Credit Facility to pay the interest on or the principal of any Bonds on any Payment Date, (i) such Bonds shall be deemed to be Outstanding and such Bond Credit Provider shall succeed to the rights and interests of the Owners to the extent of the amounts paid under the Bond Credit Facility until such amounts have been reimbursed and (ii) upon presentation to the Trustee, such Bond shall be registered in the name of the Bond Credit Provider or its nominee.

ARTICLE XIV THE TRUSTEE

Section 14.1 Acceptance of Trusts and Obligations. The Trustee hereby accepts the trusts and obligations imposed upon it by this Master Indenture and agrees to perform such trusts and obligations, but only upon and subject to the following express terms and conditions and no implied covenants or obligations shall be read into this Master Indenture against the Trustee:

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and

only such duties as are specifically set forth in this Master Indenture and as a corporate trustee ordinarily would perform such duties under a corporate indenture. If an Event of Default has occurred (that has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and the Related Series Supplement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers under this Master Indenture and perform any of its duties by or through attorneys, accountants, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standards specified in subsection (a) of this Section. The Trustee also shall be entitled to act on the opinion or advice of its counsel concerning all matters of trust and the duties under this Master Indenture, and may be reimbursed for reasonable compensation to all such attorneys, accountants, agents, receivers and employees as may reasonably be employed in connection with this Master Indenture. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel. In addition, the Trustee may condition any permissive action it is authorized (but not required) to take hereunder on the receipt of an approving Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital or representation in this Master Indenture, in any Supplemental Indenture or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the filing or re-filing of any financing or continuation statement or other document or instrument, or for insuring any property of HRTAC or collecting any insurance money, or for the validity of HRTAC's execution of this Master Indenture or of any supplements to it or instruments of further assurance, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of money made by it in accordance with Article XI.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered under this Master Indenture. The bank or trust company acting as Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in the Bonds and may join in any action which any Owner may be entitled to take with like effect as if such bank or trust company were not the Trustee. To the extent permitted by law, such bank or trust company may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting on any Officer's Certificate, notice, request, consent, certificate, order, direction, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee under this Master Indenture at the request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding on all future Owners of the same Bond and on Bonds issued in exchange for it or in place of it.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely on an Officer's Certificate as sufficient evidence of the facts therein contained. Before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by such subsection it is deemed to have notice, the Trustee may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept an Officer's Certificate to the effect that an attached resolution has been adopted by HRTAC as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The Trustee's permissive right to do things enumerated in this Master Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default under this Master Indenture, except defaults arising from the failure by HRTAC to make any payments due on the Bonds or the failure by HRTAC to file with the Trustee any document required by this Master Indenture to be so filed, unless the Trustee shall be notified of such default by HRTAC or by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

(i) The Trustee shall not be required to give any bond or surety with respect to the execution of its rights and obligations under this Master Indenture.

(j) Notwithstanding any other provision of this Master Indenture, the Trustee shall have the right, but shall not be required, to demand, as a condition of (i) any action by the Trustee in respect of the authentication of any Bonds, (ii) the withdrawal of any cash, (iii) the release of any property or (iv) any action whatsoever within the purview of this Master Indenture, any showings, certificates (including Officer's Certificates), opinions, appraisals or other information or corporate action or evidence thereof reasonably required by the Trustee, in addition to that required by the terms of this Master Indenture.

(k) All money the Trustee receives shall, until used or applied or invested as provided in this Master Indenture, be held in trust for the purposes for which it was received but need not be segregated from other funds except to the extent required by this Master Indenture or by law. The Trustee shall not be under any liability for interest on any money received under this Master Indenture except as may be agreed upon in writing.

(l) Before taking any action under this Master Indenture, the Trustee may require that indemnity to its satisfaction be furnished to it for the reimbursement of all expenses which may be incurred by it and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct.

Section 14.2 Fees, Charges and Expenses of Trustee. (a) HRTAC covenants and agrees:

(1) to pay to the Trustee compensation for all services rendered by it hereunder and under the other agreements relating to the Bonds to which the Trustee is a party in accordance with terms agreed to from time to time, and, subsequent to default, in accordance with the Trustee's then-current fee schedule for default administration; and

(2) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Master Indenture, any other agreement relating to the Bonds to which it is a party or in complying with any request by HRTAC or any Rating Agency with respect to the Bonds, including the reasonable compensation, expenses and disbursements of its agents and counsel, except any such expense, disbursement or advance attributable to the Trustee's negligence or bad faith.

(b) If the Trustee incurs expenses or renders services in any proceedings under Bankruptcy Law relating to HRTAC, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under Bankruptcy Law.

(c) The obligations of HRTAC to make the payments described in this Section shall survive discharge of this Master Indenture, the resignation or removal of the Trustee and payment in full of the Bonds.

Section 14.3 Notice Required of Trustee. If HRTAC fails to make any payment on a Series of Bonds on the day such payment is due and payable, the Trustee shall give notice thereof by telephone, e-mail or facsimile to HRTAC on the next succeeding Business Day. If (i) any such failure of HRTAC to make a payment on a Series of Bonds continues for thirty days, or (ii) the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding notify the Trustee of any default under this Master Indenture, then the Trustee shall give notice of such default by registered or certified mail to the Owner of each Bond of such Series then Outstanding. The Trustee's failure to give any notice required by this Section shall not subject the Trustee to any liability to any person, firm, corporation or other entity to make payments under the Bonds and this Master Indenture or waive the Trustee's right to exercise its remedies under this Master Indenture.

Section 14.4 Intervention by Trustee. In any judicial proceeding to which HRTAC is a party and that in the Trustee's opinion has a substantial bearing on the Owners' interests, the Trustee may intervene on the Owners' behalf and, subject to Section 14.1(1), shall do so if requested by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding. The Trustee's rights and obligations under this Section are subject to the approval of a court of competent jurisdiction.

Section 14.5 Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee under this Master Indenture and vested with all the trusts, powers, discretion, immunities, privileges and all

other matters as were vested in its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to this Master Indenture, anything herein to the contrary notwithstanding, if such corporation or association satisfies the requirements of the last sentence of Section 14.8.

Section 14.6 Resignation by Trustee. If the Trustee desires to resign at any time from the trusts created by this Master Indenture, its shall give notice to HRTAC and each Owner of Bonds then Outstanding, but shall continue to serve as Trustee until such time as a successor Trustee is appointed. If a successor Trustee has not been appointed within thirty days, the Trustee shall have the right to petition a court of competent jurisdiction for appointment of a successor Trustee and such resignation shall become effective upon designation of such successor Trustee.

Section 14.7 Removal of Trustee. The Trustee may be removed at any time (i) by an instrument or concurrent instruments in writing delivered to the Trustee and to HRTAC and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding or (ii) by HRTAC by notice in writing given by a HRTAC Representative to the Trustee not less than sixty days before the removal date; provided, however, that HRTAC shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists that with the giving of notice or the passage of time, or both, would be an Event of Default. If applicable, the removed Trustee shall return to HRTAC the amount of the Trustee's annual fee allocable to the portion of the then current year remaining after the removal date. Notwithstanding the foregoing, nothing contained in this Master Indenture shall relieve HRTAC of its obligation to pay the Trustee's fees and expenses incurred to the effective date of such removal.

Section 14.8 Appointment of Successor Trustee; Temporary Trustee. If the Trustee shall resign, be removed, be dissolved, be in the course of dissolution or liquidation or otherwise become incapable of acting hereunder, or if it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, then, unless an Event of Default with respect to any Series of Bonds has occurred and is continuing, a successor may be appointed by HRTAC by an instrument in writing signed by a HRTAC Representative. If an Event of Default has occurred and is continuing, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Owners. In case of such vacancy, HRTAC, by an instrument signed by a HRTAC Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners as provided above and any such temporary Trustee so appointed by HRTAC shall immediately and without further act be replaced by the Trustee so appointed by such Owners. Any Trustee appointed under this Section shall be, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, (i) a bank or trust company within or without the Commonwealth of Virginia, in good standing and having a reported capital, surplus and undivided profits of not less than \$100,000,000, or (ii) a subsidiary trust company whose parent bank or bank holding company has undertaken to be fully responsible for the acts and omissions of such subsidiary trust company, and whose capital, surplus and undivided profits, together with that of its parent bank or bank holding company, as the case may be, is not less than \$100,000,000.

Section 14.9 Concerning any Successor Trustee. Every successor Trustee appointed under this Master Indenture shall execute, acknowledge and deliver to its predecessor and also to HRTAC an instrument in writing accepting such appointment, and thereafter such successor, without any further act, deed or conveyance, shall become fully vested with all the properties, rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of HRTAC or the Trustee's successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers and trusts of such predecessor under this Master Indenture; and every predecessor Trustee shall deliver all securities and money held by it as Trustee under this Master Indenture to its successor. Should any instrument in writing from HRTAC be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by HRTAC. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where this Master Indenture may have been filed and/or recorded.

Section 14.10 Trustee Protected in Relying on Resolutions. The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property, the withdrawal of cash hereunder or the taking of any other action by the Trustee as provided under this Master Indenture, unless the Trustee has actual knowledge or notice to the contrary.

ARTICLE XV SUPPLEMENTAL INDENTURES

Section 15.1 Supplemental Indentures Not Requiring Consent of Owners. HRTAC and the Trustee may, without the consent of, or notice to, any of the Owners of the Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Master Indenture or any Series Supplement for any one or more of the following purposes:

- (a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in this Master Indenture or in a Series Supplement.
- (b) To grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Owners or the Trustee or either of them.
- (c) To permit the appointment of a co-trustee or additional Paying Agents under this Master Indenture;
- (d) To subject to the lien and pledge of this Master Indenture additional revenues, properties or collateral.

(e) To provide for the issuance of coupon Bonds if authorized under the Related Series Supplement.

(f) To amend certain provisions of this Master Indenture or any Series Supplement in any manner consistent with Sections 103 and 141 through 150 of the Tax Code (or such other sections of the Tax Code as may be applicable to the Bonds) as in effect at the time of the amendment.

(g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Master Indenture or any Series Supplement of the HRTAC Revenues or any other moneys, property or Funds or Accounts.

(h) To modify, amend or supplement this Master Indenture or any Supplemental Indenture as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if HRTAC and the Trustee so determine, to add to this Master Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute.

(i) To add to the covenants and agreements of HRTAC contained in this Master Indenture or any Supplemental Indenture other covenants and agreements thereafter to be observed for the Owners' protection, including, but not limited to, additional requirements imposed by virtue of a change of law, or to surrender or to limit any right, power or authority therein reserved to or conferred upon HRTAC.

(j) To amend, modify or change the terms of any agreements governing any book-entry-only system for any of the Bonds.

(k) In the case of Series Supplements, to provide for the issuance of additional Series of Bonds (including Refunding Bonds) and to provide for such other related matters as may be required or contemplated by or appropriate under this Master Indenture.

(l) To make any changes necessary to comply with the requirements of a Rating Agency, a Bond Credit Provider, or a DSRF Credit Provider that, as expressed in a finding or determination by HRTAC (which is included in the Supplemental Indenture), would not materially adversely affect the security for the Bonds.

(m) To make any other changes that (i) will have no adverse effect upon the ratings currently assigned to the applicable Series of Bonds by any Rating Agency, as expressed in a Rating Confirmation or (ii) shall not prejudice in any material respect the rights of the Owners of the Bonds then Outstanding, as expressed in a determination or finding by HRTAC (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Counsel and/or the opinion of HRTAC's financial advisor).

(n) To restate in one document this Master Indenture and all effective Series Supplements and other Supplemental Indentures, which restatement shall then become this Master Indenture for all purposes, effective as of the date of this Master Indenture with respect to

matters set forth therein and as of the date of any Supplemental Indenture included in the restatement as to matters set forth in any such Supplemental Indenture. Series Supplements and the Bonds issued thereunder prior to a restatement shall be deemed to relate to the restated Master Indenture without any further action or amendment.

Section 15.2 Supplemental Indentures Requiring Consent. Exclusive of Supplemental Indentures covered by Section 15.1 and subject to the terms and provisions contained in this Section, the Majority Owners shall have the right from time to time, notwithstanding any other provision of this Indenture, to consent to and approve the execution by HRTAC and the Trustee of such other Supplemental Indenture or Supplemental Indentures as HRTAC shall deem necessary or desirable to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Indenture; provided, however, that without the consent and approval of the Owners of all of the affected Bonds then Outstanding nothing in this Master Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest on it, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture.

If at any time HRTAC shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of the Supplemental Indenture to be mailed to each Owner of Bonds then Outstanding by registered or certified mail to the address of each such Owner as it appears on the registration books for the Bonds; provided, however, that failure to give such notice by mailing, or any defect in it, shall not affect the validity of any proceedings under this Section. Such notice shall briefly state the nature of the proposed Supplemental Indenture and shall state that copies of it are on file at the Trustee's designated corporate trust office for inspection by all Owners. If, within six months or such longer period as shall be prescribed by HRTAC following the giving of such notice, the Majority Owners shall have consented to and approved its execution as provided under this Section, no Owner of any Bond shall have any right to object to any of the terms and provisions contained in it, or its operation, or in any manner to question the propriety of its execution, or to enjoin or restrain the Trustee or HRTAC from executing such Supplemental Indenture or from taking any action under its provisions. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Master Indenture shall be deemed to be modified and amended in accordance therewith.

Bonds owned or held by or for the account of HRTAC or any Person controlling, controlled by or under common control with HRTAC shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in this Article XV. At the time of any such calculation, HRTAC shall furnish the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Anything contained in this Master Indenture to the contrary notwithstanding, HRTAC and the Trustee may enter into any Supplemental Indenture upon receipt of the consent of the Owners of all Bonds then Outstanding.

Section 15.3 Opinion of Counsel Required. The Trustee shall not execute any Supplemental Indenture unless there shall have been filed with the Trustee an Opinion (or Opinions) of Counsel, subject to customary exceptions and qualifications, stating that (i) such Supplemental Indenture is authorized or permitted by this Master Indenture and (ii) upon execution the Supplemental Indenture will be valid and binding on HRTAC in accordance with its terms.

Section 15.4 No Unreasonable Refusal. The Trustee shall not unreasonably refuse to enter into any Supplemental Indenture permitted under this Article; provided, however, that such refusal shall not be deemed unreasonable if the Trustee believes in good faith that such Supplemental Indenture will or may prejudice any right of the Owners of the Bonds then Outstanding or adversely affect the rights and immunities, or increase the duties, of the Trustee.

ARTICLE XVI MISCELLANEOUS

Section 16.1 Consents of Owners. Any consent, request, direction, approval, objection or other instrument required by this Master Indenture to be signed and executed by the Owners of the Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agents appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agents, if made in the manner stated in the next sentence, shall be sufficient for any of the purposes of this Master Indenture, and shall be conclusive in the Trustee's favor with regard to any action taken under such request or other instrument. The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

Section 16.2 Limitation of Rights. With the exception of the rights expressly conferred in this Master Indenture, nothing expressed or mentioned or to be implied from this Master Indenture or the Bonds is intended or shall be construed to give to any person or entity other than the parties to this Master Indenture and the Owners any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and agreements contained in it; this Master Indenture and all of the covenants, conditions and agreements in it being intended to be and being for the sole and exclusive benefit of the parties to it and the Owners.

Section 16.3 Limitation of Liability of Members, Officers, Etc. No covenant, agreement or obligation contained in this Master Indenture shall be deemed to be a covenant, agreement or obligation of any present or future member, commissioner, officer, employee or agent of HRTAC or the Trustee in his or her individual capacity, and neither the members of HRTAC or the Trustee nor any commissioner, officer, employee or agent thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of their execution or issuance. No member, commissioner, officer, employee, agent or adviser of HRTAC or the Trustee shall incur any personal liability with

respect to any action taken by him or her under this Master Indenture or the Act, provided such member, commissioner, officer, employee, agent or adviser acts in good faith.

Section 16.4 Notices. Unless otherwise provided in this Master Indenture, all demands, notices, approvals, consents, requests, opinions and other communications under this Master Indenture shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail addressed (i) if to HRTAC, at 723 Woodlake Drive, Chesapeake, Virginia 23220, Attention: Executive Director; or (ii) if to the Trustee, at _____, Attention: _____. HRTAC and the Trustee may by notice given under this Section, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 16.5 Successors and Assigns. This Master Indenture shall be binding on, inure to the benefit of and be enforceable by the parties to it and their respective successors and assigns.

Section 16.6 Severability. If any clause, provision or section of this Master Indenture be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections of this Master Indenture, and this Master Indenture shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in it. If any agreement or obligation contained in this Master Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties to this Master Indenture to the full extent permitted by law.

Section 16.7 Applicable Law. This Master Indenture shall be governed by the laws of the Commonwealth.

Section 16.8 Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Trustee have caused this Master Indenture to be executed in their respective corporate names by their duly authorized representatives, all as of the date first above written.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

William D. Sessoms Jr.
Chair

[____], as Trustee

By: _____

Name:
Title:

[Signature Page of Master Indenture of Trust]

FORM

of

SUPPLEMENTAL SERIES INDENTURE OF TRUST

between

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

and

[_____],
as Trustee

Dated as of _____ 1, 20____

Relating to

\$_____

**Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund Revenue Bonds
Series 20____**

ARTICLE I
SERIES SUPPLEMENT

Section 1.1	Series Supplement.....	2
Section 1.2	Definitions.....	2
Section 1.3	Representations of HRTAC	4

ARTICLE II
AUTHORIZATION AND DETAILS OF 20__ BONDS

Section 2.1	Authorization of 20__ Bonds.....	4
Section 2.2	Details of 20__ Bonds.....	4
Section 2.3	Book Entry Provisions for the 20__ Bonds	5
Section 2.4	Form of 20__ Bonds	7
Section 2.5	Authentication of 20__ Bonds	7

ARTICLE III
REDEMPTION OF 20__ BONDS

Section 3.1	Optional Redemption	7
Section 3.2	[Intentionally Omitted]	7
Section 3.3	Selection of 20__ Bonds for Redemption	7
Section 3.4	Notice of Redemption	8
Section 3.5	Payment of Redemption Price	8

ARTICLE IV
ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS

Section 4.1	Establishment of Funds and Accounts for the 20__ Bonds	9
Section 4.2	Application of Sale Proceeds of the 20__ Bonds.....	9

ARTICLE V
APPLICATION OF CERTAIN FUNDS

Section 5.1	Cost of Issuance Fund.....	9
Section 5.2	Project Fund.....	10
Section 5.3	Bond Debt Service Fund and Debt Service Reserve Fund	10
Section 5.4	Rebate Fund	10

ARTICLE VI
SPECIAL COVENANTS

Section 6.1	Tax Regulatory Agreement.....	10
-------------	-------------------------------	----

ARTICLE VII
CONTINUING DISCLOSURE AGREEMENT

Section 7.1	Purpose.....	11
Section 7.2	Annual Disclosure.....	11

Section 7.3	Event Disclosure	12
Section 7.4	Termination.....	13
Section 7.5	Amendment.....	13
Section 7.6	Defaults	13
Section 7.7	Additional Disclosure	13
Section 7.8	Dissemination Agent.....	13
Section 7.9	Form of Disclosure	13

ARTICLE VIII **MISCELLANEOUS**

Section 8.1	Successors and Assigns.....	13
Section 8.2	Severability	13
Section 8.3	Governing Law	13
Section 8.4	Counterparts.....	14
Section 8.5	Parties Interested.....	14

EXHIBIT A	DESCRIPTION OF FY 20__ BOND PROJECTS
EXHIBIT B	FORM OF 20__ BOND
EXHIBIT C	20__ PROJECT FUND REQUISITION
EXHIBIT D	ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
EXHIBIT E	CLOSING MEMORANDUM
EXHIBIT F	DESCRIPTION OF FY 20__ BOND PROJECTS

SUPPLEMENTAL SERIES INDENTURE OF TRUST

This **SUPPLEMENTAL SERIES INDENTURE OF TRUST** (this “Series Supplement”) is made as of _____ 1, 20____, between the HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION, a political subdivision of the Commonwealth of Virginia (“HRTAC”), and [_____], and its successors, as trustee (the “Trustee”).

RECITALS

WHEREAS, HRTAC is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the power under the Code of Virginia of 1950, as amended (the “Virginia Code”), to receive all of the amounts dedicated to the Hampton Roads Transportation Fund (the “HRTF”) from the special sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the wholesale motor vehicle fuels sales tax revenues described in Section 58.1-2295.A.2 of the Virginia Code;

WHEREAS, as provided in Chapter 26, Title 33.2, of the Virginia Code (the “HRTAC Act”), the Commission shall use the moneys deposited in the HRTF solely for the purposes of funding new construction projects on new or existing highways, bridges, and tunnels in the Member Localities (as hereinafter defined), giving priority to projects expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within the Member Localities;

WHEREAS, Section 33.2-2606 of the HRTAC Act authorizes and empowers HRTAC to issue bonds and other evidences of debt and provides that the provisions of Article 5 (Section 33.2-1920 et seq.) of Chapter 19 of Title 33.2 of the Virginia Code shall apply, *mutatis mutandis*, to the issuance of such bonds and other evidences of debt (collectively, the “HRTAC Bonds”) for any of the Commission’s purposes;

WHEREAS, Section 33.2-1920 of the Virginia Code permits the HRTAC Bonds to be payable from and secured by a pledge of all or any part of the revenues, moneys or funds of HRTAC as specified in a resolution adopted or indenture entered into by HRTAC, but that such HRTAC Bonds shall not constitute debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, and that such HRTAC Bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction except as provided under Section 33.2-1920 of the Virginia Code;

WHEREAS, HRTAC has executed and delivered to the Trustee a Master Indenture of Trust dated as of July 1, 2016 (the “Master Indenture”), under which, among other things, HRTAC has provided for the financing and refinancing of the costs of Projects (as defined in the Master Indenture) through the issuance from time to time of HRTAC Bonds (as defined in the Master Indenture), payable from and secured by the HRTAC Revenues (as defined in the Master Indenture);

WHEREAS, HRTAC now desires to issue, sell, and deliver a Series of Bonds under the Master Indenture in the original aggregate principal amount of \$_____ (the “20____ Bonds”);

WHEREAS, HRTAC will use the proceeds of the 20__ Bonds to: (a) pay, or to reimburse itself for, portions of the costs of the construction and acquisition of Projects described in Exhibit A hereto (collectively, the “FY 20__ Bond Projects”), (b) finance any costs of issuance of the 20__ Bonds, (c) pay any capitalized interest on the 20__ Bonds during construction of the FY 20__ Bond Projects, and (d) fund the 20__ Debt Service Reserve Fund;

WHEREAS, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, HRTAC shall deliver to the Trustee a Series Supplement; and

WHEREAS, all things necessary to make the 20__ Bonds valid and binding limited obligations of HRTAC, when authenticated and issued as provided in this Series Supplement, and to constitute this Series Supplement a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the 20__ Bonds, have been done and performed.

NOW, THEREFORE, HRTAC hereby covenants and agrees with the Trustee and with the Owners, from time to time, of the 20__ Bonds, as follows:

ARTICLE I **SERIES SUPPLEMENT**

Section 1.1 Series Supplement This Series Supplement is authorized and executed by HRTAC and delivered to the Trustee pursuant to and in accordance with Articles V and XV of the Master Indenture. All terms, covenants, conditions and agreements of the Master Indenture apply with full force and effect to the 20__ Bonds, except as otherwise expressly stated in this Series Supplement.

Section 1.2 Definitions. All capitalized words and terms used in this Series Supplement have the meanings set forth in Article I of the Master Indenture. In addition, the following words and terms have the following meanings in this Series Supplement unless the context clearly requires otherwise:

“20__ Bonds” means the Series of Bonds authorized to be issued under Section 2.1(a) of this Series Supplement.

“20__ Bond Debt Service Fund” means the Bond Debt Service Fund Related to the 20__ Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Series Supplement.

“20__ Cost of Issuance Fund” means the Cost of Issuance Fund Related to the 20__ Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Series Supplement.

“20__ Debt Service Reserve Fund” means the Debt Service Reserve Fund Related to the 20__ Bonds and any Refunding Bonds issued to refund the 20__ Bonds in part established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Series Supplement.

“20__ Project Fund” means the Project Fund Related to the 20__ Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Series Supplement.

“20__ Rebate Fund” means the Rebate Fund Related to the 20__ Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Series Supplement.

“20__ Tax Regulatory Agreement” means the Series 20__ Tax Certificate and Regulatory Agreement dated the Closing Date made by HRTAC for the benefit of the Trustee and the Owners of the 20__ Bonds.

“Closing Date” means the date of the issuance and delivery of the 20__ Bonds.

“Closing Memorandum” means the Closing Memorandum for the 20__ Bonds, a copy of which is attached as Exhibit E.

“Conditional Redemption” means a redemption in which the Trustee, acting on the written instructions of an HRTAC Representative, has stated in the redemption notice to the Owners that (i) the redemption is conditioned upon deposit of funds or (ii) HRTAC has retained the right to rescind the redemption, as further described in Section 3.4 of this Series Supplement.

“Dated Date” means the Closing Date.

“DTC” shall have the meaning set forth in Section 2.3 of this Series Supplement.

“FY 20__ Bond Projects” means, collectively, the Projects described in Exhibit A hereto.

“Letter of Representations” means HRTAC’s Blanket Issuer Letter of Representations to DTC dated _____, 20__.

“Master Indenture” means the Master Indenture of Trust dated as of July 1, 2016, between HRTAC and the Trustee, as the same may be modified, altered, amended and supplemented from time to time in accordance with its terms.

“Member Localities” means, collectively, each county and city located in Planning District 23, established pursuant to Chapter 42, Title 15.2, of the Virginia Code, currently consisting of [the Counties of Isle of Wight, James City, Southampton and York, and the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg], and any other localities which may hereafter be added to Planning District 23 or to HRTAC by amendment to the Virginia Code.

“Partial Refunding Bonds” means any Bonds issued under the Master Indenture to refund and defease the 20__ Bonds in part (for example, to refund and defease only the callable 20__ Bonds).

“Rebate Requirement” means, collectively, the requirements applicable to tax-exempt bonds under Section 148(f)(2) and (3) of the Tax Code.

“Reserve Requirement” means, with respect to the 20__ Bonds, an amount equal to the maximum Principal and Interest Requirements on the 20__ Bonds in the then-current or any future Fiscal Year, or such lesser amount as may be required by the Tax Regulatory Agreement with respect to the 20__ Bonds. The Reserve Requirement on the Closing Date is \$_____.

“Series Supplement” means this Supplemental Indenture of Trust dated as of _____ 1, 20__, between HRTAC and the Trustee, as it may be modified, altered, amended or supplemented from time to time in accordance with the provisions of the Master Indenture.

Section 1.3 Representations of HRTAC. HRTAC represents that (i) it is duly authorized under the Constitution and laws of the Commonwealth, including, particularly and without limitation, Section 33.2-2606 of the HRTAC Act, to issue the 20__ Bonds, to execute this Series Supplement, and to pledge and grant a security interest in the HRTAC Revenues, the 20__ Project Fund, the 20__ Bond Debt Service Fund and the 20__ Debt Service Reserve Fund as security for the 20__ Bonds in the manner and to the extent set forth in the Master Indenture and this Series Supplement, (ii) all action on its part necessary for the execution and delivery of this Series Supplement has been taken, and (iii) the 20__ Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of HRTAC.

ARTICLE II AUTHORIZATION AND DETAILS OF 20__ BONDS

Section 2.1 Authorization of 20__ Bonds. (a) There is authorized to be issued pursuant to the Master Indenture a Series of Bonds of HRTAC in the aggregate principal amount of \$_____ to be called the “Hampton Roads Transportation Fund Revenue Bonds, Series 20__.”

(b) The proceeds of the 20__ Bonds shall be used for the purposes set forth in the recitals.

Section 2.2 Details of 20__ Bonds. (a) The 20__ Bonds shall be dated the Dated Date, shall be issued in denominations of \$5,000 and integral multiples of \$5,000, shall be numbered from R-1 upwards, sequentially, and shall bear interest, payable on each [January 1] and [July 1], commencing on [July 1], 20__, at the rates set forth below and shall mature, subject to prior redemption, on [July 1] in the years and in the amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(a) Each 20__ Bond shall bear interest (i) from the Dated Date, if such 20__ Bond is authenticated before [July 1], 20__, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 20__ Bond is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 20__ Bond shall bear interest from the date to which interest has been paid. Interest on the 20__ Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

(b) Interest on the 20__ Bonds shall be payable by checks or drafts mailed to the Owners thereof at their addresses as they appear on the fifteenth day of the month preceding the Interest Payment Date on the registration books kept by the Trustee. Notwithstanding the foregoing, if (i) the Owner of a 20__ Bond owns at least \$1,000,000 in aggregate principal amount of 20__ Bonds and (ii) such Owner has provided satisfactory prior notice to the Trustee regarding payment by wire transfer, then interest shall be paid to such Owner by wire transfer. Principal of and premium, if any, on the 20__ Bonds shall be payable to the Owners thereof upon the surrender of the 20__ Bonds at the Trustee's corporate trust office in _____.

(c) Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is Owner of all of the 20__ Bonds, principal of and premium, if any, and interest on the 20__ Bonds shall be payable as provided in the Letter of Representations.

(d) The principal of and premium, if any, and interest on the 20__ Bonds shall be payable in lawful money of the United States of America.

(e) If the principal of any 20__ Bond is not paid when due (whether at maturity or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the rate set forth in the 20__ Bond.

(f) All of the 20__ Bonds are Serial Bonds.

Section 2.3 Book Entry Provisions for the 20__ Bonds. (a) The 20__ Bonds will be registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in DTC's custody. One fully registered Bond for the original principal amount of each maturity of each Series will be registered to Cede & Co. Beneficial owners of the 20__ Bonds will not receive physical delivery of the 20__ Bonds. Individual purchases of the 20__ Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000. For as long as the 20__ Bonds are held in book-entry format, payments of principal of and premium, if any, and interest on the 20__ Bonds will be made to DTC or its nominee as the sole Owner on the applicable Payment Date in accordance with the Letter of Representations.

DTC is responsible for the transfer of the payments of the principal of and premium, if any, and interest on the 20__ Bonds to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants"). Transfer of the payments of the principal of and premium, if any, and interest on the 20__ Bonds to the beneficial owners of the 20__ Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 20__ Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 20__ Bonds, in accordance with rules specified by DTC and its Participants. Neither HRTAC nor the Trustee makes any assurances that DTC, its Participants or other nominees of the beneficial owners of the 20__ Bonds will act in accordance with such rules or on a timely basis.

HRTAC and the Trustee disclaim any responsibility or obligations to the Participants or the beneficial owners with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount due to any beneficial owner in respect of the principal of and premium, if any, and interest on the 20__ Bonds, (iii) the delivery by DTC or any Participant of any notice to any beneficial owner that is required or permitted under the terms of the Master Indenture or this Series Supplement to be given to Owners of the 20__ Bonds, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 20__ Bonds, or (v) any consent given or other action taken by DTC as Owner.

So long as Cede & Co., as nominee of DTC, is the sole Owner of the 20__ Bonds, references in the Master Indenture or this Series Supplement to the Owners or registered owners of the 20__ Bonds shall mean Cede & Co. and not the beneficial owners of the 20__ Bonds. Any notice to or consent requested of Owners of 20__ Bonds under the Master Indenture or this Series Supplement shall be given to or requested of Cede & Co.

(b) Replacement Bonds (the “Replacement Bonds”) will be registered in the name of and be issued directly to beneficial owners of the 20__ Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 20__ Bonds; or

(2) The Trustee or HRTAC has advised DTC of HRTAC’s determination that DTC is incapable of discharging its duties or that it is otherwise in the best interests of the beneficial owners of the 20__ Bonds to discontinue the book-entry system of transfer.

(c) Upon the occurrence of an event described in subsection (b)(1) or (2) above (and the Trustee and HRTAC undertake no obligation to make any investigation regarding the matters described in subsection (b)(2) above), HRTAC may attempt to locate another qualified securities depository. If HRTAC fails to locate another qualified securities depository to replace DTC, HRTAC shall execute and the Trustee shall authenticate and deliver to the Participants the Replacement Bonds (substantially in the form set forth in Exhibit B with such appropriate variations, omissions and insertions as are permitted or required by the Master Indenture or this Series Supplement) to which the Participants are entitled for delivery to the beneficial owners of the 20__ Bonds. The Trustee shall be entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds. The Owners of the Replacement Bonds shall be entitled to the lien and benefits of the Master Indenture and this Series Supplement.

Section 2.4 Form of 20__ Bonds. Each of the 20__ Bonds shall be substantially in the form attached as Exhibit B to this Series Supplement, with such appropriate variations, omissions and insertions as permitted or required by the Master Indenture or this Series Supplement. There may be endorsed on any of the 20__ 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.

Section 2.5 Authentication of 20__ Bonds. Each 20__ Bond shall bear a certificate of authentication, substantially as set forth in the form of the 20__ Bond attached as Exhibit B, duly executed by the Trustee. The Trustee shall authenticate each 20__ Bond with the signature of one of its authorized officers or employees, but it shall not be necessary for the same person to authenticate all of the 20__ Bonds. Only such authenticated 20__ Bonds shall be entitled to any right or benefit under the Master Indenture or this Series Supplement, and such certificate on any 20__ Bond shall be conclusive evidence that the 20__ Bond has been duly issued under and is secured by the provisions of the Master Indenture and this Series Supplement.

ARTICLE III REDEMPTION OF 20__ BONDS

Section 3.1 Optional Redemption. (a) HRTAC may call the 20__ Bonds for optional redemption only as provided in this section.

(b) The 20__ Bonds maturing on or before [July 1], 202__, shall not be subject to redemption at HRTAC's option before their respective maturity dates.

(c) The 20__ Bonds maturing on or after [July 1], 202__, may be redeemed prior to their respective maturities, at the option of HRTAC, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as HRTAC may determine on and after [July 1], 202__, at 100% of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.

(d) Any optional redemption of the 20__ Bonds may be a Conditional Redemption.

Section 3.2 [Intentionally Omitted].

Section 3.3 Selection of 20__ Bonds for Redemption. (a) The maturities of the 20__ Bonds to be redeemed by optional redemption shall be selected by HRTAC and specified for each optional redemption in an Officer's Certificate.

(b) In the case of any partial redemption of a maturity of the 20__ Bonds, the particular 20__ Bonds to be redeemed shall be selected by DTC in accordance with its procedures or, if the book-entry system has been discontinued, by the Trustee by lot in such manner as the Trustee shall determine.

(c) Each increment of \$5,000 of principal amount of 20__ Bonds shall be counted as one 20__ Bond for purposes of selecting 20__ Bonds for a partial redemption.

(d) If a 20__ Bond shall be called for partial redemption, upon its surrender a new 20__ Bond, representing the unredeemed balance of the principal amount of the 20__ Bond, shall be issued to its Owner.

Section 3.4 Notice of Redemption. (a) When directed to do so by a HRTAC Representative in writing, the Trustee shall cause notice of the redemption to be mailed by certified or registered mail, not less than thirty (30) nor more than sixty (60) days before the redemption date, to all Owners of 20__ Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that the failure to give such notice to any Owner or any defect in any such notice shall not affect the validity of the proceedings for the redemption of the 20__ Bonds of any other Owners to whom such notice was properly given.

(b) The Trustee shall give further notice of such redemption not less than one day before the date on which it gives notice of redemption to the Owners by certified or registered mail to (i) all registered national securities depositories then in the business of holding substantial amounts of obligations of types similar to the 20__ Bonds and (ii) to at least one national information service that disseminates notices of redemption of obligations such as the 20__ Bonds. Notwithstanding the foregoing, no defect in such further notice and no failure to give all or any portion of such further notice shall in any manner affect the effectiveness of a call for redemption.

(c) Any Conditional Redemption may be rescinded in whole or in part at any time prior to the date fixed for the optional redemption if HRTAC delivers an Officer's Certificate to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners. Any 20__ Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of HRTAC to make funds available in part or in whole on or before the date fixed for redemption shall not constitute an Event of Default.

(d) Any notice of redemption mailed in the manner specified above shall be deemed to have been duly given when mailed by the Trustee.

(e) In preparing any notice of redemption, the Trustee shall take into account, to the extent applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over HRTAC or the tax-exempt securities industry, including without limitation, Release No. 34-23856 of the Securities and Exchange Commission, or any subsequent amending or superseding release.

(f) Any notices given to DTC under this Section shall be given at the times and in the manner set forth in the Letter of Representations.

Section 3.5 Payment of Redemption Price. (a) On or before the date fixed for redemption, funds shall be deposited with the Trustee to pay the redemption price of the 20__ Bonds called for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date and the required notice shall have been given, the 20__ Bonds

called for redemption shall cease to bear interest from and after the redemption date, shall no longer be entitled to the benefits provided by the Master Indenture and this Series Supplement and shall not be deemed to be Outstanding under the provisions of the Master Indenture and this Series Supplement.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the 20__ Bonds.

ARTICLE IV **ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS**

Section 4.1 Establishment of Funds and Accounts for the 20__ Bonds. (a) In accordance with Section 7.1 of the Master Indenture, the following Funds are hereby established for the 20__ Bonds: (i) the 20__ Cost of Issuance Fund, (ii) the 20__ Project Fund, (iii) the 20__ Bond Debt Service Fund, (iv) the 20__ Debt Service Reserve Fund, and (v) the 20__ Rebate Fund.

(b) All of the Funds established pursuant to this Section shall be held by the Trustee, except the 20__ Cost of Issuance Fund which shall be held by HRTAC.

(c) As provided in Section 2.1(b) of the Master Indenture, the money and investments held in the 20__ Project Fund, the 20__ Bond Debt Service Fund and the 20__ Debt Service Reserve Fund are pledged to secure the 20__ Bonds.

Section 4.2 Application of Sale Proceeds of the 20__ Bonds. (a) As provided in the Closing Memorandum, on the Closing Date, the Trustee shall apply the total amount received from the underwriters for the 20__ Bonds in payment therefor (\$_____), as follows:

- (1) \$_____ shall be deposited in the 20__ Cost of Issuance Fund;
- (2) \$_____ shall be deposited in the 20__ Project Fund;
- (3) \$_____ shall be deposited in the 20__ Bond Debt Service Fund to pay capitalized interest on the 20__ Bonds during construction of the FY 20__ Bond Projects; and
- (4) \$_____ shall be deposited in the 20__ Debt Service Reserve Fund.

(b) HRTAC represents that the amount deposited into the 20__ Debt Service Reserve Fund is equal to the Reserve Requirement for the 20__ Bonds as of the Closing Date.

ARTICLE V **APPLICATION OF CERTAIN FUNDS**

Section 5.1 Cost of Issuance Fund. (a) HRTAC shall apply the amount in the 20__ Cost of Issuance Fund to pay the issuance and financing costs of the 20__ Bonds.

(b) Any amount deposited in the 20__ Cost of Issuance Fund as described in Section 4.2(a)(1) that is not applied in accordance with Section 9.1 of the Master Indenture to pay the costs of issuance of the 20__ Bonds shall be transferred by HRTAC to the 20__ Bond Debt Service Fund and applied by the Trustee to pay debt service on the 20__ Bonds before any other amounts therein are so used.

Section 5.2 Project Fund. (a) The Trustee will apply the amount in the 20__ Project Fund to the payment or reimbursement of the costs of the FY 20__ Bond Projects as directed by HRTAC. Disbursements from the 20__ Project Fund shall be made by the Trustee to HRTAC or as directed by HRTAC upon receipt by the Trustee of a requisition (upon which the Trustee shall be entitled to rely) signed by an HRTAC Representative and containing all information called for by, and otherwise being in the form of, Exhibit C.

(b) If the Trustee receives an Officer's Certificate stating that certain amounts in the 20__ Project Fund will not be necessary to pay the costs of the FY 20__ Bond Projects, the Trustee shall then apply any remaining balance at the direction of an HRTAC Representative in such manner as will not, in the Opinion of Bond Counsel delivered to HRTAC and the Trustee, have an adverse effect on the tax-exempt status of the 20__ Bonds.

Section 5.3 Bond Debt Service Fund and Debt Service Reserve Fund. (a) Each monthly transfer into the 20__ Bond Debt Service Fund under Section 8.1(b) of the Master Indenture shall be in an amount not less than the sum of (i) one-sixth of the interest due on the 20__ Bonds on the next ensuing Interest Payment Date and (ii) one-twelfth of the principal due on the 20__ Bonds at maturity or upon mandatory redemption on the next ensuing Principal Payment Date.

(b) HRTAC may elect in a future Related Series Supplement to have the 20__ Bond Debt Service Fund or the 20__ Debt Service Reserve Fund, or both, provide for the payment of or secure (or both) a Series of Partial Refunding Bonds.

(c) If HRTAC makes the above-described election with respect to the 20__ Debt Service Reserve Fund, then the definition of "Reserve Requirement" as set forth herein shall change to read as follows: "Reserve Requirement" means an amount equal to the maximum Principal and Interest Requirements in the then-current or any future Fiscal Year on the Outstanding 20__ Bonds and the Outstanding Partial Refunding Bonds, or such lesser amount as may be required by the Tax Regulatory Agreement executed in connection with the Related Series.

Section 5.4 Rebate Fund. The Trustee shall invest and apply amounts on deposit in the 20__ Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the 20__ Tax Regulatory Agreement.

ARTICLE VI SPECIAL COVENANTS

Section 6.1 Tax Regulatory Agreement. (a) HRTAC agrees that it will not take any action, or omit to take any action, if any such action or omission would adversely affect the excludability from gross income of interest on the 20__ Bonds under Section 103 of the Tax

Code. HRTAC agrees that it will not directly or indirectly use or permit the use of any proceeds of the 20__ Bonds or any other funds of HRTAC or take or omit to take any action that would cause the 20__ Bonds to be “arbitrage bonds” under Section 148(a) of the Tax Code. To these ends, HRTAC will comply with all requirements of Sections 141 through 150 of the Tax Code, including the Rebate Requirement, to the extent applicable to the 20__ Bonds.

(b) Without limiting the generality of the foregoing, HRTAC agrees that (i) it will not directly or indirectly use or permit the use of the proceeds of the 20__ Bonds except in accordance with the 20__ Tax Regulatory Agreement and (ii) insofar as the 20__ Tax Regulatory Agreement imposes duties and responsibilities on HRTAC, the 20__ Tax Regulatory Agreement is specifically incorporated by reference into this Section.

(c) The Trustee agrees to comply with all written instructions of an HRTAC Representative given in accordance with the 20__ Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 20__ Tax Regulatory Agreement. The Trustee shall be entitled to receive and may request from time to time from HRTAC written instructions from a nationally-recognized bond counsel acceptable to the Trustee regarding the interpretation of Sections 141 through 150 of the Tax Code, and the Trustee agrees that it will comply with such directions (upon which the Trustee and HRTAC may conclusively rely) so as to enable HRTAC to perform its covenants under this Section.

(d) Notwithstanding any provisions of this Section, if HRTAC shall provide to the Trustee an opinion of nationally-recognized bond counsel addressed and acceptable to HRTAC and the Trustee to the effect that any action required under this Section by incorporation or otherwise is not required or is no longer required to maintain the excludability from gross income of the interest on the 20__ Bonds under Section 103 of the Tax Code, HRTAC and the Trustee may rely conclusively on such opinion in complying with the provisions of this Section.

ARTICLE VII **CONTINUING DISCLOSURE AGREEMENT**

Section 7.1 Purpose. This Article is for the benefit of the Owners of the 20__ Bonds and in order to assist the underwriters of the 20__ Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission by providing certain annual financial information and notices of specified events as specified by the Rule (collectively, “Continuing Disclosure”).

Section 7.2 Annual Disclosure. (a) HRTAC shall provide or cause to be provided annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as specified in Exhibit D hereto.

(b) HRTAC shall provide or cause to be provided annually the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) on or before each March 31, commencing with the information and operating data for the Fiscal Year ending June 30, 20__, to the Municipal Securities Rating Board (the “MSRB”). If the financial statements filed pursuant to this subsection are not audited, HRTAC shall file such statements as audited when available.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC.

(d) HRTAC shall provide or cause to be provided in a timely manner to the MSRB notice specifying any failure of HRTAC to provide the Annual Disclosure by the date specified.

Section 7.3 Event Disclosure. HRTAC shall provide or cause to be provided in a timely manner, not in excess of ten business days from the occurrence of such event, to the MSRB notice of the occurrence of any of the following events with respect to the 20__ Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 - TEB) or other material notices or determinations with respect to the tax status of the 20__ Bonds, or other material events affecting the tax status of the 20__ Bonds;
- (g) modifications to rights of the Owners of 20__ Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the 20__ Bonds;
- (j) release, substitution, or sale of property securing repayment of the 20__ Bonds;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of HRTAC;
- (m) the consummation of a merger, consolidation, or acquisition involving HRTAC or the sale of all or substantially all of the assets of HRTAC, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 7.4 Termination. With respect to any 20__ Bond, the obligations of HRTAC under this Article will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of such 20__ Bonds.

Section 7.5 Amendment. HRTAC may modify its obligations under this Article without the consent of the Owners of the 20__ Bonds, provided that this Article as so modified complies with the Rule as it exists at the time of modification. HRTAC shall within a reasonable time thereafter send to the MSRB a description of such modification(s).

Section 7.6 Defaults. (a) If HRTAC fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Article, any holder (within the meaning of the Rule) of Bonds then Outstanding may, by notice to HRTAC, proceed to protect and enforce its rights and the rights of the other holders by an action for specific performance of HRTAC's covenant to provide the Continuing Disclosure. The Trustee shall have no obligation to enforce or attempt to enforce any of the requirements set forth in this Article VII, whether on behalf of any of the Owners of the Bonds or otherwise.

(b) Notwithstanding anything herein to the contrary, any failure of HRTAC to comply with any obligation regarding Continuing Disclosure specified in this Article (i) shall not be deemed to constitute an event of default under the 20__ Bonds or the Master Indenture or this Series Supplement and (ii) shall not give rise to any right or remedy other than that described in subsection (a) above.

Section 7.7 Additional Disclosure. HRTAC may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, HRTAC shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 7.8 Dissemination Agent. HRTAC may, in its discretion, from time to time appoint or engage an entity to serve as Dissemination Agent to assist HRTAC in providing its Continuing Disclosure under this Article.

Section 7.9 Form of Disclosure. When HRTAC, whether or not through a Dissemination Agent, makes disclosures to MSRB, HRTAC shall ensure that the disclosures made to MSRB shall be in the format and contain the identifying information required by MSRB.

ARTICLE VIII **MISCELLANEOUS**

Section 8.1 Successors and Assigns. This Series Supplement is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 8.2 Severability. If any provision of this Series Supplement is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 8.3 Governing Law. This Series Supplement will be governed by and construed under the applicable laws of the Commonwealth.

Section 8.4 Counterparts. This Series Supplement may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 8.5 Parties Interested. Nothing in this Series Supplement expressed or implied is intended or will be construed to confer upon any Person, other than HRTAC, the Trustee and the Owners of the 20__ Bonds, any right, remedy or claim under or by reason of this Series Supplement, this Series Supplement being intended for the sole and exclusive benefit of HRTAC, the Trustee and the Owners of the 20__ Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Trustee have caused this Series Supplement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

William D. Sessoms Jr.
Chair

[____], as Trustee

By: _____

Name:
Title:

[Signature Page of Series Supplement]

EXHIBIT A

DESCRIPTION OF FY 20__ BOND PROJECTS

EXHIBIT B

FORM OF 20__ BOND

REGISTERED

R-_____

CUSIP

UNITED STATES OF AMERICA COMMONWEALTH OF VIRGINIA

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION HAMPTON ROADS TRANSPORTATION FUND REVENUE BOND SERIES 20__

INTEREST RATE

_____ %

MATURITY DATE

[July 1], 20__

DATED DATE

_____, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT:

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION, a political subdivision of the Commonwealth of Virginia (“HRTAC”), acknowledges itself indebted and for value received promises to pay upon surrender of this Bond at the corporate trust office of [_____], or its successor, as trustee and paying agent (the “Trustee”) under the Indenture (as defined below), to the registered owner of this Bond (the “Owner”), or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, and to pay interest on this Bond semiannually on each [January 1] and [July 1], commencing [July 1], 20__, at the annual rate stated above, solely from the sources pledged for such purpose as described below. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

“Indenture” means the Master Indenture of Trust dated as of July 1, 2016 (the “Master Indenture”), between HRTAC and [_____], or its successor, as trustee (the “Trustee”), and as supplemented by the Supplemental Series Indenture of Trust dated as of _____ 1, 20__ (the “Series Supplement,” and together with the Master Indenture, the “Indenture”), between HRTAC and the Trustee. Unless otherwise defined, each capitalized term used in this Bond has the meaning given it in the Indenture.

Interest is payable (i) from the dated date set forth above (the “Dated Date”), if this Bond is authenticated before [January 1], 20__, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest on this Bond is in default, in which case this Bond shall bear interest from the date to which interest has been paid). Interest on this Bond is computed on the basis of a year of 360 days and twelve 30-day months.

Interest is payable by check or draft mailed to the holder of this Bond at the address that appears on the fifteenth day of the month preceding each Interest Payment Date on the registration books kept by the Trustee. Notwithstanding the foregoing, if (i) the Owner of this Bond owns at least \$1,000,000 in aggregate principal amount of Bonds (as defined below), and (ii) such Owner has provided satisfactory prior notice to the Trustee regarding payment by wire transfer, then interest shall be paid to such Owner by wire transfer. Notwithstanding anything to the contrary contained in this Bond or in the Indenture, for so long as Cede & Co. or any other nominee of The Depository Trust Company (“DTC”) is the Owner of all of the Bonds, the principal of and premium, if any, and interest on this Bond shall be payable pursuant to the additional requirements provided under the Letter of Representations.

If the date of maturity of the principal of this Bond or the date fixed for the payment of interest on or the redemption of this Bond shall not be a Business Day (as defined in the Indenture), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such date of maturity or date fixed for the payment of interest or redemption.

This Bond and the issue of which it is a part and the premium, if any, and the interest on them are limited obligations of HRTAC and payable solely from the revenues, moneys and other property pledged to the Trustee for such purpose under the Indenture on a parity with the other Bonds issued simultaneously herewith and the other Outstanding Bonds now or hereafter to be issued under the Indenture. **THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING ANY MEMBER LOCALITY) OTHER THAN HRTAC. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY DEBT LIMITATION OR RESTRICTION EXCEPT AS PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE VIRGINIA CODE.**

This Bond is one of an issue of \$_____ Hampton Roads Transportation Fund Revenue Bonds, Series 20__ (the “Bonds”), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, authorized and issued by HRTAC pursuant to Chapter 26, Title 33.2, Code of Virginia of 1950, as amended, resolutions adopted by HRTAC on June 16, 2016, and _____, 20__, and the Indenture, to provide proceeds to be used, along with other available funds, to pay the issuance and financing costs of the Bonds, to fund any capitalized interest, to fund any required reserves, and to pay the costs of the construction and acquisition of the transportation facilities and projects described in Exhibit A to the Series Supplement.

Reference is made to the Indenture and all amendments and supplements to it for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of HRTAC and the Trustee, the rights of the Owners of the Bonds and the terms upon which the Bonds are issued and secured. HRTAC may from time to time hereafter issue additional bonds ranking equally with or subordinate to the Bonds for certain purposes on the terms provided in the Indenture.

The Bonds may not be called for redemption except as provided in the Indenture and as described in the succeeding numbered paragraphs.

(1) The Bonds maturing on or before [July 1], 202_u, will not be subject to optional or mandatory redemption.

(2) The Bonds maturing on or after [July 1], 202_u, may be redeemed before maturity at the option of HRTAC from any available moneys on and after [July 1], 202_u, in whole or in part in \$5,000 increments at any time, at 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption.

The maturities of the Bonds to be redeemed by optional redemption shall be selected by HRTAC. In the case of any partial redemption of a maturity of the Bonds, the particular Bonds to be redeemed shall be selected by DTC in accordance with its procedures or, if the book-entry system has been discontinued, by the Trustee by lot in such manner as the Trustee shall determine. Each increment of \$5,000 principal amount of Bonds shall be counted as one Bond for purposes of selecting Bonds for a partial redemption. If this Bond shall be called for partial redemption, upon its surrender a new Bond representing the unredeemed balance of the principal amount will be issued to the Owner.

If any of the Bonds are called for redemption, the Trustee shall send notice of the call for redemption identifying the Bonds to be redeemed by first class mail not less than thirty nor more than sixty days before the date fixed for redemption to the Owner of each Bond to be redeemed at such Owner's address as it appears on the registration books maintained by the Trustee. Provided funds for their redemption are on deposit at the place of payment on the date fixed for redemption, all Bonds called for redemption shall cease to bear interest on such date, shall no longer be secured by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect to it, except as provided in the Indenture.

Modifications or alterations of the Indenture, or of any supplement to it, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds are issuable as registered bonds in denominations of \$5,000 and integral multiples of \$5,000. Upon surrender for transfer or exchange of this Bond at the Trustee's designated corporate trust office, HRTAC shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees or Owner, as applicable, a new Bond or Bonds of like date, tenor and of any authorized denomination for the aggregate principal amount any such transferee or Owner is entitled to receive, subject in each case to such reasonable regulations as HRTAC or the Trustee may prescribe. When presented for transfer, exchange, redemption or payment, this Bond must be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to HRTAC and the Trustee, duly executed by the Owner or by his or her duly authorized attorney-in-fact or legal representative. Any such transfer or exchange shall be at HRTAC's expense,

except that the Trustee may charge the person requesting such transfer or exchange the amount of any tax or other governmental charge required to be paid with respect to it.

The Owner of this Bond shall be treated as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Owner, except that interest payments shall be made to the person registered as Owner on the fifteenth day of the month preceding each Interest Payment Date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

This Bond shall not become obligatory for any purpose, be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond and inserted the date of authentication.

[Signature Page Follows]

IN WITNESS WHEREOF, the Hampton Roads Transportation Accountability Commission has caused this Bond to be signed by the manual or facsimile signature of its Chair, to be countersigned by the manual or facsimile signature of its Executive Director, and its seal to be affixed hereto or a facsimile printed hereon, and this Bond to be dated the Dated Date.

(SEAL)

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

Chair

ATTEST:

Kevin D. Page
Executive Director

[Signature Page of the Bond]

* * * * *

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the above-mentioned Indenture.

Authentication Date: _____, 20____

[_____],
as Trustee

By: _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF
TRANSFeree)

this Bond and all rights under it, and irrevocably constitutes and appoints
_____, attorney, to transfer this Bond on the books kept for its
registration, with full power of substitution.

Dated: _____

Tax I.D. No. _____

Signature Guaranteed:

(NOTE: The signature of the registered owner
or owners must be guaranteed by an Eligible
Guarantor Institution such as a Commercial
Bank, Trust Company, Securities
Broker/Dealer, Credit Union or Savings
Association which is a member of a medallion
program approved by The Securities Transfer
Association, Inc.)

Registered Owner

(NOTE: The signature above must correspond
exactly with must correspond exactly with the
name of the registered owner as it appears on
the front of this Bond.)

EXHIBIT C
20__ PROJECT FUND REQUISITION

[HRTAC Letterhead]

[____], as Trustee
Attn: _____

Requisition No. _____
Dated: _____

Re: Direction to Make Disbursements from the 20__ Project Fund for the HRTAC
Hampton Roads Transportation Fund Revenue Bonds

Pursuant to Section 5.2 of the Supplemental Series Indenture of Trust dated as of
_____, 1, 20__ (the “Series Supplement”), between the Hampton Roads Transportation
Accountability Commission (“HRTAC”), and [____], as trustee (the “Trustee”), the
Trustee is directed to disburse from the 20__ Project Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the
Series Supplement.

The undersigned certifies as follows:

1. The name(s) and address(es) of the person(s), firm(s) or corporation(s) to whom
the disbursement(s) are due and the amounts to be disbursed are as follows:

<u>Name and Address</u>	<u>Amount</u>
-------------------------	---------------

[Use an additional page if necessary.]

2. The total amount to be disbursed is \$_____.
3. The project for which the obligation(s) to be paid was/were incurred:
4. The undersigned is a “HRTAC Representative” within the meaning of the Series
Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT D

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

HRTAC shall provide the following Annual Information:

1. HRTAC's annual Audited Financial and Compliance Report.
2. Updated operating data of the type shown in the Official Statement dated _____, 20____, relating to the 20____ Bonds in the following sections:_____.

EXHIBIT E

CLOSING MEMORANDUM

(See Attached)

Agenda Item 5C
Consent Item

To: Chair Sessions and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: FY2017 HRTAC Meeting Schedule

Recommendation:

The Commission is asked to approve the proposed FY2017 Meeting Schedule to be posted on the HRTAC meeting calendar.

Background:

Of the HRTAC Amended and Restated Bylaws, Article IV.B. states that regular meetings of the Commission shall be held on a periodic basis as determined by resolution of the Commission, but not less frequently than once per quarter, on the third Thursday of the scheduled month at a place to be determined by the Chair, or at such time and place as the Commission may determine. If no meeting is held in January, February or March of a year, then, for purposes of the quarterly meeting requirement in the preceding sentence, a meeting held in April of that year shall be deemed held during the first quarter. The regular meeting for the month of June shall serve as the annual organizational meeting. Article IV.C. states that Special meetings may be called by the Chair, in his or her discretion, or by request in writing of at least seven voting Members. Any request in writing by seven or more voting members shall be addressed to the Chair and shall specify the time and place of meeting and the matters to be considered at the meeting, which time shall not be earlier than the third business day after the day that the Chair receives the request. If the Chair elects to call a special meeting or receives a request in writing from the requisite number of Members, the Chair shall take appropriate action to coordinate the meeting site and time and shall cause notice to be provided to each Member of the Commission to attend the special meeting at the applicable time and place. Such notice shall specify the matters to be considered at the meeting, and shall be sent by electronic (e.g. email) or telephonic means at least forty-eight [48] hours (twenty-four [24] hours if the meeting is called by the Chair in exigent circumstances) in advance of the date of the meeting. Formal notice to any person is not required provided all Members are present or those not present have waived notice in writing, filed with the records of the meeting, either before or after the meeting.



For FY2017, the HRTAC Chair has proposed the following Regular Meeting Schedule: September 15, 2016 – Regular Meeting, December 15, 2016 – Regular Meeting, March 16, 2017 – Regular Meeting, and June 15, 2017 – Regular Meeting/Annual Organizational Meeting. Additional Regular Meetings will be called guided by Article IV.C. of the Amended and Restated Bylaws of the Commission.

Fiscal Impact:

There is no fiscal impact in relation to this Consent Item.

Suggested Motion:

Motion is to approve the FY2017 HRTAC Regular Meeting Schedule with the Chair being authorized to call any additional Regular Meetings in the same manner that he or she may call special meetings under Article IV.C. of the Commission's Amended and Restated Bylaws.



Agenda Item 6A
Action Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: Election of FY2017 Officers of the Commission

Recommendation:

The Nominating Committee recommends that the Commission adopt the proposed FY2017 Slate of Officers.

Background:

Sections III.A. and IV.A. of the HRTAC Amended and Reinstated Bylaws of the Commission Requires that the Commission annually elect from its voting Members a Chair and a Vice-Chair at its Annual Organizational Meeting. At its April 21, 2016 Regular Meeting, the HRTAC Chair appointed a Nominating Committee. The Nominating Committee Chair announced at the May 19, 2016 Regular Meeting the FY2017 Slate of Officers as William D. Sessoms, Jr., Chair and Michael J. Hipple, Vice Chair. No opposition to the 2017 Slate of Officers has been expressed to the Nominating Committee since the May 19 announcement.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item.

Suggested Motion:

Motion is the Commission adopts the proposed FY2017 Slate of Officers by roll call vote for Chair and Vice Chair.



Agenda Item 6B
Action Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: Statement of Investment Policy

Recommendation:

The Finance Committee recommends that the Commission adopt the proposed Statement of Investment Policy effective July 1, 2016.

Background:

During FY2015, HRTAC employed investment and banking services for the investment of Hampton Roads Transportation Funds (HRTF). Since this engagement, a need to develop a more robust Statement of Investment Policy has arisen due to statutory changes that occurred during the 2016 Session of the General Assembly that better identified the authority of HRTAC to invest the HRTF and clarified how those funds can be invested. The proposed Statement of Investment Policy applies to the deposit and investment activities of all HRTAC funds that are eligible for investment except for any funds set aside for post-employment employee benefits. All financial assets of all funds including Hampton Roads Transportation Fund shall be administered in accordance with the provisions of the Policy. At the Finance Committee's meeting on Thursday, June 9, 2016, the Committee was briefed on the proposed Statement of Investment Policy. At its June 9, 2016 meeting, the Finance Committee endorsed the proposed Statement of Investment Policy and recommended to the Commission adoption of the proposed Statement of Investment Policy at the Commission's June 16, 2016 Regular meeting. If adopted by the Commission, the Statement of Investment Policy will become effective July 1, 2016.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item.

Suggested Motion:

Motion is the Commission adopts the proposed Statement of Investment Policy.





Hampton Roads Transportation Accountability Commission

Statement of Investment Policy

Effective July 1, 2016

Adopted on: _____, 2016

Table of Contents

A.	INTRODUCTION.....	1
B.	SCOPE	1
C.	OBJECTIVES	1
D.	STANDARD OF PRUDENCE.....	1
E.	DELEGATION OF AUTHORITY	2
F.	ETHICS AND CONFLICTS OF INTEREST.....	2
G.	AUTHORIZED INVESTMENTS	2
H.	PORTFOLIO DIVERSIFICATION.....	5
I.	MAXIMUM MATURITY	5
J.	SECURITY DOWNGRADES.....	5
K.	INVESTMENT OF BOND PROCEEDS.....	6
L.	SELECTION OF BROKER/DEALERS.....	6
M.	ENGAGEMENT OF INVESTMENT MANAGERS	6
N.	COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS.....	7
O.	SAFEKEEPING AND CUSTODY.....	7
P.	RECORDS AND REPORTS	8
Q.	PERFORMANCE STANDARDS	8
R.	INVESTMENT POLICY ADOPTION.....	8

GLOSSARY

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION STATEMENT OF INVESTMENT POLICY

A. INTRODUCTION

The Hampton Roads Transportation Accountability Commission (“HRTAC” or “Commission”) is a political subdivision of the Commonwealth of Virginia created under §33.2-2601 et seq. of the Code of Virginia. All cash and investment activities shall be conducted in accordance with applicable law, including the Code of Virginia Hampton Roads Transportation Fund (“HRTF”; §33.2-2600 et seq.), Security for Public Deposits Act (“SPDA”; §2.2-4400 et seq.), Investment of Public Funds Act (§2.2-4500 et seq.), and Administration of the Transportation Trust Fund (§33.2-1525), the provisions of any applicable bond resolutions, and this Investment Policy (the “Policy”).

B. SCOPE

This Policy applies to the deposit and investment activities of all HRTAC funds that are eligible for investment except for any funds set aside for post-employment employee benefits. All financial assets of all funds including Hampton Roads Transportation Fund shall be administered in accordance with the provisions of the Policy. Although these funds may be pooled for investment purposes, they may be segregated as necessary for accounting and budgetary reporting purposes. For the purpose of this Policy, these funds are referred to collectively as the “Investment Portfolio”.

C. OBJECTIVES

All investments and deposits will be managed to accomplish the following fundamental goals:

- **Safety of Principal** - The single most important objective is the preservation of principal of those funds within the Investment Portfolio.
- **Maintenance of Liquidity** - The Investment Portfolio will be managed at all times with sufficient liquidity to meet all projected disbursement needs as well as to fund capital projects and other operational requirements which may reasonably be anticipated.
- **Maximizing Return** - The Investment Portfolio shall be managed so as to maximize the return on investments within the context and parameters set forth by the safety and liquidity objectives above.

D. STANDARD OF PRUDENCE

Public funds held and invested by HRTAC shall be held in trust for the citizens of the member jurisdictions and any investment of such funds shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a

like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

E. DELEGATION OF AUTHORITY

The Commission is responsible for the adoption of the Investment Policy, and must approve any revisions or alterations made to it.

HRTAC's Executive Director shall have responsibility for the operation of the cash management and investment program subject to: the Commission's Policies for the Management of Cash, Bank Accounts, and Credit and Debit Cards; the Commission's Policy Relating to Procurement of Goods and Services, Including Procedures for Small Purchases; this Investment Policy; and other policies adopted by the Commission.

Subject to the approval of the Commission, the Executive Director may engage external investment advisors as defined in this Policy, under Section M. Engagement of Investment Managers, to assist in managing HRTAC's Investment Portfolio and to provide advice on the administration of cash and investment activities.

No member of the Commission, or the Executive Director, or any employee of the Commission acting in accordance with Code of Virginia Section §33.2-1525 shall be personally liable for any loss relating to an investment in the absence of negligence, malfeasance, misfeasance, or nonfeasance.

F. ETHICS AND CONFLICTS OF INTEREST

The Executive Director and any HRTAC staff involved in the cash management and investment processes shall comply with the Code of Virginia Section §2.2-3100 et seq., the State and Local Government Conflict of Interests Act. Specifically, no staff shall:

- a) accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence him in the performance of his official duties; or
- b) accept any business or professional opportunity when he knows there is a reasonable likelihood that the opportunity is being afforded to influence him in the performance of his official duties.

The Executive Director and HRTAC staff shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair his ability to make impartial decisions.

G. AUTHORIZED INVESTMENTS

Subject to applicable state laws, federal laws, bond resolutions, and in the case of the LGIP, VIP and Virginia SNAP funds, adoption by the Commission of necessary Resolutions, HRTAC's Investment Portfolio may be invested in the following Authorized Investments. The Executive Director may, but shall not be obligated to, impose additional requirements and restrictions to ensure that HRTAC's goals are met.

1. **U.S. Treasury Obligations.** Bills, notes and any other obligation or securities issued by or backed by the full faith and credit of the United States Treasury. The

final maturity shall not exceed a period of three (3) years from the time of purchase.

2. **Federal Agency/Government Sponsored Enterprise Obligations.** Bonds, notes and other obligations of the United States, and securities issued by any federal government agency or instrumentality or government sponsored enterprise except for Collateralized Mortgage Obligations, with a rating of at least “AA” (or its equivalent) by at least two NRSROs, one of which will be either Moody’s Investors Services, Inc. (“Moody’s”), or Standard & Poor’s, Inc. (“S&P”). The final maturity shall not exceed a period of three (3) years from the time of purchase.
3. **Municipal Obligations.** Bonds, notes and other general obligations of the Commonwealth of Virginia and its agencies, authorities, and political subdivisions upon which there is no default, has a rating of at least “AA” by S&P and “Aa” by Moody’s, matures within three (3) years of the date of purchase, and otherwise meets the requirements of Code of Virginia §2.2-4501.
4. **Commercial Paper.** “Prime quality” commercial paper, with a maturity of 270 days or less, issued by domestic corporations (corporations organized and operating under the laws of the United States or any state thereof) provided that the issuing corporation, or its guarantor, has a short-term debt rating of at least two of the following: P-1 by Moody’s Investors Service, Inc., A-1 by Standard & Poor’s, Inc., F-1 by Fitch Investor’s Services, Inc., and D-1, by Duff and Phelps, Inc., and that otherwise meets the requirements of Code of Virginia §2.2-4502.
5. **Bankers’ Acceptance.** Issued by domestic banks or a federally chartered office of a foreign bank, which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than “A-1” by S&P and “P-1” by Moody’s.
6. **Corporate Notes.** High quality corporate notes with a rating of at least “AA” by S&P and “Aa” by Moody’s. The final maturity shall not exceed a period of three (3) years from the time of purchase
7. **Negotiable Certificates of Deposit and Bank Deposit Notes.** Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least “A-1” by S&P and “P-1” by Moody’s for maturities of one year or less, and a rating of at least “AA” by S&P and “Aa” by Moody’s, for maturities over one (1) year. The final maturity may not exceed a period of three (3) years from the time of purchase.
8. **Bank Deposits and Non-Negotiable Certificates of Deposit.** Demand deposits, time deposits, and other deposits that comply with all aspects of SPDA or with §2.2-4518 with a final maturity no greater than two (2) years.
9. **Repurchase Agreements.** In overnight repurchase agreements provided that the following conditions are met:
 - a. the contract is fully secured by deliverable U.S. Treasury and Federal Agency/Government Sponsored Enterprise obligations as described in paragraphs 1 and 2 above, including the maximum maturity of three (3) years, having a market value at all times of at least one hundred and two percent (102%) of the amount of the contract;

- b. a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
- c. the securities are free and clear of any lien and held by an independent third party custodian acting solely as agent for HRTAC, provided such third party is not the seller under the repurchase agreement;
- d. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the City;
- e. the counterparty is a:
 - i. primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
 - ii. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
- f. the counterparty meets the following criteria:
 - i. a long-term credit rating of at least 'AA' or the equivalent from an NRSRO.
 - ii. has been in operation for at least 5 years, and
 - iii. is reputable among market participants.

10. Money Market Mutual Funds (Open-Ended Investment Funds). Shares in open-end, no-load investment funds provided such funds are registered under the Investment Company Act of 1940 and provided that the fund is rated at least "AAAm" or the equivalent by an NRSRO. The mutual fund must comply with all requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission, provided the investments by such funds are restricted to investments otherwise permitted by the Code of Virginia for political subdivisions.

11. Local Government Investment Pool (LGIP). A specialized commingled investment program that operates in compliance with Government Accounting Standards Board's Statement 79 ("GASB 79") that was created in the 1980 session of the General Assembly (Code of Virginia §2.2-4700 et seq.) designed to offer a convenient and cost-effective investment vehicle for public funds. The LGIP is administered by the Treasury Board of the Commonwealth of Virginia and is rated AAAm by Standard & Poor's.

12. Virginia Investment Pool (VIP). A commingled investment program organized as a local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from Standard and Poor's of AAf/S1.

13. Virginia State Non-Arbitrage Program's (Virginia SNAP) SNAP Fund. A specialized commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (Code of Virginia §2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage

rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

H. PORTFOLIO DIVERSIFICATION

The Investment Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio permitted in each eligible security is as follows:

Permitted Investment	Sector Limit	Issuer Limit
U.S. Treasury Obligations	100%	100%
Federal Agency/GSE Obligations	100%	35%
Municipal Obligations	15%	5%
Commercial Paper	35%	5%
Bankers' Acceptances	35%	5%
Corporate Notes	15%	5%
Negotiable Certificates of Deposit and Bank Deposit Notes	15%	5%
Bank Deposits and Non-Negotiable Certificates of Deposit	100%	100%
Repurchase Agreements	25%	25%
Money Market Mutual Funds	25%	25%
LGIP	100%	100%
VIP	25%	25%
Virginia SNAP-SNAP Fund (Proceeds of Tax Exempt Bonds Only)	100%	100%

In addition, HRTAC will hold no more than 10% of the outstanding shares of any comingled investment program including but not limited to money market mutual funds, LGIP, VIP, and/or the SNAP Fund.

I. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet HRTAC's cash flow needs is essential. Accordingly, to the extent possible, the Investment Portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Whenever practical, selection of investment maturities will be consistent with known cash requirements in order to minimize the potential for a forced sale of securities in order to provide cash for disbursement needs.

To manage market value volatility, the duration and/or weighted average maturity of the total Investment Portfolio shall not exceed two (2) years.

J. SECURITY DOWNGRADES

In the event that any security held in the Investment Portfolio is downgraded below "AA" or equivalent rating by any NRSRO, the Executive Director shall be notified immediately and the downgraded security shall be liquidated in 30 days unless the Commission authorizes otherwise.

K. INVESTMENT OF BOND PROCEEDS

HRTAC intends to comply with all applicable sections of the Internal Revenue Code relating to Arbitrage Rebate and the investment of bond proceeds. All investment records will be maintained to ensure compliance with all regulations.

L. SELECTION OF BROKER/DEALERS

The Executive Director will maintain a list of broker/dealers that are approved for investment purposes. All broker/dealers who desire to provide investment services will be provided with current copies of the HRTAC's Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not recommend or sell to HRTAC any security that is in conflict with the Policy.

At the request of the Executive Director, broker/dealers will supply HRTAC with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information will be provided:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- 2) Proof of Financial Institution Regulatory Authority ("FINRA") certification
- 3) Proof of state registration;
- 4) Certification of having read and understood and agreeing to comply with the HRTAC's investment policy;
- 5) Evidence of adequate insurance coverage;
- 6) A sworn statement by an authorized representative of the broker/dealer pledging to adhere to "Capital Adequacy Standards" established by the Federal Reserve Board and acknowledging the broker/dealer understands that the HRTAC has relied upon this pledge; and
- 7) any additional information requested by the Executive Director in evaluating the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for HRTAC:

- 1) "Primary" dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of at least \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the Financial Institution Regulatory Authority ("FINRA");
- 5) Registered to sell securities in the Commonwealth of Virginia; and
- 6) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

If an external third-party Investment Manager is engaged, the Executive Director may designate that Investment Manager to maintain a list of approved broker/dealers.

M. ENGAGEMENT OF INVESTMENT MANAGERS

HRTAC may engage one or more qualified firms to provide investment management services. All investment management firms who desire to provide investment services to HRTAC will be provided with current copies of the Investment Policy. Before an

organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not purchase for HRTAC any security that, at the time of purchase, is in conflict with the Policy.

Only firms meeting the following requirements will be eligible to serve as investment manager for HRTAC:

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to HRTAC an annual updated copy of Form ADV, Part II;
- 3) Must be registered to conduct business in the Commonwealth of Virginia; and
- 4) Must have proven experience in providing investment management services under Code of Virginia §2.2-4500 et seq.

Any firm engaged by HRTAC to provide investment services shall:

- 1) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the Commonwealth of Virginia;
- 2) Provide monthly reports of transactions and holdings to the Executive Director;
- 3) Provide quarterly performance reports that display investment performance in comparison to HRTAC's investment benchmarks;
- 4) Upon request must show that it has solicited at least three bids for any security purchased or sold on behalf of HRTAC; and
- 5) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to HRTAC.

N. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

All securities purchases and sales will be transacted only with designated broker/dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers, taking into consideration current market conditions. Electronic bids will be accepted. HRTAC or its Investment Manager will accept the bid which: (a) offers the highest rate of return within the maturity required and (b) optimizes the investment objective of the overall Investment Portfolio, including diversification requirements. When selling a security, the bid will be selected that generates the highest sale price, consistent with the diversification requirements.

O. SAFEKEEPING AND CUSTODY

All investment securities purchased by or for HRTAC shall be held by a third-party custodial agent that may not otherwise be counterparty to the investment transaction. The custodial agent shall annually provide a copy of its most recent Statement on Standards for Attestation Engagements (SSAE) No. 16 report.

All securities in HRTAC's Investment Portfolio will be held in the name of HRTAC and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. On a monthly basis, the custodial agent will provide reports that list details of all securities held for HRTAC including CUSIP, original cost, and market value as of month-end.

Original copies of non-negotiable certificates of deposit and confirming copies of all other investment transactions must be delivered to HRTAC or its custodial agent.

P. RECORDS AND REPORTS

The Executive Director will review an investment performance report on at least a quarterly basis as provided by external investment managers and pooled investment programs. The Executive Director shall report investment performance to the Commission on a quarterly basis.

In addition to quarterly performance reports, monthly reports of balances and holdings shall be provided to the Commission. The reports shall consist of a summary of cash and investments by depository and manager and a listing of all investments.

Q. PERFORMANCE STANDARDS

The Investment Portfolio will be designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with HRTAC's risk tolerances and cash flow needs. HRTAC's portfolio management approach will be active, allowing periodic restructuring of the Investment Portfolio to take advantage of current and anticipated interest rate movements.

The returns on the Investment Portfolio will be compared on a quarterly basis to indices of U.S. Treasury securities having similar maturities or to other appropriate benchmarks as selected by the Executive Director. For funds having a weighted average maturity greater than 90 days, performance will be computed on a total return basis.

R. INVESTMENT POLICY ADOPTION

This policy is enacted by the Hampton Roads Transportation Accountability Commission, this _____ day of _____, 2016, and will become effective July 1, 2016.

Name, Chair

Name, Vice-Chair

Glossary of Terms

Bankers' Acceptance: a draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker: brings buyers and sellers together for a commission.

Certificate of Deposit (CD): a time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

Collateral: securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC regulation.

Corporate Notes: Unsecured promissory notes issued by corporations to raise capital.
Dealer: acts as a principal in all transactions, buying and selling for his own account.

Debenture: a bond secured only by the general credit of the issuer.

Delivery versus Payment: delivery of securities with an exchange of money for the securities. (See also "Delivery versus Receipt")

Delivery versus Receipt: delivery of securities with an exchange of a signed receipt for the securities. Also known as "free" delivery. (See also "Delivery versus Payment").

Diversification: allocation of investment funds among a variety of securities offering independent returns.

Federal Agency: government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets, also referred to as Government Sponsored Enterprises or GSEs. The largest are Ginnie Mae, Fannie Mae, Freddie Mac, Federal Home Loan Banks, Federal Farm Credit Bank, Tennessee Valley Authority.

Federal Funds: funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate: the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open – market operations.

Liquidity: the ability of ease with which an asset can be converted into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be transacted at those quotes.

Market Value: the price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: the date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (the “SEC”) permits other financial firms to use for certain regulatory purposes. Several examples include Moody’s Investor Service, Standard & Poor’s and Fitch Ratings.

Portfolio: collection of securities held by an investor.

Primary Dealer: a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Rate of Return: the yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): a agreement under which the holder of securities sells these securities to an investor with a commitment to repurchase the securities at a fixed price on a fixed date. The security’s “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

Safekeeping: a service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank for protection.

SEC Rule 15C3-1: see “Uniform Net Capital Rule”.

Securities and Exchange Commission (“SEC”): agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds: long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: the rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Agenda Item 6C
Action Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: Amendment to the HRTAC Approved FY2016-FY2022 Funding Plan, Route 460/58/13 Connector Improvements, Standard Project Services to Support Preliminary Engineering Phase (UPC 106694)

Recommendation:

The Commission is being asked to approve \$5,000,000 in HRTF funding for part of the Preliminary Engineering Phase of the Route 460/58/13 Connector (UPC 106694). This recommendation assumes that HRTAC will engage VDOT and that HRTAC's agreement with VDOT will be memorialized in a Standard Project Agreement, which includes a provision stating that if any federal and/or state (e.g. HB2) funds are awarded to the project, the benefit of the additional funding will be reflected in an amendment (i.e., a re-sizing or float down of the HRTAC commitment).

Background:

VDOT has requested HRTAC allocation of \$5,000,000 to conduct the Route 460/58/13 Connector, Standard Project Services to Support Preliminary Engineering Phase (UPC 106694). The Commission heard this request at its April 16, 2015 Regular meeting and referred the project to the Technical Advisory Committee (now the Funding Strategies Advisory Committee). The Technical Advisory Committee recommended approval of VDOT's request at its August 20, 2015 meeting based on VDOT's estimated reduced cost of \$2,500,000. The project is now ready to advance to its next level of project readiness and receive allocation of funds and VDOT has reaffirmed that the original requested \$5,000,000 is necessary to complete the Preliminary Engineering Phase. The Route 460/58/13 Connector project is identified in the HRTAC-adopted Funding Plan with incremental funding to be allocated as determined. This project component involves the Preliminary Engineering of two highway overpass connector roads, SPSA and the Hampton Roads Executive Airport, and road improvements in this highway section between the Suffolk Bypass and I-664. The project will improve traffic flow, connectivity, and congestion.

HRTAC will need to amend its HRTAC 2016-2022 Funding Plan Approved March 17, 2016 to provide \$5,000,000 in HRTF funding. The updated financial information proposed for the Route 460/58/13 Connector project to be included in the HRTAC 2016-2022 Funding Plan



amendment is as follows:

Route 460/58/13 Connector, Standard Project Services to Support Preliminary Engineering Phase (UPC 106694).

- Add FY2017 of \$1,527,768 Hampton Roads Transportation Fund (HRTF)
- Add FY2018 of \$1,666,656 HRTF
- Add FY2019 of \$1,666,656 HRTF
- Add FY2020 of \$138,920 HRTF
- Total allocated HRTF funds for Preliminary Engineering - \$5,000,000

The Funding Strategies Advisory Committee conducted a Commission authorized public hearing on Tuesday, June 14, 2016. The comments received at this public hearing will be discussed as a part of this Action briefing prior to Commission action.

Fiscal Impact

There will be an impact to the Hampton Roads Trust Fund in the amount of \$5,000,000 in relation to this Action Item.

Suggested Motion:

Motion. Motion is to adopt Resolution 2016-09, "Amendment to the HRTAC Approved FY2016-FY2022 Funding Plan, Route 460/58/13 Connector Improvements, Standard Project Services to Support Preliminary Engineering Phase (UPC 106694)", attached.



APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

HRTAC Project Title:	Route 460/58/13 Connector (UPC 106694)
Scope of Project Services:	Standard Project Services to Support PE Phase for Route 460/58/13 Connector (UPC 106694)
Recipient Entity:	Virginia Department of Transportation
VDOT Project Contact:	Tony Gibson (757) 556-7885
Baseline Schedule: PE (RW/CN will be added at a later date)	PE: Start July 2016

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	HRTAC PayGo Funds	HRTAC Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work			\$ -		\$ -	\$ -
Engineering						
Environmental Work	\$ 5,000,000.00	\$ 5,000,000.00				
Right-of-Way Acquisition						
Construction						
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 5,000,000.00	\$ 5,000,000.00	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019		Total Fiscal Year 2020	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work								
Engineering								
Environmental Work	1,527,768.00		1,666,656.00		1,666,656.00		138,920.00	
Right-of-Way Acquisition								
Construction								
Contract Administration								
Testing Services								
Inspection Services								
Capital Asset Acquisitions								
Other								
Total Estimated Cost	\$ 1,527,768.00	\$ -	\$ 1,666,656.00	\$ -	\$ 1,666,656.00	\$ -	\$ 138,920.00	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 17 Mthly Cash Flow		FY 18 Mthly Cash Flow		FY 19 Qtrly Cash Flow		FY 20 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 138,888.00		\$ 138,888.00		\$ 138,920.00	
August	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
September	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
October	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
November	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
December	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
January	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
February	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
March	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
April	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
May	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
June	\$ 138,888.00		\$ 138,888.00		\$ 138,888.00			
Total per Fiscal Year	\$ 1,527,768.00	\$ -	\$ 1,666,656.00	\$ -	\$ 1,666,656.00	\$ -	\$ 138,920.00	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Virginia Department of Transportation

Hampton Roads Transportation Accountability Commission

Signature
Commissioner
Title

Signature
HRTAC Chairman
Title

Date
Charles A. Kilpatrick, P.E.
Print name of person signing

Date
William D. Sessions, Jr.
Print name of person signing





HRTAC RESOLUTION 2016-10

RESOLUTION AMENDMENT TO THE HRTAC APPROVED FY2016-FY2022 FUNDING PLAN, ROUTE 460/58/13 CONNECTOR IMPROVEMENTS, STANDARD PROJECT SERVICES TO SUPPORT PRELIMINARY ENGINEERING PHASE (UPC 106694)

WHEREAS, the Route 460/58/13 Connector Project (UPC 106694) (the “Route 460/58/13 Connector” or “Project”), which this project component involves the Preliminary Engineering of two highway overpass connector roads, SPSA and the Hampton Roads Executive Airport, and road improvements in this highway section between the Suffolk Bypass and I-664, is one of the projects included in the Commission’s funding plan adopted by the Commission on March 17, 2016 (the “Funding Plan”);

WHEREAS, The Route 460/58/13 Connector project is identified in the HRTAC-adopted Funding Plan with incremental funding to be allocated as determined;

WHEREAS, the Virginia Department of Transportation (“VDOT”) has recommended that the Commission engage VDOT to commence the initial preliminary engineering phase for the Project at an estimated cost of \$5,000,000 (the “PE Work”), which engagement would be made pursuant to a Standard Project Agreement in substantially the form used for the I-64 Peninsula Widening Segments II and III Projects, with Appendices A and B conformed to reflect the preliminary engineering work and \$5,000,000 cost allocation (the “Applicable Project Agreement”);

WHEREAS, the Commission is prepared to enter into the Applicable Project Agreement, which includes a provision stating that if any federal and/or state (e.g., HB2) funds are awarded to the Project, the benefit of the additional funding will be reflected in an amendment (to re-size or float down the funds allocated by HRTAC) (the “Float Down Provision”); and

NOW, THEREFORE, BE IT RESOLVED, that the Commission reaffirms its interest in advancing project readiness of the Route 460/58/13 Connector Project, amends its Approved HRTAC FY2016-FY2022 Funding Plan approving the allocation of \$5,000,000 of Hampton Roads Transportation Fund revenues for the PE Work, which will be allocated among Fiscal Years 2017, 2018, 2019 and 2020 as set forth below, and reaffirms its interest in obtaining HB2 funds and its desire for the HB2 funding to match the HRTAC funding:

- a. FY2017, \$1,527,768
- b. FY2018, \$1,666,656
- c. FY2019, \$1,666,656
- d. FY2020, \$138,920; and

BE IT FURTHER RESOLVED, that the Commission (i) approves the Commission entering into the Applicable Project Agreement with VDOT (which will include the Float Down Provision), subject



to such clarifications, if any, as the Chair and Executive Director, upon advice of counsel, may deem reasonably necessary and appropriate to carry out the intent of the Commission's resolutions set forth herein, and (ii) authorizes the Chair to finalize, execute and deliver on behalf of the Commission such Applicable Project Agreement.

APPROVED and ADOPTED by the Hampton Roads Transportation Accountability Commission at its meeting on the 16th day of June, 2016.

William D. Sessoms, Jr.
Chair
Hampton Roads Transportation
Accountability Commission

Clyde A. Haulman
Vice-Chair
Hampton Roads Transportation
Accountability Commission

Agenda Item 6D
Action Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: Amended and Reinstated Bylaws, First Reading

Recommendation:

The Executive Director requests that the Commission consider proposed amendments to the Amended and Reinstated Bylaws and endorse posting those proposed amendments to allow for Commission review and public comments prior to Commission action at its next Regular meeting.

Background:

During the 2016 Acts of Assembly, the legislature passed House Bill 1111 that included changes to the Commission structure regarding HRTAC Board member appointments by the four county member jurisdictions, and the legislation added the flexibility for a member serving and city or county to, subject to certain conditions, appoint a temporary replacement for a meeting in the event the member is unable to attend that one meeting. These changes will become effective on July 1, 2016. The changes should be reflective in the Commission's Bylaws, so at the June 16, 2016 Annual Organizational Board meeting, HRTAC Counsel will present proposed amendments to the Bylaws.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item.

Suggested Action:

Consider the proposed amendments, through the first reading by Counsel and direct the Executive Director to post the proposed amendments for further review and comment.



SECOND AMENDED AND RESTATED BYLAWS

OF

HAMPTON ROADS

TRANSPORTATION ACCOUNTABILITY COMMISSION

ARTICLE I

POWERS AND DUTIES

The Hampton Roads Transportation Accountability Commission (the “Commission”) shall have all of the rights, powers and duties, and shall be subject to the limitations and restrictions, set forth in Chapter 26 of Title 33.2 of the Code of Virginia of 1950, as amended (the “Virginia Code”), as such may be amended from time to time (the “Act”).

ARTICLE II

MEMBERSHIP

A. Commission Members. The Commission consists of twenty-three (23) members (“Members” or “Member”) as follows:

1. The chief elected officer of the governing body of each of the ~~14 counties and ten~~ (10) cities embraced by the Commission.
2. A current elected official of each of the four (4) counties embraced by the Commission, provided that such official (a) serves on the governing body of the county and (b) has been appointed by resolution of such governing body to serve as the county's member on the Commission.
3. ~~2.~~ Three members of the House of Delegates who reside in different counties or cities embraced by the Commission. The House members shall be appointed to the Commission by the Speaker of the House.
4. ~~3.~~ Two members of the Senate who reside in different counties or cities embraced by the Commission. The Senate members shall be appointed to the Commission by the Senate Committee on Rules.

5. ~~4.~~ A member of the Commonwealth Transportation Board who resides in a locality embraced by the Commission and appointed by the Governor, who shall serve as a nonvoting ex officio member of the Commission.
6. ~~5.~~ The Director of the Virginia Department of Rail and Public Transportation, or his or her designee, who shall serve as a nonvoting ex officio member of the Commission.
7. ~~6.~~ The Commonwealth Transportation Commissioner of Highways, or his or her designee, who shall be a nonvoting ex officio member of the Commission.
8. ~~7.~~ The Executive Director of the Virginia Port Authority, or his or her designee, who shall serve as a nonvoting ex officio member of the Commission.

B. Designees. If a Member of the Commission described in Article II, section A, subsection (1) or (2) is unable to attend a meeting of the Commission, the Member may designate another current elected official of such governing body to attend the meeting of the Commission. Such designation shall be for the purposes of the one meeting that the Member will be unable to attend and shall be submitted in writing or electronically to the Chair of the Commission at least forty-eight (48) hours prior to the affected meeting.

ARTICLE III

OFFICERS AND DUTIES

A. Officers. The Commission shall annually elect from its voting Members a Chair and a Vice-Chair. The Commission may further elect such other subordinate officers from among its Members as it may from time to time deem appropriate. The election of officers shall be conducted in accordance with the voting procedures set forth in Article IV, section K.

B. Terms of Office. Officers of the Commission shall be elected at the annual organizational meeting of the Commission, to serve for a term of one (1) year or until a successor is elected, unless sooner removed by the Commission or the person ceases to be a Member of the Commission. All officers shall be eligible for reelection; provided, however, no officer may serve more than two (2) consecutive one (1) year terms in succession. Any officer who serves a partial term shall not be considered as serving a full term for purposes of this limitation. Any vacancy occurring in an office will be filled for the unexpired term by the Commission at the next regular meeting (or at an earlier special meeting called for that purpose) following the occurrence of such vacancy.

C. Appointment. At a regular meeting held preceding the annual organizational meeting at which the election of officers will be held, the Chair shall appoint a nominating committee. At the annual organizational meeting, the nominating committee shall submit the name or names of one or more persons for each office to be filled. Further nominations may be made by any Member at the annual meeting.

D. Chair. The Chair shall preside over all meetings of the Commission at which he or she is present, and shall vote as any other Member. The Chair shall be responsible for the

implementation of the actions taken and policies established by the Commission, shall have all of the powers and duties customarily pertaining to the office of Chair, and shall perform such other duties as may from time to time be established by the Commission.

E. Vice Chair. In the event of the absence of the Chair, or the inability of the Chair to perform any of the duties of the office or to exercise any of the powers thereof, the Vice Chair shall perform such duties and possess such powers as are conferred on the Chair, and shall perform such other duties as may from time to time be assigned to the Vice Chair by the Chair or be established by the Commission.

ARTICLE IV

MEETINGS

A. Annual Organizational Meeting. The annual organizational meeting of the Commission shall be held by the Commission in the month of June for the purpose of electing officers and transacting such other business as may come before the meeting.

B. Regular Meetings. Regular meetings of the Commission shall be held on a periodic basis as determined by resolution of the Commission, but not less frequently than once per quarter, on the third Thursday of the scheduled month at a place to be determined by the Chair, or at such time and place as the Commission may determine. If no meeting is held in January, February or March of a year, then, for purposes of the quarterly meeting requirement in the preceding sentence, a meeting held in April of that year shall be deemed held during the first quarter. The regular meeting for the month of June shall serve as the annual organizational meeting.

C. Special Meetings. Special meetings may be called by the Chair, in his or her discretion, or by request in writing of at least seven voting Members. Any request in writing by seven or more voting ~~members~~Members shall be addressed to the Chair and shall specify the time and place of meeting and the matters to be considered at the meeting, which time shall not be earlier than the third business day after the day that the Chair receives the request. If the Chair elects to call a special meeting or receives a request in writing from the requisite number of Members, the Chair shall take appropriate action to coordinate the meeting site and time and shall cause notice to be provided to each Member of the Commission to attend the special meeting at the applicable time and place. Such notice shall specify the matters to be considered at the meeting, and shall be sent by electronic (e.g. email) or telephonic means at least forty-eight [48] hours (twenty-four [24] hours if the meeting is called by the Chair in exigent circumstances) in advance of the date of the meeting. Formal notice to any person is not required provided all Members are present or those not present have waived notice in writing, filed with the records of the meeting, either before or after the meeting.

D. Adjourned Meetings. Any regular or special meeting may be adjourned to a date and time certain.

E. Public Notice. All meetings of the Commission shall be preceded by public notice given in accordance with the provisions of Section 2.2-3707 of the Virginia Code. Notice of all

meetings shall be published on the Commission's website and available in the offices of the Commission.

F. Public Hearing. Public hearings may be held at the direction of the Commission and shall, unless otherwise specified by the Commission or these Bylaws, be upon notice published on the Commission's website and in a newspaper or newspapers having general circulation in the geographic area encompassed by the Commission.

G. Open Meetings. All Commission meetings shall be open to the public in accordance with the Virginia Freedom of Information Act (Virginia Code §2.2-3700 et seq.), provided that the Commission may meet in closed session for those purposes authorized by, and held in accordance with the requirements of the Virginia Freedom of Information Act, to include requirements for public notice.

H. Quorum. A majority of the Commission (both voting and nonvoting), which shall include at least a majority of the total of chief elected officers ~~of and elected officials who represent~~ the counties and cities embraced by the Commission, or their designees pursuant to Article II, section B, shall constitute a quorum.

I. Temporary Absence. No action shall be voted upon by the Commission unless a quorum is present; provided, however, that the temporary absence from the meeting room of Members (or designees attending pursuant to Article II, section B) required to constitute a quorum shall not be deemed to prevent presentations or deliberations regarding any matter that may be submitted to a vote. The Chair or any other Member may note the absence of a quorum during presentations or deliberations, but a failure to note the absence of a quorum during that period shall not affect the requirement that a quorum exist when any vote is taken.

J. Decisions of the Commission. The Commission shall act in one of the following ways:

1. Resolution – The Commission may act upon adoption of a resolution. Resolutions shall be in writing and a copy of any proposed resolution shall be provided to all Members of the Commission before the resolution is proposed for adoption. To the extent possible, such copy shall be provided twenty-four (24) hours in advance.
2. Motion – The Commission may act on oral motion made by a voting Member of the Commission (or a designee attending pursuant to Article II, section B).

K. Voting.

1. Votes – Votes shall be taken only upon motions made and seconded. Each voting Member of the Commission (or if a Member has a designee attending pursuant to Article II, section B, then that Member's designee) shall be entitled to one (1) vote in all matters requiring action by the Commission. Decisions of the Commission shall require the affirmative vote of two-thirds of the voting Members, or their designees attending pursuant to Article II, section B, present and voting, and two-thirds of the total of chief elected ~~Officers~~

~~or officers and elected officials who represent~~ the counties and cities embraced by Planning District ~~23~~23, or their designees pursuant to Article II, section B, who are present and voting and whose counties and cities include at least two-thirds of the population embraced by the Commission. However, no vote to fund a specific facility or service shall fail because of the aforesaid population criterion if such facility or service is not located or to be located, or provided or to be provided, within the county or city whose representative's (or its respective designee attending pursuant to Article II, section B) cast the sole negative vote that caused the facility or service to fail to meet the population criterion. For purposes of the foregoing, the population of the counties and cities embraced by the Commission shall be determined in accordance with the Act.

2. Methods of Voting – All voting shall be taken by voice or by roll call if requested by any voting Member (or any designee attending pursuant to Article II, section B).
3. Restating the Question – The Chair shall restate the question prior to the taking of a vote, provided, however, that at the request of the Chair, a Member (or a designee attending pursuant to Article II, section B) may restate the question if it is the opinion of the Chair that such procedure will expedite the decision of the question.
4. Reconsideration – Action on a resolution or motion that has been approved may be reconsidered only upon motion of a Member (or a designee attending pursuant to Article II, section B) voting with the prevailing side on the original vote, which motion must be made at the same regular meeting. A motion to reconsider may be seconded by any Member (or a designee attending pursuant to Article II, section B). Any resolution or motion that failed as a result of a tie vote may be reconsidered upon motion by any Member (or a designee attending pursuant to Article II, section B) who voted against it, which motion must be made at the same meeting or the next regularly scheduled meeting.

L. Commencement of Meetings. At the times specified for the commencement of regular meetings, and at the hour specified for adjourned or special meetings, the Chair shall call the meeting to order, and shall ensure that the presence ~~or absence~~ of Members (or their designees) or absence is noted. A quorum shall be required for the commencement of any meeting.

M. Agenda. The Chair shall prepare an agenda for each meeting. Any Member having matters to be considered by the Commission shall submit them to the Chair for inclusion on an appropriate agenda. The agenda for an upcoming meeting shall be sent to the Members prior to the meeting date (for regular meetings, the Chair should endeavor to provide the agenda at least seven (7) days in advance).

N. Minutes. Minutes of the meetings of the Commission, except closed sessions, shall be kept and be a public record. Copies of the minutes shall be provided to each Member prior to the meeting at which the minutes are to be presented for approval by the Commission.

O. Closed Sessions. If a closed session is required at a meeting, consistent with purposes permitted by Virginia law, the agenda shall specify a time or position on the agenda, generally after all public business has concluded, for such a closed session properly called and conducted in accordance with Virginia law. When so requested, the Chair may permit a closed session at any other time prior to consideration of any agenda item provided that the purpose of the closed session and the procedure used to go into closed session are in accordance with Virginia law.

P. Order in Conduct of Business.

1. Persons Addressing the Commission – Prior to public comment and public hearings, the Commission will provide guidelines for length of presentation by individuals and group representatives. Persons speaking at a meeting or public hearing shall confine their remarks to the subject of the meeting or public hearing. At the discretion of the Chair, the conduct of business by the Commission may be reordered to allow earlier consideration of matters about which a substantial number of persons desire to address the Commission. Persons addressing the Commission may furnish the Chair and Members with a written copy of their remarks, at or before the meeting.
2. Recognition – Recognition shall be given only by the Chair. No person shall address the Commission without first having been recognized.
3. Questions – Questions by Members (or their designees) shall be reserved insofar as possible for the end of a presentation to avoid interrupting the speaker, disrupting the time-keeping process, and duplicating ground the speaker may cover.
4. Commission Discussion – Discussion and debate by the Commission shall be conducted following the presentation of the item of business pending. Members No Member (or designee) shall ~~not~~ speak to the item until recognized by the Chair.

Q. Decorum.

1. Commission Members – Decorum of Members (and designees) shall be maintained in order to expedite disposition of the business before the Commission. Questions and remarks shall be limited to those relevant to the pending business. Members (and designees) shall address all remarks to the Chair.
2. Others – Decorum of persons other than Members shall be maintained by the Chair, who may request such assistance as may appear necessary. Persons addressing the Commission shall first be recognized by the Chair and shall audibly state their name and address, and, if applicable, who they represent. Speakers shall limit their remarks to those relevant to the pending items and to answering questions. They shall address the Commission as a whole unless answering a question of an individual Member's ~~questions~~ (or designee). Persons

whose allotted time to speak has expired shall be warned by the Chair to conclude after which such person shall leave, unless he or she is asked to remain to answer questions from the Commission. The Chair shall call the speaker to order if out-of-order remarks are made or other indecorous conduct occurs. If such persists, the Chair shall rule the speaker out-of-order and direct the speaker to leave. Groups or a person in the audience creating an atmosphere detrimental or disturbing to the conduct of the meeting will be asked to leave by the Chair.

ARTICLE V

COMMITTEES

A. Open Meeting Requirement. Commission appointed committees and subcommittees shall comply with the open meeting requirements of the Virginia Freedom of Information Act.

B. Finance Committee.

1. **Charge.** This committee shall be responsible for advising the Commission on all financial matters and overseeing financial activities undertaken by the Commission, including:
 - a. Reviewing, commenting on, and recommending the annual budget and adjustments to the budget,
 - b. Recommending the Commission's financial policies (e.g., bond, investment, procurement, risk management, debit and credit card, direct debit, and small purchases) and making recommendations,
 - c. Monitoring the Commission's compliance with policies and procedures,
 - d. Reviewing financial statements, and
 - e. Working with the Auditor of Public Accounts in performing the annual audit.
2. **Membership.** The Committee shall consist of five (5) Members of the Commission appointed by the Chair for staggered two year terms.
3. **Chair.** The chair and the vice chair of the Committee shall be appointed by the Chair of the Commission.
4. **Staff Support.** Staff support may be requested by the committee chair from HRTAC personnel or VDOT, HRTPO, jurisdictional or other agency staff.
5. **Quorum and Voting.** A quorum shall consist of a majority (3) of the committee members. Approval of recommendations shall require an affirmative vote of a majority of the members present.

C. Funding Strategies Advisory Committee.

1. Charge. This committee of individuals shall be responsible for recommending funding strategies to build a program of projects identified by the HRTPO and the Commission.
2. Membership. The Committee shall consist of nine (9) individuals. The Chair shall appoint six (6) members who reside or are employed in counties and cities embraced by the Commission and who have experience in transportation planning, finance, engineering, construction, or management. Initially, half the members appointed by the Chair will serve a one year term. The other half will serve two year terms. Subsequently, members will serve three year terms. The Chair of the Commonwealth Transportation Board will appoint three (3) members of the funding strategies advisory committee and each of them will serve a three year term. Committee members appointed by the Chair may be removed by the Chair if the member fails to attend three consecutive meetings or no longer resides or is employed in a jurisdiction embraced by the Commission, or if the Chair receives a request for removal from the chief elected officer of the jurisdiction embraced by the Commission in which the member resides or is employed. Except for an employee who is also a Member of the Commission, no employee of any county or city embraced by the Commission shall be eligible to serve on this Committee.
3. Chair. The chair and the vice chair of the Committee shall be appointed by the Chair of the Commission.
4. Staff Support. Staff support may be requested by the committee chair from HRTAC personnel or VDOT, HRTPO, jurisdictional or other agency staff.
5. Quorum and Voting. A quorum shall consist of a majority (5) of the committee members. Approval of recommendations or actions shall require an affirmative vote of a majority of the members present, which shall include at least three of the members appointed by the Chair.

D. Additional Committees. The Commission may, in its discretion, form such additional advisory committees as it may deem appropriate.

E. Ad Hoc Committees. As needed, the Chair of the Commission may appoint ad hoc committees to pursue specific tasks (e.g., nominating committee; personnel committee). In the absence of an appointed personnel committee, the Finance Committee shall be responsible for conducting the Executive Director's annual review, reviewing employee compensation and recommending adjustments thereto.

ARTICLE VI

ADMINISTRATION

A. Executive Director. The Commission shall employ or contract with an Executive Director who shall have direct authority for the employment, retention, and supervision of all of the other employees of the Commission. The Executive Director shall have direct control, subject to the oversight and authority of the Commission, of the management of the day-to-day administrative affairs of the Commission. The Executive Director shall propose activities to the Commission and shall carry out policies, programs and projects approved by the Commission, and shall be responsible for preparing and presenting the annual budget. The Executive Director may not contemporaneously serve as a member of the Commission.

B. Staff. The Commission may employ or contract for such staff of qualified professional and other persons as the Commission determines to be necessary to carry out its duties and responsibilities. Staff of the Commission may not contemporaneously serve as a member of the Commission.

C. Execution of Instruments. The Executive Director, on specific authorization by the Commission, shall have the power to sign or countersign in its behalf any agreement or other instrument to be executed by the Commission including checks and vouchers in payment of obligations of the Commission.

ARTICLE VII

FINANCES

A. Finances and Payments. The monies of the Commission shall be deposited in a separate bank account or accounts in such banks or trust companies as the Commission designates, and all payments (with the exception of those from petty cash) shall be made in the most practicable manner as determined by the Commission. Checks and drafts shall be signed and countersigned by the Chair (or, in the Chair's absence, the Vice Chair), and the Executive Director (or, in the Executive Director's absence, those authorized from time to time by vote of the Commission or, where the Vice Chair is acting solely as a countersigning party, the Vice Chair).

B. Audits. At least once each year, the Commission shall work with the Auditor of Public Accounts (APA) to have an audit to be made by an independent certified public accountant or by APA of all funds of the Commission.

C. Budget and Fiscal Year. After a duly convened public hearing held in accordance with the requirements of Virginia Code § 33.1-470(A), the Commission shall adopt an annual budget for each fiscal year which budget shall provide for all of the revenues and the operating, capital, and administrative expenses of the Commission for the fiscal year. The fiscal year of the Commission will commence on July 1st each year and will terminate on the following June 30th. The annual budget for a fiscal year shall, except in the case of the Commission's first fiscal year, be adopted before such fiscal year begins. The Executive Director is authorized to administer the administrative budget approved by the Commission and may in the exercise of that authority, but

subject to the advice and consent of the chair of the Finance Committee, implement adjustments to the amounts allocated to line items within the administrative budget, provided that, after giving effect to those adjustments, the aggregate amount of the administrative budget is equal to or less than the then applicable Commission-approved administrative budget.

D. Per Diem Payments. The Commission may pay its Members for their services to the Commission a per diem in either: (1) the amount provided in the general appropriations act for members of the General Assembly engaged in legislative business between sessions, or (2) a lesser amount determined by the Commission.

E. Bond of Officers and Others. The officers of the Commission and such employees as the Commission so designates, may, prior to taking office or starting contract or employment, respectively, be required by the Commission to give bond payable to the Commission conditioned upon the faithful discharge of that officer, contract employee or employee's duties, in such amount as the Commission may require. The premium for each such bond shall be paid by the Commission and the bond(s) shall be filed with the Commission.

ARTICLE VIII

AMENDMENTS

Any proposed amendment, repeal or alteration, in whole or in part, of these Bylaws shall be presented in writing and read for a first time at a regular meeting of the Commission. Such proposal may be considered and amended at such meeting, but shall not be acted on by the Commission until a subsequent regular meeting or a special meeting called for the purpose. At such subsequent meeting, such proposal shall be read a second time, shall be subject to further consideration and amendment germane to the section or sections affected by such proposal, and shall thereafter be acted on in accordance with the voting requirements of these Bylaws.

ARTICLE IX

PROCEDURES

Parliamentary Procedure. In all matters of parliamentary procedure not specifically governed by these Bylaws or otherwise required by law, the current edition of *Robert's Rules of Order, newly revised*, shall apply.

Document comparison by Workshare Compare on Wednesday, June 08, 2016
3:28:43 PM

Input:	
Document 1 ID	interwovenSite://WSDMS/I/1298551/9
Description	#1298551v9<I> - Amended and Restated HRTAC Bylaws
Document 2 ID	interwovenSite://wsdms/I/1413645/2
Description	#1413645v2<I> - Second Amended and Restated HRTAC Bylaws
Rendering set	wilsav-standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
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Style change	
Format change	
Moved deletion	
Inserted cell	Light blue
Deleted cell	Light red
Moved cell	White
Split/Merged cell	Light yellow
Padding cell	Light grey

Statistics:	
	Count
Insertions	36
Deletions	20
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	56

Agenda Item 6E
Action Item

To: Chair Sessoms and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: June 16, 2016

Re: High Rise Bridge Construction Project: Approval of Allocation of Funds for Standard Project Services to Support Right of Way and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I, and Authorization to Work with VDOT to Prepare and Finalize Project Agreement (UPC 106692)

Recommendation:

The Commission is being asked to approve \$580,000,000 in HRTF funding for Standard Project Services to Support Right of Way and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I, and to provide the HRTAC Chair and Staff authorization to work with VDOT to prepare and finalize the project funding agreement (UPC 106692). This recommendation assumes that HRTAC will engage VDOT and that HRTAC's agreement with VDOT will be memorialized in an agreement that includes a provision stating that if any federal and/or state (e.g. HB2) funds are awarded to the project, the benefit of the additional funding will be reflected in an amendment (i.e., a re-sizing or float down of the HRTAC commitment). The authorization to execute and deliver the project agreement will be considered at the next Commission meeting.

Background:

VDOT has requested allocation of \$580,000,000 in HRTF funding for Standard Project Services to Support Right of Way and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I (UPC 106692). This project was included in the HRTAC 2016-2022 Funding Plan Approved March 17, 2016 to provide \$600,000,000 in HRTF funding (\$20,000,000 in PE funding and \$580,000,000 in Right of Way acquisition and construction funding). This project component involves Right of Way acquisition and construction to widen I-64 from four to six lanes from east of I-264 to east of I-464 and construction of a four lane capacity fixed span interstate highway bridge adjacent to the existing High Rise Bridge.

Costs for the Standard Project Services to Support Right of Way acquisition ("ROW") and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I (UPC 106692) are identified by Fiscal Year as follows:

- FY2017, \$6,000,000 Hampton Roads Transportation Fund (HRTF)



- FY2018, \$114,000,000 HRTF
- FY2019, \$170,000,000 HRTF
- FY2020, \$166,000,000 HRTF
- FY2021, \$124,000,000 HRTF
- Total allocated HRTF funds to support ROW and Construction, Phase I - \$580,000,000

Fiscal Impact

There will be an impact to the Hampton Roads Trust Fund in the amount of \$580,000,000 in relation to this Action Item.

Suggested Motion:

Motion. Motion is to adopt the attached Resolution 2016-10, High Rise Bridge Construction Project: Approving Allocation of Funds for Standard Project Services to Support Right of Way Acquisition and Construction Phase for I-64 Southside Widening and High Rise Bridge - Phase I, and Authorizing Work to Prepare and Finalize Project Agreement (UPC 106692).



APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

HRTAC Project Title:	I-64 Southside Widening and High Rise Bridge- Phase I (UPC 106692)
Scope of Project Services:	Standard Project Services to Support RW/CN Phase for I-64 Southside Widening and High Rise Bridge- Phase I (UPC 106692)
Recipient Entity:	Virginia Department of Transportation
VDOT Project Contact:	Tony Gibson (757) 556-7885
Baseline Schedule:	Design Build RFP December 2016, Projected Award August 2017

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	HRTAC PayGo Funds	HRTAC Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work		\$ -		\$ -	\$ -	
Engineering						
Environmental Work						
Right-of-Way Acquisition	\$ 42,000,000.00	\$ 42,000,000.00				
Construction	\$ 538,000,000.00	\$ 538,000,000.00				
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 580,000,000.00	\$ 580,000,000.00	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019		Total Fiscal Year 2020		Total Fiscal Year 2021	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering										
Environmental Work										
Right-of-Way Acquisition			\$ 15,000,000.00		\$ 27,000,000.00					
Construction	\$ 6,000,000.00		\$ 99,000,000.00		\$ 143,000,000.00		\$ 166,000,000.00		\$ 124,000,000.00	
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	\$ 6,000,000.00	\$ -	\$ 114,000,000.00	\$ -	\$ 170,000,000.00	\$ -	\$ 166,000,000.00	\$ -	\$ 124,000,000.00	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 17 Mthly Cash Flow		FY 18 Mthly Cash Flow		FY 19 Qtrly Cash Flow		FY 20 Qtrly Cash Flow		FY 21 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00	
August			\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00	
September			\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00	
October			\$ 8,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00	
November			\$ 8,000,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 13,160,000.00	
December			\$ 10,000,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 13,160,000.00	
January	\$ 1,000,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 11,250,000.00	
February	\$ 1,000,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 14,160,000.00		\$ 11,250,000.00	
March	\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00		\$ 11,250,000.00	
April	\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00		\$ 11,250,000.00	
May	\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00			
June	\$ 1,000,000.00		\$ 14,170,000.00		\$ 14,170,000.00		\$ 13,170,000.00			
Total per Fiscal Year	\$ 6,000,000.00	\$ -	\$ 114,000,000.00	\$ -	\$ 170,000,000.00	\$ -	\$ 166,000,000.00	\$ -	\$ 124,000,000.00	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Virginia Department of Transportation

Hampton Roads Transportation Accountability Commission

Signature
Commissioner
Title

Signature
HRTAC Chairman
Title

Date
Charles A. Kilpatrick, P.E.
Print name of person signing

Date
William D. Sessions, Jr.
Print name of person signing





HRTAC RESOLUTION 2016-11

HIGH RISE BRIDGE CONSTRUCTION PROJECT: APPROVAL OF ALLOCATION OF FUNDS FOR STANDARD PROJECT SERVICES TO SUPPORT RIGHT OF WAY AND CONSTRUCTION PHASE FOR I-64 SOUTHSIDE WIDENING AND HIGH RISE BRIDGE - PHASE I, AND AUTHORIZATION TO WORK WITH VDOT TO PREPARE AND FINALIZE PROJECT AGREEMENT (UPC 106692)

WHEREAS, the I-64 Southside Widening and High Rise Bridge Project (UPC 106692) (the “High Rise Bridge” or “Project”), which this project component involves the Right of Way and construction of widening I-64 from four to six lanes from east of I-264 to east of I-464 and construction of a four lane capacity fixed span interstate highway bridge adjacent to the existing High Rise Bridge (“Phase I”), is one of the projects included in the Commission’s funding plan adopted by the Commission on March 17, 2016 (the “Funding Plan”);

WHEREAS, the necessary dimensional clearances of the navigable waterway under the new bridge alignment for Phase I have been resolved and the Virginia Department of Transportation (“VDOT”) is prepared to advance the Right of Way acquisition and construction of Phase I of the Project;

WHEREAS, the Commission has previously allocated \$20,000,000 of this \$600,000,000 Phase I Project cost for the Preliminary Engineering Phase of work on the Project;

WHEREAS, VDOT has identified \$580,000,000 in remaining cost for the Right of Way acquisition and construction of Phase I of the Project and has requested allocation of funds to this Phase I work;

WHEREAS, the Commission and VDOT engagement for the additional Phase I work would be made pursuant to a Standard Project Agreement to be negotiated, executed and delivered between the parties (the “Project Agreement”);

WHEREAS, the Commission is prepared to allocate from the Hampton Roads Transportation Fund (“HRTF”) an additional \$580,000,000 to the Project, which would be expended under the Project Agreement (when executed and delivered), which agreement would include a provision stating that if any federal and/or state (e.g., HB2) funds are awarded to the Project, the benefit of the additional funding will be reflected in an amendment (to re-size or float down the funds allocated by HRTAC).

NOW, THEREFORE, BE IT RESOLVED, that the Commission reaffirms its interest in the I-64 Southside Widening and High Rise Bridge Project (UPC 106692), Phase I Right of Way and construction of widening I-64 from four to six lanes from east of I-264 to east of I-464 and



construction of a four lane capacity fixed span interstate highway bridge adjacent to the existing High Rise Bridge, and approves the allocation of \$580,000,000 of HRTF Fund revenues for the Phase I Project, which will be allocated among Fiscal Years 2017, 2018, 2019, 2020 and 2021 as set forth below:

- FY2017, \$6,000,000 Hampton Roads Transportation Fund (HRTF)
- FY2018, \$114,000,000 HRTF
- FY2019, \$170,000,000 HRTF
- FY2020, \$166,000,000 HRTF
- FY2021, \$124,000,000 HRTF
- Total allocated HRTF funds to support ROW and Construction, Phase I - \$580,000,000; and

BE IT FURTHER RESOLVED, that the Commission authorizes the Executive Director and HRTAC counsel to work with VDOT to prepare and finalize a Project Agreement that can be presented to the Commission, for its review, consideration and potential approval at the Commission's September, 2016 meeting.

APPROVED and ADOPTED by the Hampton Roads Transportation Accountability Commission at its meeting on the 16th day of June, 2016.

William D. Sessoms, Jr.
Chair
Hampton Roads Transportation
Accountability Commission

Clyde A. Haulman
Vice-Chair
Hampton Roads Transportation
Accountability Commission

HAMPTON ROADS TRANSPORTATION FUND

FINANCIAL REPORT

FY2014 – FY2016

VDOT provides the HRTPO and HRTAC staff with monthly financial reports relating to the HRTF including the following information:

- Revenue from sources as detailed by the collecting agency
- Interest earnings
- Expenditures reflecting both the program total as well as project totals
- The current cash position/balance in the HRTF as well as forecasted cash position/balance

Attached are the April 2016 financial reports. Based on the financial reports received to date from VDOT, the HRTPO staff has analyzed the data and prepared the attached reports and summaries:

Revenues

Total Gross Revenues (as of April 30, 2016): \$442,198,618

- State Sales and Use Tax : 336,948,193
- Local Fuels Tax : 100,766,376
- Interest : 1,633,295
- Investment Income: 2,850,754

Expenditures

Total Expenditures: \$3,667,199

- I-64 Peninsula Widening – Segment 1: 1,544,502
- Total Dept. of Tax Administrative Fees: 499,518
- Total DMV Administrative Fees: 98,695
- Investment Fees: 285,681
- Operating Expenses: 1,238,803

Cash Balance

Ending Cash Balance: \$438,531,419

Encumbered Balance

Balance of Encumbered (through FY2020): \$497,735,643

- Allocation: \$499,280,145
- Less Construction Expenditures: \$1,544,502

Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Summary

	Gross Revenue					Expenditures								Cummulative Balance 7/1/13 - 4/30/16	
	Sales & Use Tax		Fuel Tax		Interest	Investment		Dept of Tax		DMV Admin	Investment		Operating Expenses		
	Sales & Use Tax	Fuel Tax	Interest	Income	Total	Construction	Admin Fee	Fee	Fee	98,695	-	-	-	\$ 2,142,715	
July 2013 - April 2015	\$ 209,364,450	\$ 71,473,584	\$ 1,444,944	\$ -	\$ 282,282,978	\$ 1,544,502	\$ 499,518	\$ 98,695	\$ -	\$ -	\$ -	\$ -	\$ 2,142,715	\$ 280,140,263	
May 2015	10,889,809	2,287,393	-	(4,541)	13,172,661	-	-	-	-	30	-	-	30	293,312,894	
June 2015	17,587,265	4,519,545	137,371	182,348	22,426,529	-	-	-	-	21,160	443,309	464,468	315,274,955		
July 2015	4,412,902	1,513,488	-	221,837	6,148,227	-	-	-	-	25,629	46,210	71,838	321,351,343		
August 2015	10,870,438	3,240,804	-	(36,201)	14,075,041	-	-	-	-	24,212	45,748	69,961	335,356,423		
September 2015	10,921,675	3,103,960	-	693,355	14,718,990	-	-	-	-	136	135,430	135,566	349,939,848		
October 2015	10,667,491	2,730,430	20,956	(135,702)	13,283,175	-	-	-	-	5,835	50,205	56,040	363,166,983		
November 2015	10,278,741	2,476,244	-	(641,787)	12,113,199	-	-	-	-	52,597	35,761	88,358	375,191,825		
December 2015	10,227,086	2,309,950	-	(243,682)	12,293,354	-	-	-	-	23,888	228,745	252,633	387,232,545		
January 2016	12,517,610	1,982,010	15,257	1,647,705	16,162,582	-	-	-	-	34,984	42,542	77,527	403,317,600		
February 2016	8,517,528	2,135,239		331,223	10,983,989	-	-	-	-	29,424	51,529	80,953	414,220,636		
March 2016	9,586,789	1,714,858	-	750,130	12,051,777	-	-	-	-	28,370	108,236	136,606	426,135,807		
April 2016	11,106,409	1,278,871	14,767	86,070	12,486,116	-	-	-	-	39,416	51,089	90,505	438,531,419		
Total 12 Months	\$ 127,583,743	\$ 29,292,793	\$ 188,351	\$ 2,850,754	\$ 159,915,640	\$ -	\$ -	\$ -	\$ -	\$ 285,681	\$ 1,238,803	\$ 1,524,484			
Grand Totals	\$ 336,948,193	\$ 100,766,376	\$ 1,633,295	\$ 2,850,754	\$ 442,198,618	\$ 1,544,502	\$ 499,518	\$ 98,695	\$ 285,681	\$ 1,238,803	\$ 3,667,199				
Less Balance of Encumbered													\$ (497,735,643)		
Total Net Available													(59,204,224)		

HRTF Revenue

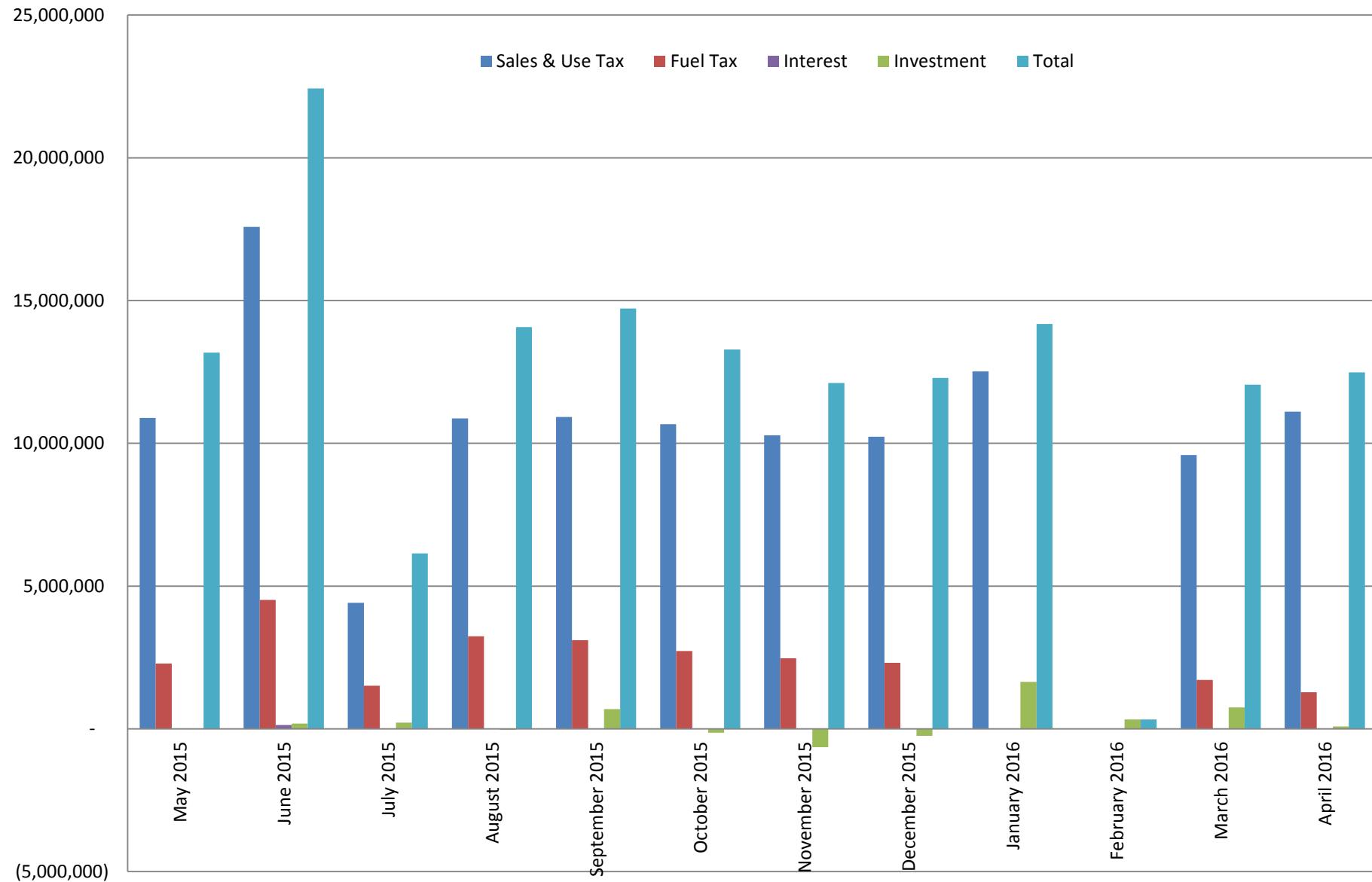


Table 1 - Total HRTF Revenues

Hampton Roads Transportation Fund (HRTF)

*Total of Sales & Use and Fuels Taxes**Fiscal Year 2016*

Locality	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>Chesapeake</i>	\$ 57,563,089	\$ 19,921,008	\$ 2,239,274	\$ 22,160,282	\$ 79,723,371
<i>Franklin</i>	2,865,973	866,552	107,441	973,992	3,839,966
<i>Hampton</i>	23,542,897	7,917,504	880,244	8,797,748	32,340,646
<i>Isle of Wight</i>	5,282,253	1,618,713	152,264	1,770,977	7,053,229
<i>James City</i>	14,177,964	5,130,672	577,538	5,708,210	19,886,173
<i>Newport News</i>	33,547,498	11,687,388	1,384,041	13,071,429	46,618,927
<i>Norfolk</i>	43,822,384	14,976,414	1,823,569	16,799,983	60,622,367
<i>Poquoson</i>	850,501	286,064	27,281	313,345	1,163,846
<i>Portsmouth</i>	11,236,094	3,951,640	445,297	4,396,936	15,633,031
<i>Southampton</i>	1,597,572	487,989	41,895	529,884	2,127,456
<i>Suffolk</i>	14,942,594	5,174,657	592,465	5,767,123	20,709,717
<i>Virginia Beach</i>	85,034,171	29,801,687	3,295,353	33,097,040	118,131,211
<i>Williamsburg</i>	7,022,217	2,358,123	254,452	2,612,575	9,634,791
<i>York</i>	14,636,839	5,028,833	564,166	5,592,999	20,229,838
Total	\$ 316,122,046	\$ 109,207,244	12,385,279	\$ 121,592,523	\$ 437,714,570
Interest	1,582,315	36,213	14,767	50,980	1,633,295
Investment Income (Sterling/ Union)	177,808	2,586,876	86,070	2,672,945	2,850,754
Total Revenues	\$ 317,882,169	\$ 111,830,333	\$ 12,400,046	\$ 121,643,503	\$ 442,198,618
Construction	(1,544,502)	-	-	-	(1,544,502)
Dept of Tax Admin Fees	(499,518)	-	-	-	(499,518)
DMV Admin Fees	(98,695)	-	-	-	(98,695)
Investment Fees (Sterling)	(21,190)	(196,705)	(39,416)	(264,491)	(285,681)
Operating Expense	-	-	(1,238,803)	(1,238,803)	(1,238,803)
Cash Balance	\$ 315,718,264	\$ 97,941,810	\$ 11,121,827	\$ 120,140,209	\$ 438,531,419
Less Balance of Encumbered					(497,735,643)
Net Available Cash					\$ (59,204,224)
Forecast	331,869,992	109,728,978	14,980,747	138,138,159	470,008,151
Total Revenue - Forecast (under)/over	(13,987,823)	(11,787,168)	(2,580,701)	(16,494,656)	(27,809,533)

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

*State Sales & Use Tax**Fiscal Year 2016*

Locality	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>Chesapeake</i>	\$ 42,602,215	\$ 15,910,907	\$ 2,047,019	\$ 17,957,927	\$ 60,560,142
<i>Franklin</i>	1,855,105	658,439	92,044	750,483	2,605,588
<i>Hampton</i>	17,539,754	6,247,128	777,877	7,025,004	24,564,758
<i>Isle of Wight</i>	2,663,976	994,274	128,622	1,122,896	3,786,872
<i>James City</i>	12,098,166	4,515,767	550,469	5,066,236	17,164,402
<i>Newport News</i>	25,985,257	9,531,329	1,227,208	10,758,536	36,743,793
<i>Norfolk</i>	35,121,631	12,620,371	1,635,325	14,255,696	49,377,327
<i>Poquoson</i>	558,003	216,760	26,557	243,317	801,320
<i>Portsmouth</i>	7,793,823	2,868,516	375,032	3,243,548	11,037,371
<i>Southampton</i>	617,250	220,082	26,007	246,088	863,338
<i>Suffolk</i>	9,516,894	3,680,884	494,619	4,175,502	13,692,396
<i>Virginia Beach</i>	65,279,448	24,544,417	2,993,629	27,538,046	92,817,494
<i>Williamsburg</i>	5,391,622	1,972,642	230,195	2,202,837	7,594,459
<i>York</i>	10,818,381	4,018,744	501,808	4,520,552	15,338,933
Total	\$ 237,841,525	\$ 88,000,259	\$ 11,106,409	\$ 99,106,668	\$ 336,948,194
Updated Forecast	236,871,040	91,669,475	11,477,046	103,146,521	340,017,561
Diff(under)/over	970,485	(3,669,216)	(370,637)	(4,039,853)	(3,069,367)

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2016

Locality	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>Chesapeake</i>	\$ 14,960,876	\$ 4,010,100	\$ 192,255	\$ 4,202,355	\$ 19,163,231
<i>Franklin</i>	1,010,868	208,113	15,396	223,509	1,234,377
<i>Hampton</i>	6,003,145	1,670,376	102,368	1,772,744	7,775,889
<i>Isle of Wight</i>	2,618,275	624,438	23,642	648,081	3,266,356
<i>James City</i>	2,079,798	614,904	27,069	641,973	2,721,771
<i>Newport News</i>	7,562,240	2,156,060	156,833	2,312,893	9,875,133
<i>Norfolk</i>	8,700,754	2,356,043	188,244	2,544,287	11,245,041
<i>Poquoson</i>	292,497	69,304	724	70,028	362,525
<i>Portsmouth</i>	3,442,272	1,083,124	70,264	1,153,389	4,595,661
<i>Southampton</i>	980,321	267,908	15,888	283,796	1,264,117
<i>Suffolk</i>	5,425,699	1,493,774	97,847	1,591,620	7,017,319
<i>Virginia Beach</i>	19,754,723	5,257,270	301,724	5,558,994	25,313,717
<i>Williamsburg</i>	1,630,595	385,481	24,257	409,738	2,040,333
<i>York</i>	3,818,458	1,010,089	62,359	1,072,448	4,890,906
Total	78,280,521	\$ 21,206,983	\$ 1,278,871	\$ 22,485,853	\$ 100,766,374
Updated Forecast	94,200,002	31,454,213	3,503,701	34,957,914	129,157,916
Diff(under)/over	(15,919,481)	(10,247,230)	(2,224,830)	(12,472,061)	(28,391,542)

Source: VDOT report "Revenues By Locality"

Prepared by Hampton Roads Transportation Planning Organization on 6/6/2016

Table 2A - Dept of Tax Administrative Fee

Hampton Roads Transportation Fund (HRTF)

Administrative Fee

Fiscal Year 2016

Locality	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>Chesapeake</i>	\$ 88,870	\$ -	\$ -	\$ -	\$ 88,870
<i>Franklin</i>	3,817	-	-	-	3,817
<i>Hampton</i>	36,711	-	-	-	36,711
<i>Isle of Wight</i>	5,729	-	-	-	5,729
<i>James City</i>	27,205	-	-	-	27,205
<i>Newport News</i>	54,648	-	-	-	54,648
<i>Norfolk</i>	74,054	-	-	-	74,054
<i>Poquoson</i>	1,120	-	-	-	1,120
<i>Portsmouth</i>	15,747	-	-	-	15,747
<i>Southampton</i>	1,366	-	-	-	1,366
<i>Suffolk</i>	19,302	-	-	-	19,302
<i>Virginia Beach</i>	136,884	-	-	-	136,884
<i>Williamsburg</i>	11,448	-	-	-	11,448
<i>York</i>	22,617	-	-	-	22,617
Total	\$ 499,518	\$ -	\$ -	\$ -	\$ 499,518
% of Sales & Use Tax Revenue	0.21%	0.00%	0.00%	0.00%	0.15%

Table 2B - DMV Administrative Fee

Hampton Roads Transportation Fund (HRTF)
Administrative Fee
Fiscal Year 2016

Locality	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>Chesapeake</i>	18,260	\$ -	\$ -	\$ -	\$ 18,260
<i>Franklin</i>	1,255	-	-	-	1,255
<i>Hampton</i>	7,781	-	-	-	7,781
<i>Isle of Wight</i>	3,305	-	-	-	3,305
<i>James City</i>	2,869	-	-	-	2,869
<i>Newport News</i>	9,844	-	-	-	9,844
<i>Norfolk</i>	10,866	-	-	-	10,866
<i>Poquoson</i>	275	-	-	-	275
<i>Portsmouth</i>	4,957	-	-	-	4,957
<i>Southampton</i>	1,212	-	-	-	1,212
<i>Suffolk</i>	7,249	-	-	-	7,249
<i>Virginia Beach</i>	24,312	-	-	-	24,312
<i>Williamsburg</i>	1,616	-	-	-	1,616
<i>York</i>	4,895	-	-	-	4,895
Total	98,695	\$ -	\$ -	\$ -	\$ 98,695
% of Fuel Tax Revenues	0.13%	0.00%	0.00%	0.00%	0.10%

Table 3 - Allocations

Hampton Roads Transportation Fund (HRTF)
Allocations
Fiscal Year 2016

Project	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>I-64 Peninsula Widening</i>					
- UPC 104905 (Segment 1) -Construction	\$ 44,000,000	\$ -	\$ -	\$ -	\$ 44,000,000
- UPC 106665 (Segment 2) - PE & Construction	6,000,000	207,592,853	-	207,592,853	213,592,853
- UPC 106689 (Segment 3) - PE	-	10,000,000	-	10,000,000	10,000,000
<i>I-64/264 Interchange Improvement</i>					
- UPC 17630 - PE/ROW	54,592,576	-	-	-	54,592,576
- UPC 57048 - PE/ROW	15,071,063	-	-	-	15,071,063
- UPC 57048 - Construction of Phase 1	-	137,023,653	-	137,023,653	137,023,653
<i>Third Crossing - UPC 106724 - SEIS</i>	5,000,000	-	-	-	5,000,000
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - PE</i>	20,000,000	-	-	-	20,000,000
Total	\$ 144,663,639	\$ 354,616,506	\$ -	\$ 354,616,506	\$ 499,280,145

Table 4 - Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2016

Project	Total FY2014 & FY 2015	Previous FY2016	April 2016	Total YTD FY2016	Total
<i>I-64 Peninsula Widening</i>					
<i>- UPC 104905 (Segment 1) -Construction</i>	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502

Source: VDOT report "All Project Costs"

Prepared by Hampton Roads Transportation Planning Organization on 6/6/2016