



Chair, LINDA T. JOHNSON • *Vice-Chair*, DONNIE R. TUCK

Executive Director, KEVIN B. PAGE

AGENDA

Hampton Roads Transportation Accountability Commission Special Meeting

Meeting by Conference Call*

**May 28, 2020
10:00 a.m.**

Dial Toll Free Telephone Number to Attend: (855) 735-2639

**In light of the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Commission to assemble in a single location, so the meeting will be held electronically, by telephone, pursuant to the 2020 Amendments to the 2019 Appropriation Act; the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Commission and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the number above to attend the meeting electronically. The Commission will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3707.1 of the Code of Virginia.*

1. Declaration re: Purpose of Meeting, Call to Order and Roll Call
2. Approval of Agenda
- Recommended Action: Approval
3. Public Comment Period
- Limit 3 minutes per individual**
4. Chair Comments
A. Welcome and Appointment of a Nominating Committee – Chair Johnson
5. Consent Items
- Recommended Action: Approval
 - A. Minutes of the December 12, 2019 Regular Meeting (Attachment 5A)
 - B. Hampton Roads Express Lanes Network Investment Grade Traffic and Revenue Study - Funding of and Actions RE: Work Order (Attachment 5B)
 - C. HRBT PAFA Bridge Repair Option - (Attachment 5C) – Executive Director Page
- Recommended Action: Discussion/Approval

6. Action Items

- Recommended Action: Discussion/Endorsement/Recommendation/Direction

- A. **HRTAC Proposed FY2021 Administrative and Project Development Budget – HRTF and HRRTF Cost Sharing - Endorsement and Authorization to Conduct a Public Hearing (Attachment 6A)** – Executive Director Page - Recommended Action: Discussion/Approval
- B. **Briefing re: Master Tolling Agreement Update and Timing RE: HRBT Construction Notice to Proceed (Attachment 6B)** - Executive Director Page, General Counselor Inglima and Special Counselor Wall - Recommended Action: Discussion
- C. **HRTAC Current Approved Debt Management Plan – COVID-19 Potential Impact Review - Continuation of Current Approved Debt Management Plan with Stress Test Adjustments (Attachment 6C)** - Executive Director Page and David Miller, Liang Shan PFM Financial Advisors- Recommended Action: Discussion/Approval
- D. **HRTAC Current Approved FY2020-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review - Continuation of Current Approved Plan of Finance with Stress Test Adjustments (Attachment 6D)** – Executive Director Page and David Miller, Liang Shan PFM Financial Advisors - Recommended Action: Discussion/Approval
- E. **HRTAC Bond Resolution – HRTF Bond Financings – Authorization to Issue Bonds (Attachment 6E)** - Executive Director Page, Bond Counselors Ballou and Gilliland, and General Counselor Inglima - Recommended Action: Discussion/Approval
- F. **Authorization to Conduct a Public Hearing (Attachment 6F) for each of the following:**
 - (i) **HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review;**
 - (ii) **HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review; and**
 - (iii) **HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review.**Executive Director Page and David Miller, Liang Shan PFM Financial Advisors - Recommended Action: Discussion/Approval

7. Information Items

- A. **HRTAC Monthly Financial Report – (Attachment 7A)** – Finance Committee Chair Hippel
- B. **HRTAC Market and Profile Update – (Attachment 7B)** - Nelson Bush, PFM
- C. **VDOT Project Updates - (Attachment 7C)** – VDOT Hampton Roads Administrator Hall
- D. **HRTAC Annual Organizational Meeting – June 18, 2019, 12:30 p.m.**

8. Adjournment

**Anyone wishing to make a public comment should contact Executive Director Page at [kpae@hrtac.org](mailto:kpage@hrtac.org) 24 hours in advance of the meeting to register. Please do so by 10:00 a.m. on Wednesday, May 27 2020.

Agenda Item 5A
Consent Item

To: Chair Johnson and the Other Members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: December 12, 2019 Regular Meeting Minutes

Recommendation:

The Commission is asked to approve the Commission's December 12, 2019 Regular Meeting 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: The Commission approves and adopts the minutes of the Commission's Regular Meeting on December 12, 2019.



**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 12, 2019 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:40 p.m. in The Regional Building Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Members in Attendance:

Linda T. Johnson, Chair	Herbert Green (in for Eugene Hunt), PQ
Donnie Tuck, Vice Chair	Barry T. Porter, SH
Rick West, CH	Thomas G. Shepperd, YK
Frank Rabil, FR	Robert Dyer, VB*
Michael Hipple, JC	Senator John A. Cosgrove, VGA
David Jenkins (in for McKinley Price), NN	Senator Monty Mason, VGA
Kenneth Alexander, NO	Delegate Christopher Stolle, VGA
John Rowe, PO	Delegate David Yancey, VGA

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

John Malbon, CTB	Stephen Brich, VDOT
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Other Participants:

Chris Price, CH	Patrick Roberts, SU
Mary Bunting, HA	Tom Leahy, VB
Scott Stevens, JC	Christopher Hall, VDOT
Cynthia Rohlf, NN	Neil Morgan, YK
Wynter Benda, NO	Tom Inglima, Willcox & Savage
J. Randall Wheeler, PQ	

HRTAC Voting Members Absent:

Joel Acree, IW	Delegate Chris Jones, VGA
Paul Freiling, WM	

HRTAC Ex-Officio Members Absent:

Jennifer Mitchell, DRPT	Cathy Vick, VPA
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* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Earl Sorey (CH); Brian DeProfio (HA); Bridgette Parker, Brian Stilley, Jerri Wilson (NN); Thelma Drake, Amy Inman (NO); Carl Jackson (PO); Randolph Cook (SH); Kevin Johnson, Kirsten Krug (Citigroup); Mary DiMartino (J.P. Morgan); Eric Ballou (Kaufman and Canoles); Karen McPherson (McPherson Consulting); Liang Shan, David Miller (PFM); Dwight Farmer, Jim Long (RK&K); Chuck Wall (Seyfarth Shaw); Robin Grier, Faizan Habib (VDOT); Ashlee Jordan, Korey Rogers (Veteran Reporters); Mark Burns (Wells Fargo Securities); Courtney Gilmore Whelan (Willcox & Savage); Elie Alshoufy, Scott Lovell, Derek Piper (WSP); Andrew Margason, Joe Turner, Chris Vaigneur, Sheila Wilson (HRPDC); Lynn Coen, Jennifer Hodnett (HRTAC); Rob Case, Rob Cofield, Bob Crum, Mike Kimbrel, John Mihaly (HRTPO)

Approval of Agenda

Mr. John Rowe Moved to approve the agenda, Mr. Michael Hipple seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No public comments were made.

Chair's Comments

HRTAC Chair Linda T. Johnson did not have any comments.

Consent Items

- A. Minutes of the November 21, 2019 Regular Meeting
- B. Regional Connectors Study – Approval to Use Contingency Funding

Mr. Rowe Moved to approve the consent agenda items; seconded by Mr. Hipple. The Motion Carried.

Action Item

A. Hampton Roads Express Lanes Network – Plan of Finance Update and Development of Master Tolling Agreement (Closed Session as Needed)

Mr. Kevin B. Page, HRTAC Executive Director, reminded the Commission that the agenda item was a continuation from the November 21, 2019 concurrent meeting with the HRTPO. He updated the members on the recent actions taken at the December 4, 2019 HRTAC Finance Committee Meeting and the December 5, 2019 HRTAC Master Tolling Agreement Advisory Committee Meeting.

Mr. David Miller, PFM, informed the Commission of the TIFIA Bond Anticipation Notes (BAN) sold earlier in December and also the closing of the TIFIA loan. He reminded the members of the financial strategy for the six initial projects under construction that were now complete. He stated that the savings from the executed strategy as compared to the initial plan of finance totaled \$121M and that those savings were being reallocated in the long range plan.

Mr. Miller reviewed the presentation given to the HRTAC Finance Committee at its December 4 meeting and compared HRTAC and VDOT's respective financing plans for the Regional Express Lanes Network. He indicated that the two plans were similar apart from VDOT financing an additional \$90M upfront. He stated that HRTAC would be able to finance the Network and explained the additional changes to the finance plan regarding individual project timing.

At 1:01 p.m., Mr. Rowe Moved that a closed session be held for discussions regarding the proposed terms of the Master Tolling Agreement, in accordance of Virginia Code Section 2.2-3711 (A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of the legal advice by such counsel; seconded by Mr. Hipple. The Motion Carried.

A closed session, limited to Commission members, Commission staff and the Commission's advisors, was convened.

At 1:40 p.m. the closed session concluded. Counselor Inglima proceeded to read the following certification: The Hampton Roads Transportation Accountability Commission hereby certifies that, to the best of each member's knowledge: one, only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and two, only such public business matters as were identified in the motion by which the closed meeting was convened, were heard, discussed or considered in the closed meeting just concluded.

A roll call vote was taken for certification:

Mr. Robert Dyer: Yes
Mr. Richard West: Yes
Mr. Frank Rabil: Yes
Mr. Donnie Tuck: Yes
Mr. Michael Hipple: Yes
Mr. David Jenkins: Yes
Mr. Kenneth Alexander: Yes
Mr. Herbert Green: Yes
Mr. John Rowe: Yes
Mr. Barry Porter: Yes
Ms. Linda Johnson: Yes
Mr. Thomas Shepperd: Yes
Mr. John Cosgrove: Yes
Mr. Monty Mason: Yes
Mr. Christopher Stolle: Yes
Mr. David Yancey: Yes

**Mr. Dyer departed.*

HRTAC Chair Johnson stated that the Commission does not support the Commonwealth's current funding proposal; however, HRTAC would continue try to find common ground through further discussion and collaboration.

Information Items

A. HRTAC Monthly Financial Report

Mr. Page reviewed the Monthly Financial Report with the Commission.

B. HRTAC Market and Profile Update

Mr. Page indicated that PFM had provided a Market and Profile Update for HRTAC.

C. 2019 Continuing Disclosure Compliance – HRTAC HRTF Senior Lien Revenue Bonds, Series 2018A

Mr. Page stated that the disclosure filing was an annual required filing.

D. VDOT Project Updates

Mr. Page acknowledged the project updates were included in today's agenda packet for the Commission's review.

E. Resolutions of Appreciation

Chair Johnson recognized Mr. Barry Porter for his service on the Commission. Mr. Porter thanked the Commission and indicated that the continued teamwork displayed would only result in positive benefits for the region.

Chair Johnson presented a resolution of appreciation to Mr. David Yancey and emphasized his invaluable and dedicated service to the Commission. Mr. Yancey highlighted the great deals HRTAC was brokering for the region and urged the Commission to continue to stand up for the citizens and keep the region's needs a priority.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:50 p.m.

Linda T. Johnson
HRTAC Chair

Agenda Item 5B
Consent Item

To: Chair Johnson and the Other Members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: Hampton Roads Express Lanes Network Investment Grade Traffic and Revenue Study - Funding of and Actions RE: Work Order

Recommendation:

The Finance Committee recommends that the Commission (i) endorse the proposed Investment Grade Traffic and Revenue Study Work Order for the Hampton Roads Express Lanes Network that has been placed by the VDOT Office of P3 and (ii) authorize and approve the funding of such Work Order and the actions taken by the Executive Director in support thereof.

Background:

HRTAC's short and long-range funding plans include assumptions re: debt financing utilizing HOT network toll supported revenues and the use of federal TIFIA loan funds to support the delivery of the Hampton Roads Bridge Tunnel Expansion Project. Over the past year, HRTAC has been working with VDOT to evaluate a funding plan to construct and anticipate projected toll revenues of the I-64 Hampton Roads Bridge Tunnel Expansion and I-64 Southside Widening High Rise Bridge projects. Previous studies have been conducted by HRTAC and VDOT to estimate potential toll revenues from what is now known as the Hampton Roads Express Lanes Network, which includes the HRBT and High Rise projects. In order to best project toll revenues and for those projections to support efforts to obtain toll backed debt, an investment grade traffic and revenue study must be obtained by HRTAC. The study results will be disclosed to the U.S. DOT Build America Bureau for the development of a TIFIA toll backed loan for the HRBT project. The Office of P3 has a current engagement contract with CDM Smith, a traffic and revenue consultant. CDM Smith has conducted preliminary studies and developed a model for this project. Due to the pandemic delay of the Commission meeting process, VDOT advanced the CDM Smith Task Order was made under the current contract to complete the necessary traffic and revenue studies and to provide the investment grade report. This engagement will require HRTAC to provide \$849,784.00 to cover the study costs.

Fiscal Impact:

The fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item \$849,784.00. Funding will be provided utilizing budgeted FY2020 and proposed FY2021 Administrative and Project Development Budget funds.

Suggested Motion:

Motion: The Commission endorses the proposed Investment Grade Traffic and Revenue Study Work Order for the Hampton Roads Express Lanes Network that was placed by the VDOT Office of P3 and the Commission authorizes and approves the funding of such Work Order and the actions taken by the Executive Director in support thereof.

Task Order #: 105-2 Contract #: 44808	Date of Task Order: 02/25/2020	Charge Code #:	P3 Office Transmittal Log #
Purchase Order #:	Task Order Project Manager Faizan Habib	AS-58 form approved? Yes	

Office of Public-Private Partnerships

Staff Augmentation Services 2016-2021

Consultant Teams:

<u>Financial:</u>	Alvarez & Marsal: <input type="checkbox"/>	<u>Business Management:</u>	CDM: <input checked="" type="checkbox"/>
	Ernst & Young: <input type="checkbox"/>		Ernst & Young: <input type="checkbox"/>
	PFM: <input type="checkbox"/>		Lochner: <input type="checkbox"/>
	PFAL: <input type="checkbox"/>		PFAL: <input type="checkbox"/>
	KPMG: <input type="checkbox"/>		RSH: <input type="checkbox"/>
	Grant Thornton: <input type="checkbox"/>		

Agency: VDOT: Other: This engagement is also for the benefit of the Hampton Roads Transportation Accountability Commission ("HRTAC"), which is a third party beneficiary of the terms hereof.

Project Background:

This project is to complete an investment grade traffic and revenue (T&R) study of the proposed express lanes on I-64 in the Norfolk Region. This study would provide a base case transaction and revenue stream for an approved and adopted configuration of the express lanes under an HOV2+ free toll operation. Specifically, this would include price managed lanes along the HRBT and High-Rise Bridge segments of I-64. This project would provide a major update and refresh to the weekday data and model utilized for prior work under existing Task Order 105 and 105-1. This would be Amendment 2 to Task 105.

Objectives:

This study's purpose is to develop an investment grade traffic and revenue forecast through 2060 assuming express lanes extending counter-clockwise along I-64 from the Bower Hill interchange through the HRBT (the "Hampton Roads Express Lanes Network"), which may be used by VDOT and HRTAC in connection with their efforts to design, finance, construct and implement the Hampton Roads Express Lanes Network. This project is shown in **Figure 1** (attached at the end of this task order) with solid highlighted lines. The express lanes will be operated with the goal of maximizing usage of 1,650 vehicles per hour per lane to ensure a high level of service and reliability in the express lanes.

Description of Task/Work Schedule:

The work program below was developed to meet the specific requirements associated with an investment grade T&R study for the proposed express lanes. It is comprised of 9 tasks as follows:

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- Task 1: Data Assembly and Collection;
- Task 2: Develop Corridor Count and Speed Profiles;
- Task 3: Independent Economic Analysis;
- Task 4: Regional Model Validation and Future Year Demand Estimation;
- Task 5: Development and Calibration of a Corridor Network Model for an Average Weekday and Future Years;
- Task 6: Traffic and Revenue Analysis
- Task 7: Sensitivity Tests; and
- Task 8: Project Management, Documentation, and Meetings/Coordination
- Task 9: Finance Support – TIFIA and Rating Agencies

TASK 1: DATA ASSEMBLY AND COLLECTION

The study will commence immediately upon receipt of a notice-to-proceed. It will be important early in the study and as the study progresses to reconfirm the details of the project as currently envisioned, including the physical limits and access/egress locations, opening dates, regional roadway planned improvements, tolling locations, tolling policy, assumed hours of operation, and other study assumptions.

Traffic Counts and Travel Speeds: CDM Smith will assemble all existing relevant hourly ramp and mainline count information for I-64, I-664, and other competing and complimentary roadways in the study area from VDOT and HRTPO sources, as well as from previous studies conducted by CDM Smith and others. Additional traffic counts on other roadways in the study area will be obtained from existing VDOT and HRTPO data sources for use in developing screenline volumes for use in regional model validation. Once the inventory and review of existing count data is completed, CDM Smith will prepare a list of locations proposed for new traffic counts. CDM Smith will obtain INRIX speed data for all of 2019 for the corridors being studied and major other interstates and state routes.

Field Reconnaissance: CDM Smith staff will drive the study corridors to get familiar with the traffic operations of the roadways and note any operational or physical issues of interest along each of the roadways that will be important to consider in the analysis.

Analysis of Existing Segment 1 T&R Data: CDM Smith will request historical up to date T&R data for the existing reversible HOT lanes on I-64. CDM Smith will use this data to analyze annual, monthly, weekday, and hourly T&R variation patterns and trends, HOV shares by time period and season, and toll rates by time period and season. This data will be used to calibrate the model developed in Tasks 4 and 5. This data will also be used to develop an understanding of parameters that may affect express lanes usage on weekdays.

Travel Patterns: CDM Smith will obtain and summarize regional travel pattern data from (commercially available) Streetlight Data for traffic crossing the HRBT, MMBT, High Rise Bridge, Midtown and Downtown Tunnels, Jordan Bridge, and I-460. Streetlight data is collected from GPS-enabled devices and can be grouped by day of week, month, and hour. CDM Smith will use this data to validate the weekday travel patterns within the TPO model and adjust the model as needed.

HOV Counts: The percentage of vehicles in the corridor that are classified as high occupancy (HOV2+) has an impact on the

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amount of remaining capacity to sell. CDM Smith will utilize information from the HRTPO HOV and general-purpose lane field surveys, a previous field survey by CDM Smith on Segment 1, and information from the recent conversion of the reversible I-64 HOV lanes to HOT lanes to calibrate the HOV shares from the TPO model. To supplement this information, the attached budget includes manual vehicle occupancy counts at up to 3 additional locations to help with validation of the TPO model. The number of locations will depend on the ability to identify locations that can be used to safely and accurately survey from. CDM Smith will coordinate approval through VDOT and/or local agencies before conducting any field surveys.

Future Roadway or Transit Improvements: This work effort will include the assembly of information on the regional transportation improvement program. CDM Smith will obtain and review the list of capacity improvements to the roadway system that have been included in the TPO model. CDM Smith will compile a list of these improvements and obtain concurrence from the study team on the assumed opening year of each project and will confirm these projects are reflected the regional highway network model. In this list, improvements that are deemed to have a significant impact on the express lanes (either by competing with or enhancing the viability of) will be highlighted for additional discussion.

TASK 2: DEVELOP CORRIDOR COUNT AND SPEED PROFILES

For this study, CDM Smith will develop an average weekday traffic operations profiles representing 2019 conditions of I-64 and I-664 within the study limits using the data collected in Task 1. This will include development of a balanced hourly demand profile by travel direction and documentation of current delay and congestion patterns, by direction for peak, shoulder and off-peak periods of a 24-hour average non-summer weekday. This small-time slice operating information will be used to develop and calibrate a traffic assignment model of the studied freeways, which will be used in estimating the share of traffic between the general-purpose lanes and the express lanes.

TASK 3: INDEPENDENT ECONOMIC ANALYSIS

Economic growth forecasts are an important element of a traffic and revenue forecast since population and employment growth drives economic activity and trip making. Investment-grade traffic and revenue studies require the inclusion of a detailed analysis of the population and employment growth of the project influence area to develop an understanding of what drives growth in a region, as this has become an area of considerable scrutiny by rating agencies and others in the financial community. As such, CDM Smith typically employs an independent economic expert to review the latest socioeconomic forecasts inherent in the travel demand model and suggest modifications in the underlying socioeconomic forecasts (as necessary). These adjusted socioeconomic forecasts are then used within the regional travel demand model to reflect the best estimate of future economic growth in the corridor over the forecast period.

CDM Smith utilized the services of Renaissance Planning Group (RPG) during the spring of 2018 to perform the above economic analysis services for an earlier traffic and revenue study. For this major update, CDM Smith will again utilize RPG for the independent economic analysis of the study area and to refresh and adjust, as necessary, the population and employment forecasts they developed as part of the 2018 study for use in the HRTPO travel demand model. RPG will evaluate the reasonableness of the traffic analysis zone (TAZ) level and countywide socioeconomic data relative to current economic conditions and trends, the availability of vacant land and the propensity for development and redevelopment in different parts of the region. RPG will develop base case county-wide population and employment estimates and revised

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TAZ estimates (as necessary) for 2019, 2025, 2030, 2040, and 2060 for the core and suburban cities included in the HRTPO Model Area. RPG will develop a stand-alone report of their work. CDM Smith will make sure that RPG delivers to VAP3 and HRTAC rights to that report that are consistent with the rights that CDM Smith provides VAP3 and HRTAC hereunder with respect to CDM Smith's reports.

TASK 4: REGIONAL MODEL VALIDATION AND FUTURE YEAR DEMAND ESTIMATION

CDM Smith will update the socioeconomic forecasts used in the regional demand model to reflect the forecasts developed in Task 3. CDM Smith will run the HRTPO model for the base year and each forecast year with the new population and employment numbers to estimate travel patterns and growth in overall travel demand for 2019, 2025, 2030, 2040 and 2060. This model process creates new regional demand trip tables for each of the forecast years. The future year networks of the regional model will be edited to reflect the planned express lanes and other approved projects in the appropriate future year based on reviews from Task 1. Trip tables will be compared with the original HRTPO trip tables to ensure that the impacts are reasonable with respect to the changes to the input population and employment adjustments.

The 2019 regional traffic assignment will be compared against screenline volumes and traffic demand profiles along I-64 and I-664 and Elizabeth River crossings to validate the model. Changes to trip tables and network attributes will be made as necessary to improve the overall regional fit of the model and along the corridors and river screenline. Coding of the future year configurations and regional improvements will be made at the appropriate future year network. Future year loadings across screenlines and along the corridors and Elizabeth River crossings will be assessed for reasonableness in terms of growth patterns and impacts of roadway improvements.

The trip tables will also need to be further disaggregated by occupancy categories, based on the occupancy counts from Task 1, recognizing that vehicles with two or more (HOV2+) occupants would be authorized to receive toll-free travel. Future year growth in the trip tables for a windowed area of the regional model around the express lane region will be extracted and further refined in Task 5 into smaller time slices.

TASK 5: DEVELOPMENT AND CALIBRATION OF A CORRIDOR NETWORK MODEL FOR AN AVERAGE WEEKDAY AND FUTURE YEARS

This task encompasses the development and calibration of more detailed corridor models to estimate the global demand in the I-64 and I-664 corridors, which will be the basis for estimating the travel market for the express lanes.

The network toll model will be developed specifically for the I-64 and I-664 corridors and crossings of the Elizabeth River covering the project limits. This will involve development of a "window" of a smaller portion of the refined regional model network, which enables further calibration of the network and trip tables and enhances the ability of the models to properly reflect the delicate equilibrium between the toll-free and directly parallel tolled lanes.

Trip tables for the windowed area of the regional model will be further refined to calibrate to hourly time slices, reflecting peak hours, shoulder hours, midday, and off-peak periods for an average weekday. These smaller time slices will be calibrated to reflect the current demand profile, travel patterns, and operating conditions and delays routinely experienced along the study corridors. The trip tables will also be further disaggregated by vehicle occupancy categories, to allow the analysis of scenarios where vehicles with two or more occupants may be authorized to receive toll-free travel. Future year

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trip tables will be created by incorporating the growth developed in Task 4 and applying it to the calibrated 2019 assignment trip tables. After this task, the detailed corridor toll model representing an average weekday condition will be ready for use in developing the investment grade forecasts for the express lanes project.

TASK 6: TRAFFIC AND REVENUE ANALYSIS

CDM Smith will utilize the corridor toll models developed in Task 5 to estimate future year traffic and revenue for an assumed opening year (2025), 2030, 2040, and 2060. The specific opening year and all project and toll modeling related assumptions will be discussed with and agreed upon with HRTAC prior to the start of the model runs. For this scope, the projects are assumed to be those displayed in Figure 1. CDM Smith will test a range of toll rates by time period to develop toll sensitivity curves. Since the lanes will need to operate near or at free flow speeds, a toll rate will be selected that maximizes usage of the express lanes while ensuring the usage of the express lanes is less than or equal to 1,650 vehicles per hour per lane.

Traffic and revenue will be estimated for multiple periods of the day for each forecast year and annualized to reflect estimated gross toll revenue. Annual transactions and toll revenue will be prepared from opening year through 2060. Annual transactions and revenues for years between model years will be interpolated and annual revenues after 2060 will be extrapolated to produce a 50-year forecast.

TASK 7: SENSITIVITY TESTS

The base case forecast developed in Tasks 6 will be predicated upon the most reasonable assumptions of future economic growth, values of time and reliability, HOV percentages, competing and complementary highway improvements and more. However, there is considerable uncertainty in any forecast of the future, and in traffic and revenue forecasts on new facilities. Given the uncertainties and inherent risks in financing a new toll facility, it is standard practice in investment-grade traffic and revenue studies to include sensitivity testing. The purpose of this is to help financial analysts assess risk potential and the potential range of possible outcomes once the project is built. The sensitivity analysis helps test the robustness of the base case forecasts to changes in critical assumptions or other independent forecasts such as socioeconomic growth.

Examples of items to be subjected to sensitivity analysis might include:

- Lower and higher levels of travel demand or long-term economic growth;
- Lower and higher values of time;
- Lower and higher travel time reliability factors;
- Lower and higher HOV2+ percentages;
- Lower and higher annualization factors; and
- Alternate regional improvement projects.

A series of discrete sensitivity test findings will be provided for each test made. This will enable readers of the report to run their own “stress tests” on the financial implications of changes in the base case forecasts.

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TASK 8: PROJECT MANAGEMENT, DOCUMENTATION, AND MEETINGS/COORDINATION

This task will extend from the beginning of the work throughout the course of the study and will include most of the efforts related to project management, development of documentation, and potential project meetings and coordination efforts during the course of the study. In addition to monthly conference calls to discuss project status, three in person meetings are envisioned, one at the beginning of the study, one midway through the study, and one at the conclusion of the study. We acknowledge that representatives from VAP3, VDOT and HRTAC will be invited to, and may participate in, such calls and meetings. CDM Smith will prepare a full report detailing the investment grade traffic and revenue study and deliver it to VAP3, VDOT and HRTAC. CDM Smith expressly acknowledges and agrees that (i) such report/study and all data, material and documentation originated and prepared for the State in connection with this Task Order (collectively, the “Commissioned Works”), shall belong exclusively to the State and HRTAC, each of whom shall have an undivided ownership interest in the Commissioned Works, and (ii) each of the State and HRTAC may use the report and other Commissioned Works in connection with their project financing activities, including, without limitation, as part of any official statements or other disclosure documents that support the project financing and any credit ratings, which use and disclosure shall not require any further approval or consent by CDM Smith. CDM Smith further agrees to execute and deliver such certifications and consents in connection with the foregoing as VAP3, VDOT or HRTAC may reasonably request.

TASK 9: FINANCE SUPPORT

The estimated budget includes a customary allocation of time to participate in calls and meetings with, and to respond to due diligence requests (including, without limitation, requests for sensitivity runs) from and make presentations to, credit rating agencies and financing sources (including TIFIA). Task 9 includes a \$100,000 time and materials placeholder budget for those specific TIFIA and rating agency efforts.

BUDGET AND SCHEDULE

The study schedule is shown in **Figure 2**. The estimated annual traffic and revenue stream will be provided 6 months (26 weeks) from notice to proceed. Notice to proceed (NTP) is assumed to occur by March 9, 2020. The complete draft report will be provided by October 5, 2020 assuming NTP by March 9, 2020. The estimated budget for this assignment is \$849,784, which includes a \$50,000 placeholder for traffic counts and a \$100,000 time and materials placeholder budget for Task 9 efforts related to TIFIA and rating agencies due diligence of our traffic and revenue study and forecasts. The Task 9 budget will only be utilized when such efforts commence with rating agencies and/or TIFIA.

<u>Position / Function</u>	<u>Hours</u>	<u>Fully Loaded Hourly Rates</u>	<u>Total</u>
Expert Financial Consultant (Individual's Name/Firm)			
Expert Business Consultant Scott Allaire, Kamran Khan, Hugh Miller, Edward Regan, Christopher Mwalwanda; CDM Smith	360	\$350	\$126,000
Task Manager Cissy Kulakowski, Paul Marcella; Phani Jammalamadaka; CDM Smith	688	\$266	\$183,008

Task Order #: 105-2 Contract #: 44808	Date of Task Order: 02/25/2020	Charge Code #:	P3 Office Transmittal Log #
Purchase Order #:	Task Order Project Manager Faizan Habib	AS-58 form approved? Yes	

Task Specialist Jiji Kottomannil, Mark Feldman, Evan Bigos, Tara Rima, Yonnel Gardes, Sandeep Aysola, David Aron, Yogesh Patel; CDM Smith	1,114	\$240	\$267,360
Technical Writer Tyler Grzegorczyk, Keli Morison, Liz Regan, Ben Reibach, Gerald Klein; CDM Smith	1,268	\$135	\$171,180
Administrative Assistant Rachana Shivaswamy, Gene Celone, Lisa Damato, Matt DeSanti, Barbara Pasquali; CDM Smith	388	\$95	\$36,860
<u>Direct Expenses</u> Traffic Counts (Placeholder) Travel Moody's and Woods and Poole Economic Data			\$50,000 \$12,376 \$3,000
TOTAL	3,818		\$849,784

CDM Smith will include the following disclaimer text in our T&R Report:

Disclaimer

CDM Smith used currently-accepted professional practices and procedures in the development of the traffic and revenue estimates in this report. However, as with any forecast, it should be understood that differences between forecasted and actual results may occur, as caused by events and circumstances beyond the control of the forecasters. In formulating the estimates, CDM Smith reasonably relied upon the accuracy and completeness of information provided (both written and oral) by VAP3 and HRTAC. CDM Smith also relied upon the reasonable assurances of independent parties and is not aware of any material facts that would make such information misleading.

CDM Smith made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue estimates that must be considered as a whole; therefore, selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underlying methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit of partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple agencies, including VAP3 and HRTAC. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments, economic conditions cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projection contained within this report.

While CDM Smith believes that the projections and other forward-looking statements contained within the report are

Task Order #: 105-2 Contract #: 44808	Date of Task Order: 02/25/2020	Charge Code #:	P3 Office Transmittal Log #
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based on reasonable assumptions as of the date of the report, such forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

The report and its contents are intended solely for use and publication by HRTAC, VAP3 and designated parties approved by HRTAC, VAP3 and CDM Smith. Except for use and publication by HRTAC and VAP3, any use or publication of the report without the express written consent of CDM Smith is prohibited.

CDM Smith is not, and has not been, a municipal advisor as defined in Federal law (the Dodd Frank Bill) to HRTAC and VAP3 and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to HRTAC or VAP3 with respect to the information and material contained in this report. CDM Smith is not recommending and has not recommended any action to HRTAC or VAP3. HRTAC and VAP3 should discuss the information and material contained in this report with any and all internal and external advisors that it deems appropriate before acting on this information.

- As stated in the Contract and VA Code, the Department will not issue any direction for Consultant work prior to execution of the Task Order (or TO Amendment).
- If the Consultants elect to perform work prior to receiving the executed Task Order (or TO Amendment,) the Department may not reimburse the Consultants for that work.
- The Consultant may not exceed the total dollar amount shown above or the total hours depicted above, without prior written approval described in a Task Order amendment.

OTHER

- With respect to each insurance policy that CDM Smith is obligated to maintain for the benefit of the State, HRTAC and its members, officers and employees will be named as additional insureds.
- CDM Smith is not aware of any fact or matter that would constitute a “personal interest” of any “employee” or “officer” (as those terms are defined in the Virginia State and Local Government Conflict of Interest Act) of HRTAC that would be implicated by this engagement.

Task Order #: 105-2 Contract #: 44808	Date of Task Order: 02/25/2020	Charge Code #:	P3 Office Transmittal Log #
Purchase Order #:	Task Order Project Manager Faizan Habib	AS-58 form approved? Yes	

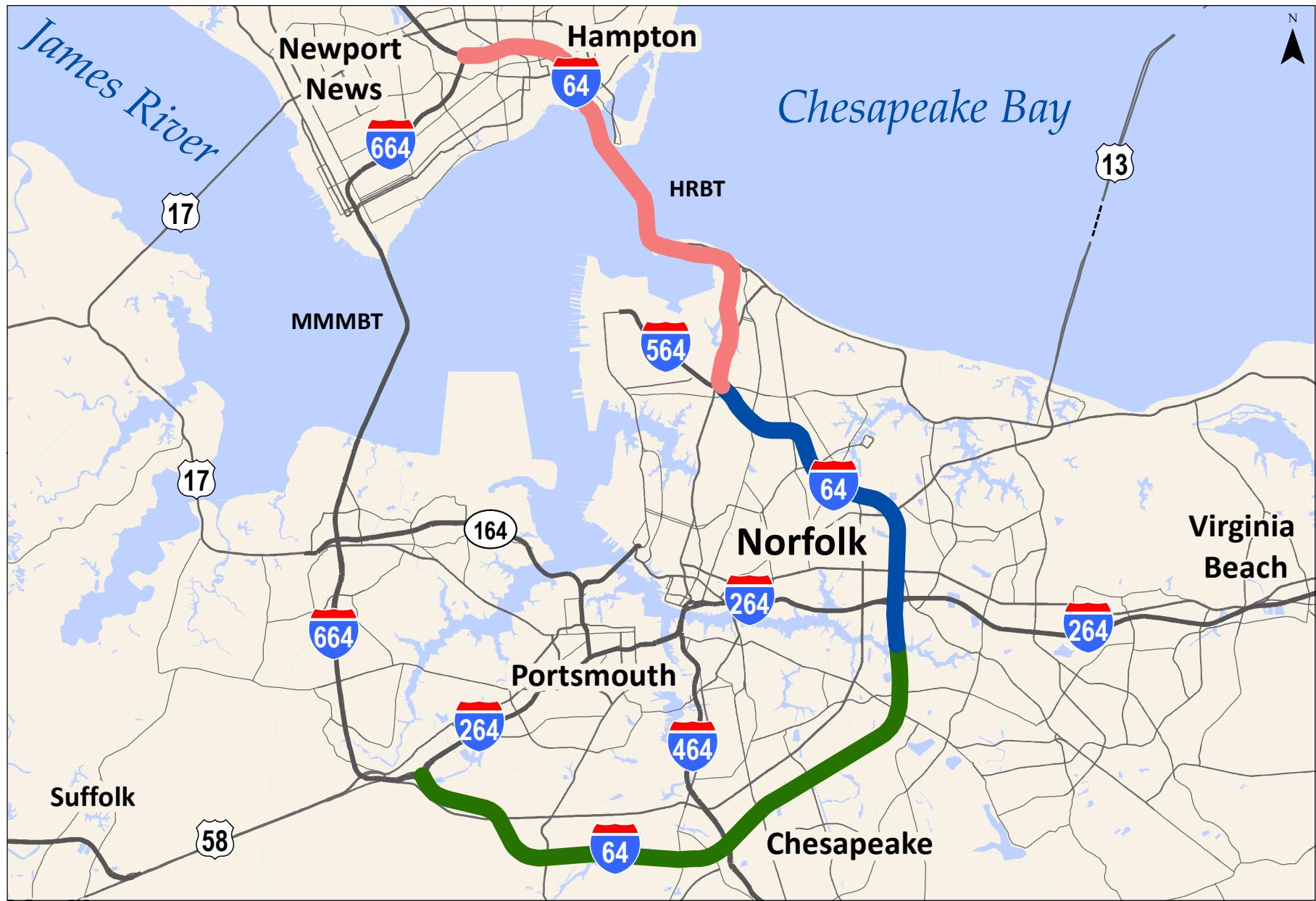
Reviewed by: _____ Date:
 Fred Haasch
 VDOT ASD Contract Officer

Provided by: _____ Date:
 (Manuch Amir/Client Service Manager)
 (CDM Smith)

Requested by: _____ Date:
 Program Manager, VDOT P3 Office

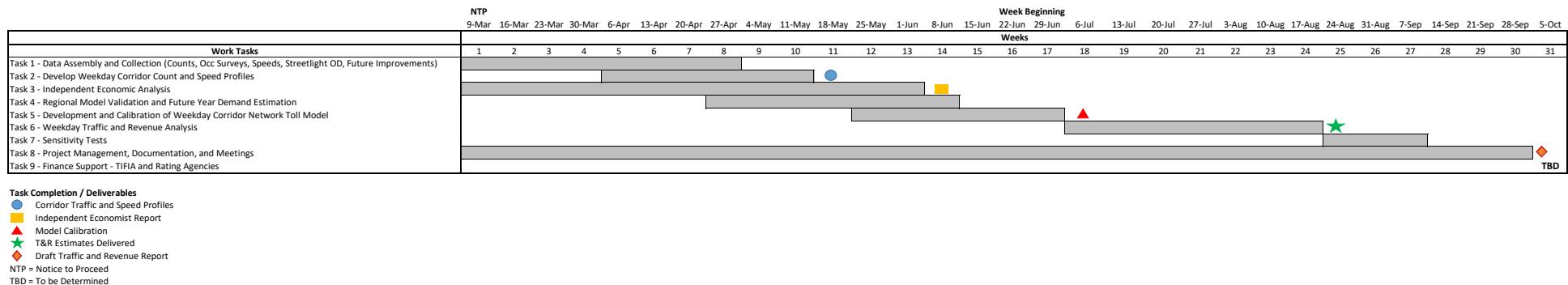
Certified by: _____ Date:
 Jacqueline H. Cromwell
 Contract Administrator, VDOT P3 Office

Approved by: _____ Date:
 Thomas Sherman
 Deputy Director, VDOT P3 Office



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Figure 2
HRTAC Express Lanes Investment Grade T&R Study
CDM Smith Study Schedule



Agenda Item 5C
Consent Item

To: Chair Johnson and the Other Members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: HRBT PAFA Bridge Repair Option

Recommendation:

The Executive Director recommends that the Commission approve (i) the Hampton Roads Bridge Tunnel Bridge Repair Work Option as identified in Article 4 Section 4.09 (b), (ii) the change order to the contractor as identified in Article 4 Section 4.03 (b) of the executed HRBT Project Agreement for Funding and Agreement, and (iii) the actions taken by the Executive Director in support thereof.

Background:

On April 3, 2019, HRTAC and VDOT entered into the Project Agreement for Funding and Administration for the I-64 Hampton Roads Bridge Tunnel Expansion Project (PAFA). Article 4 Section 4.09 (b) of the PAFA established the conditions for VDOT to further evaluate the landside bridges of the project and how the identified improvements would be added to the project and its conditions of cost sharing on a basis of deferred maintenance responsibilities to VDOT and project related improvements funded by residual balances at the end of the project. Article 4 Section 4.03 (b) of the PAFA requires VDOT to notify the Commission and request written approval before executing work orders provided the work order costs to the project design builder are in excess of \$20,000,000. The attached letter notifies the Commission of VDOT's intent to exercise the Bridge Repair Work Option and has requested written approval of the work order cost increase to the design builder contract. HRTAC staff has worked with VDOT in the evaluation of the proposed bridge repairs and the allocation of work. VDOT understands that the Commission shall not be responsible in any manner for any costs associated with the deferred/preventive maintenance work estimated at \$41.3M. VDOT assumes responsibility to pay the cost of the deferred/preventive maintenance work from funds other than Commission controlled funding. The FHWA required work portion necessary for the HRBT project (estimated at \$32.2M) shall be funded in accordance with Section 4.09 (b) (iii) of the PAFA.

Fiscal Impact:

The fiscal impact to the Hampton Roads Transportation Fund in relation to this Consent Item is sourced from the funds allocated to the I-64 Hampton Roads Bridge Tunnel



Expansion Project.

Suggested Motion:

Motion: The Commission approves (i) the Hampton Roads Bridge Tunnel Bridge Repair Work Option as identified in Article 4 Section 4.09(b), (ii) the change order to the contractor as identified in Article 4 Section 4.03 (b) of the executed HRBT Project Administration and Funding Agreement, and (iii) the actions taken by the Executive Director in support thereof.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
I-64 HAMPTON ROADS BRIDGE-TUNNEL EXPANSION PROJECT
240 CORPORATE BOULEVARD
NORFOLK, VIRGINIA 23502

Stephen C. Brich, P.E.
Commissioner

May 7, 2020

VDOT-HRTAC-0033

Mr. Kevin B. Page, Executive Director
Hampton Roads Transportation Accountability Commission
723 Woodlake Drive
Chesapeake, Virginia 23320

RE: I-64 Hampton Roads Bridge-Tunnel Expansion, Project No. 0064-M06-032

Subject: Bridge Repair Work Option

Dear Mr. Page:

The Department acknowledges Hampton Roads Transportation Accountability Commission's (HRTAC) April 14, 2020 letter which responded to the January 31, 2020 letter from the Department.

The Department appreciates HRTAC willingness to work with the Department on obtaining the Commission's approval for the Bridge Repair Work Option; however, the Department has decided to pursue another path for adding the scope for the Bridge Repair Work Option. The Department intends to exercise this option in two actions. The first will be to add the design work for the Bridge Repair Work Option. This addition is under \$5,000,000 and will be handled in accordance with Article 4 Section 4.03 (b) of the executed Project Agreement For Funding and Administration (PAFA). The second action will add the construction of the Bridge Repair Work Option. This action will also be handled in accordance with Article 4 Section 4.03 (b) and requires written approval of the Commission.

As identified in Article 4 Section 4.09 (b) Optional Work, the Department intends to execute the Bridge Repair Work Option that includes both the FHWA required work due to the widening operations and the deferred/preventive maintenance work.

The Department understands that the Commission shall not be responsible in any manner for any costs associated with the deferred/preventive maintenance work estimated at \$41.3M. The Department assumes responsibility to pay the cost of the deferred/preventive maintenance work from funds other than Commission controlled funding. The FHWA required work portion (estimated at \$32.2M) shall be funded in accordance with Section 4.09 (b) (iii) of the PAFA which states the costs of the required work shall be funded as follows:

May 7, 2020

Page Two

- (A) first, from the savings, if any, to the Department arising from reductions in costs relating to the South Island Trestle Bridge Replacement Work;
- (B) second, to the extent the funds described in clause A above are not sufficient to pay the costs of the required work, from the savings, if any, to the Commission arising from reductions in costs relating to work other than South Island Trestle Bridge Replacement Work;
- (C) third, to the extent the funds described in clause A and clause B are not sufficient to pay the costs of the required work, by the Department; provided, that upon Final Completion, the Department shall be entitled to reimbursement of such costs not to exceed the remaining balance in the Commission-Supported Contingency Reserve.

The Department requests written approval from the Commission to execute the construction portion of this contract option as defined above. The Department requests this item be submitted for approval at the next scheduled Commission meeting.

Please contact me if you need additional information or have any questions.

Sincerely,

James S. Utterback
VDOT Project Director
HRBT Expansion Project

Agenda Item 6A
Action Item

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

**Re: HRTAC Proposed FY2021 Administrative and Project Development Budget –
HRTF and HRRTF Cost Sharing - Endorsement and Authorization to Conduct a
Public Hearing**

Recommendation:

The Finance Committee recommends that the Commission (i) endorse the Proposed HRTAC FY2021 Administrative and Project Development Budget, and (ii) authorize the Executive Director to conduct a public hearing on the Proposed HRTAC FY2021 Administrative and Project Development Budget.

Background:

At its May 14, 2020 meeting, the Finance Committee endorsed the Staff proposed FY2021 Proposed HRTAC FY2021 Administrative and Project Development Budget and authorized the Finance Committee Chair to communicate the affirmative action of the Committee and request authorization to conduct a public hearing prior to the Commission adoption at its June 18, 2020 Annual Organization Meeting. Beginning in FY2021, the Hampton Roads Regional Transit Fund (the “HRRTF”) has been added to the sources of revenues supporting the administrative expenses of the Commission, such expenses to be borne by the HRRTF and the HRTF on an approximately pro rata basis of the programs supported. During the 2020 Session of the General Assembly, HB1726/SB1038 created the Hampton Roads Regional Transit Fund (HRRTF) and HRTAC was charged with responsibilities of the new HRRTF effective July 1, 2020. The legislation also provided a provision that designates how the HRTF and HRRTF would be used as a pro rata shared funding source for the administrative expenses of the Commission. The Commission has not yet received official revenue estimates for the HRRTF. The pro rata sharing values of the funds will be determined at such time of receipt of the state revenue estimates.

Fiscal Impact:

There is a \$7,270,701 fiscal impact of in relation to this Action Item. Expenses shall be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund. Pursuant to § 33.2-2605 of the Code of Virginia, as amended, to the extent that funds for such expenses are not provided from other sources, the expenses shall be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund on an approximately pro rata basis of the programs supported by the HRTF and the HRRTF. The pro rata sharing values of the funds will be determined at such time of receipt of the state revenue



estimates.

Suggested Motion:

Motion: The Commission (i) endorses the Proposed HRTAC FY2021 Administrative and Project Development Budget, and (ii) authorizes the Executive Director to conduct a public hearing on the Proposed HRTAC FY2021 Administrative and Project Development Budget.



To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: Briefing re: Master Tolling Agreement Update and Timing RE: HRBT Construction Notice to Proceed

Recommendation:

The Commission staff and its attorneys will provide a briefing on (i) the status of the Master Tolling Agreement and the likely timeline to finalize, approve, and enter into it, and (ii) the likely timeline for the issuance of Notice to Proceed with respect to the Hampton Roads Bridge-Tunnel (HRBT) Expansion Project, so the Commission may consider that information in planning its actions.

Background:

In connection with the HRBT Expansion Project, the Commission entered into a Project Agreement for Funding and Administration (the “Funding Agreement”) with VDOT, pursuant to which the Commission agreed to provide substantially all funding, and VDOT, in turn, entered into a Comprehensive Agreement with the design-builder. Because a portion of the Commission’s funding will be derived from toll-backed debt, the Commission has the right to terminate the Funding Agreement if VDOT, the CTB and the Commission do not enter into a Master Tolling Agreement by April 30, 2020. This date was chosen in part because it was expected to precede the date upon which Notice to Proceed would be issued to the design-builder; once that notice is given, the Commission’s funding obligations under the Funding Agreement increase substantially beyond the existing \$250 million pre-Notice to Proceed cap.

The VDOT and HRTAC teams are still working to finalize the terms of the Master Tolling Agreement (time commitments relating to the 2020 legislative session and the pandemic adversely affected negotiations). The HRTAC team will continue to enlist the support and direction of the HRTAC Master Tolling Agreement Advisory Committee as appropriate. The VDOT and HRTAC teams have made substantial progress in the last several weeks and are endeavoring to present a substantially complete agreement before the scheduled June 2020 meetings of each of the CTB and the Commission. If that is achieved, it may be possible for each of the CTB and the Commission to approve and enter into the agreement in July 2020. However, it is now possible that Notice to Proceed could be issued before the Master Tolling Agreement is executed and delivered.

HRTAC funding to support the HRBT Expansion Project is provided from several different sources available to the Commission and at various stages of the project, as outlined in the Commission’s Approved Debt Management Plan. Flexibility is a critical component to large



scale system financing efforts like those undertaken by the Commission.

Working with the Finance Committee, HRTAC staff and the Commission's financial advisors have re-ordered the timing of the delivery of certain sources of funds to support the construction costs of the HRBT Expansion Project. Due to the delay with identifying the issuer of the toll-backed debt for the project, the TIFIA Letter of Interest for federal loan funds was not submitted until April 15, 2020, and the necessary Investment Grade Traffic and Revenue Study has also just begun and is scheduled to be completed by September 30, 2020. The Investment Grade Traffic and Revenue Study results will be used by the Build America Bureau in determining the credit worthiness of the estimated toll revenues to sufficiently support the TIFIA loan that is now estimated to close in the first half of calendar year 2021. The combined delay of the TIFIA loan process and the Investment Grade Traffic and Revenue Study has caused HRTAC to adjust its timing of the delivery of certain sources of revenues to fund the HRBT Expansion Project in two principal ways: First, by utilizing a combination of HRTF revenue-backed debt and Commission controlled Pay-Go cash reserves; and second by planning to use the TIFIA loan proceeds later in the project's construction pay schedule of values.

The first year of construction costs following Notice to Proceed to construct HRBT Expansion project is approximately \$1.1 billion, which is currently planned to be provided by the \$800 million HRTF-backed bond proceeds of the proposed bond financing (Item 6E of this Agenda) (the "Proposed Bond Financing"), and Commission controlled Pay-Go cash reserves. In order for the Commission to raise those funds in a timely manner, HRTAC staff recommends the approval of the Proposed Bond Financing in order to permit staff to prepare and complete a bond financing this summer (there is considerable advanced work, including, but not limited to, procuring Bond Underwriters, securing Rating Agency ratings and Bond Trustee, and conducting pre-sale marketing activities). However, in that connection, HRTAC staff is further recommending (discussed further in the Item 6E briefing memo) clarifications to the Proposed Bond Financing resolutions to ensure that the closing occurs after Notice to Proceed is issued and the Master Tolling Agreement is executed and delivered.

The attached presentation highlights the fundamental elements of the Master Tolling Agreement and the primary open issues. HRTAC staff anticipates that the parties will resolve the open issues shortly.

Fiscal Impact:

There is no immediate fiscal impact in relation to this Discussion Item.





Update re: Development of Master Tolling Agreement

May 25, 2020

Recap of Matters Addressed in MTA

- **Framework agreement** to address:
 - Design/development of the initial HREL
 - vicinity of Jefferson Ave in Hampton, through HRBT and High Rise Bridge, to Bowers Hill
 - Building/Construction
 - Financing
 - Operations
 - Maintenance

Principal Approach re: Main Topics

- **Design/development and Construction:**
 - Developed in phases
 - Segment between Reversible HOT through High Rise Bridge
 - Then, core portion of HRBT
 - Remainder
 - VDOT and HRTAC work collaboratively, similar to process with initial six HRTAC projects
 - VDOT lead role procuring goods and services required to complete each phase

Principal Approach re: Main Topics (cont.)

- **Financing**
 - Hampton Roads Transportation Fund (HRTF) revenues and proceeds of HRTF-supported debt, including TIFIA
 - Toll Revenues and proceeds of toll-backed debt, including TIFIA
 - HREL Tolling Legislation (H 1438)
 - specifically empowers HRTAC
 - HRTAC to impose tolls
 - HRTAC to issue debt secured by tolls

Principal Approach re: Main Topics (cont.)

- **Operations**
 - Tolling Operations Duties/Responsibilities
 - Pre and Post-Handover Distinction
 - Pre-Handover – VDOT
 - Post-Handover – HRTAC
 - Handover not later than Launch of Network at HRBT
 - Parties discussing criteria and terms re: earlier Handover
 - When HRTAC is operator, HRTAC may subcontract with:
 - VDOT or third party

Principal Approach re: Main Topics (cont.)

- **Operations (cont.)**

- **Tolling Policies**

- Reversible HOT – continue CTB policies until new segment through High Rise Bridge
 - HRTAC sets initial policies for HREL when expansion starts
 - Modifications to policies:
 - HRTAC unilateral right to modify for compliance to with financing covenants
 - Elective modifications subject to approval of Toll Policy Committee
 - Toll Policy Committee (6 members)
 - 3 appointed by Secretary of Transportation
 - 3 appointed by HRTAC

Principal Approach re: Main Topics (cont.)

- **Maintenance**
 - Roadway – VDOT
 - Tolling Infrastructure & System - Operator
 - VDOT pre-Handover
 - HRTAC post-Handover

Primary Open Issues

- **Operations**
 - Details of pre-Handover
 - use of revenues
 - VDOT support and repayment
 - establishment of reserves
 - Criteria for (and mechanics of) Early Handover
- **Maintenance**
 - Protection of Toll Revenue
 - Compensation Events and Associated Valuations
 - Insurance Coverage
- **Term and Termination**



Agenda Item 6C
Action Item

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: HRTAC Current Approved Debt Management Plan – COVID-19 Potential Impact Review - Continuation of Current Approved Debt Management Plan with Stress Test Adjustments

Recommendation:

The Finance Committee recommends that, in the absence of updated revenue projections from the Commonwealth, the Commission (i) endorse the continuation of the HRTAC Current Approved Debt Management Plan for HRTAC's approved projects (including the I-64 Hampton Roads Bridge-Tunnel Expansion Project) with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) approve the application of the stress test adjustments based on the COVID-19 Potential Impact Review.

Background:

At its May 14, 2020 meeting, the Finance Committee endorsed the continuation of the Current Approved Debt Management Plan for HRTAC's approved projects with the application of the proposed COVID-19 Potential Impact Review adjustments and authorized the Finance Committee Chair to communicate to the Commission the affirmative action of the Committee. HRTAC's adopted short and long-range funding plans include assumptions re: debt financing utilizing senior lien HRTF supported revenues and the use of federal TIFIA HRTF--backed and HRTAC-controlled toll revenue backed loan funds to support the delivery of the contracted and contemplated projects. HRTAC developed a Debt Management Plan in 2017 to guide the Commission through the funding and delivery of its program of projects. The COVID-19 pandemic may adversely affect Commission revenues. The Commonwealth has not provided, and does not appear to be ready to provide, updated revenue projections. In the absence of updated revenue projections from the Commonwealth, HRTAC Staff felt it prudent to work with its professional financial advisors to evaluate the FY2020 HRTF revenue estimates provided by the Commonwealth and to conduct a COVID-19 Potential Impact Review of the Approved HRTAC Debt Management Plan. The Potential Impact Review used solely national guidance provided by several rating service providers and data resulting from an evaluation of the 2008-2009 recession impacts to Hampton Roads to discount the revenue estimates previously provided by the Commonwealth. Then, the revenues estimates, as discounted, were applied to the current Approved FY2020-FY2026 Plan of Finance – Six Year Operating and Capital Program of Projects and the current Approved HRTAC 2045 Long Range Funding Plan, as they align with projects currently under development/construction, or advancing procurement for full project delivery. In light of project timing and that the fact that the HRBT TIFIA loan Letter of Intent (LOI) was submitted just last month and the investment



grade traffic and revenue study has just begun, HRTAC will need to support the HRBT project with HRTF supported debt and HRTF supported Pay-Go cash ahead of the TIFIA loan. As the Commission prepares for the financing of the construction phase of the HRBT project, HRTAC Staff felt it prudent to verify that the Commission's debt financing plan, as adjusted by the COVID-19 Potential Impact Review, would continue to project sufficient financial resources to deliver its current projects and meet its obligations.

Fiscal Impact:

The fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item will be determined as the plan is advanced and incremental bonding occurs. The HRTAC Current Approved Debt Management Plan with stress test adjustments from the COVID-19 Potential Impact Review is based on the limited guidance that is currently available. When the Commonwealth provides updated revenue projections, HRTAC Staff will conduct further analysis and provide future adjustment recommendations to the Finance Committee and Commission.

Suggested Motion:

Motion: In the absence of updated revenue projections from the Commonwealth, the Commission (i) endorses the continuation of the HRTAC Current Approved Debt Management Plan for HRTAC's approved projects (including the I-64 Hampton Roads Bridge-Tunnel Expansion Project) with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) approves the application of the stress test adjustments based on the COVID-19 Potential Impact Review.





Hampton Roads Transportation Accountability Commission

Funding Plan Update *Presentation to the Commission*

May 28, 2020

PFM Financial
Advisors LLC

300 S. Orange Avenue
Suite 1170
Orlando, FL 32801

(407) 648-2208
pfm.com



Objective

- ◆ On March 12, an updated Debt Management Plan was presented to the Finance Committee and endorsed by the Committee. The Debt Management Plan described the funding plan for HRBT, HREL, Bower's Hill and Ft. Eustis Interchange.
- ◆ Since then, the COVID-19 pandemic has resulted in profound economic impacts.
- ◆ This presentation evaluates the viability of the Current Approved Debt Management Plan and the Debt Management Plan presented on March 12, specifically:
 - with respect to HRBT
 - with respect to HREL
 - with respect to Bower's Hill and Ft. Eustis

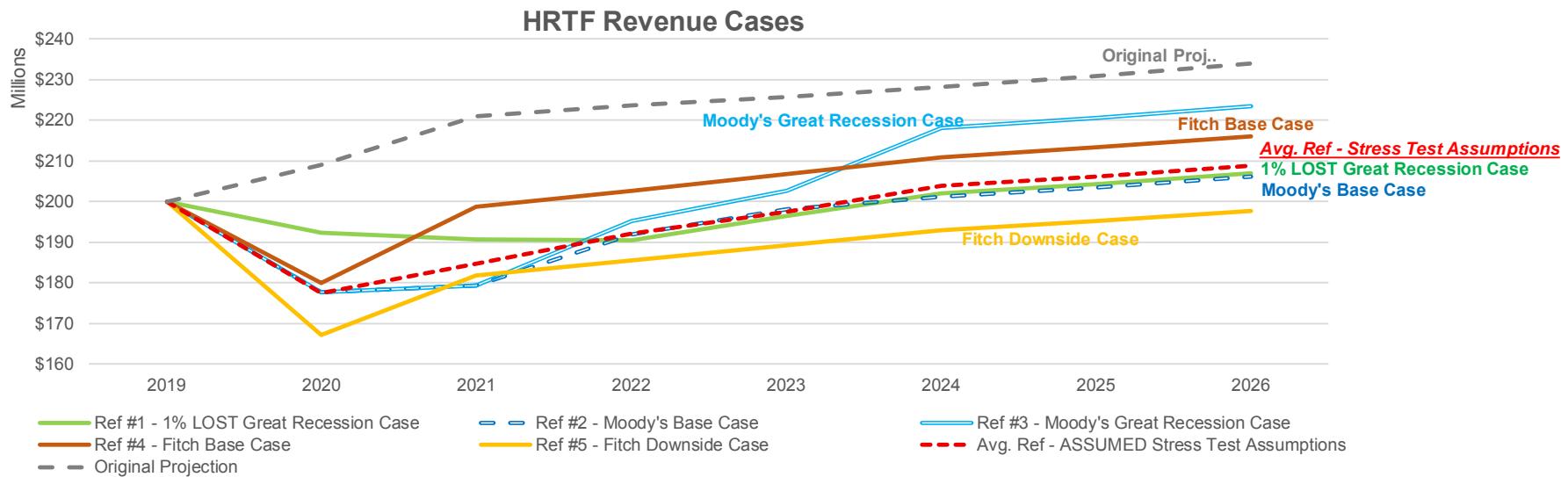


HRTF Revenue Methodology for Stress Test

- ◆ Step 1: modify FY 2019 actuals
 - \$11M fuels tax special assessment in FY 2019. No indications so far that the windfall revenue would recur in FY 2020
 - reduce FY 2019 actual by \$11M: modified FY 2019 input
- ◆ Step 2: FY 2020 – decrease the modified FY 2019 by the average YOY rate for 2020 (-11.25%).
- ◆ Step 3: FY 2021 – decrease FY 2020 from Step 2 by the average YOY rate for 2021 (-0.39%) plus 13% increase on fuels tax
 - HB 1414 provides for 13% gasoline tax rate increase in FY 2021
- ◆ Step 4: FY 2022-2024 – grow previous year by the average rate (3.96%, 2.85%, and 3.17%)
- ◆ Step 5: starting FY 2025, grow sales and uses tax by 2.16% and fuels tax by 1.04% (trend line projection methodology accepted by rating agencies and TIFIA)



HRTF Stress Test Revenue Cases



*Original projection: FY 2020- 2026 prepared by Department of Tax in December 2019, adjusted for the FY 2019 revenue windfall and the HB 1414 fuels tax rate increase; starting 2027, trend line growth rates (2.16% sales and uses tax and 1.04% fuels tax)



HRTF Original Projection vs. Stress Test

FY	Original Projection	Stress Test Assumptions	Diff.
2020	209,000,000	177,504,909	-15.07%
2021	221,069,000	184,742,844	-16.43%
2022	223,569,000	192,067,802	-14.09%
2023	225,817,000	197,535,522	-12.52%
2024	228,265,000	203,791,794	-10.72%
2025	230,839,000	206,089,825	-10.72%
2026	233,939,000	208,857,462	-10.72%
2027	238,228,926	212,687,447	-10.72%
2028	242,603,577	216,593,075	-10.72%
2029	247,064,701	220,575,904	-10.72%
2030	251,614,083	224,637,528	-10.72%
2031	256,253,544	228,779,574	-10.72%
2032	260,984,946	233,003,703	-10.72%
2033	265,810,187	237,311,612	-10.72%
2034	270,731,209	241,705,031	-10.72%
2035	275,749,992	246,185,730	-10.72%
2036	280,868,558	250,755,514	-10.72%
2037	286,088,975	255,416,229	-10.72%
2038	291,413,350	260,169,757	-10.72%
2039	296,843,839	265,018,021	-10.72%
2040	302,382,640	269,962,985	-10.72%
2041	308,031,999	275,006,654	-10.72%
2042	313,794,211	280,151,076	-10.72%

FY	Original Projection	Stress Test Assumptions	Diff.
2043	319,671,617	285,398,342	-10.72%
2044	325,666,610	290,750,587	-10.72%
2045	331,781,631	296,209,992	-10.72%
2046	338,019,175	301,778,785	-10.72%
2047	344,381,790	307,459,237	-10.72%
2048	350,872,075	313,253,673	-10.72%
2049	357,492,687	319,164,463	-10.72%
2050	364,246,340	325,194,029	-10.72%
2051	371,135,801	331,344,844	-10.72%
2052	378,163,902	337,619,434	-10.72%
2053	385,333,529	344,020,377	-10.72%
2054	392,647,634	350,550,307	-10.72%
2055	400,109,229	357,211,915	-10.72%
2056	407,721,391	364,007,946	-10.72%
2057	415,487,261	370,941,206	-10.72%
2058	423,410,049	378,014,560	-10.72%
2059	431,493,031	385,230,933	-10.72%
2060	439,739,553	392,593,313	-10.72%
2061	448,153,034	400,104,750	-10.72%
2062	456,736,962	407,768,362	-10.72%
2063	465,494,904	415,587,329	-10.72%
2064	474,430,498	423,564,902	-10.72%
2065	483,547,462	431,704,400	-10.72%



Toll Revenue Stress Test

- HRBT tolling will not start until FY 2026.
- The majority of commute and travel disruption directly caused by COVID-19 should not last for more than several years.
- However, it is possible that the prolonged teleworking pattern may result in permanent behavioral changes and more flexible work arrangements between employers and employees.
- In its COVID-19 rating test, Fitch assumes that traffic recovers in 2021 to levels last seen in 2019 minus -5% and in 2022 and beyond, traffic is assumed to grow at previously forecast levels*.
- The tolling stress test assumes 6% reduction on the current toll revenue forecast and 6% reduction on tolling O&M costs.

Source:

Fitch Ratings: *Fitch Ratings Defines Coronavirus Scenarios for U.S. Toll Roads, March 24, 2020*



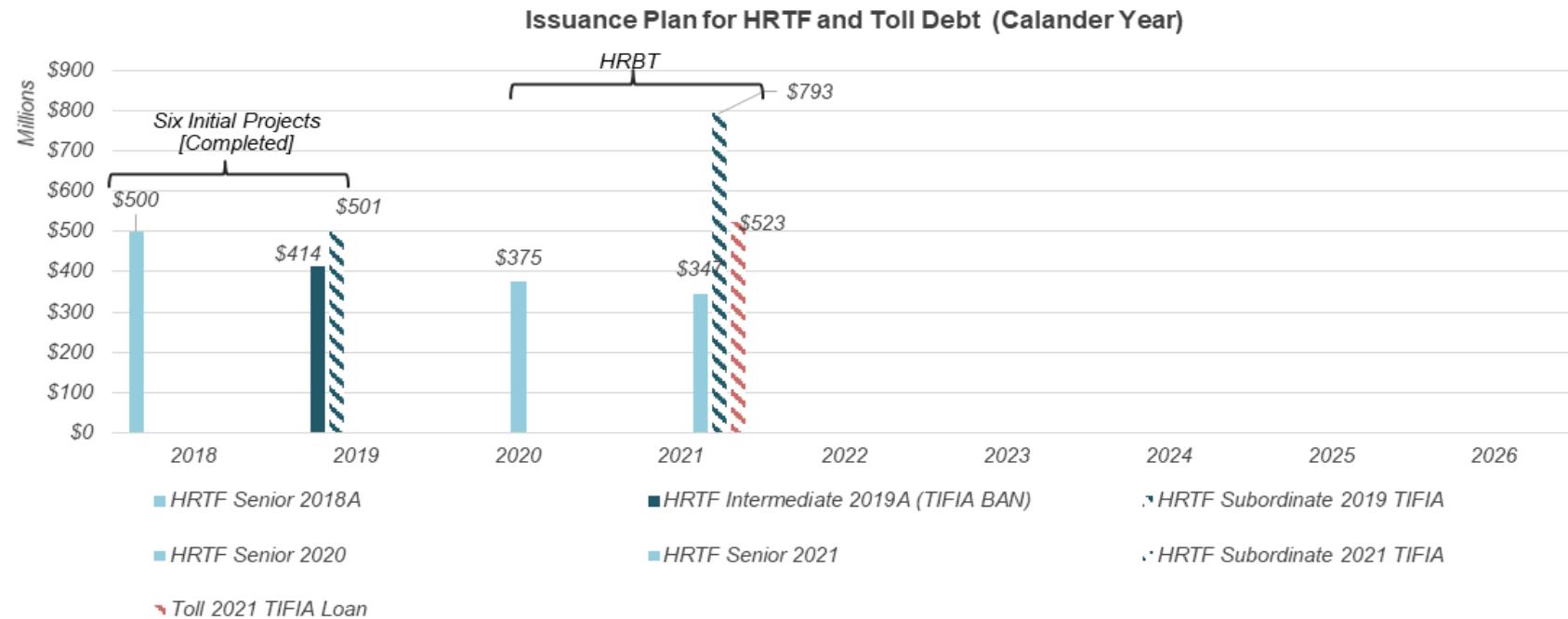
Current Approved Funding Plan Result (with Revenue Stress Test):

*Current Projects: Six Initial Projects and HRBT
Future Projects: None*



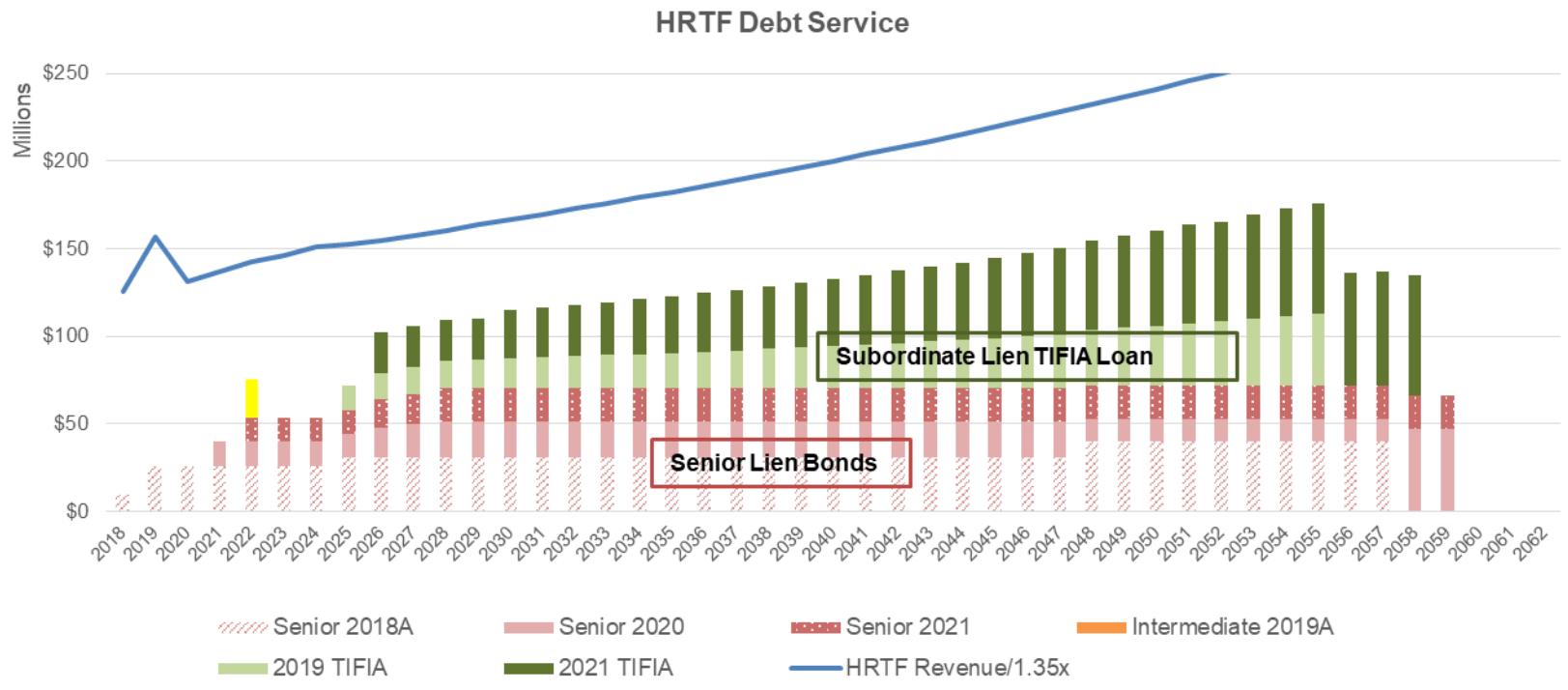
Annual Debt Issuance Plan with Revenue Stress Test [Current Approved Funding Plan - Six Initial Projects and HRBT]

- ◆ Does NOT include HREL, Bower's Hill and Ft. Eustis Projects
- ◆ HRTF future debt issuance: \$721M bonds and \$793M TIFIA loans
- ◆ Toll revenue future debt issuance: \$523M TIFIA loans
- ◆ The issuance plan can change due to a number of factors, including construction and tolling cost estimates, HRTF and toll revenue projections, interest rates, and TIFIA loan availability.





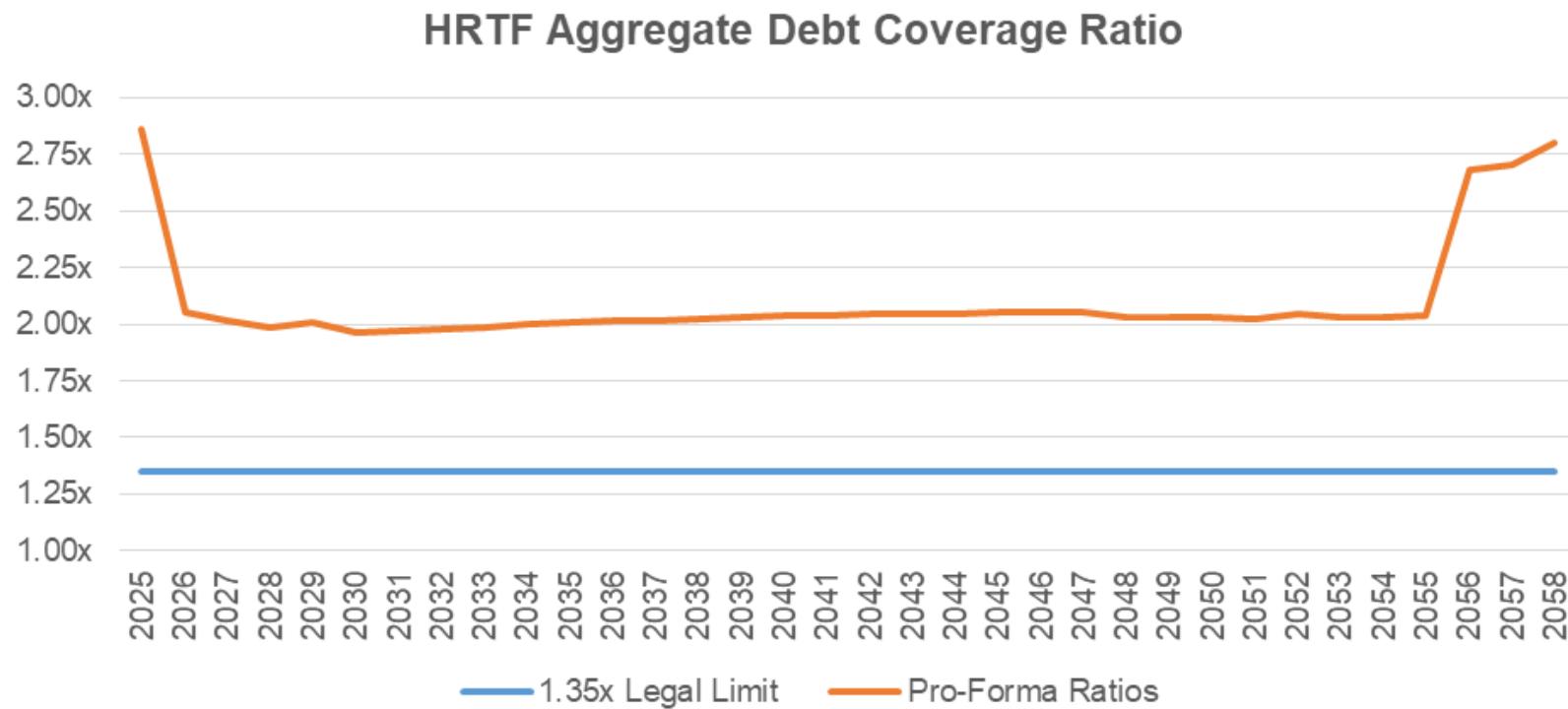
HRTF Revenue Supported Debt Service Illustration with Revenue Stress Test [Current Approved Funding Plan - Six Initial Projects and HRBT]



- Assume 100 bps to 200 bps above market rates as of May 5, 2020
- Debt service coverage ratios remain above minimum requirements although lower than in previous financial plans
- Minimum HRTF cash balance of \$100 million



HRTF Debt Service Coverage Ratio [Current Approved Funding Plan - Six Initial Projects and HRBT]



*TIFIA repayment starts in 2025 (prior years not shown)



HRBT Financing Update

**Agenda 6C:
Current Approved Debt Management Plan**

**Agenda 6D:
Current Approved FY 2020-2026 Funding Plan**

**Agenda 6E:
Issuance of HRTF Series 2020 Bonds**

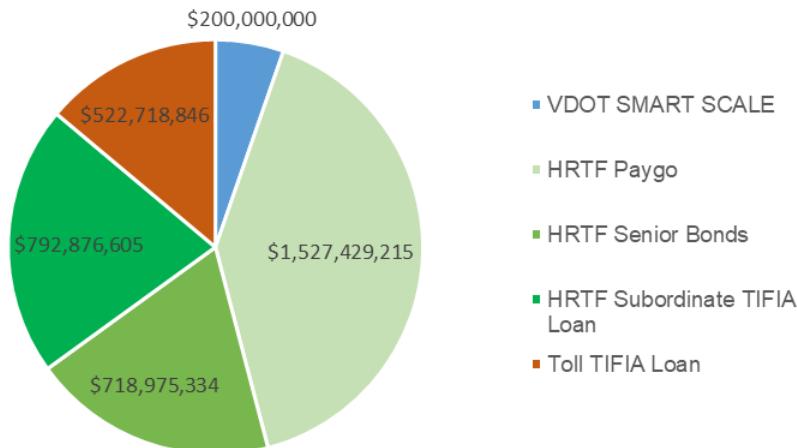


Agenda 6C: Current Approved Debt Management Plan - HRBT

- With the revenue stress test, HRTAC is still able to fund its \$3.762 billion obligation (including \$200M SMART Scale) to support HRBT's current completion schedule in FY 2026.

	Total	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<i>HRBT - HRTAC Funding Obligation (Including \$200M SMART SCALE)</i>								
Costs	3,762,000,000	441,063,852	1,128,994,340	713,603,367	545,663,727	531,645,778	381,030,715	19,998,221
Funds								
VDOT SMART SCALE	200,000,000					110,000,000	90,000,000	
HRTF Paygo	1,527,429,215	441,063,852	315,936,145	14,809,624	545,663,727	189,957,647		19,998,221
HRTF Senior Bonds	718,975,334		718,975,334					
HRTF Subordinate TIFIA Loan	792,876,605		94,082,862	698,793,743				
Toll TIFIA Loan	522,718,846					231,688,131	291,030,715	
Total	3,762,000,000	441,063,852	1,128,994,340	713,603,367	545,663,727	531,645,778	381,030,715	19,998,221

- The two TIFIA loans continue to be 33% of eligible HRBT costs; toll TIFIA loan capacity reduction is offset with a greater HRTF TIFIA loan
- No major debt plan changes





Agenda 6D: Current 2020 – 2026 SYIP Update Project Costs and Expenses & Funding Sources

- ◆ HREL is NOT included.

HRTAC Project Costs and Expenses

	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	HRTAC Cost Share	VDOT Funds	Other Local
Operating/HRTF Fees	\$12	\$6	\$6	\$6	\$7	\$7	\$8	\$8	\$60	\$60		
I-64 Peninsula Widening	\$413	\$78	\$41						\$531	\$310	\$221	
I-64/I-264 Interchange Improvement	\$286	\$44	\$24	\$8					\$362	\$290	\$67	\$2
I-64 Southside/High Rise Bridge	\$252	\$197	\$79						\$527	\$432	\$95	
Project Development	\$42	\$0							\$42	\$42		
HRBT	\$76	\$365	\$1,129	\$714	\$546	\$532	\$381	\$20	\$3,762	\$3,562	\$200	
Total	\$1,080	\$690	\$1,279	\$728	\$552	\$539	\$389	\$28	\$5,284	\$4,696	\$583	\$2

Funding Sources

	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
VDOT Funds	\$278	\$64	\$34	\$8		\$110	\$90		\$583
Other Local Funds		\$5							\$5
HRTAC Cost Share	\$797	\$626	\$1,245	\$720	\$552	\$429	\$299	\$28	\$4,696
Total	\$1,080	\$690	\$1,279	\$728	\$552	\$539	\$389	\$28	\$5,284



Agenda 6D: Current 2020 – 2026 SYIP Update Projected Cash Flow – *With Existing VDOT/TAX Revenue Projection*

HRTAC Projected Cash Flow							
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
HRTF .7% local Sales Tax Funds	\$148	\$152	\$154	\$157	\$160	\$163	\$166
HRTF 2.1% Fuel Tax Funds	\$72	\$72	\$72	\$72	\$72	\$71	\$71
Total HRTF Revenue	\$220	\$224	\$227	\$229	\$231	\$234	\$237
							\$0
HRTAC Toll Revenues							\$31
HRTF Interest Income	\$1	\$0	\$0	\$0	\$0	\$0	\$0
HRTF Investment Income	\$20	\$1	\$1	\$2	\$2	\$4	\$4
HRTAC HRTF Revenue Debt Proceeds	\$270	\$947	\$606	\$405	\$50		\$2,278
HRTAC Toll Revenue Debt Proceeds					\$232	\$291	\$523
Total HRTAC Revenue	\$511	\$1,172	\$834	\$636	\$515	\$529	\$272
							\$4,470
HRTAC Cost Share	\$626	\$1,245	\$720	\$552	\$429	\$299	\$28
HRTF and Toll Revenue Debt Service	\$26	\$40	\$75	\$53	\$53	\$72	\$102
HRTF and Toll Revenue Debt Service Reserve			\$29	\$1	\$1	\$43	\$51
Tolling O&M Costs							\$25
Tolling O&M and M&R Reserve							\$10
Toll Revenue Repayment to VDOT							\$10
Total HRTAC Expenditure	\$652	\$1,284	\$824	\$606	\$483	\$414	\$216
<i>Revenue/Expenditure Difference Balanced by Cash on Hand</i>	(141)	(112)	\$10	\$30	\$32	\$115	\$56
							(9)
HRTAC Unobligated Funds							
Beginning Fund Balance	\$579	\$438	\$326	\$336	\$366	\$398	\$513
Annual Deposit/(Draws)	(\$141)	(\$112)	\$10	\$30	\$32	\$115	\$56
Ending Fund Balance	\$438	\$326	\$336	\$366	\$398	\$513	\$570



Agenda 6D: Current 2020 – 2026 SYIP Update

Projected Cash Flow – With Revenue Stress Test

HRTAC Projected Cash Flow

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
HRTF .7% local Sales Tax Funds	\$126	\$127	\$133	\$137	\$143	\$145	\$148	\$958
HRTF 2.1% Fuel Tax Funds	\$52	\$58	\$60	\$60	\$61	\$61	\$61	\$412
Total HRTF Revenue	\$178	\$185	\$192	\$198	\$204	\$206	\$209	\$1,371
								\$0
HRTAC Toll Revenues								\$31
HRTF Interest Income	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$1
HRTF Investment Income	\$20	\$1	\$1	\$1	\$2	\$2	\$2	\$30
HRTAC HRTF Revenue Debt Proceeds	\$270	\$947	\$606	\$405	\$50			\$2,278
HRTAC Toll Revenue Debt Proceeds					\$232	\$291		\$523
Total HRTAC Revenue	\$469	\$1,132	\$799	\$604	\$487	\$499	\$242	\$4,233
HRTAC Cost Share	\$626	\$1,245	\$720	\$552	\$429	\$299	\$28	\$3,899
HRTF and Toll Revenue Debt Service	\$26	\$40	\$75	\$53	\$53	\$72	\$102	\$421
HRTF and Toll Revenue Debt Service Reserve			\$29	\$1	\$1	\$43	\$51	\$125
Tolling O&M Costs							\$25	\$25
Tolling O&M and M&R Reserve							\$10	\$10
Toll Revenue Repayment to VDOT								
Total HRTAC Expenditure	\$652	\$1,284	\$824	\$606	\$483	\$414	\$216	\$4,479
Revenue/Expenditure Difference Balanced by Cash on Hand	(183)	(152)	(24)	(2)	\$4	\$86	\$26	(246)
HRTAC Unobligated Funds								
Beginning Fund Balance	\$579	\$396	\$244	\$219	\$217	\$221	\$306	
Annual Deposit/(Draws)	(\$183)	(\$152)	(\$24)	(\$2)	\$4	\$86	\$26	(246)
Ending Fund Balance	\$396	\$244	\$219	\$217	\$221	\$306	\$333	



General Bond Pricing and Market Access Considerations

- ◆ Rating agencies are reviewing all portfolios for potential impacts to bond ratings.
 - The focus has been on sectors directly and immediately impacted such as transportation and special taxes/fees.
 - Bond Rating “outlooks” have been revised downward. Some bond ratings are being reduced.
 - Rating agencies are putting a higher emphasis on access to liquidity and the ability of issuers to meet debt service under stress test scenarios.
- ◆ While baseline interest rates are very low, credit & liquidity spreads have widened dramatically as the COVID-19 pandemic’s economic impact weighs on state and local government revenues.
 - The near term new normal is significantly wider spreads to benchmarks than we’ve seen in recent years.
 - Looking at what transpired during the 2008-2009 financial crisis, expect a similar credit spread pattern emerge.
 - The credit spread compression we’ve seen over the past few years is now starting to gap back out, and we can expect it to take several months before credit spreads start moving lower.
- ◆ Currently, the buy side is not fully engaged although better credits do have market access at reasonable interest rates. Weaker credits, especially in hard hit sectors such as airports and toll roads, would struggle with market access.
 - Practically, that means issuers will need to think about downsizing issues as well as selling more generic structures (coupons, call, etc.) to appeal to a broader base of investors.



HRTAC Debt Market Accessibility

- ◆ Debt products are still available
 - The HRBT TIFIA loan letter of interest was submitted, and TIFIA staff has mobilized to review the LOI.
 - High grade bonds, such as HRTF senior lien debt, are still entering the municipal market and have been sold.
 - Next HRTF bonds issuance is several months away (summer 2020), during which time we hope the muni market will continue to stabilize.
 - If needed, banks have expressed interest to lend funds through private placements.
- ◆ Conservative interest rate assumptions
 - The financial plan is designed with the ability of absorbing market rate increases – the interest rate assumptions are 100-200 bps above current muni bond markets
 - The current extremely low TIFIA loan rate affecting \$1.3 billion debt, if it holds up until we close the next TIFIA loans, will be very beneficial for HRTAC.

Overall, we believe the COVID-19 Crisis has not impaired debt market accessibilities for HRTAC's future debt; assumed debt structures continue to be prudent.



Agenda 6E: Resolution Regarding Issuance of HRTF Series 2020 Bonds

- Given evolving market conditions, the HRTAC finance team suggests providing some flexibility on timing, size, and structure of the HRTF revenue bonds to fund HRBT, within certain parameters
- Bond parameters
 - Maximum par amount - \$800 million
 - Maximum term – 40 years
 - Multiple series permitted
 - Different liens permitted
 - Maximum interest rate – 5% True Interest Cost
 - Minimum sales price (excluding original issue discount) – 95%
- Underwriter selection – delegated to the Executive Director, with the advice of the Financial Advisor, to select from the current underwriting pool
- Proceeds investment - State Non-Arbitrage Program of the Commonwealth of Virginia (“SNAP”) permitted



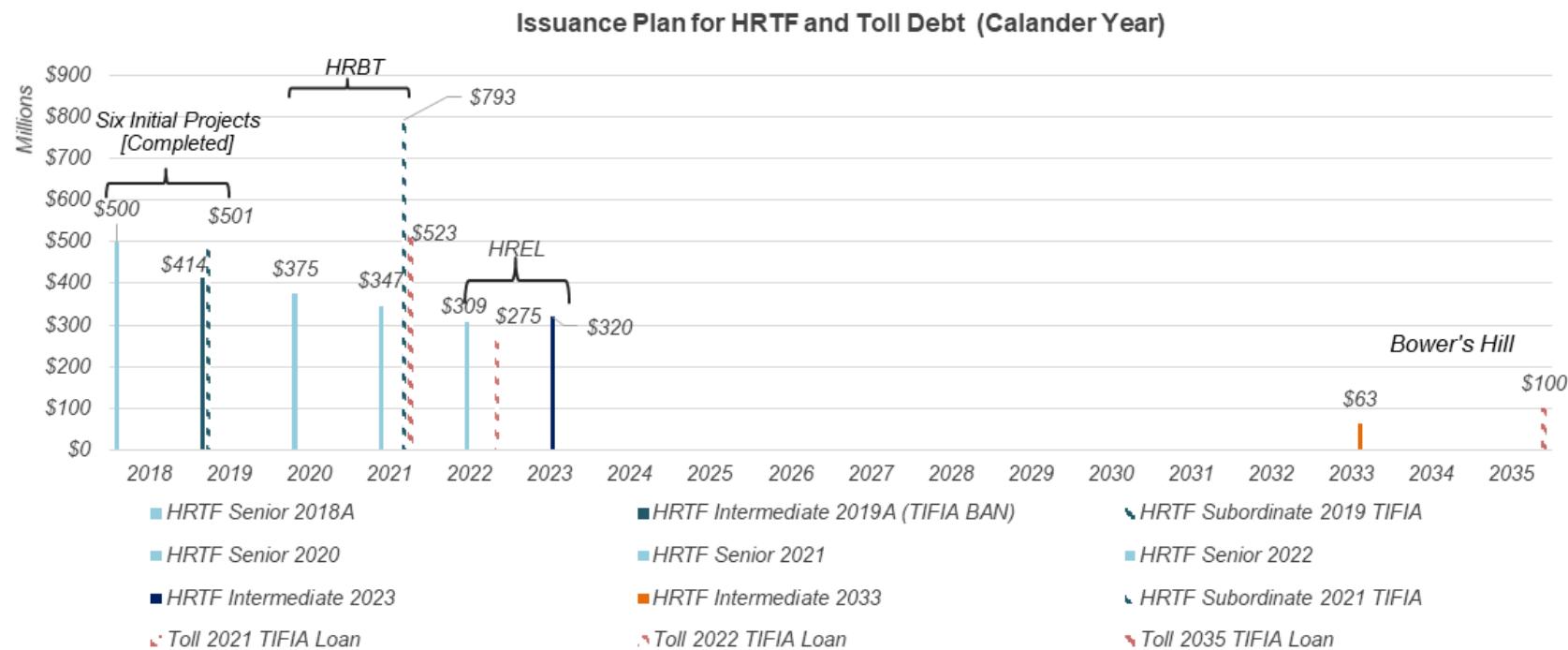
Proposed Short- and Long-Term Funding Plan Update Result (with Revenue Stress Test):

*Current Projects: Six Initial Projects and HRBT
Future Projects: HREL, Bower's Hill and Ft. Eustis*



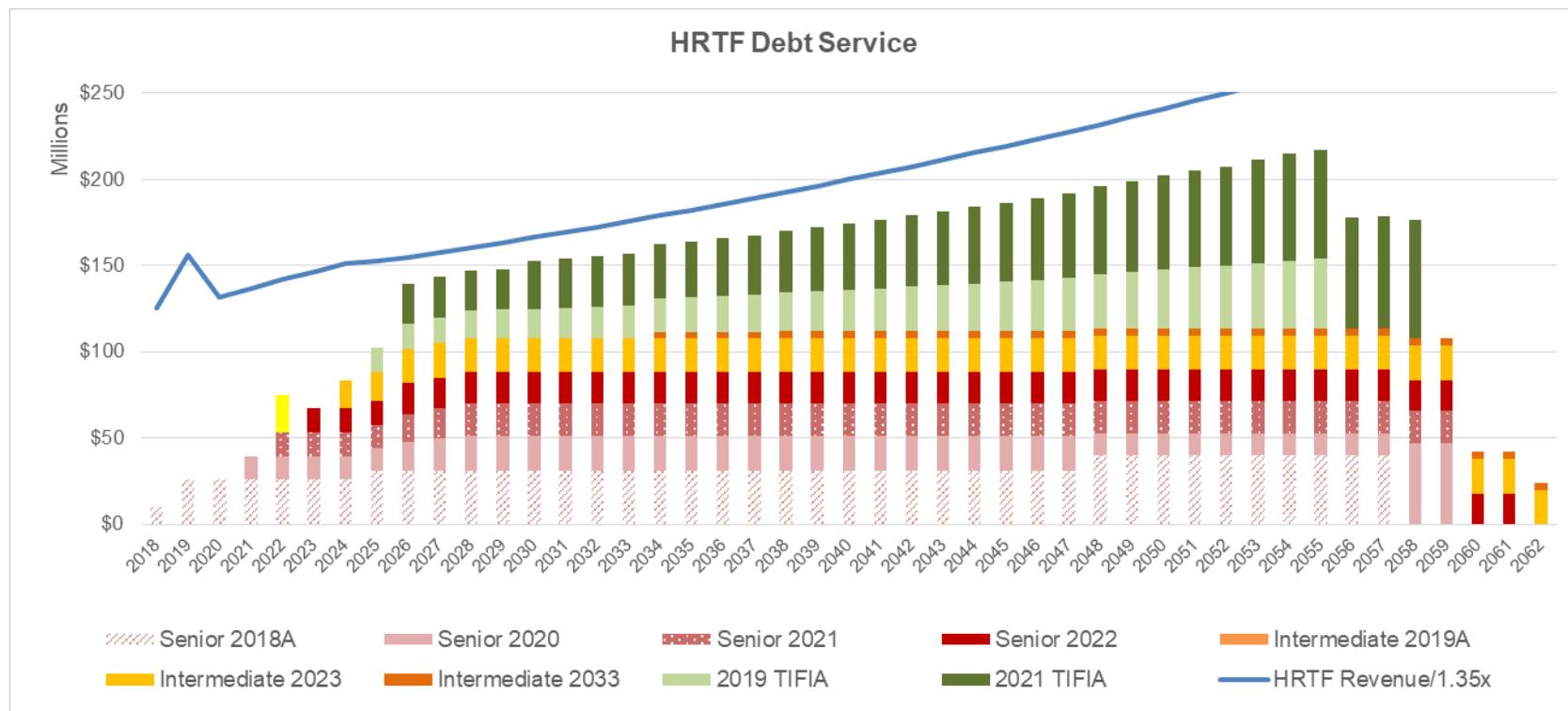
Annual Debt Issuance Plan with Revenue Stress Test [Proposed Short- and Long-Term Funding Plan Update Result]

- Includes Six Initial Projects, HRBT, HREL, Bower's Hill and Ft. Eustis Projects
- HRTF future debt issuance: \$1,412M bonds and \$793M TIFIA loans
- Toll revenue future debt issuance: \$898M TIFIA loans
- The issuance plan can change due to a number of factors, including construction and tolling cost estimates, HRTF and toll revenue projections, interest rates, and TIFIA loan availability.





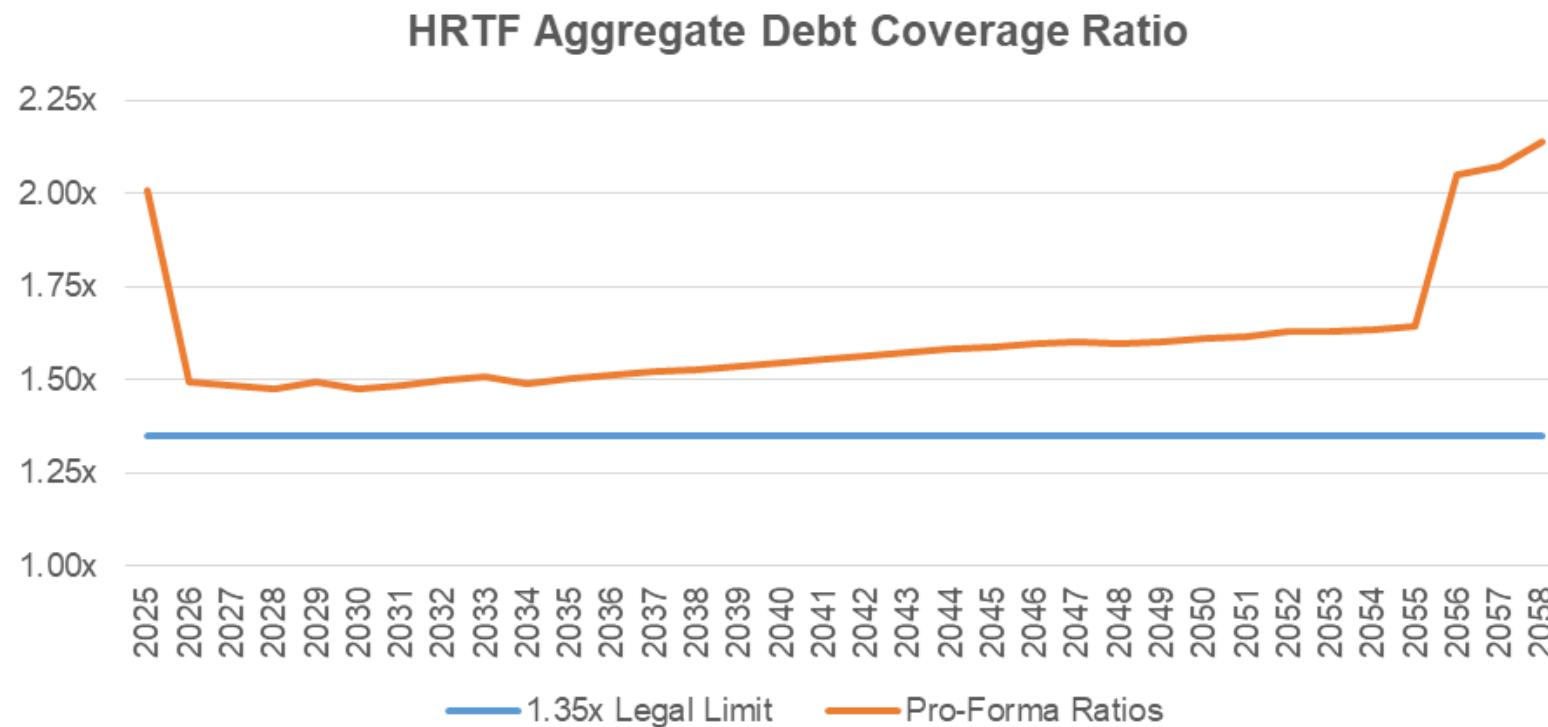
HRTF Revenue Supported Debt Service Illustration with Revenue Stress Test [Proposed Short- and Long-Term Funding Plan Update Result]



- Assume 100 bps to 200 bps above market rates as of May 5, 2020
- Debt service coverage ratios remain above minimum requirements although lower than in previous financial plans
- Minimum HRTF cash balance of \$100 million



HRTF Debt Service Coverage Ratio [Proposed Short- and Long-Term Funding Plan Update Result]



*TIFIA repayment starts in 2025 (prior years not shown)



HREL Financing Update

**Agenda 6F(i):
Proposed Debt Management Plan**

**Agenda 6F(ii):
Proposed FY 2021-2026 Funding Plan**



Agenda 6F(i): Proposed Debt Management Plan - HREL

- ◆ \$940M HREL costs funded by HRTAC
 - Segment 1: \$206M
 - Segment 3: \$37M
 - Segment 4A&B - \$167M; Segment 4C - \$529M
- ◆ \$62M other costs funded by VDOT's Toll Facilities Revolving Account, reimbursable with excess toll revenues
- ◆ With the revenue stress test, after funding HRBT, limited HRTF funding capacity left is left for HREL.
- ◆ Sufficient funds can be provided to support the full \$940M HRTAC funding obligation, but debt coverage ratios drop closer to the 1.35x legal constraint.
- ◆ As a contingency, VDOT is to provide assessment on the essentiality of various HREL segments and whether any of the segments can be deferred without impacting the serviceable of the network.

	Total	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
HRELN								
Costs	939,692,595	9,876,384	37,280,490	93,741,163	216,926,360	251,931,229	252,290,112	77,646,857
Funds								
HRTF Paygo	69,897,180	9,876,384	37,280,490				22,740,306	
HRTF Bonds	594,795,415			93,741,163	216,926,360	251,931,229	32,196,663	
Toll TIFIA Loan	275,000,000						197,353,143	77,646,857
Total	939,692,595	9,876,384	37,280,490	93,741,163	216,926,360	251,931,229	252,290,112	77,646,857



Agenda 6F(ii): Proposed FY 2021-2026 Funding Plan Project Costs and Expenses & Funding Sources

HRTAC Project Costs and Expenses

	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	HRTAC Cost Share	VDOT Funds	Other Local	Outside Contribution
Operating/HRTF Fees	\$18	\$6	\$6	\$7	\$7	\$8	\$8	\$60	\$60			
I-64 Peninsula Widening	\$491	\$41						\$531	\$310	\$221		
I-64/I-264 Interchange Improvement	\$330	\$24	\$8					\$362	\$290	\$67	\$2	\$3
I-64 Southside/High Rise Bridge	\$448	\$79						\$527	\$432	\$95		
Project Development	\$42							\$42	\$42			
HRBT	\$441	\$1,129	\$714	\$546	\$532	\$381	\$20	\$3,762	\$3,562	\$200		
HRELN	\$10	\$37	\$94	\$217	\$252	\$252	\$78	\$940	\$940			
Total	\$1,780	\$1,316	\$821	\$769	\$791	\$641	\$106	\$6,224	\$5,636	\$583	\$2	\$3

Funding Sources

	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
VDOT Funds	\$342	\$34	\$8		\$110	\$90		\$583
Other Local Funds		\$5						\$5
HRTAC Cost Share	\$1,434	\$1,282	\$814	\$769	\$681	\$551	\$106	\$5,636
Total	\$1,780	\$1,316	\$821	\$769	\$791	\$641	\$106	\$6,224



Agenda 6F(ii): Proposed FY 2021-2026 Funding Plan Projected Cash Flow – *With Revenue Stress Test*

HRTAC Projected Cash Flow

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
HRTF .7% local Sales Tax Funds	\$127	\$133	\$137	\$143	\$145	\$148	\$833
HRTF 2.1% Fuel Tax Funds	\$58	\$60	\$60	\$61	\$61	\$61	\$360
Total HRTF Revenue	\$185	\$192	\$198	\$204	\$206	\$209	\$1,193
 HRTAC Toll Revenues							\$31
HRTF Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HRTF Investment Income	\$1	\$2	\$2	\$2	\$2	\$1	\$9
HRTAC HRTF Revenue Debt Proceeds	\$1,136	\$844	\$374	\$244			\$2,598
HRTAC Toll Revenue Debt Proceeds				\$389	\$408		\$797
 Total HRTAC Revenue	 \$1,322	 \$1,037	 \$573	 \$839	 \$616	 \$241	 \$4,628
 HRTAC Cost Share	 \$1,282	 \$814	 \$769	 \$681	 \$551	 \$106	 \$4,202
HRTF and Toll Revenue Debt Service	\$40	\$75	\$66	\$83	\$102	\$139	\$506
HRTF and Toll Revenue Debt Service Reserve		\$29	\$1	\$1	\$58	\$51	\$140
Tolling O&M Costs							\$25
Tolling O&M and M&R Reserve							\$12
Toll Revenue Repayment to VDOT							\$12
 Total HRTAC Expenditure	 \$1,321	 \$918	 \$837	 \$765	 \$711	 \$333	 \$4,885
 Revenue/Expenditure Difference Balanced by Cash on Hand	 \$1	 \$120	 (264)	 \$74	 (95)	 (92)	 (256)
 HRTAC Unobligated Funds							
Beginning Fund Balance	\$386	\$387	\$506	\$243	\$316	\$221	
Annual Deposit/(Draws)	\$1	\$120	(\$264)	\$74	(\$95)	(\$92)	(256)
Ending Fund Balance	\$387	\$506	\$243	\$316	\$221	\$130	



Bower's Hill and Ft. Eustis Financing Update

**Agenda 6F(iii):
Proposed 2045 Long Range Plan of Finance**



Bower's Hill and Ft. Eustis

- With the revenue stress test, Bower's Hill completion is pushed back to FY 2035 and Ft. Eustis Completion is pushed back to FY 2037.

	Total	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Bower's Hill							
Costs	600,393,054	27,875,909	29,704,215	137,010,693	135,875,122	150,424,149	119,502,966
Funds							
HRTF Paygo	454,660,633	27,875,909	29,704,215	137,010,693	135,875,122	94,222,614	29,972,080
HRTF Debt	56,201,535					56,201,535	
Toll TIFIA Loan	89,530,886						89,530,886
Total	600,393,054	27,875,909	29,704,215	137,010,693	135,875,122	150,424,149	119,502,966

	Total	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
Ft. Eustis Interchange							
Costs	298,482,065	12,581,375	12,895,909	58,237,177	68,921,975	70,645,024	75,200,606
Funds							
HRTF Paygo	298,482,065	12,581,375	12,895,909	58,237,177	68,921,975	70,645,024	75,200,606
Total	298,482,065	12,581,375	12,895,909	58,237,177	68,921,975	70,645,024	75,200,606



Agenda 6F(iii): Proposed 2045 Long Range Plan of Finance

Six Initial Projects	HRBT	HRELN	Bower's Hill Interchange	Ft. Eustis Interchange	Total FV Cost	Funded by HRTF Debt	Funded by Toll Debt	Funded by HRTAC Pay-Go	Funded by VDOT and Other Pay-Go
2045 (With Toll Revenues to HRTAC)									
Inflated Costs (MM)	\$1,420	\$3,762	\$940	\$600	\$298	\$7,020	\$3,285	\$897	\$2,250
Fiscally Constrained Construction End Year	2022	2026	2026	2035	2037				\$588



Appendix: Additional Revenue Stress Test Details



Background for the COVID-19 Revenue Impact Estimates

- ◆ Assessing near- and long-term impacts on HRTAC revenues, including HRTF revenues and toll revenues, is critical and also challenging.
- ◆ Department of Tax prepares HRTF six-year forecasts twice a year. However, such forecast update reflecting the COVID-19 impacts will not be available until later CY 2020.
- ◆ Absent a revenue estimate update from Tax, PFM is tasked with suggesting a reasonable HRTF revenue stress test, so that an evaluation of the viability of HRTAC's funding plan can be conducted.
- ◆ In developing the revenue stress test, PFM relied on rating agencies' generic views on relevant revenue bases as well as HRTF revenue proxy's historical performances.



PFM Disclosure

- PFM is not an econometric forecasting firm, and we have NOT forecasted impacts to HRTAC's HRTF and toll revenues. We have taken reports provided by Moody's Investors Services and Fitch Investors Services, the two firms that rate the existing HRTF bonds, and used them to adjust the current FY 2020-2026 HRTF revenue estimate from the Department of Tax and the future years' trend line projection method established previously. The rating agencies did not specifically address the HRTF revenues but gave general information on the relative impacts to various types of revenues commonly used to secure municipal bonds.
- The revenue adjustments reflected herein are not PFM predictions of future outcomes but rather our best interpretations of the rating agency cases being applied across the municipal bond industry, as well as HRTF revenue proxy's performance during the Great Recession.
- Rating agency views of economic and revenue impacts as a result of the COVID-19 pandemic continue to evolve rapidly. We can not represent that every rating agency report has been incorporated into this revenue stress test.
- These materials should not be forwarded or used without these important notes.



Rating Agency Responses

- Rating agencies have been actively responding to the effects of the pandemic, including:
 - publishing a variety of commentary across market
 - adjusting rating assessment assumptions where necessary
 - screening portfolios and taking rating actions
- Rating agencies continue to monitor the rapidly evolving environment and their projections and assumptions on the economic impacts are subject to change.
- No rating changes on HRTF debt as of May 5, 2020

Example of Rating Agency Response

FitchRatings

Public Finance
U.S.A

U.S. Public Finance and Infrastructure: Coronavirus Response So Far

Summary of Commentary and Key Risks

The coronavirus outbreak presents near- and longer term pressures to ratings in Fitch Ratings' U.S. Public Finance portfolio. Fitch's rated portfolio is diverse, and coronavirus effects will be felt differently among state and local governments, public utilities, public housing, not-for-profit healthcare, life plan communities, higher education systems and transportation infrastructure.

Fitch has been screening its portfolio, taking rating action and publishing a variety of commentary across market sectors to actively respond to the rapidly evolving environment and to identify and communicate key risks. Fitch is adjusting its underlying assumptions where necessary in accordance with its revised Global Economic Outlook and central baseline and downside scenarios. This report includes U.S. Public Finance commentary published thus far, a distillation of key considerations by sector and a listing of coronavirus-related rating actions to date.

Key Research

Date

Multisector

USPF Changes Model Assumptions Due to Coronavirus

April 8, 2020

Webinar: Coronavirus Impact on US Transportation

April 8, 2020

Fitch Ratings Screening USPF Ratings for Coronavirus Vulnerability

March 31, 2020

Fitch Sector Outlooks: March 2020 Update

March 27, 2020

Market Fall to Hit Pensions Now; Govt. Contributions Later

March 24, 2020

Fitch Ratings Reviewing Infrastructure Issuers for Coronavirus Vulnerability

March 18, 2020

U.S. State and Local Tax-Supported

U.S. Local Government Liquidity to Face Stress Due to Coronavirus

April 3, 2020

CARES Act Bolsters U.S. Public Transit; Challenges Remain

March 31, 2020

Tax Filing Delays Will Hit Near-Term Liquidity for State Govts.

March 30, 2020

Webinar: Coronavirus Effects for U.S. States and Local Governments

March 26, 2020

Fitch Places Major U.S. Transit Agencies on Rating Watch Negative Amid Coronavirus Disruptions

March 20, 2020

Federal Coronavirus Aid Key Short-Term Boost to U.S. States

March 19, 2020

Coronavirus Effects for U.S. States and Locals Still Developing

March 12, 2020



State and Local Government Issuers – Fitch and Moody’s Reports

Fitch Ratings

- Fitch announced their assumptions on economic impacts on the GDP and selected states for the three years following the COVID-19 outbreak.
- GDP: sharp decline and strong rebound, followed by normalized annual growth
- VA: 19% downside case revenue decline in year 1
- No explicit guidance after year 3

National GDP		
Standard Scenario	COVID-19 (Base Case)	COVID-19 (Downside Case)
Year 1	-1.0%	-3.3%
Year 2	0.5%	3.8%
Year 3	2.0%	2.0%

Virginia State Revenue		
	COVID-19 (Base Case)	COVID-19 (Downside Case)
Year 1	-10.0%	-19.0%

Moody’s

- Moody’s views that sales tax and gasoline tax have moderate exposures:
- State highway revenue bonds secured by gasoline taxes better-positioned special tax bonds to

High Exposure

Hotel occupancy
Casino revenue
Car rental
Prepared food and drink
Parking fees

Moderate Exposure

Business income
Broad based sales tax
Personal income
Gasoline
Motor vehicle registration
Cigarette, lottery and liquor
Utility services

Moody’s State Revenue Assumptions

Base Case		Great Recession Scenario	
FY	YOY	FY	YOY
2020	-11.20%	2020	-11.20%
2021	-3.50%	2021	-3.50%
2022	7.00%	2022	8.90%
2023	3.30%	2023	3.80%
2024	1.50%	2024	7.60%
Cum. Growth		Cum. Growth	
-3.86%		4.23%	

Source:

Fitch Ratings: *Fitch Ratings Defines Coronavirus Scenarios for State and Local Tax-Supported Issuers*, April 8, 2020

Fitch Ratings: *Coronavirus: Gauging the Impact of the Economic Dislocation on U.S. State Tax Revenues*, April 17, 2020

Moody’s: *Special Tax Revenue will Weaken as Coronavirus Slows Economy and Travel*, March 30, 2020

Moody’s: *Revenue Recovery From Coronavirus Hit Will Lag GDP Revival, Prolonging Budget Woes*, April 24, 2020

Moody’s: *State Highway Revenue Bonds Will Benefit as Gasoline Demand Rebounds from Coronavirus Low*, April 29, 2020



COVID-19 Impact: FY 2020 – 2024 YOY HRTF Revenue Change Assessment

- ◆ Five reference cases were reviewed:
 - Reference 1 – Planning District 23 1% Local Optional Sales Tax's (proxy to HRTF sales and uses tax) performance during the Great Recession
 - Reference 2-3 – Moody's assumptions for state revenues
 - Reference 4-5 – derived from Fitch's assumptions for GDP and Virginia revenues
- ◆ The average of the five reference cases provides a balanced representation of the five reference cases and is utilized as the stress test assumption for the financial update.

FY	Ref. 1	Ref. 2	Ref. 3	Ref. 4	Ref. 5	Average Ref 1-5
	1% LOST Great Recession Case	Moody's Base Case	Moody's Great Recession Case	Fitch Base Case	Fitch Downside Case	Utilized Assumptions
2020	-3.85%	-11.20%	-11.20%	-10.00%	-20.00%	-11.25%
2021	-4.95%	-3.50%	-3.50%	6.00%	4.00%	-0.39%
2022	-0.08%	7.00%	8.90%	2.00%	2.00%	3.96%
2023	3.13%	3.30%	3.80%	2.00%	2.00%	2.85%
2024	2.74%	1.50%	7.60%	2.00%	2.00%	3.17%
Cum. Growth	-3.24%	-3.86%	4.23%	1.24%	-11.71%	-2.48%



Appendix:

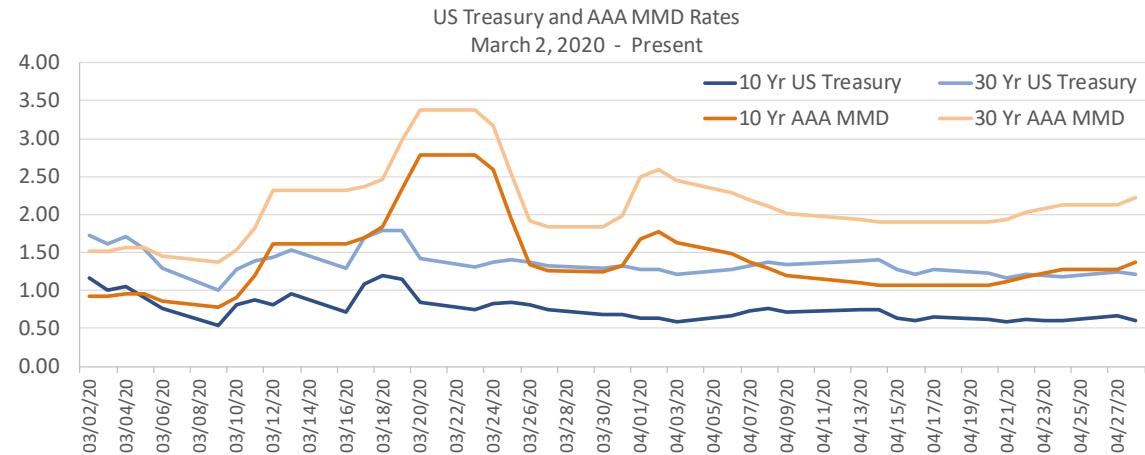
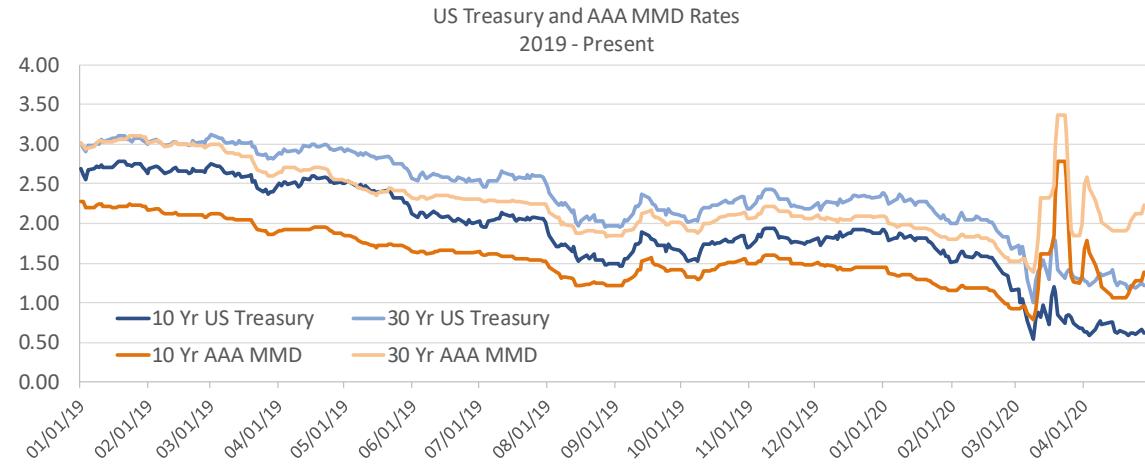
Market Update – COVID-19 Impacts

As of April 28, 2020



Municipal and US Treasury rate movement – volatile and disconnected

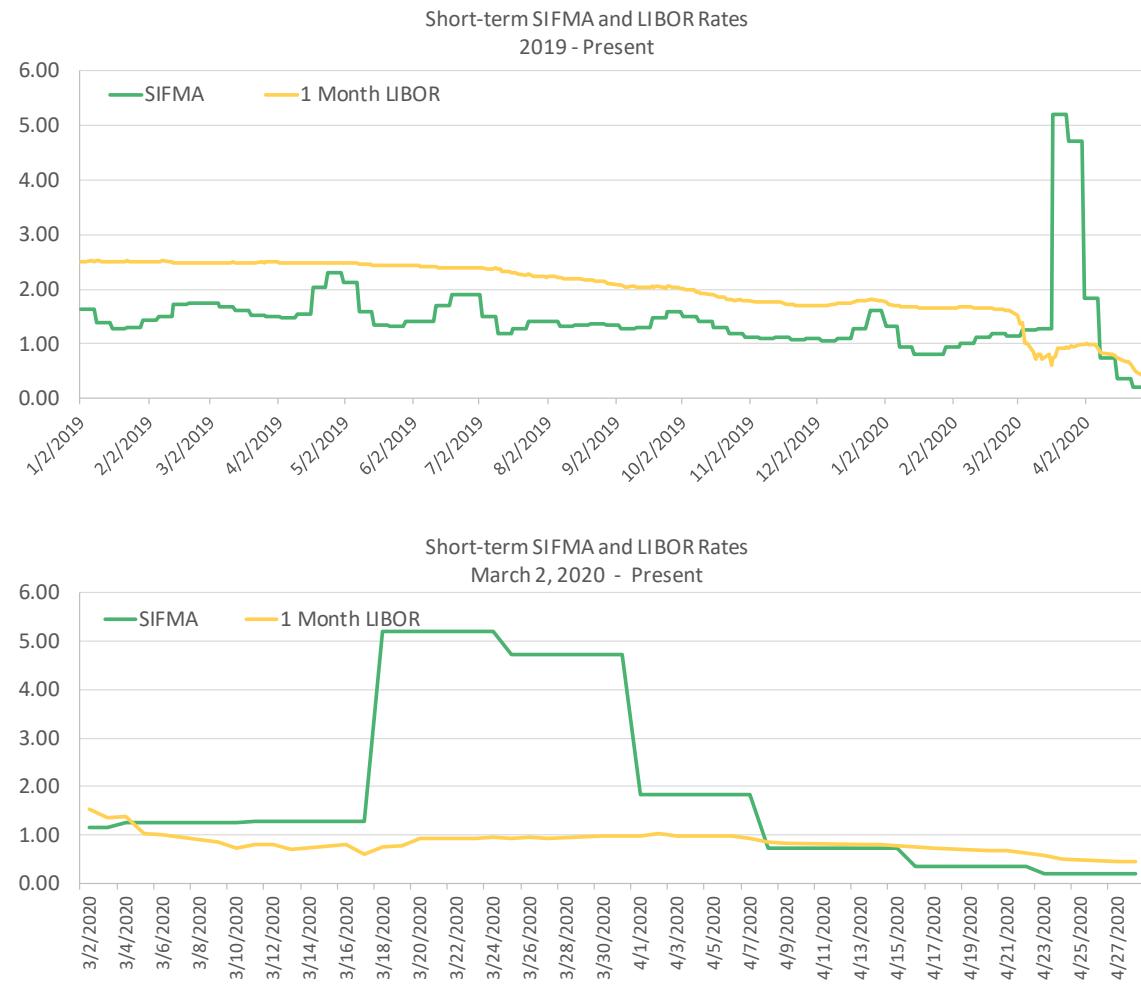
- Beginning the week of March 9, Municipal and US Treasury rates experienced extreme volatility, as global equity and financial markets were impacted by concerns of global economic downturns due to the spread of COVID-19.
- As investors sought liquidity over all else, Municipal and Treasury rate movements became disjointed, leading US Treasury rates lower and Municipal rates significantly higher.
 - AAA MMD yields have stabilized beginning and through the weeks since April 6, however, remain elevated relative to corresponding US Treasury yields.





Short-term markets – selling pressures drive sharp movements in rates with a recent return to normalized levels

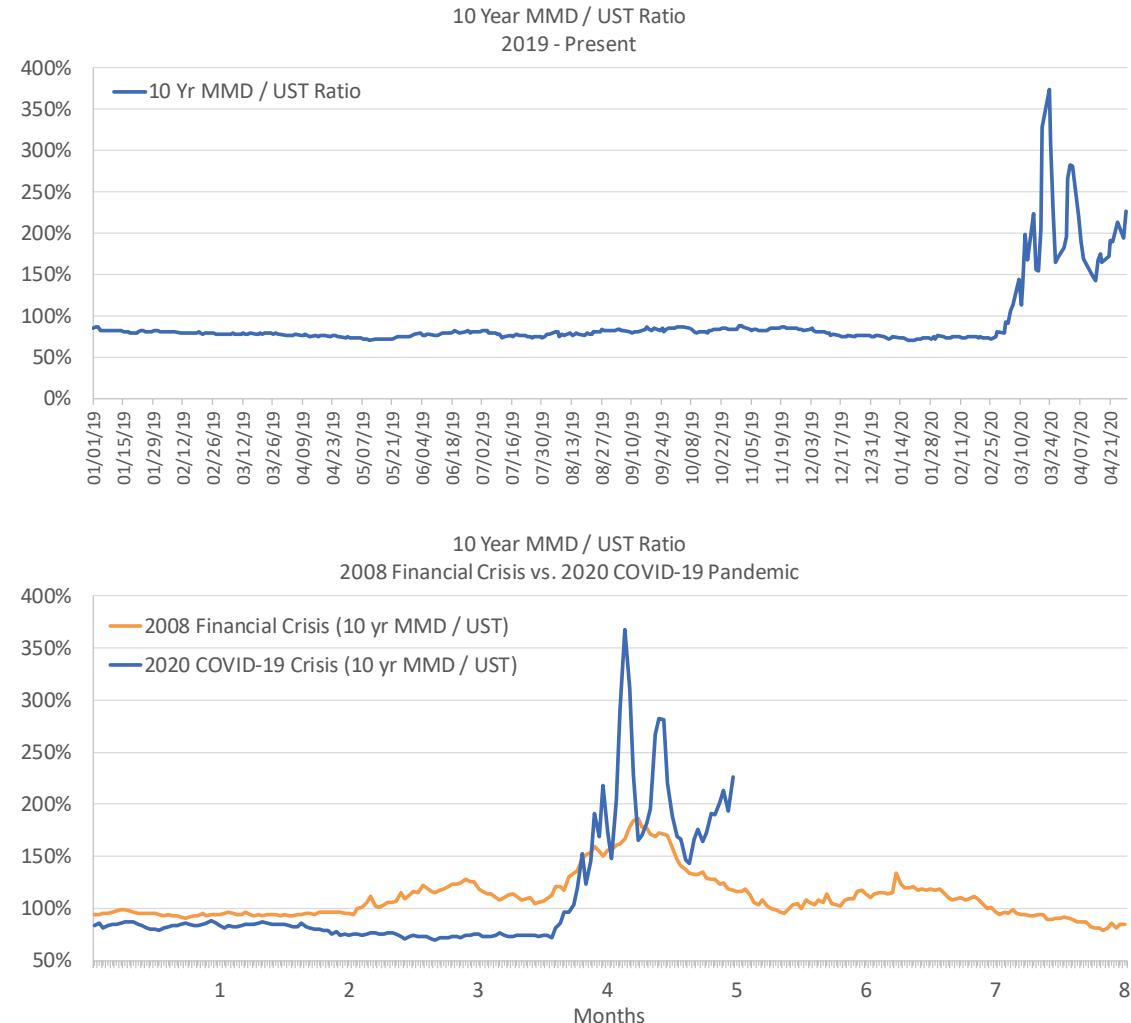
- Redemptions in short-term money market funds caused short-term municipal supply / demand imbalances, which resulted in severe challenges in remarketing municipal short-term debt and sharp increases to the SIFMA variable rate index.
- New facilities implemented by the Fed, allowing for the use of highly-rated, short-term municipals as eligible collateral, provided benefit to short-term municipal markets.
 - Daily and monthly reset VRDOs have seen more normalized levels, which carried through to the April 22 SIFMA reset at 0.21%, down 499 basis points from the 5.20% reset on March 18.





US Treasury and Municipal ratios – extreme dislocation

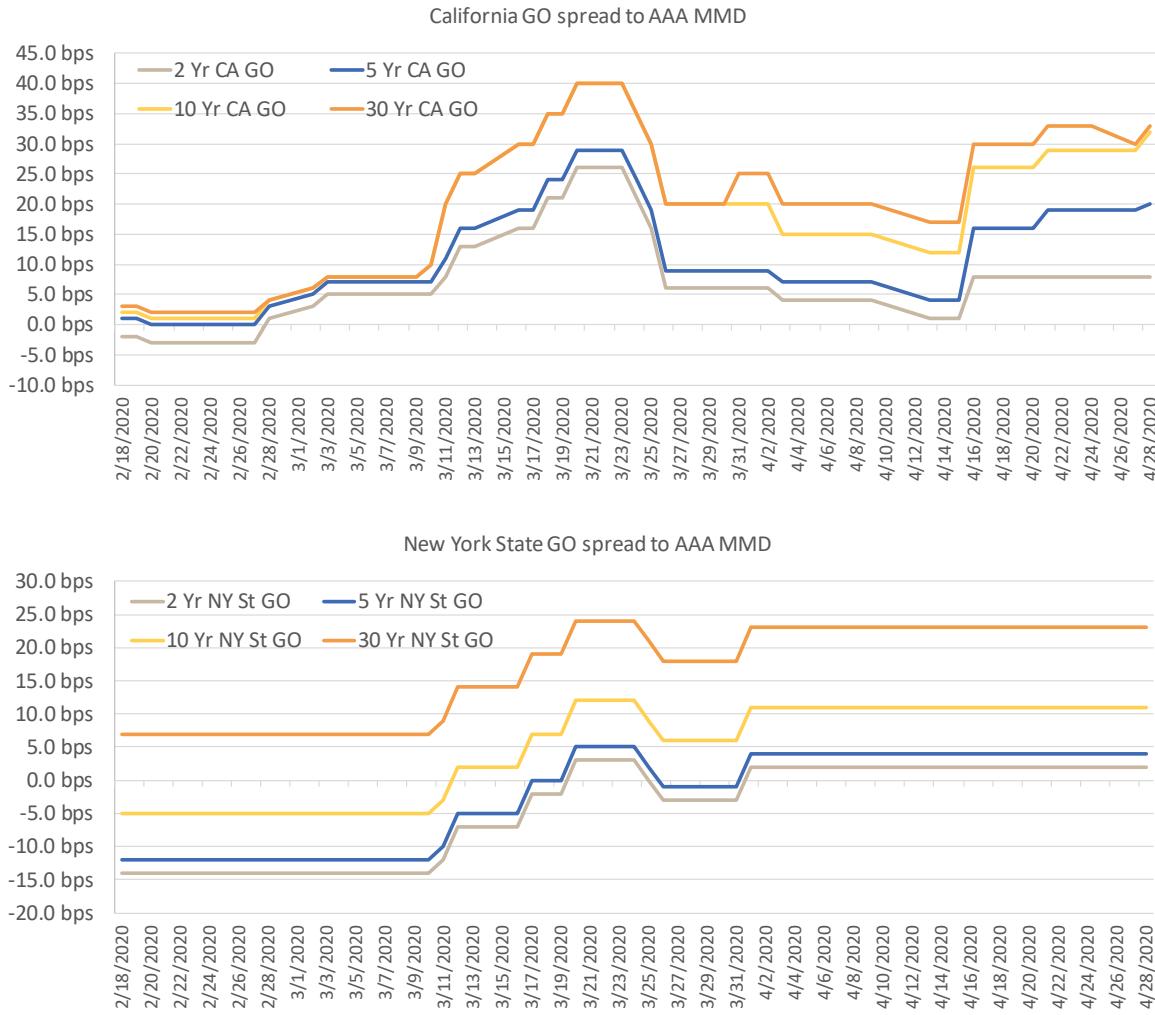
- The global rush for liquidity has led to a dislocation between the US Treasury and Municipal markets, driving ratios to levels that have not been seen since the start of the 2008 financial crisis.
- As the municipal market stabilizes and investors re-emerge as buyers of municipal tax-exempt debt, these ratios should normalize, but it remains to be seen how quickly and uniform this normalization will occur.





Tax-exempt municipal credit spreads widen

- Municipal credit spreads have widened due to the extreme flight to safety and rush for liquidity across global markets.
- As the market stabilizes, investors and rating agencies will evaluate credits inclusive of the actual and expected negative financial impacts of the COVID-19 global and domestic economic downturn which will also drive credit spreads.

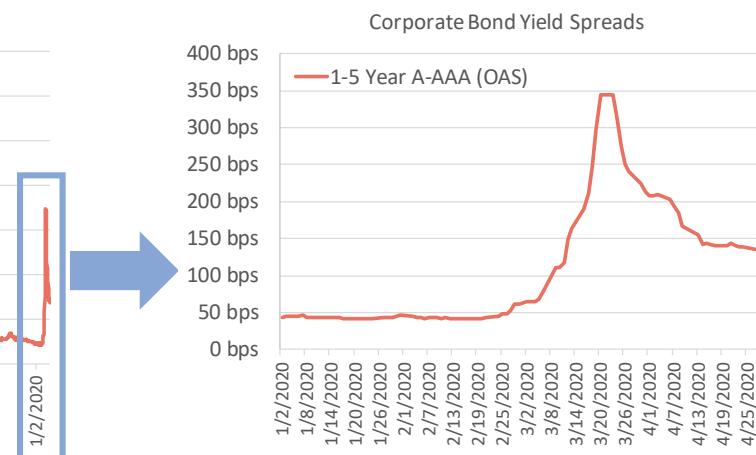
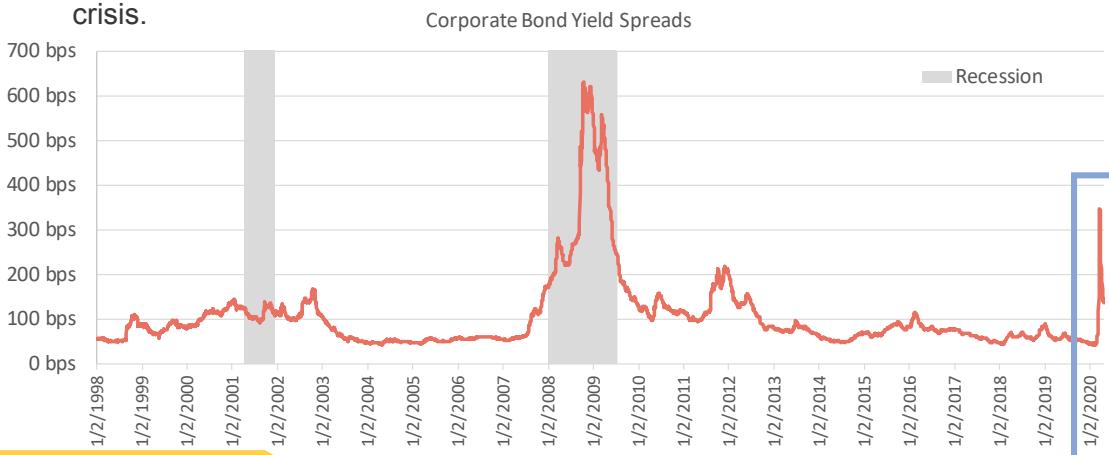
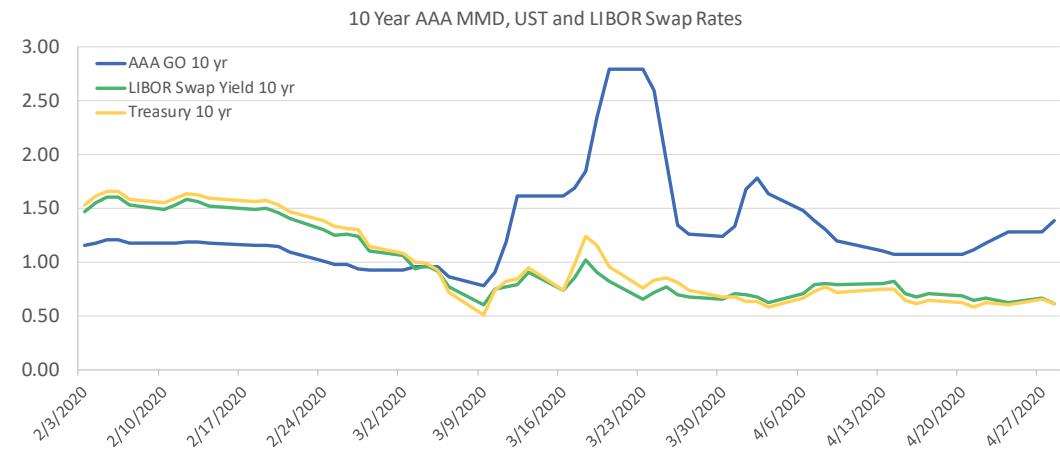


Source: Refinitiv



Bank funding remains attractive, taxable and corporate markets experience stress as investors seek liquidity

- Bank funding costs, which are not tied to AAA MMD, have remained attractive relative to current municipal capital markets options.
- COVID-19 related volatility has resulted in wider corporate bond spreads, as funds experienced mass redemptions and investors sought liquidity and safety.
 - The recent spike in corporate bond spreads was last seen during the 2008 financial crisis.

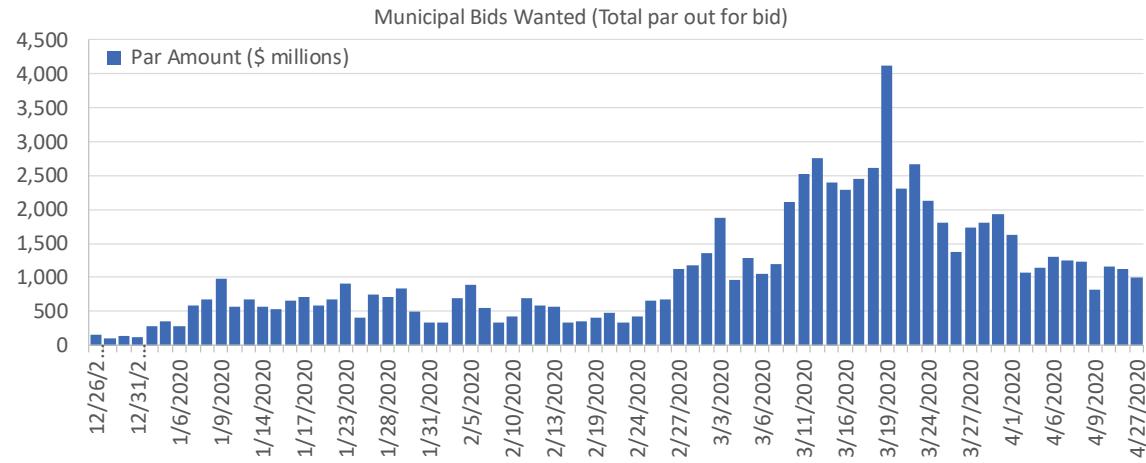


Source: Refinitiv, Bloomberg



Municipal investor activity

- As the reality of a global economic downturn became more pronounced due the spread of COVID-19, investors sought liquidity and safety, exiting from numerous asset classes, including municipal bonds.
- Municipal bond funds saw outflows of \$20.355 billion for the week ending March 18* and \$20.094 billion for the week ending March 25*.
- The weeks ending April 1 and April 8* saw slower outflows from municipal bond funds, with redemptions of \$1.449 and \$2.903 billion, respectively with the week ending April 15* seeing inflows into these funds totaling \$1.314 billion.
- Municipal market bids wanted and secondary trading, while trending downward, remain inflated when compared to pre-COVID-19 crisis secondary market activity.



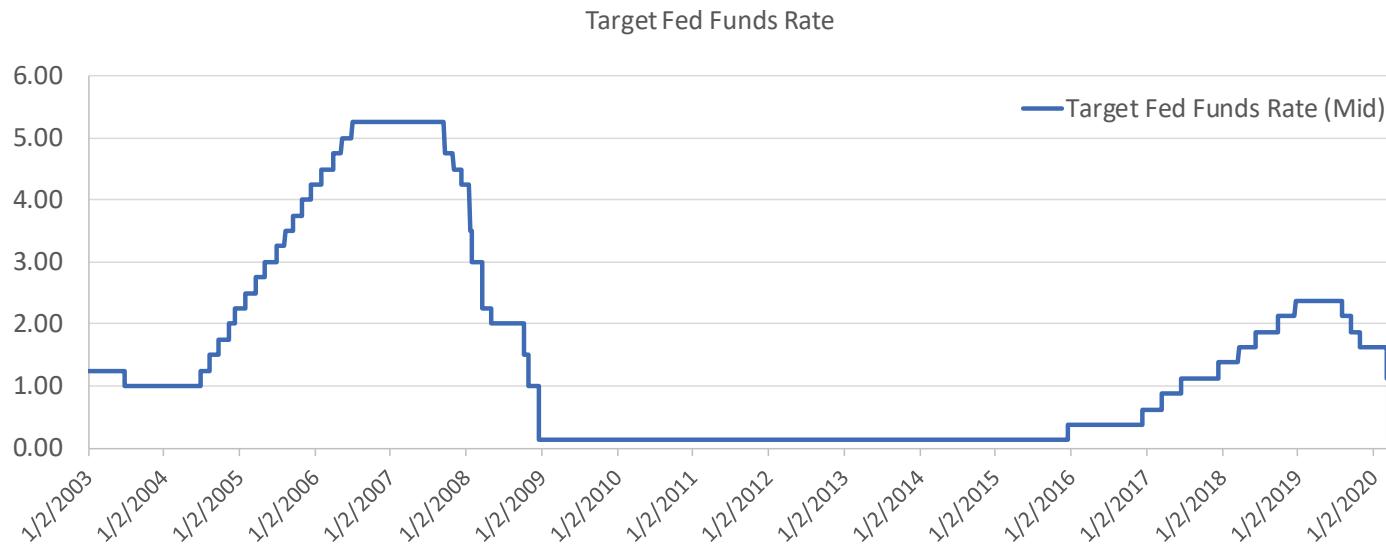
Source: Bloomberg

*https://www.ici.org/research/stats/flows/combined/combined_flows_04_22_20



Federal Funds Rate – lowered to 2008 Financial Crisis levels

- March 3, 2020: the FOMC announced a 0.50% off-cycle cut to the federal funds rate to address ongoing risks to economic activity – this lowered the target rate to 1.00 – 1.25%.
- March 15, 2020: reacting to further and increasing negative economic impacts and risk related to the COVID-19 outbreak, the Federal Reserve cut the federal funds rate by 1.00% to a target rate range of 0.00 – 0.25%.
 - This reduction of the rate to 0.00% was last experienced during and after the 2008 Financial Crisis.



Source: Bloomberg

Thank You



Agenda Item 6D
Action Item

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: HRTAC Current Approved FY2020-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review - Continuation of Current Approved Plan of Finance with Stress Test Adjustments

Recommendation:

The Finance Committee recommends that, in the absence of updated revenue projections from the Commonwealth, the Commission (i) endorse the continuation of the HRTAC Current Approved FY2020-FY2026 Plan of Finance for HRTAC's approved projects (including the I-64 Hampton Roads Bridge-Tunnel Expansion Project) with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) the Commission approve the application of the stress test adjustments based on the COVID-19 Potential Impact Review.

Background:

At its May 14, 2020 meeting, the Finance Committee endorsed the continuation of the HRTAC Current Approved FY2020-FY2026 Plan of Finance for HRTAC's approved projects (including the I-64 Hampton Roads Bridge-Tunnel Expansion Project) with the application of the proposed COVID-19 Potential Impact Review adjustments and authorized the Finance Committee Chair to communicate to the Commission the affirmative action of the Committee. At the June 18, 2019 HRTAC Annual Organization Meeting, the Commission adopted the HRTAC FY2020-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC) as an update to the Commission's Adopted Financial Plan for the Region's High Priority Projects. The COVID-19 pandemic may adversely affect Commission revenues. The Commonwealth has not provided, and does not appear to be ready to provide, updated revenue projections. In the absence of updated revenue projections from the Commonwealth, HRTAC Staff felt it prudent to work with its professional financial advisors to evaluate the FY2020 HRTF revenue estimates provided by the Commonwealth and to conduct a COVID-19 Potential Impact Review of the HRTAC Current Approved FY2020-FY2026 Plan of Finance Update. The Potential Impact Review used solely national guidance provided by several rating service providers and data resulting from an evaluation of the 2008-2009 recession impacts to Hampton Roads to discount the revenue estimates previously provided by the Commonwealth. Then, the revenue estimates, as discounted, were applied to the HRTAC Current Approved FY2020-FY2026 Plan of Finance Update. In light of project timing and that the HRBT TIFIA loan Letter of Intent (LOI) was submitted just last month and the investment grade traffic and revenue study has just begun, HRTAC will need to support the HRBT project with HRTF supported debt and HRTF supported Pay-Go cash ahead of the TIFIA loan. As the



Commission prepares for the financing of the construction phase of the HRBT project, HRTAC Staff felt it prudent to verify that the Commission's six-year funding plan, as adjusted by the COVID-19 Potential Impact Review, would continue to provide sufficient financial resources to deliver its current projects and meet its obligations.

Fiscal Impact:

The HRTAC Current Approved FY2020-FY2026 Plan of Finance Update with stress test adjustments from the COVID-19 Potential Impact Review assumes a revenue reduction of approximately \$112 million between FY2020 and FY2026. The COVID-19 Potential Impact Review is based on the limited guidance that is currently available. When the Commonwealth provides updated revenue projections, HRTAC Staff will conduct further analysis and provide future adjustment recommendations to the Finance Committee and Commission.

Suggested Motion:

Motion: In the absence of updated revenue projections from the Commonwealth, the Commission (i) endorses the continuation of the HRTAC Current Approved FY2020-FY2026 Plan of Finance for HRTAC's approved projects (including the I-64 Hampton Roads Bridge-Tunnel Expansion Project) with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) approves the application of the stress test adjustments based on the COVID-19 Potential Impact Review.



To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: HRTAC Bond Resolution – HRTF Bond Financings

Recommendation:

The Finance Committee has recommended that the Commission approve Resolution 2020-01, to authorize the Commission to issue Hampton Roads Transportation Fund Revenue Bonds (the “HRTF Revenue Bonds”), in an aggregate principal amount not to exceed \$800,000,000, to reimburse the Commission for, and provide a source of funds for, the costs of new construction projects on new or existing highways, bridges, and tunnels in Hampton Roads, and in this case, for the HRBT Expansion Project (described further below). After that recommendation was issued, the Executive Director, working with bond counsel and general counsel, determined that it would be advisable to expressly state an additional parameter in the proposed Resolution, clarifying the timeline that HRTAC staff intends to follow with the proposed financing. Such parameter has been endorsed by the Finance Committee Chair and is discussed below.

Background:

The Commission has previously reviewed and approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief in the localities comprising Planning District 23. The initial round of projects has been fully funded through the Commission’s issuance of its \$500,000,000 Senior Lien Revenue Bonds, Series 2018A, \$500,789,463 Subordinate Lien Revenue Bond, TIFIA Series 2019, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A.

HRTAC is issuing the HRTF Revenue Bonds to finance a portion of the costs of the Hampton Roads Bridge Tunnel expansion project, as provided under a Project Agreement for Funding and Administration with VDOT, and as called for under the Commission’s Debt Management Plan.

In particular, HRTAC will use the proceeds of the HRTF Revenue Bonds in furtherance of its projects contained in the “FY 2020-2026 Six-Year Operating and Capital Plan of Finance Update for the Region’s High Priority Projects,” which was revised and approved on June 20, 2019, including the I-64 Hampton Roads Bridge-Tunnel connecting Hampton and Norfolk (the “HRBT Expansion Project”), and any other projects authorized for financing by the Commission. A portion of the proceeds of the HRTF Revenue Bonds will be used to reimburse HRTAC for a portion of its PayGo expenditures on the HRBT Expansion Project.



Based on current market conditions, including attractive long term interest rates, HRTAC Staff recommends moving forward with the issuance of HRTF Revenue Bonds, in one or more series and from time to time. HRTAC Resolution 2020-01 would authorize the Commission's staff, counsel and financial advisor to move forward with such bond issue(s), and finalize the documents and agreements required for same, with the assistance of the underwriters to be determined by the Executive Director for each series, all subject to parameters in the Resolution, including that the HRTF Revenue Bonds must have a true interest cost, set at the time of the formal award, not exceeding 5.00%, and must have a final maturity date not later than 40 years from the date of their respective issuance.

The version of HRTAC Resolution 2020-01 attached is identical with the resolution approved by the Finance Committee, except that:

- (i) a recital has been added memorializing that, as a result of COVID-19 and the Governor's Executive Order Fifty-One regarding the related State of Emergency, the resolution is being adopted at a meeting of the Commission conducted through electronic communications without physical assembly of members in accordance with the budget bill of the Commonwealth of Virginia for the biennium ending June 30, 2020; and
- (ii) additional parameters have been added as Sections 2(ii) and 2(iii).

The Executive Director, working with bond counsel and general counsel, determined that it would be advisable to expressly state the additional parameter in order to clarify the timeline that HRTAC staff intends to follow with the proposed financing. Specifically, HRTAC staff does not intend to cause the Commission to consummate the bond financing until (i) VDOT issues Notice to Proceed with respect to the HRBT Expansion Project, and (ii) the Commission, the Commonwealth Transportation Board and VDOT approve, execute and deliver the Master Tolling Agreement (or Master Agreement for Development and Tolling), because each will further confirm the need for the financing.

Fiscal Impact:

There is a significant fiscal impact in relation to this Action Item as a portion of the Commission's revenues will be devoted to debt service payments while these financings remain outstanding.

Suggested Motion:

Motion: The Commission approves Resolution 2020-01, which authorizes the issuance of HRTF Revenue Bonds for up to \$800 million.



HRTAC RESOLUTION 2020-01

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$800,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HAMPTON ROADS TRANSPORTATION FUND [SENIOR LIEN][INTERMEDIATE LIEN] REVENUE BONDS, SERIES 2020

WHEREAS, the Hampton Roads Transportation Accountability Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the powers set forth in Chapter 26, Title 33.2, of the Code of Virginia of 1950, as amended (the “HRTAC Act”);

WHEREAS, the Commission has previously reviewed and approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23 (the “Projects”);

WHEREAS, the Commission has issued its Senior Lien Revenue Bonds, Series 2018A (the “2018A Bonds”), in the principal amount of \$500,000,000, pursuant to a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) for the funding of certain Projects;

WHEREAS, the Commission has also issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) pursuant to the Master Indenture as supplemented by a Second Supplemental Series Indenture dated as of December 1, 2019, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A, pursuant to the Master Indenture and a Third Supplemental Series Indenture dated as of December 15, 2019, each between the Commission and the Trustee, for the funding of certain Projects;

WHEREAS, obligations issued under the Master Indenture are payable from and secured by the revenues and funds in the Hampton Roads Transportation Fund (as defined in the HRTAC Act) (the “HRTF Bonds”) and the proceeds of such HRTF Bonds are to be used to finance and refinance the costs of new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, the Executive Director of the Commission (the “Executive Director”), together with PFM Financial Advisors, LLC, as municipal securities financial advisor (the “Financial Advisor”), and Kaufman & Canoles, a Professional Corporation, as bond counsel (“Bond Counsel”), have provided presentations to the Commission’s Finance Committee and to the Commission describing a plan of finance to issue HRTF Bonds under and pursuant to the Master Indenture, in one or more series, to finance a portion of the costs of the Hampton Roads Bridge Tunnel project, a Project for which the Commission has previously advanced its funds (the “HRBT Project”), to fund any required reserves for such HRTF Bonds, and to pay certain costs associated with the issuance of such HRTF Bonds (collectively, the “Series 2020 Bonds”);

WHEREAS, in furtherance of the foregoing, the Executive Director and the Finance Committee have recommended that the Commission proceed with the issuance of the Series 2020 Bonds, and with the authorization, execution and delivery of certain financing documents, drafts of which have been presented by the Commission's Financial Advisor and Bond Counsel to the Finance Committee and to the Commission, including the following (collectively, the "Bond Documents"):

- (a) A Fourth Supplemental Series Indenture of Trust between the Commission and the Trustee (the "Series Supplement"), relating to the issuance of the Series 2020 Bonds;
- (b) A Bond Purchase Agreement between the Commission and the underwriters appointed by the Commission (the "Bond Purchase Agreement");
- (c) A Preliminary Official Statement furnishing information to prospective purchasers of each series of the Series 2020 Bonds regarding the Commission, the Series 2020 Bonds and the security therefor (the "Preliminary Official Statement"); and
- (d) A Continuing Disclosure Undertaking of the Commission, in accordance with Securities Exchange Commission Rule 15c2-12, as amended (the "Municipal Securities Rule"), to periodically provide certain updated disclosures to the municipal securities market regarding the Commission, the Series 2020 Bonds and the security therefor;

WHEREAS, the Commission has determined that it would be in the best interests of the Commission to authorize the Executive Director to finalize the terms of the Series 2020 Bonds and the Bond Documents with the assistance of the Financial Advisor, Bond Counsel and the Commission's general counsel, subject to the limitations and parameters hereinafter provided in this Resolution; and

WHEREAS, the Commission is meeting to discuss and transact the business of the Commission, and the Commission deems it necessary to meet by electronic communications without physical assembly of members of the Commission in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, because the Governor of the Commonwealth has issued Executive Order Fifty-One (2020) declaring a state of emergency, which declaration continues in force and effect, and the nature of such emergency makes it impracticable or unsafe for the Directors of the Commission to assemble in a single location.

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

1. The Commission authorizes and approves the issuance of the Series 2020 Bonds, in one or more series and from time to time, under the Master Indenture.

2. The Commission authorizes and directs the Executive Director to develop, negotiate and finalize, with the advice of the Financial Advisor, Bond Counsel and the Commission's general counsel, the structure, terms and conditions of the Series 2020 Bonds, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, lien status as to senior or intermediate indebtedness under the Master Indenture, redemption and prepayment provisions (if any), sales prices, and principal amounts in each maturity of each series, subject to the following parameters and conditions:

- (i) the Series 2020 Bonds shall be issued in accordance with the form and requirements of the Master Indenture and the applicable Series Supplement (as determined and finalized in accordance with the terms of this Resolution);
- (ii) issuance and delivery by the Virginia Department of Transportation ("VDOT") of Notice to Proceed for the HRBT Project under Section 5.1.2 of the Comprehensive Agreement for the HRBT Project, which Comprehensive Agreement is referenced in the Project Agreement for Funding and Administration between the Commission and VDOT;
- (iii) the execution and delivery of a Master Tolling Agreement or Master Agreement for Development and Tolling, among the Commission, the Commonwealth Transportation Board, and VDOT with respect to the Hampton Roads Express Lanes;
- (iv) the aggregate principal amount of the Series 2020 Bonds shall not exceed \$800,000,000;
- (v) the Series 2020 Bonds shall have a final maturity date not later than 40 years from the date of their issuance;
- (vi) the true interest cost of any series of the Series 2020 Bonds shall not exceed 5.0%; and
- (vii) the sale price of any series of the Series 2020 Bonds, excluding any original issue discount, shall not be less than 95.0% of the aggregate principal amount thereof.

The Series 2020 Bonds may be sold, issued and delivered in one or more series or sub-series and from time to time.

3. The Bond Documents are approved. The Chair or Vice Chair of the Commission, either of whom may act (the "HRTAC Representative"), is authorized to execute and deliver the Bond Documents on the Commission's behalf, with such changes, insertions or omissions (not inconsistent with the parameters in Section 2 above) as may be finalized by the Executive Director in accordance with the terms of this Resolution with the advice of the Financial Advisor, Bond Counsel and the Commission's general counsel. Such authorization and approval shall be evidenced conclusively by the execution and delivery of the finalized Bond Documents by the HRTAC Representative. The Series Supplement may have a different and additional numbered supplemental designation if necessary, desirable or in connection with the issuance of Series 2020 Bonds such that separate

supplemental indentures may be used and are hereby authorized for any separate series or sub-series of bonds.

4. The Commission authorizes the HRTAC Representative or the Executive Director, either of whom may act, to determine additional Projects from time to time to be financed with proceeds of the Series 2020 Bonds, provided that any such Project must be authorized for Commission financing.

5. The Commission hereby authorizes the Executive Director, with the advice of the Financial Advisor, to appoint one or more underwriters from time to time from the Commission's current underwriting pool, including one or more senior and/or co-managers, to serve as the underwriters with respect to any series of the Series 2020 Bonds, and authorizes the sale of each series of the Series 2020 Bonds to any or all of such underwriters appointed by the Executive Director for any particular issuance of Series 2020 Bonds by negotiated sale.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2020 Bonds, provided that the HRTAC Representative or the Executive Director, either of whom may act, is authorized to "deem final" such Preliminary Official Statement as of the date of its distribution, subject to the omission of final pricing information as permitted by the Municipal Securities Rule. Such officials are each individually further authorized to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement, specifying the terms of the Series 2020 Bonds, together with any other information required by law to reflect the terms of the sale of the Series 2020 Bonds, the details thereof and the security therefor, as may be necessary or appropriate to complete it as a final Official Statement with respect to the Series 2020 Bonds. The HRTAC Representative or the Executive Director, any of whom may act, is authorized to review, and certify as to the accuracy of, the information set forth in the Official Statement describing the Commission, the Series 2020 Bonds or the security therefor. Such officials are each further authorized to execute the final Official Statement and deliver the same to the underwriters, and such execution and delivery shall constitute conclusive evidence that such Official Statement has been deemed a "final official statement" (as defined in the Municipal Securities Rule).

7. After the Series 2020 Bonds are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have the final Series 2020 Bonds prepared in accordance with the terms of the Master Indenture and the applicable Series Supplement and to execute the Series 2020 Bonds by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2020 Bonds by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2020 Bonds to the applicable underwriters upon receipt of the purchase price therefor.

8. The HRTAC Representative and the Executive Director, either of whom may act, is authorized and directed to execute, deliver and file all certificates and documents, and take all further action, as he or she may consider necessary or appropriate in accordance with the terms of this Resolution in connection with the issuance and sale of the Series 2020 Bonds, including, without limitation, and with the advice of Bond Counsel, (i) as applicable, execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Series 2020 Bonds to show that such expected use and investment will not violate the provisions of Section

148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the “Tax Code”), (ii) making any elections that such officials deem desirable regarding any provision requiring rebate to the United States of “arbitrage profits” earned on investment of proceeds of the Series 2020 Bonds, and (iii) filing Internal Revenue Service Form 8038-G.

9. To ensure compliance with Tax Code, the Executive Director is authorized and directed to comply with, and cause the Commission’s staff to comply with, the Commission’s existing Post-Issuance Compliance Policies and Procedures and to monitor compliance with arbitrage yield restriction and rebate requirements and, in connection with the foregoing, the Executive Director is authorized to utilize any arbitrage rebate compliance services offered by the Financial Advisor, Bond Counsel and/or any third party arbitrage rebate consultant.

10. The Executive Director is authorized to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia (“SNAP”) in connection with the investment of proceeds of the Series 2020 Bonds, if the Executive Director determines, with the advice of the PFM Asset Management LLC (the “Investment Advisor”), that the utilization of SNAP is in the best interest of the Commission. The Commission acknowledges that the Treasury Board of the Commonwealth is not, and shall not be, in any way liable to the Commission in connection with SNAP, except as otherwise provided in the standard form SNAP Contract utilized by state and local governmental entities within the Commonwealth.

11. The Executive Director and his staff is further authorized to take such actions as may be necessary or appropriate to provide for the deposit and investment of funds to carry out the Commission’s purposes in accordance with the Commission’s adopted budget, the Master Indenture and the HRTAC Act, both prior to and following the issuance of Series 2020 Bonds, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Series 2020 Bonds, the establishment and replenishment of reserves, and the deposit and investment of Series 2020 Bond proceeds and Commission revenues in the various funds and accounts established by the Master Indenture and the Series Supplement.

12. Each HRTAC Representative is authorized to execute and deliver on the Commission’s behalf such other instruments, documents or certificates, and to do and perform such further things and acts, as he or she shall deem necessary or appropriate to carry out in accordance with the terms of this Resolution the transactions authorized by this Resolution or contemplated by the Master Indenture or any supplement thereto. 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.

13. The Commission confirms the findings and determinations contained in the recitals to this Resolution setting forth the reason for the need to meet by electronic means without requiring members of the Commission to physically assemble at one location during the current declared state of emergency by the Governor of the Commonwealth arising from COVID-19.

14. This Resolution shall take effect immediately.

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 May 28, 2020.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

\$ _____ *
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR][INTERMEDIATE] LIEN REVENUE BONDS
SERIES 2020A

<u>1</u> [*]	<u>Principal Amount</u> [*]	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
_____	\$ _____			

Optional Redemption

The Series 2020A Bonds maturing on or before _____ 1, 20____, will not be subject to optional redemption. The Series 2020A Bonds maturing on and after _____ 1, 20____, will be subject to optional redemption, at the sole discretion of HRTAC, on and after _____ 1, 20____, in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued thereon to the date fixed for redemption.

Mandatory Redemption

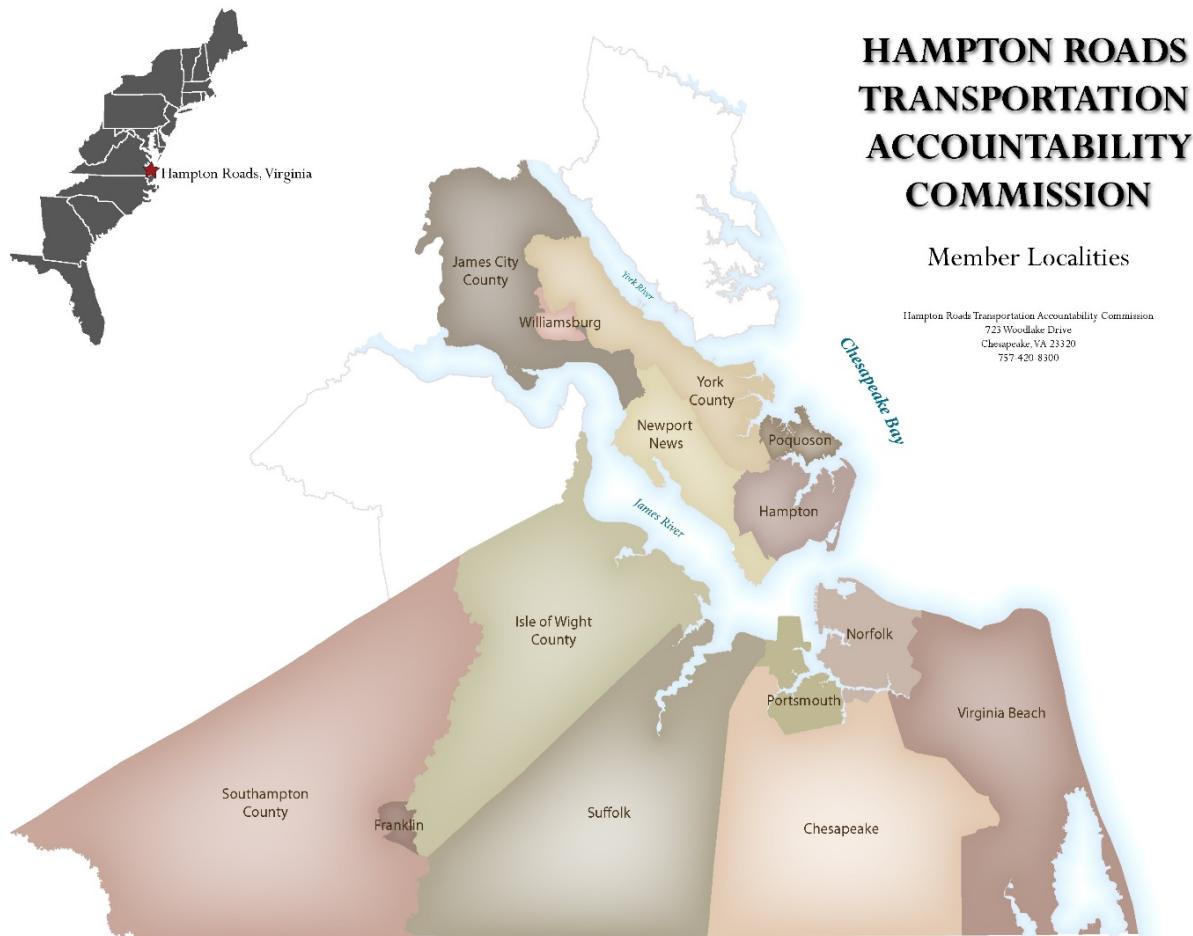
The Series 2020A Bonds maturing on _____ 1, 20____, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u> [*]	<u>Amount</u> [*]
--------------------------	----------------------------

*final maturity

^{*} Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders, and neither HRTAC nor the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020A Bonds.



HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

VOTING MEMBERS

Linda T. Johnson, Chair, *City of Suffolk*
Donnie R. Tuck, Vice-Chair, *City of Hampton*

Joel C. Acree, <i>Isle of Wight County</i>	Christopher D. Cornwell, Sr., <i>Southampton County</i>
Kenneth C. Alexander, <i>City of Norfolk</i>	Dr. McKinley Price, <i>City of Newport News</i>
John A. Cosgrove, <i>Virginia Senate</i>	Frank Rabil, <i>City of Franklin</i>
Bobby Dyer, <i>City of Virginia Beach</i>	John Rowe, <i>City of Portsmouth</i>
Paul Freiling, <i>City of Williamsburg</i>	Thomas G. Shepperd, <i>York County</i>
Michael J. Hipple, <i>James City County</i>	Richard W. West, <i>City of Chesapeake</i>
W. Eugene Hunt Jr., <i>City of Poquoson</i>	
Montgomery "Monty" Mason, <i>Virginia Senate</i>	

NON-VOTING MEMBERS

Stephen Brich, Commissioner of Highways	Virginia Department of Transportation
Jennifer Mitchell, Director	Department of Rail and Public Transportation
John F. Malbon, Member	Commonwealth Transportation Board
John F. Reinhart, Executive Director	Virginia Port Authority

HRTAC SENIOR STAFF

Kevin B. Page, Executive Director

GENERAL COUNSEL

Willcox & Savage, P.C.
Norfolk, Virginia

BOND COUNSEL

Kaufman & Canoles, a Professional Corporation
Richmond, Virginia

FINANCIAL ADVISOR

PFM Financial Advisors, LLC
Orlando, Florida

The Series 2020A Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth, the Series 2020A Bonds will also be exempt from registration under the securities laws of the Commonwealth.

No dealer, broker, salesman or other person has been authorized by HRTAC to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by HRTAC. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020A Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between HRTAC and the purchasers or owners of any of the Series 2020A Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of HRTAC or in any other matters described herein since the date hereof or, as in the case of any information incorporated herein by reference to certain publicly available documents, since the date of such documents.

The information set forth herein has been obtained from HRTAC and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by any of such sources as to information provided by any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of HRTAC or in any other matters described herein since the date hereof or, as in the case of any information incorporated herein by reference to certain publicly available documents, since the date of such documents.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements contained in this Official Statement, including the Appendices hereto, reflect not historical facts but forecasts, projections and “forward-looking statements.” No assurance can be given that the future results discussed in certain sections of this Official Statement will be achieved and actual results may differ materially from the forecasts and projections contained herein. In this respect, words such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “intend,” “believe,” “budget” or words of similar import are intended to identify forward-looking statements. A number of factors affecting HRTAC and its financial results could cause actual results to differ materially from those stated in the forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. Such forward-looking statements include, among others, certain of the information under the captions **“SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS,”** **“DESCRIPTION OF THE SERIES 2020A BONDS – Estimated Sources and Uses of Funds,”** **“DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS,”** and **“INVESTMENT CONSIDERATIONS.”** See also **“FORWARD-LOOKING STATEMENTS.”** All statements in this Official Statement, including forward-looking statements, speak only as of the date they are made, and HRTAC and the Underwriters disclaim any obligation to update any of the forward-looking statements contained herein to reflect future events or developments.

The achievement of certain results or other expectations contained in or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. HRTAC does not plan to issue updates or revisions to those forward-looking statements if or when its expectations change or events, conditions or circumstances on which such statements are based occur or fail to occur.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12, as amended.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Third parties may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2020A Bonds, including transactions to (i) overallot in arranging the sales of the Series 2020A Bonds, and (ii) make purchases and sales of Series 2020A Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner beyond the control of HRTAC.

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OFFICIAL STATEMENT

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

\$ _____ *
**HAMPTON ROADS TRANSPORTATION FUND
[SENIOR][INTERMEDIATE] LIEN BONDS
SERIES 2020A**

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to set forth certain information in connection with the issuance by the Hampton Roads Transportation Accountability Commission (“HRTAC” or the “Commission”) of its \$ _____ * Hampton Roads Transportation Fund [Senior][Intermediate] Lien Bonds, Series 2020A (the “Series 2020A Bonds”).

This information speaks as of its date and is not intended to indicate future or continuing trends in the financial or economic position of HRTAC or of the revenues that will be credited to the Hampton Roads Transportation Fund (the “HRTF”) (as described herein) and transferred to HRTAC. The following material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, including the Appendices hereto, reference to which is hereby made for all purposes.

Unless otherwise defined in this Official Statement, all capitalized terms shall have the meanings as set forth in Appendix A – “DEFINITIONS AND SUMMARIES OF THE MASTER INDENTURE AND THE FOURTH SERIES SUPPLEMENT.”

Hampton Roads Transportation Accountability Commission

HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) created pursuant to the Code of Virginia of 1950, as amended (the “Virginia Code”), under Title 33.2, Chapter 26, thereof (the “HRTAC Act”), and empowered to finance and construct highway, bridge and tunnel projects in Planning District 23 of the Commonwealth. Planning District 23 is an area designated by the Virginia Department of Housing and Community Development (“DHCD”) to provide a forum for addressing regional cooperation among local governments in the Hampton Roads region of southeastern Virginia (“Hampton Roads”). As provided by the HRTAC Act, the Commission embraces all of the cities and counties in Planning District 23, which currently include 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 (collectively, the “Member Localities”). All of the Member Localities other than Southampton County and the City of Franklin are located in the Virginia portion of the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (the “Hampton Roads MSA”), certain economic and demographic information about which is included in Appendix D. Cities and counties in the Commonwealth are independent entities; therefore, the Member Localities do not overlap. Certain local governments, including but not limited to the Member Localities, have agreed to assemble as the Hampton Roads Planning District Commission (“HRPDC”); however, the Member Localities (and sources of taxable transactions generating revenues for the HRTF) are limited to the localities designated by DHCD as constituting Planning District 23 and are not entirely identical to the membership of HRPDC. The membership of HRTPO is also not exactly the same as the

* Preliminary, subject to change.

composition of Planning District 23; for example, HRTPO includes Gloucester County which is not a Member Locality.

The HRTF was established as a nonreverting fund in the State Treasury under Chapter 766, 2013 Va. Acts of Assembly (“Chapter 766”), enacted on April 3, 2013 and effective July 1, 2013. Pursuant to Chapter 766, the General Assembly of the Commonwealth (the “General Assembly”) dedicated to the HRTF all of the revenues generated by (i) an additional 0.7% retail sales and use tax on transactions occurring within the Member Localities, and (ii) an additional wholesale motor vehicle fuels sales tax on transactions occurring in the Member Localities at a rate of 7.6 cents per gallon on gasoline and gasohol (and 7.7 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index beginning July 1, 2021 (collectively, the “HRTF Revenues”). See “HAMPTON ROADS TRANSPORTATION FUND—HRTF Revenues.”

Funds in the HRTF were originally to be directed by the Hampton Roads Transportation Planning Organization (“HRTPO”). However, pursuant to statutory changes set forth in Chapter 545, 2014 Va. Acts of Assembly (“Chapter 545”), enacted on April 3, 2014, HRTAC was created and replaced HRTPO as the entity directing the use of the HRTF funds. HRTAC collaborates with HRTPO to set transportation funding priorities on the basis of a regional consensus developed by HRTPO. HRTAC does not replace the planning function of HRTPO, but serves primarily as a financing vehicle for regional transportation projects. See “HAMPTON ROADS TRANSPORTATION FUND” and “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.” Decisions of HRTAC are subject to a supermajority voting test, including an affirmative vote by the present and voting elected officials who represent Member Localities that collectively contain at least two-thirds of the region’s population.

The HRTAC Act provides, among other things, that the Commission shall use the moneys from the HRTF solely for the purposes of (i) funding new construction projects on new or existing highways, bridges, and tunnels in 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 and (ii) paying the Commission’s administrative and operating expenses as provided in the Commission’s annual budget. See “HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION—HRTAC Annual Budget” herein, and “Table 5: HRTAC Operating Budget, FY 2020” in Appendix E. Although HRTAC has statutory authority to enter into agreements with public or private entities for the operation and maintenance of bridges, tunnels, transit, rail facilities, and highways, the HRTAC Act does not authorize HRTAC to independently operate and maintain such facilities or to perform any transportation service.

HRTAC and the Virginia Department of Transportation (“VDOT”) entered into a Memorandum of Agreement dated March 30, 2015 (the “HRTAC-VDOT MOA”) to set forth terms under which the two entities would cooperate, along with HRTPO, to ensure the efficient and effective development and construction of projects to be funded with HRTF Revenues. All of HRTAC’s projects to date have been pursued as part of VDOT’s statewide transportation system. Therefore, consistent with the HRTAC-VDOT MOA, HRTAC and VDOT have entered into standard project agreements (“Standard Project Agreements”) to govern their funding and performance obligations on such projects. Under all Standard Project Agreements to date, VDOT has agreed to provide administration of project construction as well as project operation and maintenance. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”

[The 2020 Virginia General Assembly created the Hampton Roads Regional Transit Program and Fund (the “Hampton Roads Regional Transit Fund”) to develop, maintain, and improve a regional network of transit routes and related infrastructure, in Planning District 23. The program is funded by an additional

(i) regional grantor's tax at a rate of \$0.06 per \$100 of the consideration for the conveyance, and (ii) effective May 1, 2021, regional transient occupancy tax at a rate of one percent of the charge for the occupancy, both imposed in localities in the Hampton Roads Transportation District. The legislation also dedicates \$20 million of revenues from existing recordation taxes to funding the program. Participating localities may not reduce funds appropriated for public transportation to levels less than those appropriated on July 1, 2019. HRTAC administers the Hampton Roads Regional Transit Fund, but it is entirely distinct and segregated from the HRTF and is not pledged and does not secure Bonds.]

Master Indenture Structure

The HRTAC Act provides that HRTAC may issue bonds and pledge the funds received from the HRTF as security for such bonds. The Commission has entered into a Master Indenture of Trust dated as of February 1, 2018, as previously supplemented (the "Master Indenture"), between HRTAC and Wilmington Trust, National Association, as trustee (the "Trustee"), under which the Commission is authorized to issue senior lien, intermediate lien and subordinate lien obligations, as further described herein.

On February 14, 2018, the Commission issued its \$500,000,000 Senior Lien Revenue Bonds, Series 2018A (the "Series 2018A Bonds"), payable and secured on parity with all senior lien revenue bonds to be issued by the Commission under the Master Indenture (the "Senior Bonds").

On December 10, 2019, the Commission issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) (the "2019 TIFIA Bond"), payable and secured on parity with all subordinate obligations to be issued by the Commission under the Master Indenture (the "Subordinate Obligations"). On December 17, 2019, the Commission issued its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the "Series 2019A Note"), payable and secured on parity with all intermediate lien revenue bonds to be issued by the Commission under the Master Indenture (the "Intermediate Lien Obligations").

On _____, 2020, the Commission adopted a resolution authorizing the issuance of the Series 2020A Bonds in a principal amount not to exceed \$_____ pursuant to the Master Indenture and a Fourth Supplemental Series Indenture of Trust to be dated as of _____, 2020 (the "Fourth Series Supplement"), between the Commission and the Trustee. The issuance of the Series 2020A Bonds is fully authorized by the provisions of the HRTAC Act, the Master Indenture and the Fourth Series Supplement.

The Series 2020A Bonds will be paid and secured [senior] to all [intermediate] lien obligations to be issued by HRTAC under the Master Indenture on [parity] as to payment and security to the [Series 2018A Bonds and all Senior Bonds] that may be issued in the future, and senior as to payment and security to all Subordinate Obligations.

The Series 2020A Bonds, together with all Senior Bonds, Intermediate Lien Obligations and Subordinate Obligations issued previously or in the future under the Master Indenture, are collectively referred to herein as the "Bonds."

Purpose of the Series 2020A Bonds

HRTAC will use the proceeds of the Series 2020A Bonds, along with other available funds, to finance the costs of certain transportation projects in Planning District 23, to fund capitalized interest on the Series 2020A Bonds through _____, 20____, and to pay costs of issuance of the Series 2020A Bonds. In particular, HRTAC will use the proceeds of the Series 2020A Bonds in furtherance of its *projects contained in the* "FY 2020-2026 Six-Year Operating and Capital Plan of Finance Update for the Region's High Priority Projects," which was revised and approved on June 20, 2019 (the "Six-Year Funding Plan").

specifically and as described further herein, the I-64 Hampton Roads Bridge-Tunnel connecting Hampton and Norfolk (the “HRBT Expansion Project”), and any other projects authorized for financing by the Commission. A portion of the proceeds of the Series 2020A Bonds will be used to reimburse HRTAC for a portion of its PayGo expenditures on the HRBT Expansion Project. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—HRTAC Six-Year Funding Plan.”

Security and Sources of Payment

The Series 2020A Bonds are limited obligations of HRTAC that are payable solely from the funds pledged under the Master Indenture for such purpose, consisting of the HRTAC Revenues (as defined below). The Series 2020A Bonds are on [parity] in payment and security to the Series 2018A Bonds and any Senior Bonds which may be issued by HRTAC in the future. The Series 2020A Bonds will be payable and secured [senior] to all [Intermediate] Lien Obligations and Subordinate Obligations that may be issued by HRTAC in the future, including the 2019 TIFIA Bond.

The Series 2020A Bonds are not a debt of the Commonwealth or any political subdivision thereof (including any Member Locality or any member of the HRTPO or the HRPDC) other than HRTAC, and the Series 2020A Bonds do not constitute indebtedness within the meaning of any debt limitation or restriction. Neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions (including any Member Locality or any member of the HRTPO or the HRPDC) is pledged to the payment of the Series 2020A Bonds. HRTAC has no taxing powers.

The “HRTAC Revenues” pledged pursuant to the Master Indenture include (i) all of the revenues appropriated by the General Assembly and transferred by the Commonwealth into the HRTF, (ii) all earnings from the investment of moneys held in any Fund or Account under and as defined in the Master Indenture, and (iii) any other revenues available under the HRTAC Act which may be designated as HRTAC Revenues pursuant to a Supplemental Indenture. The Master Indenture does not currently permit toll revenues to be pledged to payment of the Bonds issued thereunder (including the Series 2020A Bonds). The continued availability of tax revenues in the HRTF is subject to annual appropriation by the General Assembly of the Commonwealth. See “HAMPTON ROADS TRANSPORTATION FUND.”

Validation

On August 15, 2016, the Commission instituted a bond validation proceeding in the Circuit Court for the City of Chesapeake, Virginia (the “Court”). The bond validation was not challenged. On October 7, 2016, the Court entered an Order (the “Order”) by which the Court validated, among other things, the constitutionality and validity of the HRTAC Act, the HRTF, the six-year funding plan then in effect, the Series 2018A Bonds, the pledge of the HRTAC Revenues to the payment of Bonds, and the original version of the Master Indenture. No appeal was taken within the time prescribed in Section 15.2-2656 of the Virginia Code. The Commission is not required by law, and does not intend, to seek validation of any further Bonds, including but not limited to the Series 2020A Bonds, issued under the Master Indenture.

HAMPTON ROADS TRANSPORTATION FUND

General

The HRTF was established under Chapter 766, effective July 1, 2013. Pursuant to Chapter 766, the General Assembly dedicated to the HRTF all of the additional revenues generated by the imposition of an additional retail sales and use tax, and an additional wholesale motor vehicle fuels sales tax, on transactions occurring within the Member Localities. See “HAMPTON ROADS TRANSPORTATION

FUND—HRTF Revenues.” As described in the following section, the continued availability of these tax revenues is subject to annual appropriation by the General Assembly of the Commonwealth.

HRTAC was established under Chapter 545, enacted on April 3, 2014, to receive the HRTF funds and apply them to the financing of (i) new construction projects on new or existing highways, bridges, and tunnels in the Member Localities, and (ii) administrative and operating expenses as provided in the Commission’s annual budget (which under the HRTAC Act shall be limited solely to administrative expenses of the Commission and shall not include any funds for construction or acquisition of transportation facilities or the performance of any transportation service). Under HRTAC’s existing Standard Project Agreements with VDOT, project construction and expenses for operating and maintaining projects funded by HRTAC are responsibilities of VDOT. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”

The HRTF was created in the State Treasury to be held by the State Treasurer (the head of the Department of the Treasury) and recorded on the books of the Comptroller of Virginia (the head of the Department of Accounts) as a special nonreverting fund for Planning District 23. The tax revenues dedicated to the HRTF are collected and paid into the State Treasury and credited to the HRTF on a monthly basis. Interest earned on moneys in the HRTF remains in and is credited to the HRTF. Any moneys remaining in the HRTF, including interest thereon, at the end of each fiscal year of the Commonwealth will not revert to the Commonwealth’s general fund, but shall remain in the HRTF. Pursuant to Chapter 608, 2016 Va. Acts of Assembly, enacted on April 1, 2016, the amounts held in the HRTF are distributed to the Commission as soon as practicable for use in accordance with the HRTAC Act. If the Commission determines that such moneys distributed to it exceed the amount required to meet the current needs and demands to fund transportation projects pursuant to the HRTAC Act, the Commission may invest such excess funds in accordance with state law.

[To be updated]

Subject-to-Appropriation

The continued availability of the above-described tax revenues for deposit in the HRTF remains subject to annual appropriation by the General Assembly of the Commonwealth, and the General Assembly may eliminate or change the source of funds for the HRTF at any time. Funds already transferred to the HRTF, which is a nonreverting fund, are no longer subject to appropriation but HRTAC continues to rely entirely on the Commonwealth to transmit such funds to HRTAC for inclusion in the HRTAC Revenues.

VDOT agreed, under the HRTAC-VDOT MOA, to annually request (in accordance with the schedule of the Virginia Department of Planning and Budget) for the Governor to include the HRTF Revenues in the budget delivered to the General Assembly for the next succeeding Fiscal Year or biennial period, as applicable. VDOT also agreed to promptly notify HRTAC upon becoming aware of any failure by the General Assembly to appropriate tax revenues to the HRTF. As a practical matter there is no effective remedy if the Governor or the General Assembly fail to provide for HRTF funding in the Commonwealth’s Budget. Further, the HRTAC-VDOT MOA provides that VDOT shall bear no responsibility for collecting or depositing the tax revenues in the HRTF.

Under the Virginia Constitution, no appropriation is valid for more than two years and six months after the adjournment of the session of the General Assembly at which the appropriation was made. The General Assembly of the Commonwealth is not obligated to make any future appropriations, and the Commission makes no representation that the General Assembly will keep the HRTF in existence or that

appropriations to the HRTF will be made by the General Assembly in any future fiscal year of the Commonwealth.

Enactment Clause 14 of Chapter 766 provides that the provisions of Chapter 766 that generate revenue through the additional state taxes for transportation projects in Planning District 23 shall expire on December 31 of any year in which the General Assembly appropriates or transfers any of such revenues for any non-transportation-related purpose. See “INVESTMENT CONSIDERATIONS—Risks of Non-Appropriation and Future Legislative Actions.”

HRTF Revenues

This section provides a brief description of the taxes which comprise the HRTF Revenues, and is followed by separate sections describing each tax source in greater detail. The HRTF Revenues are derived from the revenues generated from the following taxes that were imposed starting July 1, 2013 on transactions taking place within Planning District 23:

(i) Additional Retail Sales and Use Tax. Section 58.1-638.H.2 of the Virginia Code provides for the deposit in the HRTF of the revenue generated by an additional retail sales and use tax of 0.70 percent imposed on retail sales transactions within the Member Localities other than food purchased for home consumption (the “Additional Sales and Use Tax”).

(ii) Additional Wholesale Motor Vehicle Fuels Sales Tax. Section 58.1-2295.A.2 of the Virginia Code provides for the deposit in the HRTF of the revenue generated by an additional motor vehicle fuels sales tax imposed on sales of fuel by distributors at wholesale to retail dealers for retail sales in the Member Localities, at a rate of 7.6 cents per gallon on gasoline and gasohol (and 7.7 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index beginning July 1, 2021 (the “Additional Motor Vehicle Fuels Tax”).

Additional Sales and Use Tax

The Additional Sales and Use Tax is administered and collected by the State Tax Commissioner, the head of the Virginia Department of Taxation, in the same manner and subject to the same penalties as provided for the statewide retail sales and use tax. The receipts of the Additional Sales and Use Tax are deposited into the State Treasury and then credited by the Comptroller of Virginia to the HRTF. In accordance with the HRTAC-VDOT MOU, VDOT provides monthly notice to HRTAC of the Additional Sales and Use Tax collection amounts. This usually occurs during the third week of the month. The revenues are typically transferred into the HRTF within a week after such notice. HRTAC is entirely dependent on the Virginia Department of Taxation, the Virginia Department of Treasury and the Virginia Department of Accounts to collect and deposit the Additional Sales and Use Tax revenues in the HRTF and to transfer them to HRTAC for inclusion in the HRTAC Revenues.

The Additional Sales and Use Tax is imposed upon transactions in the Member Localities in addition to the statewide retail sales and use tax of 4.3% and the local option retail sales and use tax of 1.0% used by the Commonwealth and its localities for other purposes. Consumers therefore pay a total of 6% in sales and use taxes on retail transactions occurring in the Member Localities. HRTAC does not receive any revenues from the statewide or local option retail sales and use taxes, but only receives the proceeds of the 0.7% Additional Sales and Use Tax.

[To be updated]

Under Virginia law, retail sales taxes are imposed on transactions involving (i) the business of selling at retail or distributing tangible personal property; (ii) the leasing or rental of tangible personal property as part of an established business; (iii) the storing for use or consumption in the Commonwealth of any item or article of tangible personal property or leasing or renting such property within the Commonwealth; (iv) the finishing of transient accommodations; or (v) the selling of certain services. The tax on sales is based on the gross sales price of each item or article of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. The tax on accommodations, leases and rentals, which is based upon the lessor's gross proceeds from the leases and rentals, is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee. The tax on items or articles of tangible personal property stored in the Commonwealth for use or consumption in the Commonwealth is based on the cost price of each item or article. The tax on taxable services is based on the gross sales price of the services.

Under Virginia law, use taxes are imposed on the use or consumption of tangible personal property throughout the Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in the Commonwealth. This tax applies to (i) tangible personal property purchased outside the Commonwealth that would have been subject to sales tax if purchased in the Commonwealth, and (ii) purchases, leases or rentals made in the Commonwealth if the sales tax was not paid at the time of purchase, lease or rental. In general, the use tax is based on the cost price of each item or article of tangible personal property used or consumed in the Commonwealth or the cost price of each item or article of tangible personal property stored outside the Commonwealth for use or consumption in the Commonwealth.

The Commonwealth requires all dealers with nexus to the Commonwealth to collect and remit applicable retail sales and use tax. In *South Dakota v. Wayfair*, 138 S. Ct. 2080 (2018), the U.S. Supreme Court held for the first time that states have the authority to collect sales tax directly from out-of-state sellers having no physical presence in the taxing state. In 2019, the Virginia General Assembly enacted Chapter 815, Acts of Assembly, which became effective on July 1, 2019 and provides uniform nexus requirements for remote sellers, marketplace facilitators, and marketplace sellers. Dealers with no Virginia physical presence are required to collect and remit sales tax if they have more than \$100,000 in Virginia gross sales or complete greater than 200 separate transactions in Virginia during the current or previous calendar year.

The Virginia Code provides various exclusions and exemptions from the retail sales and the use tax. For example, the sales and use tax is not levied upon medicines, certain purchases by nonprofit entities, certain agricultural supplies and commodities, certain industrial materials and machinery, supplies used to produce publications, and certain commercial computer equipment. Sales and use taxes are not imposed on food for human consumption except under the 1% local option sales tax described above (which is not included in the tax sources for the HRTF).

Additional Motor Vehicle Fuels Tax

The Additional Motor Vehicle Fuels Tax is administered and collected by distributors in each Member Locality and paid to the Commissioner of the Department of Motor Vehicles (the "DMV") each month. The distributor is required to collect the tax from the retail dealer by separately stating the amount of the tax and adding it to the sales price or charge. Distributors are required to remit the collected amounts to the DMV by midnight of the 20th day of the second month succeeding the month of collection. However, remittance of the tax for the month of May must be received by the DMV no later than the last business day of June. Once received by the DMV, revenues from the Additional Motor Vehicle Fuels Tax are credited by the Comptroller of Virginia to the HRTF on a monthly basis and are thereafter distributed to HRTAC as soon as practicable. HRTAC is entirely dependent on the Virginia Department of Taxation, the DMV and

the Virginia Department of Accounts to collect and deposit the Additional Motor Vehicle Fuels Tax revenues in the HRTF and to transfer them to HRTAC for inclusion in the HRTAC Revenues.

The Additional Motor Vehicle Fuels Tax is imposed upon transactions in the Member Localities in addition to the statewide motor vehicle fuels tax, used by the Commonwealth for other purposes, which is established based upon 5.1% of the statewide average wholesale price of a gallon of unleaded regular gasoline for a trailing six-month base period, subject to a designated floor price of \$3.17 per gallon. HRTAC does not receive any revenue from the statewide motor vehicle fuels tax, but instead receives the proceeds of the Additional Motor Vehicle Fuels Tax imposed on sales of fuel by distributors at wholesale to retail dealers for retail sales in the Member Localities, at a rate of 7.6 cents per gallon on gasoline and gasohol (and 7.7 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index beginning July 1, 2021.

[To be updated]

Historical HRTF Revenues

The following Table I shows historical receipts from the two HRTF Revenue sources. See also “Table 1: HRTF Revenues” in Appendix E for additional information by jurisdiction. HRTF Revenues in Fiscal Years 2018 and 2019 were approximately \$169.2 million and \$211.1, respectively. From July 1, 2019 through _____, 2020, HRTF Revenues (unaudited) were \$46,035,769, compared to \$41,484,456 during such period for the previous year.

There are certain considerations and risks relating to the HRTF Revenues to be received by the Commission due to COVID-19 disruptions, which are set forth in this Official Statement under the caption “INVESTMENT CONSIDERATIONS – COVID-19.”

[Table appears on following page]

Table I
Historical Hampton Roads Transportation Fund Revenues (in Millions)

Source	FY 2014⁽¹⁾	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020⁽⁵⁾
Additional Sales and Use Tax ⁽²⁾	\$ 107.9	\$ 130.0	\$ 126.5	\$ 131.5	\$ 136.5	\$ 139.4	\$ 31.3
Additional Motor Vehicle Fuels Tax ⁽³⁾	<u>37.3</u>	<u>40.9</u>	<u>26.7</u>	<u>25.0</u>	<u>32.7</u>	<u>71.6⁽⁴⁾</u>	<u>14.8</u>
TOTAL:	<u>\$ 145.2</u>	<u>\$ 170.9</u>	<u>\$ 153.2</u>	<u>\$ 156.5</u>	<u>\$ 169.2</u>	<u>\$ 211.0</u>	<u>\$ 46.0</u>

Source: HRTAC.

⁽¹⁾ The Commission's fiscal year ends on June 30.

⁽²⁾ Accelerated Retail Sales and Use Tax paid in June.

⁽³⁾ Effective as of July 1, 2018, the General Assembly established a wholesale price floor for deriving the Additional Motor Vehicle Fuels Tax, as described above.

⁽⁴⁾ Includes \$11 million special audit assessment adjustments sourced from vendor audit settlements.

⁽⁵⁾ Unaudited, from July 1 through September 30, 2019.

DESCRIPTION OF THE SERIES 2020A BONDS

General

The Series 2020A Bonds will be issued as fully registered bonds in book-entry form. The Series 2020A Bonds will be dated their date of delivery, will be issued in denominations of \$5,000 or integral multiples of \$5,000, and will bear interest from the dated date thereof, payable semiannually on each January 1 and July 1, beginning _____, 20____, at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. Interest on the Series 2020A Bonds will be computed on the basis of a year of 360 days and twelve 30-day months. Interest will be payable to the registered owners of the Series 2020A Bonds 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. Principal of, premium, if any, and interest on the Series 2020A Bonds will be paid by the Trustee to The Depository Trust Company ("DTC") for distribution to its Direct and Indirect Participants (as defined in Appendix G). See "DESCRIPTION OF THE SERIES 2020A BONDS—Book-Entry System" herein, and Appendix G.

Estimated Sources and Uses of Funds

Set forth below are the expected amounts and components of the proceeds of the sale of the Series 2020A Bonds and the application of the proceeds on the date of delivery of the Series 2020A Bonds:

Sources:

Principal Amount of Series 2020A Bonds	\$ _____
[Net] Original Issue [Premium][Discount]	_____
Total Sources:	\$ _____

Uses:

Deposit to Project Fund	\$ _____
Deposit to Capitalized Interest Subaccount	_____
Underwriters' Discount	_____
Deposit to Cost of Issuance Fund	_____
Total Uses:	\$ _____

Redemption*

Optional Redemption. The Series 2020A Bonds maturing on or before July 1, 20____, will not be subject to optional redemption before their respective maturity dates. The Series 2020A Bonds maturing on and after July 1, 20____, may be redeemed prior to their respective maturities, at the option of the Commission, 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 the Commission shall determine on and after July 1, 20____, at 100% of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.

Mandatory Redemption. The Series 2020A Bonds maturing on July 1, 20____, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
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*final maturity

Selection of Bonds for Redemption. If less than all of the Series 2020A Bonds are called for optional redemption, the Commission will select the maturities of the serial bonds and portions of the amortization of the term bonds to be redeemed and will designate such selection in an Officer's Certificate.

If less than all of the Series 2020A Bonds of a serial maturity are called for redemption, the particular Series 2020A Bonds of such maturity to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, will be selected by the Registrar (as defined in Appendix A) by lot in such manner as the Registrar at its discretion may determine.

The portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If a portion of a Bond

* Preliminary, subject to change.

shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Notice of Redemption

The Commission will direct the Trustee to give notice in the name of the Commission if any Bonds have been called for redemption, and the Trustee shall cause notice of the redemption to be delivered not less than 20 nor more than 60 days prior to the redemption date, to the holders of the Series 2020A Bonds to be redeemed, stating that such Bonds will be due and payable on the date fixed for redemption upon surrender of such Bonds at the designated corporate trust office of the Trustee, stating the applicable redemption price, and stating that all interest on such Bonds will cease to accrue on and after the redemption date. The notice of optional redemption may, on written instructions of HRTAC to the Trustee, state (i) that it is conditional on the deposit of redemption moneys with the Trustee not later than the opening of business on the redemption date and/or (ii) that HRTAC has retained the right to rescind the redemption.

During the period that DTC or its nominee is the registered holder of the Series 2020A Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2020A Bonds, but shall send such notice to DTC according to its requirements.

Book-Entry System

DTC will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Series 2020A Bonds and will be deposited with DTC.

So long as Cede & Co. is the registered owner of the Series 2020A Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2020A Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only owner of Bonds for all purposes under the Master Indenture and the Fourth Series Supplement.

Neither the Commission nor the Trustee has any responsibility or obligation to the Direct or Indirect Participants (as defined in Appendix G) or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, and interest on the Series 2020A Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Master Indenture to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following Table II sets forth for each fiscal year the amounts needed for payment of principal and interest on the Series 2020A Bonds, as of the date of issuance of the Series 2020A Bonds. ***Table II should be reviewed in conjunction with Table VII herein, which includes projected debt service requirements for HRTAC's Bonds, including [the Series 2020A Bonds,] the Series 2018A Bonds, projected future Senior Bonds, the Series 2019A Notes, projected future Intermediate Lien Obligations, the 2019 TIFIA Bond, and projected future Subordinate Obligations.***

Table II
Estimated Debt Service Requirements

<u>Principal</u>	<u>Interest</u> ⁽¹⁾	<u>Total</u>
(2)	(3)	

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS

Limited Obligations

The Series 2020A Bonds are limited obligations of HRTAC and are payable solely as [Senior][Intermediate] Lien Obligations from the revenues, moneys and other property pledged by the Master Indenture for such purpose, consisting of the HRTAC Revenues. The pledged HRTAC Revenues include (i) the amounts credited by the Comptroller of Virginia to the HRTF and transferred to HRTAC, including the Additional Sales and Use Tax revenues and the Additional Motor Vehicle Fuels Tax revenues, (ii) all earnings from the investment of moneys held in any Fund or Account under and as defined in the Master Indenture, and (iii) any other revenues available under the HRTAC Act which may be hereafter designated as HRTAC Revenues pursuant to a Supplemental Indenture. The availability of such Additional Sales and Use Tax revenues and Additional Motor Vehicle Fuels Tax revenues for deposit into the HRTF is subject to annual appropriation by the General Assembly, and the General Assembly may eliminate or change such taxes and fees at any time. The receipt of such funds is also conditioned upon their use for transportation-related purposes, specifically new construction projects on new or existing highways, bridges or tunnels in the Member Localities. See "HAMPTON ROADS TRANSPORTATION FUND—Subject-to-Appropriation" above.

The realization of amounts to be derived upon the enforcement of the Series 2020A Bonds will depend upon the exercise and effectiveness of the remedies specified in the Master Indenture. These and other remedies may, in many respects, require judicial action of a nature that is often subject to discretion and delay. Under existing laws, the remedies specified in the Master Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020A Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, fraudulent conveyance, reorganization and other laws affecting the enforcement of creditors' rights generally. See "INVESTMENT CONSIDERATIONS—Limitation on Remedies" herein, and "THE MASTER INDENTURE—Events of Default and Remedies Upon Default" in Appendix A.

The Series 2020A Bonds are not a debt of the Commonwealth or any political subdivision thereof (including any Member Locality or any member of the HRTPO or the HRPDC) other than the Commission, and the Series 2020A Bonds do not constitute indebtedness within the meaning of any debt limitation or restriction. Neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions (including any Member Locality or any member of the HRTPO or the HRPDC) is pledged to the payment of the Series 2020A Bonds. The Commission has no taxing powers.

Pledges Under the Master Indenture

[Senior][Intermediate] Lien Obligations. The Series 2020A Bonds are being issued as [Senior][Intermediate] Lien Obligations and are the second Series of [Senior][Intermediate] Lien Obligations issued by HRTAC under the Master Indenture. The Series 2020A Bonds are payable as to principal and interest from, and secured by, a pledge of HRTAC Revenues that is on [parity] to the payment of principal of and interest on all Senior Bonds, including the Series 2018A Bonds, issued by HRTAC under the Master Indenture, and [senior] to all [Intermediate] Lien Obligations and Subordinate Obligations which may be issued by the Commission, including the 2019 TIFIA Bond.

With respect to the Series 2020A Bonds, the Fourth Series Supplement establishes solely for the benefit of the Owners of the Series 2020A Bonds the Series 2020A Capitalized Interest Subaccount, the Series 2020A Interest Account, the Series 2020A Principal Account, the Series 2020A Costs of Issuance Account and the Series 2020A Project Account, which are pledged exclusively to secure the obligations of HRTAC to the Owners of the Series 2020A Bonds. The Series 2020A Rebate Account is created exclusively to make certain payments, if any, to maintain the federal tax-exempt status of the Series 2020A Bonds, and is not pledged to the repayment of the Series 2020A Bonds.

Payment of Interest and Principal. On the date of issuance of the Series 2020A Bonds, \$_____ will be deposited into the Series 2020A Capitalized Interest Subaccount to pay interest on the Series 2020A Bonds through _____ 1, 20__. Interest to be paid on the Series 2020A Bonds after the Series 2020A Capitalized Interest Subaccount no longer contains funds for such purpose shall be paid from the HRTAC Revenues, subject to the prior application of such funds as described below under "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS—Flow of Funds."

2019 TIFIA Loan Agreement. Under the terms of the TIFIA Loan Agreement dated December 10, 2019 (the "2019 TIFIA Loan Agreement"), between the U.S. Department of Transportation ("USDOT"), an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender") and the Authority, the TIFIA Lender extended a direct loan (the "2019 TIFIA Loan") to HRTAC in an aggregate principal amount not to exceed \$500,789,463, and HRTAC delivered to the TIFIA Lender the 2019 TIFIA Bond as a Subordinate Obligation to evidence

HRTAC's obligation to repay the 2019 TIFIA Loan. The principal amount of the 2019 TIFIA Bond will increase in an amount equal to the advances made by the TIFIA Lender to HRTAC under the 2019 TIFIA Loan Agreement. HRTAC expects to make a single requisition under the 2019 TIFIA Loan within one year after substantial completion of the Initial Financed Projects, and to apply such amount to reimburse itself for eligible project costs, including payment of the principal on the Series 2019A Notes at their maturity.

No Mortgage, Lien or Acceleration. The Series 2020A Bonds are not secured by any mortgage or lien on any transportation facilities of the Commission, VDOT, the Commonwealth, or any of the Member Localities or by a pledge of the revenues derived from any such facility. In the event of a failure to make any payment on the Series 2020A Bonds when due, neither the Trustee nor the owners of the Series 2020A Bonds shall have any right to take possession of any transportation facilities or to exclude the Commission, VDOT, the Commonwealth, or any of the Member Localities from possession of them, nor shall there be any right to accelerate payment of the Series 2020A Bonds.

No Toll Revenues. The Series 2020A Bonds are not secured by a pledge of any toll revenues. The Master Indenture currently does not permit toll revenues to be pledged to the payment of the Bonds.

Outstanding Bonds

As of the date of this Official Statement, the aggregate outstanding principal amount of the Series 2018A Bonds is \$500,000,000 and the aggregate outstanding principal amount of the Series 2019A Notes is \$414,345,000. Other than the Series 2018A Bonds, the Series 2020A Bonds and the 2019 TIFIA Bond, on the date of issuance of the Series 2020A Bonds there will be no other obligations outstanding that are secured by or payable from HRTAC Revenues.

Additional Bonds

Authority to Issue Additional Bonds. Under the Master Indenture, the Commission may issue additional Bonds, including (i) Senior Bonds that are on parity as to the pledge of HRTAC Revenues with the Series 2020A Bonds, (ii) Intermediate Lien Obligations that are subordinate as to the pledge of HRTAC Revenues with the Series 2020A Bonds and subordinate in payment and security to all Senior Bonds, and (iii) Subordinate Obligations that are subordinate in payment and security to all Intermediate Lien Obligations and all Senior Bonds. The Series 2020A Bonds and all other [Senior][Intermediate] Lien Obligations will be equally and ratably secured under the Master Indenture without preference, priority or distinction on account of the time of their authentication, delivery or maturity. However, different Series of [Senior][Intermediate] Lien Obligations may bear interest at different rates, have different maturity dates and payment dates, may be subject to different mandatory or optional redemption or tender terms, and may have the benefit of credit facilities that do not support other Series of [Senior][Intermediate] Lien Obligations. See "THE MASTER INDENTURE—Issuance of Bonds—Parity of Bonds" in Appendix A.

Additional Bonds – Senior Bonds. The Master Indenture requires as a condition to the issuance of any additional Senior Bonds for non-refunding purposes the filing with the Trustee of an Officer's Certificate to the effect that, during any twelve consecutive months of the eighteen months preceding the issuance of the additional Senior Bonds, the HRTAC Revenues were not less than 2.00 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year (defined in the Master Indenture as the twelve-month period commencing on July 1 of one year and ending on June 30 of the following year) on all Senior Bonds Outstanding and the Series of Senior Bonds to be issued. See "THE MASTER INDENTURE—Issuance of Bonds—Conditions to the Issuance of Additional Series of Bonds" in Appendix A.

Additional Bonds – Intermediate Lien Obligations. HRTAC is permitted to issue Intermediate Lien Obligations secured by the HRTAC Revenues, the payment and security of each which shall be subordinate to all Senior Bonds and to the Senior Debt Service Fund deposits required to be made under the Master Indenture. The Fourth Series Supplement provides that HRTAC will satisfy the following requirements in connection with the issuance of additional Intermediate Lien Obligations, other than Intermediate Lien Obligations to be incurred to rollover or refinance the 2020A Bonds: (i) unless such additional Intermediate Lien Obligations shall not be secured by or participating in a debt service reserve fund, there shall be or have been established in connection with such additional Intermediate Lien Obligations, an Intermediate Lien Debt Service Reserve Fund as provided in the Master Indenture; (ii) HRTAC shall file with the Trustee an Officer's Certificate to the effect that the Intermediate Lien Debt Service Reserve Fund Requirement, calculated immediately after the issuance of such additional Intermediate Lien Obligations, will be met effective upon the issuance of such additional Intermediate Lien Obligations; (iii) HRTAC shall file with the Trustee an Officer's Certificate to the effect that during any twelve consecutive months of the eighteen months preceding the issuance of the Bonds to be issued, the HRTAC Revenues were not less than 1.50 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on any Senior Bonds and Intermediate Lien Obligations then Outstanding plus the Intermediate Lien Obligations to be issued; and (iv) HRTAC shall file with the Trustee an Officer's Certificate demonstrating that, for each Fiscal Year while such Intermediate Lien Obligations will be Outstanding, HRTAC Revenues are projected by HRTAC to equal at least 1.35 times the annual aggregate Principal and Interest Requirements during the current or any future Fiscal Year on any Senior Bonds, Intermediate Lien Obligations, and Subordinate Lien Obligations then Outstanding plus the Series of Intermediate Lien Obligations to be issued. Such projections shall be in reasonable detail, may be made by HRTAC in consultation with the Virginia Department of Transportation and the Virginia Department of Taxation or other relevant state, regional or local agency.

Additional Bonds – Subordinate Obligations. HRTAC is permitted to issue Subordinate Obligations secured by the HRTAC Revenues, the payment and security of each which shall be subordinate to all Senior Bonds and Intermediate Lien Obligations and to the Senior Debt Service Fund and Intermediate Debt Service Fund deposits required to be made under the Master Indenture.

The 2019 TIFIA Loan Agreement also requires that HRTAC satisfy certain conditions with respect to the issuance of permitted indebtedness thereunder. See “THE MASTER INDENTURE—Issuance of Bonds—Intermediate Lien Obligations” and “—Subordinate Obligations” in Appendix A.

Debt Service Reserve

No debt service reserve fund will be established or maintained for the Series 2020A Bonds.

The Master Indenture establishes a debt service reserve requirement in connection with the issuance of additional [Senior][Intermediate] Lien Obligations. Such requirement is an amount equal to the least of (a) ten percent (10%) of the principal amount of [Senior][Intermediate] Lien Obligations then Outstanding that are participating in the [Senior][Intermediate] Lien Debt Service Reserve Fund or in a separately created [Senior][Intermediate] Lien Debt Service Reserve Fund established in a Series Supplement (provided, however, that if such [Senior][Intermediate] Lien Obligations have original issue discount or premium that exceeds two percent (2%) of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriters' compensation, the issue price shall be used in lieu of the stated principal amount for purposes of the 10% limitation), (b) the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on [Senior][Intermediate] Lien Obligations Outstanding plus the Series of [Senior][Intermediate] Lien Obligations to be issued, or (c) one hundred and

twenty-five percent (125%) of the average annual Principal and Interest Requirements on all [Senior][Intermediate] Lien Obligations through their final maturity date.

As provided in the Master Indenture, HRTAC may (a) provide that any [Senior][Intermediate] Lien Debt Service Reserve Fund be held collectively or with respect to all or multiple Series of [Senior][Intermediate] Lien Obligations, and (b) determine that a Series of [Senior][Intermediate] Lien Obligations shall not participate in or be secured by an [Senior][Intermediate] Lien Debt Service Reserve Fund. The 2020A Bonds are not participating in or secured by an [Senior][Intermediate] Lien Debt Service Reserve Fund.

Flow of Funds

The following summary of the Master Indenture's flow of funds provisions does not purport to be comprehensive or definitive and is qualified by reference to the entire Master Indenture, as supplemented by the Fourth Series Supplement. The Master Indenture establishes a Revenue Fund to which HRTAC will deposit all HRTAC Revenues immediately upon receipt. The Revenue Fund is the source of the following monthly transfers that will benefit the holders of the Bonds:

FIRST: To each Senior 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 Senior Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

SECOND: To each Senior Debt Service Reserve Fund, ratably, the amount, if any, required so that the balance in each such Fund shall be equal to the respective Senior Debt Service Reserve Requirement;

THIRD: To each Intermediate Lien 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 Intermediate Lien Obligations on the next ensuing payment date; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in an Intermediate Lien Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

FOURTH: To each Intermediate Lien Debt Service Reserve Fund, ratably, the amount, if any, required so that the balance in such Fund shall be equal to the respective Intermediate Lien Debt Service Reserve Requirement;

FIFTH: 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;

SIXTH: To each Subordinate Debt Service Reserve Fund, ratably, the amount, if any, so that the balance in such Fund shall be equal to the respective Subordinate Debt Service Reserve Requirement;

SEVENTH: 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;

EIGHTH: To the Operating Account of the Operating Fund, the amount of funds necessary to pay Operating Expenses during such period in accordance with the Annual Budget (as defined in the Master Indenture; see Appendix A);

NINTH: To the Operating Reserve Account of the Operating Fund, the amount, if any, so that the balance in such Account shall be equal to the Operating Reserve Requirement;

TENTH: To fund any Hedging Termination Obligation in connection with a Qualified Hedge;

ELEVENTH: After curing any deficiencies as required by the Master Indenture to the deposits and balances required in "FIRST" through "TENTH" above, to the TIFIA Revenue Sharing Account, the amount, if any, as may be required under the TIFIA Series Supplement, and the applicable provisions of any other Series Supplement, an amount equal to Excess Revenues for such month, for deposit into the TIFIA Revenue Sharing Account (see "2019 TIFIA LOAN AGREEMENT—Prepayment of the 2019 TIFIA Loan," below; and "INVESTMENT CONSIDERATIONS—Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues—TIFIA Revenue Sharing Trigger Event"); and

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

Pursuant to the Fourth Series Supplement, each monthly transfer into the 2020A Bond Debt Service Fund under the Master Indenture shall be in an amount not less than the sum of (i) except to the extent interest is paid from the Capitalized Interest Subaccount, one-sixth of the interest due on the Series 2020A Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2020A Bonds at maturity or upon mandatory redemption on the next ensuing Principal Payment Date, less (iii) accrued interest and any other interest earnings currently on deposit therein. See "THE Fourth Series Supplement—Bond Debt Service Fund" in Appendix A.

HRTAC shall apply the balance in the General Fund, including interest earnings, as follows: (i) first to cure any deficiency in the amount required to be on deposit in any Senior Debt Service Fund, any Senior Debt Service Reserve Fund, any Senior Lien Debt Service Fund, any Intermediate Lien Debt Service Reserve Fund, any Subordinate Debt Service Fund, any Subordinate Debt Service Reserve Fund, any Rebate Fund, or the Operating Reserve Account, in that order; and (ii) then to any lawful purpose approved by resolution of HRTAC, including without limitation, expenditures for capital improvements or administrative expenses. See "THE MASTER INDENTURE—Revenue Fund and Flow of Funds" in Appendix A.

FLOW OF FUNDS DIAGRAM



* *No Debt Service Reserve Fund will be established or maintained for the Series 2020A Bonds.*

2019 TIFIA LOAN AGREEMENT

Pursuant to the 2019 TIFIA Loan Agreement, the proceeds of the 2019 TIFIA Loan may be disbursed to HRTAC for the payment, reimbursement or refinancing of certain costs of the Initial Financed Projects that are eligible to be financed with proceeds of the 2019 TIFIA Loan pursuant to federal law; provided, that total disbursements under the 2019 TIFIA Loan cannot exceed 33% of all such eligible costs of the Initial Financed Projects. Eligible costs include design, construction, oversight and certain financing costs (certain reserves, interest during construction and financing fees), and total federal assistance

(including federal highway reimbursement funds) provided to projects cannot exceed 80% of all such eligible project costs of the Initial Financed Projects.

Repayment Terms

No payment of the principal of or interest on the 2019 TIFIA Loan is required to be made during the capitalized interest period, which will be the period from the drawdown of the 2019 TIFIA Loan to the date that HRTAC commences repayment of the 2019 TIFIA Loan as described below (“TIFIA Capitalized Interest Period”). As of each June 30 and December 31 during the TIFIA Capitalized Interest Period and on the last day of the TIFIA Capitalized Interest Period, interest accrued in the six-month period ending on the subject date (or such lesser period in connection with the end of the TIFIA Capitalized Interest Period) on the 2019 TIFIA Loan shall be capitalized and added to the outstanding 2019 TIFIA Loan balance. Within 30 days after the end of the TIFIA Capitalized Interest Period, the TIFIA Lender shall give written notice to HRTAC stating the outstanding 2019 TIFIA Loan balance as of the close of business on the last day of the TIFIA Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Commission under the 2019 TIFIA Loan Agreement or under any of the other 2019 TIFIA Loan documents.

On the earlier of (a) January 1, 2025, and (b) the ninth semi-annual payment date immediately succeeding the substantial completion date of the Initial Financed Projects financed with 2019 TIFIA Loan proceeds, HRTAC shall pay TIFIA Debt Service in the amount of interest on and principal of the 2019 TIFIA Loan equal to the amount set forth in the 2019 TIFIA Loan Agreement, as the same may be revised as provided in the 2019 TIFIA Loan Agreement, which payments shall be made in accordance with the terms of the 2019 TIFIA Loan Agreement. A projected amortization of the 2019 TIFIA Bond is set forth in Table II – Estimated Debt Service Requirements in “ESTIMATED DEBT SERVICE REQUIREMENTS.”

Prepayment of the 2019 TIFIA Loan

HRTAC will be required to mandatorily prepay all or a portion of the 2019 TIFIA Loan without penalty or premium following the occurrence of a Revenue Sharing Trigger Event (defined below), on each semi-annual payment date under the 2019 TIFIA Loan Agreement occurring while the Revenue Sharing Trigger Event remains in effect, from any amounts on deposit in the Revenue Sharing Account. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS – Flow of Funds” above. Prepayment of the 2019 TIFIA Loan will be made, on a pro rata basis with any other TIFIA Loans secured by HRTAC Revenues then outstanding, in each case, based on the then outstanding amount of such TIFIA Loans.

A “Revenue Sharing Trigger Event” is any date on which the 2019 TIFIA Loan Agreement is outstanding and HRTAC or VDOT, on behalf of HRTAC, is not actively engaged in the development of capital project programs in the Hampton Roads Transportation Planning Organization’s most recently adopted long-range transportation plan. See “INVESTMENT CONSIDERATIONS—Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues—TIFIA Revenue Sharing Trigger Event.” Under the Indenture and its flow of funds provisions, “Excess Revenues” are, following the occurrence of a Revenue Sharing Trigger Event, an amount in each month equal to 50% of the HRTAC Revenues remaining after occurrence of the transfers described in paragraphs FIRST through TENTH described in “FLOW OF FUNDS” above have occurred. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS – Flow of Funds” above.

Upon any voluntary prepayment of any Bonds, other than any voluntary prepayment of any Bonds made with the proceeds of Additional Bonds issued on the same lien level, in accordance with the requirements of the 2019 TIFIA Loan Agreement for the purpose of refinancing such Bonds, pro rata with such voluntary prepayment.

In addition, HRTAC will have the right to prepay the 2019 TIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid will be determined by HRTAC; provided, however, that such prepayments have to be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 thereof), at any time or from time-to-time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the 2019 TIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the 2019 TIFIA Loan has to be made on such date and in such principal amount as HRTAC specifies in a written notice delivered to the TIFIA Lender. In the case of any prepayment, such written notice has to be delivered to the TIFIA Lender not less than 10 days or more than 30 days prior to the date set for prepayment.

If such notice has been given, the principal amount of the 2019 TIFIA Loan stated in such notice or the whole thereof, as the case may be, is due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being prepaid.

TIFIA Debt Service Reserve

The 2019 TIFIA Bond will be secured by a Subordinate Debt Service Reserve Fund. On or prior to the later of the substantial completion date of the Initial Financed Projects or the date of the final disbursement under the 2019 TIFIA Loan Agreement, HRTAC shall cause the deposit of proceeds of the 2019 TIFIA Bond or available HRTAC Revenues in such Subordinate Debt Service Reserve Fund in an amount sufficient to cause the balance therein to equal the “2019 TIFIA Debt Service Reserve Required Balance.” Such amount is the lesser of (x) ten percent (10%) of the 2019 TIFIA Loan, (y) one hundred percent (100%) of the 2019 TIFIA maximum annual debt service, or (z) one hundred and twenty-five percent (125%) of the average annual 2019 TIFIA debt service and any other TIFIA loans secured by HRTAC Revenues outstanding at any one time. If there are more than one 2019 TIFIA Loan secured by HRTAC Revenues outstanding at any time, then such amounts will be calculated using the summation of all TIFIA Loans as if there were one 2019 TIFIA Loan.

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

The Commission was created by the Virginia General Assembly in 2014 to be a body politic and a political subdivision of the Commonwealth with responsibility for approving the funding of projects to be financed with the HRTF Revenues. Such revenues are derived from the additional taxes levied pursuant to Chapter 766 within Planning District 23. The Member Localities comprising Planning District 23 currently include 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. The Commission is a separate legal entity from these Member Localities within Planning District 23. Cities and counties in the Commonwealth are independent entities; therefore, the Member Localities do not overlap. Pursuant to Chapter 545, the Commission must use the HRTF Revenues for purposes of (i) funding new construction projects on new or existing highways, bridges, and tunnels in 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, and (ii) paying the Commission’s administrative and operating expenses as provided in its annual budget (which under the

HRTAC Act shall be limited solely to administrative expenses of the Commission and shall not include any funds for construction or acquisition of transportation facilities or the performance of any transportation service). See “HAMPTON ROADS TRANSPORTATION FUND—General” herein, and “Table 5: HRTAC Operating Budget” in [Appendix E](#). HRTAC collaborates with HRTPO to set transportation funding priorities on the basis of a regional consensus developed by HRTPO, but HRTAC serves primarily as a financing vehicle for regional transportation projects rather than as a planning board. To date, all of HRTAC’s projects have been part of VDOT’s statewide transportation system and HRTAC has entered into Standard Project Agreements with VDOT whereby HRTAC provides funds to such projects. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”

Hampton Roads Region

With the exception of Southampton County and the City of Franklin, all of the Member Localities are located in the Hampton Roads MSA. For a description of certain demographic, economic and financial information regarding Planning District 23 and Hampton Roads, see [Appendix D](#).

Commission Members

Pursuant to the HRTAC Act, HRTAC has 23 members as follows: the chief elected official of the ten (10) cities embraced by the Commission, which in each such city is a mayor; 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; three (3) members of the House of Delegates who reside in different counties or cities embraced by the Commission and who are appointed by the Speaker of the House; and two (2) members of the Senate who reside in different counties or cities embraced by the Commission, who are appointed by the Senate Committee on Rules. In addition, the Director of the Virginia Department of Rail and Public Transportation (“VDRPT”), or his/her designee; the Commissioner of Highways, or his/her designee; the Executive Director of the Virginia Port Authority, or his/her designee; and a member of the Commonwealth Transportation Board (the “CTB”) who resides in a locality embraced by the Commission and who is appointed by the Governor, serve as non-voting members of HRTAC.

The current membership of HRTAC is listed below, together with the related Member Locality or appointing official or body:

<u>Voting Members</u>	<u>Title</u>	<u>Source of Appointment</u>
Linda T. Johnson	HRTAC Chair	City of Suffolk
Donnie R. Tuck	HRTAC Vice-Chair	City of Hampton
Joel C. Acree	Member	Isle of Wight County
Kenneth C. Alexander	Member	City of Norfolk
John A. Cosgrove	Member	Virginia Senate
Bobby Dyer	Member	City of Virginia Beach
Paul Freiling	Member	City of Williamsburg
Michael J. Hipple	Member	James City County
W. Eugene Hunt Jr.	Member	City of Poquoson
Montgomery “Monty”	Member	Virginia Senate

Mason

Christopher D. Cornwell, Sr.	Member	Southampton County
Dr. McKinley Price	Member	City of Newport News
Frank Rabil	Member	City of Franklin
John Rowe	Member	City of Portsmouth
Thomas G. Shepperd	Member	York County
Richard W. West	Member	City of Chesapeake
Vacant	Member	Virginia General Assembly
Vacant	Member	Virginia General Assembly
Vacant	Member	Virginia General Assembly

Non-Voting Members:

Title

Source of Appointment

Stephen Brich	Non-Voting Member	Commissioner of Highways, VDOT
Jennifer Mitchell	Non-Voting Member	Director of VDRPT
John F. Malbon	Non-Voting Member	Commonwealth Transportation Board
John F. Reinhart	Non-Voting Member	Executive Director, Virginia Port Authority

HRTAC Executive Director

Kevin B. Page serves as the Executive Director of HRTAC. He has served the Commission in this role for over 4 years. Mr. Page is responsible for management of the day-to-day administrative affairs of the Commission, which relate principally to the support of more than \$7.9 billion in mega highway transportation projects that are planned for Hampton Roads. Mr. Page is also responsible for coordinating the management and investment of the HRTF funds received by HRTAC. Mr. Page has over 30 years of multimodal leadership experience within the transportation industry and has served in executive roles on major infrastructure funding and construction initiatives and in forging strategic partnerships, including serving on various transportation boards and safety committees. Before joining HRTAC, he spent over 10 years in executive leadership roles over transit and rail funding and program delivery with the Virginia Department of Rail and Public Transportation, 7 years as the Transit Manager of Petersburg, Virginia's separate transit and school bus enterprise operations, and 2 years with the Greater Richmond Transit Company in Richmond, Virginia. He has led the planning, development and implementation of a wide variety of projects including large scale public-private and multistate partnerships, the safety oversight of transportation systems, corridor long environmental studies, short and long-range planning and financing, and was instrumental in the development and delivery of regional Amtrak passenger train service and the expansion of the Virginia Railway Express to serve new markets. Mr. Page earned a B.S. degree in Urban Studies and Planning from Virginia Commonwealth University, is a graduate of the Virginia Executive Institute, and his professional awards of recognition include the VDOT Peer Award, VDOT Commissioner's Award of Excellence, the Virginia Economic Developer's Association Economic Development Ally of the Year Award, HB2 Team Excellence in Teamwork Award, CSX Transportation

Partnership Award, the Commonwealth Transportation Safety Board’s Award for Rail Safety, and the Amtrak President’s State Partner Award.

HRTAC Annual Budget

HRTAC’s Fiscal Year 2020 administrative and operating expense budget, as amended, totals \$5.8 million and is expected to be funded entirely from interest earnings on funds received from the HRTF. The largest expenditures in the budget are personnel and professional services costs. As required by the HRTAC Act, the annual budget is limited solely to the administrative and operating expenses of the Commission and does not include funds for construction or acquisition of transportation facilities or for the performance of any transportation service. See “HAMPTON ROADS TRANSPORTATION FUND—General” and “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS —Flow of Funds” herein, and “Table 5: HRTAC Operating Budget” in Appendix E. The financial activities of the Commission are overseen by the Commission’s Finance Committee and are subject to annual audit (as described below) and annual reporting to the Commonwealth’s Joint Legislative Commission on Transportation Accountability.

HRTAC Financial Statements

The audited financial statements of HRTAC for the Fiscal Year ending June 30, 2019 are included in Appendix B. The Commission’s financial statements are prepared in accordance with generally accepted accounting principles and audited annually in accordance with government auditing standards. The Commission’s independent auditor, PBMares, LLP, has not been engaged to perform and has not performed since the date of its report included in Appendix B any procedures on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this Official Statement.

DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS

The primary documents which guide the Commission’s transportation funding priorities are the HRTPO 2040 Long-Range Transportation Plan and the Six-Year Funding Plan, both of which are described below.

HRTPO’s 2040 Long-Range Transportation Plan

HRTAC sets its long-range transportation funding priorities in coordination with the conceptual, regional consensus developed through meetings of the HRTPO. The HRTPO is a metropolitan planning organization (“MPO”) established in accordance with the Federal-Aid Highway Act of 1962, as amended. Federal regulations require that urbanized areas throughout the United States have MPOs to conduct a continuing, cooperative and comprehensive transportation planning process. Urbanized areas are defined as areas with a population of 200,000 or greater, known as Transportation Management Areas (“TMAs”). MPOs participate in a federal certification review of the transportation planning process for their TMAs every four years. MPOs must be certified in order to receive federal funds for transportation projects. The transportation planning process must result in plans and programs that consider all modes of transportation and support metropolitan community development and social goals. These plans and programs must lead to the development and operation of an integrated, intermodal transportation system that facilitates the efficient, economic movement of people and goods.

HRTAC participates in HRTPO’s planning process by preparing and updating a fiscally constrained long-range regional transportation project funding plan for Planning District 23 which includes transportation improvements of regional significance and improvements necessary or incidental thereto. It is important to note the “constrained” aspect of HRTAC’s plan for regional priority projects, which means

HRTAC has identified only those projects which can be funded from available resources (although the 2040 LRTP includes long-range and “Vision Plan” projects as detailed herein). HRTAC communicates its long-range plan to the HRTPO, and the HRTPO works to incorporate such plan into the constrained section of its broader 2040 Long-Range Transportation Plan (the “2040 LRTP”).

The 2040 LRTP is the official transportation blueprint guiding multimodal transportation investments for Hampton Roads and is used to (i) identify regional priority projects, and (ii) help determine project sequencing based on project readiness and available funding. As the guiding regional transportation plan, the 2040 LRTP is designed to be a “living” document, updated through an amendment process. The 2040 LRTP was originally adopted on July 21, 2016, and most recently amended on October 29, 2018, by the HRTPO to conform to updated cost estimates and opening year information for multiple regional priority projects to be supported by HRTAC funds and to reflect updated revenue forecasts used to fiscally-constrain those projects. Total HRTAC project costs included in the 2040 LRTP are approximately \$8.5 billion, expressed in year-of-expenditure dollars to properly reflect inflation. HRTAC’s approach has been to provide funding as the project planning, engineering and readiness process warrants, and in coordination with VDOT.

The fiscally-constrained HRTAC projects in the 2040 LRTP include the Interstate 64 Peninsula Widening Project in Newport News, York County and James City County, the I-64 /I-264 Interchange Improvements Project in Norfolk and Virginia Beach, and the I-64 Southside Widening and High Rise Bridge Project (Phase I) in Chesapeake (the “Initial Financed Projects”), together with the HRBT Expansion Project. The Initial Financed Projects are expected to be delivered by Fiscal Year 2022, and HRTAC has entered into Standard Project Agreements with VDOT for the construction of the Initial Financed Projects. See “Table III: HRTAC Projects under Agreements with VDOT.” The HRBT Expansion Project is expected to be delivered by Fiscal Year 2026.

As HRTAC allocates funds to projects in the 2040 LRTP, those projects are reflected in HRTPO’s Transportation Improvement Program (“TIP”), which is a four-year program for the implementation of surface transportation projects in Hampton Roads. The TIP includes all funded transportation projects of regional significance.

The 2040 LRTP also identifies certain long-range HRTAC projects that are expected to be completed within the 2040 LRTP but whose completion dates and costs are subject to funding availability and other factors. These projects are not expected to be delivered until after Fiscal Year 2024. The long-range HRTAC projects in the 2040 LRTP include I-64 Southside Widening and High Rise Bridge Improvements (Phase II) in Chesapeake, Bowers Hill Interchange Improvements in Suffolk, and I-64/Fort Eustis Boulevard Interchange Improvements in Newport News. See “Table VI: Future HRTAC Projects in the 2040 LRTP.”

Projects not included in the 2040 LRTP, but included within a “Vision Plan” for the region, are longer term and will require additional study and evaluation. They will not be completed unless additional resources become available. The projects within the “Vision Plan” include construction of an I-564/I-664 Connector (dubbed “Patriots Crossing”) to connect Norfolk with the existing Monitor Merrimac Memorial Bridge Tunnel, improvements to the I-664 Monitor-Merrimac Memorial Bridge-Tunnel connecting Suffolk with Newport News, improvements to VA 164 in Portsmouth, and construction of a VA I-64 Connector to the Patriots Crossing.

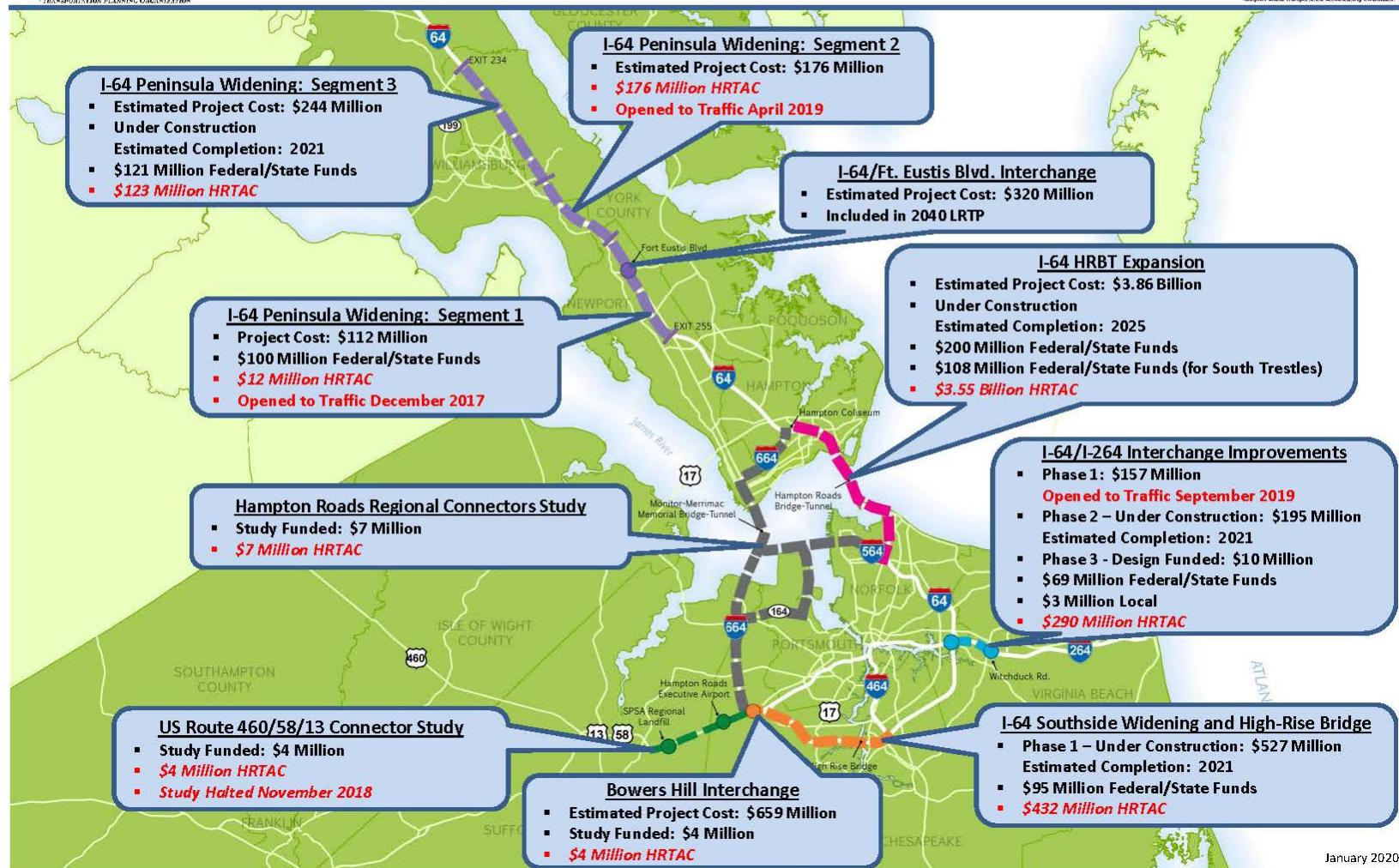
The map on the following page illustrates the regional priority projects included in the 2040 LRTP and the Vision Plan.

Hampton Roads Regional Transportation Priority Projects

“Moving Projects Forward – HRTAC Investments”



Projects Planned and Prioritized by HRTPO, Powered by HRTAC



January 2020

HRTAC Six-Year Funding Plan

The Commission is required by the HRTAC Act to develop and adopt the Six-Year Funding Plan (which is a rolling six-year plan) to provide for the expenditure of funds over a four- to six-year period for projects that have been planned and also programmed for actual development. The Six-Year Funding Plan is required by the HRTAC Act to align as much as possible with the Statewide Transportation Plan maintained by the CTB and described below.

HRTAC's current Six-Year Funding Plan (for Fiscal Years 2020 through 2026) was adopted in June 2019, to include the Initial Financed Projects and the HRBT Expansion Project.

The current Six-Year Funding Plan identifies a variety of funding sources that may be utilized by the Commission, including PayGo funds, remaining proceeds of the Series 2018A Bonds, proceeds of the Series 2020A Bonds and/or the 2019 TIFIA Loan, additional Bonds (including another TIFIA Loan), toll revenues (including toll-backed debt), VDOT funding and other public funds. The current Six-Year Funding Plan envisions issuance of Bonds (some of which constitute TIFIA Loans) and bond anticipation notes.

The Six-Year Funding Plan is designed to prioritize the funding of projects in a manner consistent with (i) the regional project sequencing set forth in the 2040 LRTP, (ii) the CTB's Statewide Transportation Plan and its prioritization process (described below) and (iii) the goal of providing the greatest impact on reducing congestion for the greatest number of citizens residing in the Member Localities.

Statewide Transportation Plan

Under state law, the CTB's Statewide Transportation Plan must incorporate the measures and goals of the approved long-range plans developed by applicable regional organizations. In addition, consistent with the Statewide Transportation Plan, the CTB is required to develop, in accordance with federal transportation requirements, and in cooperation with MPOs situated within the Commonwealth, a statewide prioritization process for the use of available highway funds in a manner that considers congestion mitigation, economic development, accessibility, safety, environmental quality, and other factors.

The statewide prioritization process for transportation projects financed by the Commonwealth was established under Chapter 726, 2014 Va. Acts of Assembly, enacted on April 6, 2014, and codified in Virginia Code Section 33.2-214.1. This project selection process, known as the SMART SCALE (System for the Management and Allocation of Resources for Transportation) (the "SMART SCALE Program"), is a competitive prioritization process administered by the Commonwealth to advise the CTB in its funding decisions. For each SMART SCALE cycle, the screening and scoring results are presented to the CTB and the public and a Six-Year Improvement Program for the Commonwealth is developed based on CTB direction and the SMART SCALE scoring results. As enacted, the prioritization process utilized by the CTB is designed to be an objective and quantifiable analysis for project selection that considers, at a minimum, congestion mitigation, economic development, accessibility, safety, and environmental quality. When evaluating and scoring projects within the geographical confines of HRTAC, the SMART SCALE Program requires the CTB to weigh congestion mitigation as the most important factor.

To-date, the SMART SCALE Program has provided approximately \$463.7 million toward the Initial Financed Projects and the HRBT Expansion Project.

The Six-Year Funding Plan assumes no additional SMART SCALE funding beyond these amounts. The HRTPO will submit HRTAC project SMART SCALE funding applications for the next allocation

cycle. For each SMART SCALE cycle, basic project information must be submitted by June 1st of the calendar year, and final project applications must be submitted by August 1st.

VDOT Agreements

HRTAC has entered into Standard Project Agreements with VDOT for the Initial Financed Projects, and a Project Administration and Funding Agreement (“PAFA”) with VDOT for the HRBT Expansion Project, both of which relate to HRTAC’s funding of approved projects and will be part of VDOT’s statewide transportation system. Under certain Standard Project Agreements and the PAFA, CTB has agreed to also contribute state funds to the construction of the Initial Financed Projects and the HRBT Expansion Project. Under all Standard Project Agreements to date and the PAFA, VDOT has agreed to provide administration of project construction as reimbursed by HRTAC, and VDOT has assumed responsibility for operation and maintenance of the Initial Financed Projects and the HRBT Expansion Project at no cost to HRTAC. HRTAC’s funding obligation under each of these agreements is limited to the amounts budgeted. If VDOT determines it may incur additional, unbudgeted costs, such as to cover cost overruns, HRTAC has the option to provide additional funding, cancel the Initial Financed Projects or the HRBT Expansion Project or a portion thereof, or authorize VDOT to make modifications or reductions in scope or design to stay within the initial budget under the applicable Standard Project Agreement or PAFA.

HRTAC’s executed Standard Project Agreements and funding shares to date are described in Table III below. Upon issuance of the Series 2020A Bonds, HRTAC will continue to contribute HRTF funds to the Initial Financed Projects as well as the HRBT Expansion Project, and such contributions will be made either from Bond proceeds, toll revenues or PayGo funds from the HRTF. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS—Flow of Funds.”

Table III
HRTAC Projects under Agreements With VDOT (in Millions)

Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total ⁽¹⁾	
<u>Interstate 64 Peninsula Widening (Segments 1-3)</u>									
HRTAC Funding	\$252	\$52	\$6	-	-	-	-	\$310	
VDOT Funding	<u>161</u>	<u>26</u>	<u>34</u>	-	-	-	-	<u>221</u>	
Total	<u><u>\$413</u></u>	<u><u>\$78</u></u>	<u><u>\$40</u></u>	-	-	-	-	<u><u>\$531</u></u>	
<u>I-64/I-264 Interchange Improvements (Phases I-III)</u>									
HRTAC Funding	\$224	\$42	\$24	-	-	-	-	\$290	
VDOT Funding	57	3	-	-	-	-	-	60	
HRTPO and Local Funding	<u>5</u>	-	-	<u>8</u>	-	-	-	<u>13</u>	
Total	<u><u>\$286</u></u>	<u><u>\$45</u></u>	<u><u>\$24</u></u>	<u><u>\$8</u></u>	-	-	-	<u><u>\$363</u></u>	
<u>I-64 Southside Widening and High Rise Bridge Project (Phase I)</u>									
HRTAC Funding	\$191	\$162	\$79	-	-	-	-	\$432	
VDOT Funding	<u>60</u>	<u>35</u>	-	-	-	-	-	<u>95</u>	
Total	<u><u>\$251</u></u>	<u><u>\$197</u></u>	<u><u>\$79</u></u>	-	-	-	-	<u><u>\$527</u></u>	
<u>(Mega Project) Delivery of HRBT Expansion Project</u>									
HRTAC Funding ⁽²⁾	\$76	\$365	\$1,129	\$714	\$546	\$531	\$181	\$11	\$3,553
VDOT Funding ⁽³⁾		<u>1</u>	<u>14</u>	<u>39</u>	<u>39</u>	<u>16</u>	<u>200</u>		<u>309</u>
Total	<u><u>\$76</u></u>	<u><u>\$366</u></u>	<u><u>\$1,143</u></u>	<u><u>\$753</u></u>	<u><u>\$585</u></u>	<u><u>\$547</u></u>	<u><u>\$381</u></u>	<u><u>\$11</u></u>	<u><u>\$3,862</u></u>
<u>Project Development</u>									
HRTAC Funding	\$38	\$1	-	-	-	-	-	-	\$39
VDOT Funding	-	-	-	-	-	-	-	-	-
Total	<u><u>\$38</u></u>	<u><u>\$1</u></u>	-	-	-	-	-	-	<u><u>\$39</u></u>
<u>Total To-Date Standard Project Funding Agreements or Project Administration and Funding Agreement With VDOT</u>									
HRTAC Funding	\$781	\$622	\$1,238	\$714	\$546	\$531	\$181	\$11	\$4,624
VDOT Funding	278	65	48	47	39	16	200	-	693
HRTPO and Local Funding	<u>5</u>	-	-	-	-	-	-	-	<u>5</u>
Total	<u><u>\$1,064</u></u>	<u><u>\$687</u></u>	<u><u>\$1,286</u></u>	<u><u>\$761</u></u>	<u><u>\$585</u></u>	<u><u>\$547</u></u>	<u><u>\$381</u></u>	<u><u>\$11</u></u>	<u><u>\$5,322</u></u>

Source: HRTAC, as of September, 2019.

Notes:

(1) Totals may not add up due to rounding.

(2) Includes estimated \$345M in toll revenues.

(3) Includes \$109M in VDOT Funded HRBT South Trestle Replacement Costs in Project Administration and Funding Agreement but not included in HRTAC Six-Year Funding Plan and \$200M in Smart Scale funding.

The longer-range HRTAC projects in the 2040 LRTP that are subject to funding availability or are planned on a vision basis, but not yet programmed for actual development, are shown in Table IV below. HRTAC may receive SMART SCALE and other funding for these projects in the future. The expected completion dates and estimated costs shown below incorporate a number of assumptions and are subject to change.

Table IV
Future HRTAC Projects in the 2040 LRTP (in Millions)⁽¹⁾

<u>Project</u>	<u>Expected Completion</u>	<u>Estimated Cost</u>
I-64 Southside Widening/High Rise Bridge Phase II	2037	1,729
Bowers Hill Interchange	2037	659
I-64/Fort Eustis Blvd Interchange	2038	320

Source: HRTAC, 2045 Long Range Plan of Finance Update adopted June 20, 2019.

Notes:

(1) Identified completion years and estimated costs are subject to funding availability and are subject to change.

Collaborative Planning Process

As outlined above, the planning, programming, funding, and delivery of HRTAC projects requires input and collaboration between HRTAC, HRTPO and VDOT. HRTAC also receives administrative and technical support upon request from VDOT and VDRPT. In general, the three entities have different, but interdependent roles: HRTPO undertakes regional transportation planning, HRTAC provides funding from the HRTF and VDOT delivers and administers the projects. The interplay and cooperation among the various public entities is summarized by the following diagram and bullet points.



- HRTPO's 2040 LRTP identifies priority projects in the constrained plan or vision plan as under study/development/construction.
- HRTAC develops six-year and long range plans of finance to guide in project funding for development and construction; HRTAC's plans feed into the 2040 LRTP and when HRTAC allocates funds to specific projects, they are added to HRTPO's TIP.
- The CTB selects Local Preferred Alternative, maintains Statewide Transportation Plan and the Commonwealth's Six-Year Improvement Program, allocates state funding to projects in the VDOT Six-Year Funding Program, and awards SMART SCALE funding through its competitive statewide prioritization process.
- VDOT assists in project readiness and construction through HRTAC/VDOT Standard Project Agreements.

HRTAC Debt Management Plan

Established on September 21, 2017 and as amended on March 21, 2019, the Commission's Debt Management Plan guides the implementation of its debt program for the Six-Year Funding Plan through Fiscal Year 2026. The purpose of the plan is to support the furtherance of HRTAC's construction funding program while achieving the lowest cost of capital on its borrowings. The Debt Management Plan sets forth the following goals:

- (a) Fully fund Project costs through Fiscal Year 2026 identified in the current Six-Year Funding Plan including the HRBT Expansion Project through completion in such year.

(b) Issue Bonds as construction progresses, starting in calendar year 2018, including Bonds to reimburse PayGo expenditures so that Bond sales can be minimized in later years with larger expenditure requirements;

(c) Establish and maintain a structure suited for subsequent Bond issuances needed for the HRTAC projects in the 2040 LRTP; and

(d) Explore the possibility of credit assistance under TIFIA through a series of one or more TIFIA Loans backed by HRTAC Revenues under the Master Indenture and/or toll revenue-backed TIFIA Loans, and including the use of bond anticipation notes where appropriate.

During the course of the current Six-Year Funding Plan, HRTAC expects to issue approximately \$1.2 billion of Senior Bonds (including the previously-issued Series 2018A Bonds), and approximately \$1.7 billion of Intermediate Lien Obligations and/or Subordinate Obligations, which may include two TIFIA Loans that are issued under the Master Indenture and therefore are secured by HRTAC Revenues. Where appropriate, HRTAC may utilize bond anticipation notes in conjunction with TIFIA Loans. HRTAC anticipates that any such TIFIA Loans will be implemented under the provision of the TIFIA statute that allows for a waiver of TIFIA's non-subordination or "springing lien" requirement.

The Debt Management Plan incorporates a number of assumptions regarding project costs, project timing, inflation rates, interest rates, revenue growth and federal and state funding, among others. Each of these assumptions cannot be predicted and are subject to change. HRTAC's ability to incur indebtedness pursuant to its Debt Management Plan is in all instances subject to the conditions set forth in the Master Indenture and Related Supplemental Indentures, including but not limited to debt service coverage tests. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS" above.

The funding components and the debt issuance plan incorporated in the Debt Management Plan are described in Tables V and VI below.

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Table V
Estimated HRTAC Project Costs by Funding Source (in Millions)⁽¹⁾
(Calendar Years 2020 to 2027)

Sources	Amounts
HRTF Bonds and TIFIA Loans ⁽²⁾	
Toll Revenue Debt ⁽³⁾	
HRTAC PayGo	
VDOT Funding	
HRTPO and Local Funding	
Total	\$

Source: HRTAC.

Notes:

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Includes Senior Bonds, Intermediate Lien Obligations and Subordinate Obligations, both existing and those which may be incurred in the future. See Table VII herein.

⁽³⁾ May include one or more TIFIA Loans additional to the 2019 TIFIA Loan described in this Official Statement.

Table VI
HRTAC Debt Issuance Plan in Par Amounts (in Millions)⁽¹⁾

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	Total
HRTF Bonds/TIFIA⁽²⁾	\$500								
Toll Revenue Debt⁽³⁾	\$0								
Total	\$500								

Source: HRTAC.

Notes:

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Includes Senior Bonds, Intermediate Lien Obligations and Subordinate Obligations, both existing and those which may be incurred in the future. See Table VII herein.

⁽³⁾ May include one or more TIFIA Loans.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement, including the Appendices hereto, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “intend,” “believe,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that actual results will meet the Commission’s forecasts in any way, regardless of any level of optimism communicated in this Official Statement, including the Appendices hereto. The Commission will not issue any updates or revisions to forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, change.

PROJECTED OPERATING RESULTS AND PROJECTED DEBT SERVICE COVERAGE

The following Table VII presents the Commission's projections for HRTAC Revenues, Principal and Interest Requirements and related measures of debt service coverage through Fiscal Year 20__. Such projections present management's expectations based on various assumptions described therein and herein (especially as noted in the footnotes to Table VII), financials developed by the Commission and financial analysis prepared by the Commission's Financial Advisor.

Actual future HRTAC Revenues may vary from those presented below. None of the Commission, the Financial Advisor or the Underwriters warrants or represents that the estimates and projections in Table VII will be met. In addition, the Commission gives no assurances that the actual financial results of future HRTAC Revenues and debt service coverage will meet or exceed the estimates and projections set forth in Table VII. See "**FORWARD-LOOKING STATEMENTS**" and "**BONDHOLDER RISK FACTORS – Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues,**" "**– Forward-Looking Statements and Forecasts,**" and "**– Actual Results May Diverge from Projections.**"

There are certain considerations and risks relating to the HRTF Revenues to be received by the Commission due to COVID-19 disruptions, which are set forth in this Official Statement under the caption "**INVESTMENT CONSIDERATIONS – COVID-19.**"

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Table VII - Projected HRTF Bonds' Debt Service and Debt Service Coverage Ratio⁽¹⁾

HRTAC Revenues ⁽²⁾				Principal and Interest Requirements					Debt Coverage			
FY	Retail Sales and Uses Tax ⁽³⁾	Wholesale Motor Vehicle Fuels Sales Tax ⁽⁴⁾	Total HRTAC Revenues	Senior Lien (2018A Bonds)	[Senior][Int ermediate] Lien (2020A Bonds)	Senior Lien (Future Debt) ⁽⁵⁾	Intermediate Lien (2019A Notes)	Subordinate Lien (2019 TIFIA Loan) ⁽⁶⁾	Subordinate Lien (Future Debt) ⁽⁷⁾	Senior Lien	Intermediat e Lien	Subordinate Lien
	[A]		[B]		[C]	[D]	[E]	[F]	[G]	[A]/([B]+ [C]+[D])	[A]/([B]+[C] +[D]+[E])	[A]/([B]+[C]+ [D]+[E]+[F]+[G])

Source: HRTAC.

Notes:

(1) Existing HRTF debt and planned debt to be issued through CY 2025 - see Table VI

(2) Does not include Revenue Fund investment earnings

(3) FY 2020-2026 forecast provided by VA Department of Taxation; starting 2027, assume a 2.68% annual growth rate based on a calculation period comprised of historical Local Option Sales Tax from 2009 to 2013, historical HRTF sales tax revenue from 2014-2019, and VA Department of Taxation projection from 2020 to 2026.

(4) FY 2020-2026 forecast provided by VA Department of Taxation; starting 2027, assume a 1.04% annual growth rate based on historical and projected statewide taxable fuel gallons from 2013 to 2024.

(5) Assume 3.5% - 5% interest rate

(6) Assume 3.0% loan rate

(7) Assume 4.0% loan rate

INVESTMENT CONSIDERATIONS

The Series 2020A Bonds are Limited Obligations

The Series 2020A Bonds are not a debt of the Commonwealth or any political subdivision thereof (including any Member Locality or any member of the HRTPO or the HRPDC) other than the Commission, and the Series 2020A Bonds do not constitute indebtedness within the meaning of any debt limitation or restriction. Neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions (including any Member Locality or any member of the HRTPO or the HRPDC) is pledged to the payment of the Series 2020A Bonds. The Series 2020A Bonds are not secured by a pledge of any toll revenues or any other revenues generated by HRTAC projects.

The Series 2020A Bonds are [Senior][Intermediate] Lien Obligations

The Series 2020A Bonds are [Senior][Intermediate] Lien Obligations under the Master Indenture. Therefore, payment of principal of and interest on the Series 2020A Bonds is on [parity] to the payment of principal of and interest on all Senior Bonds, including the Series 2018A Bonds and any Senior Bonds that may be issued by the Commission in the future.

COVID-19

The global outbreak of COVID-19 (the “Outbreak”), a respiratory disease caused by a new strain of coronavirus that has been declared a pandemic by the World Health Organization, may negatively impact the Virginia housing market and the overall economy in the Commonwealth of Virginia. In response to the Outbreak, the Governor of Virginia declared a state of emergency in Virginia on March 12, 2020 and the President of the United States declared a national emergency on March 13, 2020. While the duration of the Outbreak and its potential impact on the Commission, its programs and its operations, and on “HRTF Revenues”, cannot be predicted at this time, the continued spread of the Outbreak and resulting containment and mitigation efforts could have a material adverse effect on the Commission, its programs and its operations, and HRTF Revenues.

Since the emergency declaration described above, the Governor of Virginia has issued a number of executive orders restricting business, governmental and social activities to reduce person to person contact in the Commonwealth to protect the health and safety of Virginians and mitigate the spread of the novel coronavirus, or COVID-19. On March 30, 2020, the Governor issued Executive Order Fifty-Three which is a statewide Stay at Home order with immediate effect that will remain in place until June 10, 2020, unless amended or rescinded by a further executive order. This order directs all Virginians to stay home except in certain limited circumstances and it directs all Virginia institutions of higher education to stop in-person classes and instruction and it closes private campgrounds for short-term stays, and beaches except for fishing and exercise. The size and scope of the negative impact on the economy of the Commonwealth of all of these executive orders, as well as all of the other quarantine orders across the United States and around the world, and the voluntary self-quarantine decisions made by individuals all over the world, are simply unknown, but they could negatively impact the Commission's financial condition, operations and HRTF cash flow.

In remarks accompanying the release of Executive Order Fifty-Three, the Governor of Virginia stated “We are in a public health crisis, and we need everyone to take this seriously and act responsibly. Our message to Virginians is clear: stay home.” Additional executive orders addressing health, safety, and economic issues, in the Commonwealth may be forthcoming, and the Commission cannot predict the impact

of such additional executive orders on the Commission's financial condition, operations and HRTF cash flow.

In addition, financial markets experienced significant volatility as a result of the Outbreak. The spread of the virus is expected to adversely impact local, state and national economies, and such impact, while currently unknown, could adversely affect retail sales, fuel sales and other economic activity in Planning District 23 which could adversely affect the amount of the HRTF Revenues received by the Commission.

Since the president's declaration of a national emergency described above, the United States Congress enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020. At this time, the Commission cannot predict the impact of the CARES Act on the Commission's financial condition, operations and HRTF cash flow.

The financial and operating data contained are as of the dates and for the periods indicated, which [generally] were prior to the COVID-19 outbreak. Such financial and operating data have not been updated to reflect any potential impacts of the COVID-19 outbreak on the Commission's economic and financial condition.

As of _____, 2020, the Commission is unable to predict (i) the extent or duration of the COVID-19 pandemic, (ii) the extent or duration of existing and future quarantines, travel restrictions, business closures and other measures related to the COVID-19 pandemic, and (iii) whether and to what extent the COVID-19 pandemic may disrupt the local and global economy, manufacturing or supply chain or whether any such disruption may materially adversely affect the amount of the HRTF Revenues or the operations of the Commission. Given the evolving nature of the spread of the disease and the response of governments, business and individuals to COVID-19, the Commission is unable to accurately predict the magnitude of the impact of COVID-19 on the Commission, the HRTF Revenues and the financial condition of the Commission.

[To come – specific effects of COVID on HRTAC/HRTF Revenues, such as from decline in general levels of revenues, or attributable to deferrals in vendor reporting, etc.]

Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues

The Availability of HRTF Revenues is Subject to Appropriation. The General Assembly is responsible for setting the rates of the taxes and fees from which the HRTF Revenues are derived and for appropriating such revenues from the state budget to the HRTF. HRTAC makes no representation that the General Assembly will maintain the rates of the taxes and fees or continue to make appropriations of amounts to the HRTF. In addition, HRTAC makes no representation that the General Assembly will not repeal or materially modify the legislation creating the HRTF or imposing the taxes and fees. The General Assembly is not legally required to make the aforementioned appropriations or to refrain from repealing or modifying such legislation. Legislative considerations regarding the Commonwealth's budget priorities could materially impact HRTAC's ability to continue receiving the HRTF Revenues.

Under the Virginia Constitution, no appropriation is valid for more than two years and six months after the adjournment of the session of the General Assembly at which the appropriation was made. The General Assembly of the Commonwealth is not obligated to make any future appropriations, and the Commission makes no representation that the General Assembly will keep the HRTF in existence or that appropriations to the HRTF will be made by the General Assembly in any future fiscal year of the

Commonwealth. As a practical matter there is no effective remedy if the Governor or the General Assembly fail to provide for HRTF funding in the Commonwealth's budget. See "HAMPTON ROADS TRANSPORTATION FUND—Subject-to-Appropriation" above.

Political Risks. As in the Hampton Roads region, the General Assembly has established regional motor vehicle fuels taxes in the Northern Virginia region (Planning District 8) and, more recently under 2019 legislation, in the I-81 Corridor of western Virginia (Planning Districts 3, 4, 5, 6 and 7). The Northern Virginia region also has a regional sales tax like Hampton Roads, but the I-81 Corridor does not. Each such regional tax is subject to the Sunset Provision described in the following section. Only Northern Virginia and Hampton Roads have independent political subdivisions that control the regional tax receipts; the Northern Virginia counterpart to the Commission is called the Northern Virginia Transportation Authority ("NVTA"). Certain political trends may be discerned from observing the examples of the I-81 Corridor and NVTA. The new revenues being raised in the I-81 Corridor will be controlled by VDOT, and no authority is being delegated to any regional independent political subdivision. With regard to NVTA, a legislative change in 2018 caused portions of the regional tax receipts in Northern Virginia to be diverted to the Washington Metropolitan Area Transit Authority, reducing available funding for a period of time, although such funding was subsequently replenished through legislative action in 2019. The policy implications of these changes may suggest that the General Assembly and VDOT are currently comfortable with the regional taxation approach to funding new, large-scale transportation projects in the Commonwealth, but that they are less comfortable continuing to delegate power and authority over such funds to local or regional bodies. More generally, the funding sources for the Commission may, over time, be subject to political scrutiny as viewpoints change or new economic or financial challenges arise. This is particularly true given that sales taxes and fuels taxes are regressive taxes that are not necessarily allocated to entities and persons that most benefit from the expenditures derived from such taxes. As with any body that undertakes infrastructure projects that involve significant sums of money and that affect many citizens and businesses, there is a risk of political interference into the operations of the funding and operating authorities, some of which may be detrimental to noteholders or their rights under the Indenture.

Sunset Provision. Chapter 766 is a broad-based transportation initiative that provides not only for the collection and application of HRTF Revenues, but also for generating certain other additional revenues to fund transportation improvements throughout the Commonwealth. However, enactment Clause 14 of Chapter 766 declares that the provisions of Chapter 766 that generate additional revenue through state taxes or fees for transportation throughout the Commonwealth and in Planning District 23 shall expire on December 31 of any year in which the General Assembly appropriates or transfers any of such additional revenues for any non-transportation-related purpose. In other words, the appropriation of revenues generated pursuant to Chapter 766 for a purpose other than that permitted by Chapter 766, even if the particular revenue affected is not payable to the HRTF, could result in expiration of all revenue provisions of Chapter 766 if the General Assembly does not enact any savings clause or otherwise take action to override such sunset provision.

No assurance can be given that the General Assembly will not take action in the future that could activate Chapter 766's sunset provision, and no assurance can be given that, if such activation occurs, the General Assembly will enact a savings clause or otherwise take action to override such sunset provision. In such event, it is possible that the rights of noteholders under the Indenture could be impaired without any recourse by either noteholders or the Commission.

TIFIA Revenue Sharing Trigger Event. The 2019 TIFIA Loan Agreement provides that, following a Revenue Sharing Trigger Event, prepayment of the 2019 TIFIA Loan will be made, on a pro rata basis with any other TIFIA Loans then outstanding, and such prepayment would be made in monthly increments under the Master Indenture after current payments are made on the senior and intermediate lien

bonds of the Commission. A “Revenue Sharing Trigger Event” is defined to occur whenever the Commission or VDOT, on behalf of the Commission, is not actively engaged in the development of capital project programs in the HRTPO’s most recently adopted long-range transportation plan. If a Revenue Sharing Trigger Event occurs and obligations to TIFIA become due earlier in time than otherwise required by the 2019 TIFIA Loan Agreement, it is possible that the interests of holders of senior and intermediate lien obligations under the Indenture could be impaired either immediately or over time, particularly if termination of Commission’s active engagement in capital project programs is coupled with a reduction in the Commission’s authority or the triggering of the Sunset Provision described in the foregoing section.

Administrative Actions. HRTAC’s ability to continue to fund its projects and its ability to receive and effectively utilize HRTF Revenues depends on the continued cooperation of the CTB and VDOT. If CTB does not cause VDOT to satisfy its obligations under its Standard Project Agreements with HRTAC, if HRTAC does not continue to obtain funding under SMART SCALE or any successor statewide prioritization process for transportation projects, or if the CTB and the Commonwealth’s Secretary of Transportation cause transportation projects in Hampton Roads to be constructed without HRTAC’s involvement and assistance, HRTAC may not continue to effectively function as the recipient of HRTF Revenues and as a key funding source of transportation projects in Hampton Roads. If HRTAC is unable to complete needed projects, it may lose political support and thereafter lose control of HRTF Revenues, impeding HRTAC’s ability to make timely payments of debt service on the Series 2020A Bonds.

In addition to the foregoing, HRTAC is entirely dependent on the Virginia Department of Taxation and other state agencies to collect and deposit in the HRTF the Additional Sales and Use Tax revenues and the Additional Motor Vehicle Fuels Tax revenues and to timely transfer them to HRTAC. Failure or delay in this regard would also impede HRTAC’s ability to make timely payments of debt service on the Series 2020A Bonds.

Risk of Future Legislative or Court Decisions Affecting Tax-Exempt Obligations

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Virginia General Assembly. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2020A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2020A Bonds will not have an adverse effect on the tax status of the interest on the Series 2020A Bonds or the market value or marketability of the Series 2020A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2020A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, investors in the Series 2020A Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2020A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2020A Bonds may be affected and the ability of holders to sell their Series 2020A Bonds in the secondary market may be reduced. The Series 2020A Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2020A Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2020A Bonds.

Forward-Looking Statements and Forecasts

The statements contained in this Official Statement, and in other information provided by HRTAC, that are not purely historical, including statements regarding HRTAC's expectations regarding the collection and timing of future HRTF Revenues as discussed earlier in this Official Statement, are forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to HRTAC as of the date hereof, and HRTAC assumes no obligation to update any such forward-looking statements, other than as set out in the Continuing Disclosure Undertaking, the form of which is attached hereto as Appendix C.

The forward-looking statements herein are based on various assumptions, forecasts and estimates that are inherently subject to numerous risks and uncertainties, including the possible invalidity of underlying assumptions, forecasts and estimates, possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions, and actions taken or not taken by third parties and legislative, judicial and other governmental authorities and officials. In addition, these assumptions, forecasts and estimates involve judgments regarding, among other things, future economic conditions, future actions by third parties and future events and decisions, all of which are difficult, if not impossible, to predict accurately. There can be no assurance that the forward-looking statements in this Official Statement will prove to be accurate.

No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2020A Bonds are cautioned not to place undue reliance upon any projections contained in this Official Statement. If actual results are less favorable than the results projected or if the assumptions used in preparing the projections prove to be incorrect, HRTAC's ability to make timely payment of the principal of and interest on the Series 2020A Bonds may be materially and adversely affected.

Actual Results May Diverge from Projections

The projections contained in “PROJECTED OPERATING RESULTS AND PROJECTED DEBT SERVICES COVERAGE” are based on assumptions regarding future transactions, trends and events that may not materialize, and unanticipated events or circumstances may occur. Future decisions, actions and policies of the Commission, to the extent they deviate from the Commission’s current expectations and assumptions, may also materially impact the Commission’s future performance. Factors outside of the Commission’s control may also materially impact the Commission’s future performance. The Commission cannot determine the nature and scope of the impact such divergence may have on the Commission’s operations. Summaries of certain assumptions upon which the projections are based can be found in “PROJECTED OPERATING RESULTS AND PROJECTED DEBT SERVICES COVERAGE.”

Enforceability of Rights and Remedies, including Bankruptcy Ramifications

Effects of Bankruptcy on Rights and Remedies. The rights and remedies available to the owners of the Series 2020A Bonds may be subject to the provisions of the United States Bankruptcy Code (the “Bankruptcy Code”), to other bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor’s rights generally and equitable principles that may limit enforcement of such remedies. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Master Indenture may not be readily available or may be limited. No assurances can be given that a court or regulatory agency would enforce the rights or types of remedies

available under the Master Indenture, including any rights and remedies with respect to the pledge of HRTF Revenues.

The various legal opinions to be delivered concurrently with the delivery of the Series 2020A Bonds, including the opinion of Bond Counsel, will be qualified as to the enforceability of these rights and remedies, for example, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by principles of equity.

Bankruptcy Filing by HRTAC. Under the Bankruptcy Code and current Virginia law, the Commission may not file for bankruptcy protection under Chapter 9 of the Bankruptcy Code and no creditor or judgment holder of the Commission may file a Chapter 9 petition on behalf of the Commission. Pursuant to Section 109(c)(2) of the Bankruptcy Code, a political subdivision or public agency or instrumentality of a state must be specifically authorized by state law before it may file for bankruptcy protection. Currently, there is no Virginia statute that prescribes, authorizes or otherwise contains authorization for a political subdivision such as the Commission to file for Chapter 9 protection, or delegates such authority to any governmental officer or organization. There can be no assurance, however, that the Bankruptcy Code or Virginia law will not be amended in the future to permit the Commission to file for bankruptcy protection, and such a filing could, under certain circumstances, subject all or a portion of the HRTF Revenues to the jurisdiction of the bankruptcy court. Potential purchasers of the Series 2020A Bonds should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the Commission becomes a debtor in a bankruptcy proceeding. When an entity is in bankruptcy, its creditors (including noteholders) may be prohibited from acting to collect from or to enforce obligations of the debtor entity without permission of the bankruptcy court; therefore, the Commission may be prevented from making payments to the noteholders from funds in its possession. These restrictions may result in delays or reductions in payments on the Series 2020A Bonds. Should the Commission become the debtor in a bankruptcy case, the holders of the Series 2020A Bonds will not have a lien on HRTAC Revenues received by the Commission after the commencement of the bankruptcy case unless the bankruptcy court determines that such HRTAC Revenues constitute "Special Revenues" within the meaning of the Bankruptcy Code. "Special Revenues" are defined to include, among other things, receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from functions of the debtor. Although the Commission believes that HRTAC Revenues should be treated as "Special Revenues," no assurance can be given that a bankruptcy court would agree with such characterization. Further, even if the HRTAC Revenues are treated as "Special Revenues," no assurance can be provided that a bankruptcy court would allow noteholders to compel payments on the Series 2020A Bonds from such "Special Revenues." In any case, there could be delays or reductions in payments on the Series 2020A Bonds or losses to noteholders. Regardless of any specific adverse determinations in any bankruptcy proceeding involving the Commission, the mere existence of such a bankruptcy proceeding would have an adverse effect on the liquidity and value of the Series 2020A Bonds.

Judicial Discretion. Upon a default under the Master Indenture, the remedies available to the Trustee may depend upon judicial actions that may be subject to substantial discretion and delay. Some of these remedies may in fact turn out not to be enforceable at all. The rights of the owners of the Series 2020A Bonds and the enforceability of HRTAC's obligations will be subject to the exercise of judicial discretion under a variety of circumstances. The enforceability of governmental obligations is also subject to constitutional, statutory and public policy limitations and to other considerations that do not limit enforcement of obligations of private parties.

Market Liquidity

The Series 2020A Bonds constitute a new issue. Although the Underwriters currently intend to make a market for the Series 2020A Bonds, the Underwriters are not obligated to do so, and they may discontinue any such market-making at any time without prior notice. No assurance can be given as to the development or liquidity of any market for the Series 2020A Bonds. If an active public market does not develop, the market price and liquidity of the Series 2020A Bonds may be adversely affected.

Economic Conditions Affecting the HRTF

The availability of HRTF Revenues from the HRTF is dependent on a number of economic factors. The revenues received from the Additional Sales and Use Tax and the Additional Motor Vehicle Fuels Tax tend to fluctuate significantly based on economic variables, including, but not limited to, the condition of the economies of the Member Localities in which such taxes are collected, the Commonwealth and the United States, economic growth or recessions, population growth, income and employment levels, levels of tourism, weather conditions, fuel prices, road conditions, and the availability of alternate modes of transportation. HRTAC's revenues and purposes may be further generally affected by those factors, as well as by trends or changes in housing and business concentrations, evolution in commuting patterns, the opinions and sensitivities of area residents, the costs and consequences of complying with federal regulations, and unintended effects of infrastructure development on urban growth patterns. There can be no assurance that negative impacts attributable to certain of such factors will not materially affect the availability of revenues in the HRTF and impede the ability of HRTAC to receive transfers from the HRTF sufficient to make timely payments on the Series 2020A Bonds. See Appendix D.

Impact of Federal Budget Restraints and Federal Tax Policy

Hampton Roads has been directly affected by federal budget restraints and sequestration, given the large impact of the military and government contracts on the Hampton Roads economy. It is uncertain whether such budget restraints will be reduced or increased, or whether other industries will provide adequate economic growth to make up for any reduction in spending resulting from federal budget restraints. See "Economic Profile" in Appendix D.

To the extent that federal funds for transportation projects cease to be provided to the Commonwealth or its political subdivisions, or that the federal government reduces funding to, restricts or eliminates the TIFIA credit assistance program, HRTAC will have difficulty carrying out its funding plans. If HRTAC is unable to complete needed projects, it may lose political support and thereafter lose control of HRTF Revenues, impeding HRTAC's ability to make timely payments of debt service on the Series 2020A Bonds.

Restraints under tax reform, such as limitations on the federal deduction for state and local tax payments, or limitations on the home mortgage interest deduction, could affect consumer behavior and policy priorities at the state and local level, having an adverse effect on the HRTF that cannot presently be quantified.

Hurricanes, Flooding, Sea-Level Rise and Other Natural Risks

Planning District 23 is located in the Mid-Atlantic region of the east coast of the United States. The Mid-Atlantic region is an area that has in the past been periodically susceptible to damaging storms, storm surge, and flooding. The risk of hurricanes, tropical storms or other major weather events affecting the Member Localities and interrupting commerce and military activities within Hampton Roads is a material risk that could negatively affect the regional economy and the revenues available through the

HRTF to pay debt service on the Series 2020A Bonds. Further, storm and flooding-related risks are likely to intensify over time if scientific projections about climate change and sea-level rise are correct. In addition, the Member Localities are located within a seismic zone that has experienced earthquakes in the past 15 years, and there can be no assurance that Commission funded projects would not be damaged in any future earthquakes.

[Additional risk factors to come]

Reduced Fuel Prices and Fuel Usage May Reduce HRTF Revenues

Improved automobile fuel economy and the increased adoption of electric and hybrid vehicles have had, and are expected to continue to have, a material adverse effect on fuel tax revenues throughout the United States. In addition, reductions or fluctuations in fuel prices have had, and are expected to continue to have, a significant effect on the level of tax revenues that can be expected in any period from the Additional Motor Vehicle Fuels Tax.

Increased E-Commerce Activity May Reduce Retail Sales and Use Tax Revenues

Internet sales of physical products by businesses located in the Commonwealth, and Internet sales of physical products delivered to the Commonwealth are generally subject to the Additional Sales and Use Tax. However, many of these transactions may avoid taxation either through error or deliberate non-reporting and this potentially reduces the amount of Additional Sales and Use Tax revenues. As a result, additional incremental growth in retail sales on the Internet, along with the failure or inability to collect retail sales and use taxes on such Internet purchases, might result in reductions in HRTF Revenues. In its 2019 session, the Virginia General Assembly enacted Chapter 815, Acts of Assembly, which became effective on July 1, 2019 and provides uniform nexus requirements for remote sellers, marketplace facilitators, and marketplace sellers. Dealers with no Virginia physical presence are required to collect and remit sales tax if they have more than \$100,000 in Virginia gross sales or complete greater than 200 separate transactions in Virginia during the current or previous calendar year. It is uncertain whether Virginia's nexus requirements will be successful in reducing the negative impact of e-commerce activity on retail sales and use tax revenues.

General Assembly May Enact Exemptions to and Holidays from Sales and Use Tax

The Additional Sales and Use Tax applies to the same transactions and items that are subject to the statewide retail sales and use tax levied by the Commonwealth. In the past, the General Assembly has made changes to the transactions and items subject to the statewide retail sales and use tax. For example, in 1990, the General Assembly enacted legislation to exempt from the statewide retail sales and use tax all nonprescription drugs and proprietary medicines purchased for the cure, mitigation, treatment, or prevention of disease in human beings. There can be no assurance that further exemptions will not be granted.

In addition, the General Assembly has established certain sales tax holidays. A "sales tax holiday" is a temporary period during which purchases of certain items are exempt from retail sales and use taxes. Following legislation enacted by the 2007 session of the General Assembly, the Commonwealth now has three annual sales tax holidays. During a seven-day period in May of each year, purchases of items designated by the Virginia Department of Taxation as hurricane preparedness equipment, including portable generators, are exempt from the statewide sales tax. Portable generators must be priced at \$1,000 or less, and other eligible items must be priced at \$60 or less for each item. During a three-day period in August of each year, purchases of certain school supplies, clothing and footwear are exempt from the statewide

sales tax. Each eligible school supply item must be priced at \$20 or less, and each eligible article of clothing and footwear must be priced at \$100 or less. During a four-day period in October of each year, purchases of products meeting the Energy Star and WaterSense qualifications, such as certain energy-efficient appliances, are exempt from the statewide sales tax. Eligible products must be priced at \$2,500 or less for each item, and be purchased for noncommercial home or personal use.

Each such exemption and holiday affects the application of the Additional Sales and Use Tax that benefits the HRTF. In the future, the General Assembly could further change the transactions and items upon which either the general or additional tax is imposed or add or delete sales tax holidays. The Additional Sales and Use tax revenues available to the HRTF could increase or decrease depending on the nature of the change.

Increased Sales and Use Tax Rates May Cause Decline in HRTF Revenues

The Additional Sales and Use Tax, combined with the statewide retail sales and use tax of 4.3% and the local option retail sales and use tax of 1.0%, results in an aggregate of 6% in sales and use tax burden on consumption in the Member Localities. The Additional Motor Vehicle Fuels Tax, combined with the statewide motor vehicle fuels tax, places a significant burden on gas consumption in the Member Localities that is greater than in many areas of the Commonwealth. As a result, Hampton Roads has a higher tax burden on consumption than any other part of Virginia besides the Washington, D.C. suburbs of Northern Virginia. This tax burden, together with any future increases in tax rates, may affect consumer spending decisions and could adversely impact sales transactions in the Member Localities in the future, especially in the event of a general economic slowdown, thereby reducing HRTAC Revenues.

Actual Results May Diverge from Projections

The projections contained in **“PROJECTED OPERATING RESULTS AND PROJECTED DEBT SERVICES COVERAGE”** are based on assumptions regarding future transactions, trends and events that may not materialize, and unanticipated events or circumstances may occur. Future decisions, actions and policies of the Commission, to the extent they deviate from the Commission’s current expectations and assumptions, may also materially impact the Commission’s future performance. Factors outside of the Commission’s control may also materially impact the Commission’s future performance. The Commission cannot determine the nature and scope of the impact such divergence may have on the Commission’s operations. Summaries of certain assumptions upon which the projections are based can be found in **“PROJECTED OPERATING RESULTS AND PROJECTED DEBT SERVICES COVERAGE.”**

Tax Revenues Could be Eroded by Changes to Planning District 23

The sources of taxable transactions generating revenues for the HRTF from the Additional Sales and Use Tax and the Additional Motor Vehicle Fuels Tax are limited geographically to Planning District 23. The mix of localities within Planning District 23, which currently include Isle of Wight, James City, Southampton, York, Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, could be altered by administrative action of DHCD. Any such change could have a material adverse effect on the composition of the tax base for the Additional Sales and Use Tax and the Additional Motor Vehicle Fuels Tax, which could erode the revenues available to pay debt service on the Series 2020A Bonds.

No Right to Accelerate Debt Service

The Master Indenture does not permit the Trustee or Owners, upon the occurrence of an Event of Default under the Master Indenture or for any other reason, to accelerate the maturity of any Bonds, including the Series 2020A Bonds, or the payment of principal of and interest due thereon. Owners will be able to collect principal and interest that become due after an Event of Default only from the HRTAC Revenues and any other funds pledged under the Master Indenture and only when such principal and interest are scheduled to be paid.

No Mortgage

Payment of the principal of and interest on the Series 2020A Bonds is not secured by any deed of trust, mortgage or other lien on any of the Initial Financed Projects, the HRBT Expansion Project or any portion thereof or any property within the Member Localities.

Limitation on Remedies

The remedies available to the Owners upon a default under the Master Indenture are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the Bankruptcy Code. Although political subdivisions of the Commonwealth, including the Commission, are not currently authorized to seek relief under the provisions of Chapter 9 of the Federal Bankruptcy Code, the various legal opinions to be delivered concurrently with delivery of the Series 2020A Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of credits generally, now or hereafter in effect; to usual equity principles which shall limit the specific enforcement under laws of the Commonwealth as to certain remedies; to the exercise by the United States of America of the powers delegated to it by the United States Constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the Commonwealth and its governmental bodies, in the interest of serving an important public purpose.

Loss of Premium Upon Early Redemption

Purchasers of the Series 2020A Bonds at a price in excess of their principal amount should consider the fact that the Series 2020A Bonds are subject to redemption prior to maturity at a redemption price equal to their principal amount plus accrued interest under certain circumstances. See "THE SERIES 2020A Bonds—Redemption Provisions."

No Redemption of Bonds in the Event of Taxability

The Series 2020A Bonds are not subject to redemption prior to maturity upon the occurrence of an event which has the effect of rendering interest on the Series 2020A Bonds includable in the gross income of the owners of the Series 2020A Bonds for purposes of federal income taxation. No provision is made in the Master Indenture for any increase or other adjustment in the rate of interest payable on the Series 2020A Bonds in the event of such an occurrence.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2020A Bonds will be subject to the approving opinion of Kaufman & Canoles, a Professional Corporation, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Commission upon delivery of the Series 2020A

Bonds, in substantially the form set forth as Appendix F (the “Bond Opinion”). The Bond Opinion will be limited to matters relating to authorization and validity of the Series 2020A Bonds and to the tax status of interest thereon as described in the section “TAX MATTERS.” Bond Counsel has not been engaged to investigate the financial resources of the Commission or its ability to provide for payment of principal of, interest, or premium, if any, on the Series 2020A Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for HRTAC by Willcox & Savage, P.C., Norfolk, Virginia, its general counsel, and Kaufman & Canoles, a Professional Corporation, Richmond, Virginia, as disclosure counsel, and for the Underwriters by their counsel, _____.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law, interest on the Series 2020A Bonds (a) is not included in gross income for Federal income tax purposes, and (b) is not an item of tax preference for purposes of the Federal alternative minimum tax. Interest on the Series 2020A Bonds is exempt from income taxation by the Commonwealth. No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2020A Bonds.

The Bond Opinion will be given in reliance upon certifications by representatives of the Commission as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and applicable regulations thereunder. The Bond Opinion is subject to the condition that there is compliance subsequent to the issuance of the Series 2020A Bonds with all requirements of the Tax Code that must be satisfied in order for interest thereon to remain excludable from gross income for Federal income tax purposes. The Commission has covenanted to comply with the current provisions of the Tax Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2020A Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2020A Bonds. Failure by the Commission to comply with such covenants, among other things, could cause interest on the Series 2020A Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue.

Original Issue Premium

Series 2020A Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder’s basis in such a Series 2020A Bonds must be reduced by the amount of premium which accrues while such Series 2020A Bonds is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2020A Bonds while so held. Purchasers of such Series 2020A Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Series 2020A Bonds.

Original Issue Discount

The initial public offering prices of the Series 2020A Bonds will not be less than their stated principal amount. Therefore, interest on the Series 2020A Bonds will not include any accrued original issue discount.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2020A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2020A Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors as to the status of interest on the Series 2020A Bonds under the tax laws of any state other than the Commonwealth.

The Internal Revenue Service (the “Service”) has a program to audit state and local government obligations to determine, as applicable, whether the interest thereon is includable in gross income for federal income tax purposes. If the Service does audit the Series 2020A Bonds, under current Service procedures, the Service will treat the Commission as the taxpayer and the owners of the Series 2020A Bonds will have only limited rights, if any, to participate.

The Bond Opinion represents Bond Counsel’s legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but are not a guarantee of results or binding on the Service or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Future Events and Legislative and Regulatory Actions

There are many events that could affect the value and liquidity or marketability of the Series 2020A Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2020A Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes. For example, the tax reform act that was enacted by the U.S. Congress in December, 2017, and signed into law by the President on December 22, 2017, and effective after December 31, 2017, changes both corporate and individual tax rates and eliminates advance refunding bonds. The U.S. Treasury Department and the IRS are continuously drafting regulations to interpret and apply the provisions of the Tax Code and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2020A Bonds, regulatory interpretation of the Tax Code or actions by a court involving either the Series 2020A Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2020A Bonds’ federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Series 2020A Bonds. Neither the Bond Opinion nor this Official Statement purports to address the likelihood or effect of any such future events or legislative and regulatory actions, and purchasers of the Series 2020A Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2020A Bonds.

LITIGATION

There is no litigation of any kind now pending or, to the best of its information, knowledge and belief, threatened against the Commission to restrain or enjoin the issuance or delivery of the Series 2020A Bonds or the collection and application of HRTAC Revenues under the Master Indenture, or in any manner contesting or affecting the validity of the Series 2020A Bonds, any proceeding of HRTAC taken with respect to their issuance, authentication or sale, or any appropriation of funds to pay debt service on the Series 2020A Bonds.

RATINGS

Moody's Investor Service ("Moody's") and S&P Global Ratings ("S&P"), 55 Water Street, New York, New York 10041, have given the Series 2020A Bonds the ratings of "____" and "____," respectively. The Commission requested that the Series 2020A Bonds be rated and furnished certain information to Moody's and S&P, including certain information that may not be included in this Official Statement.

Reference should be made to the individual rating agency for a more complete description of the meaning of the rating assigned by such rating agency. These ratings are not a recommendation to buy, sell or hold the Series 2020A Bonds. The ratings are subject to review and change or withdrawal at any time if, in the judgment of the respective rating agency, circumstances so warrant. There is no assurance that any such ratings will continue for any period of time or that any such rating will not be revised or withdrawn. A downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2020A Bonds.

FINANCIAL ADVISOR

The Commission has retained PFM Financial Advisors, LLC, Orlando, Florida, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2020A Bonds. Although the Financial Advisor assisted in the review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory, investment management and consulting organization and is not engaged in the business of underwriting municipal securities.

RELATIONSHIP OF PARTIES

Kaufman & Canoles, a Professional Corporation, Richmond, Virginia, Bond Counsel, from time to time represents one or more of the Underwriters or the Trustee in transactions unrelated to the Series 2020A Bonds. _____, counsel to the Underwriters, from time to time represents the Trustee in transactions unrelated to the Series 2020A Bonds.

UNDERWRITING

The Series 2020A Bonds are being purchased by the Underwriters pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") between HRTAC and _____ ("____"), as representative of the Underwriters. The Bond Purchase Agreement sets forth the obligation of the Underwriters to purchase the Series 2020A Bonds at an aggregate purchase price of \$____ (representing the sum of the \$____ par amount of the Series 2020A Bonds, [plus] [less] [net] original issue [premium] [discount] of \$____, less an underwriting discount of \$____ on such Series 2020A Bonds) and is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2020A Bonds if any are

purchased. The Underwriters may offer and sell the Series 2020A Bonds to certain dealers (including dealers depositing the Series 2020A Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. The public offering prices may be changed from time to time at the discretion of the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Commission (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Commission. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

To assist the underwriters in complying with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission, HRTAC will execute a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) at closing pursuant to which the Commission will agree to provide certain annual financial information and material event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in Appendix C, the Disclosure Undertaking requires the Commission to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2020A Bonds at any particular time. The Commission may from time to time disclose certain information and data in addition to that required by the Disclosure Undertaking. If the Commission chooses to provide any additional information, the Commission will have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the Commission to comply with the Disclosure Undertaking is not an event of default under the Series 2020A Bonds or the Master Indenture. The sole remedy for a default under the Disclosure Undertaking is to bring an action for specific performance of the Commission’s covenants thereunder, and no assurance can be provided as to the outcome of any such proceeding.

There have been no instances in the previous five years in which the Commission failed to comply, in all material respects, with its prior continuing disclosure undertakings.

APPROVAL OF PRELIMINARY OFFICIAL STATEMENT

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Series 2020A Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Preliminary Official Statement.

The distribution of this Preliminary Official Statement has been duly authorized by the Commission. For purposes of compliance with the Rule, this Preliminary Official Statement constitutes an official statement of the Commission that has been deemed final by the Commission as of its date except for the omission of certain pricing and other information as permitted by the Rule.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
Chair

APPENDIX A

**DEFINITIONS AND SUMMARIES OF THE MASTER INDENTURE
AND THE FOURTH SERIES SUPPLEMENT**

DEFINITIONS AND SUMMARIES OF THE MASTER INDENTURE AND THE FOURTH SERIES SUPPLEMENT

Set forth below are definitions of certain terms contained in the Master Indenture or the Fourth Series Supplement, followed by summaries of certain provisions of the Master Indenture and the Fourth Series Supplement. The descriptions do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Master Indenture and the Fourth Series Supplement, copies of which can be obtained from HRTAC or the Trustee. The headings below have been added for ease of reference only.

DEFINITIONS OF CERTAIN TERMS

In addition to the terms previously defined in this Official Statement, the following words used in this Appendix A will have the following meanings unless a different meaning clearly appears from the context:

“2020A Bonds” means the Series of Senior Bonds authorized to be issued under the Fourth Series Supplement.

“2020A Bond Debt Service Fund” means the Bond Debt Service Fund Related to the Series 2020A Bonds established pursuant to the Master Indenture and the Fourth Series Supplement.

“2020A Cost of Issuance Fund” means the Cost of Issuance Fund Related to the Series 2020A Bonds established pursuant to the Master Indenture and the Fourth Series Supplement.

“2020A Project Fund” means the Project Fund Related to the Series 2020A Bonds established pursuant to the Master Indenture and the Fourth Series Supplement.

“2020A Rebate Fund” means the Rebate Fund Related to the Series 2020A Bonds established pursuant to the Master Indenture and the Fourth Series Supplement.

“Fourth Series Supplement” means the Fourth Supplemental Indenture of Trust dated as of _____, 2020, between HRTAC and the Trustee, being a Series Supplement with respect to the Series 2020A Bonds pursuant to the provisions of the Master Indenture.

“2020A Tax Regulatory Agreement” means the Tax Certificate and Regulatory Agreement made by HRTAC for the benefit of the Trustee and the Owners of the Series 2020A Bonds.

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

“Accreted Amount” 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, corporations, and enterprises 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, Tennessee Valley Authority debt obligations, Resolution Funding Corporation debt obligations (including principal and interest strips), and U.S. Agency for International Development guaranteed notes (including stripped securities).

“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 administrative and operating expense 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.

“Assumed Debt Service” means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by HRTAC for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by HRTAC or (ii) 30 years from the date of calculation, such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by HRTAC, based on a fixed interest rate equal to the rate at which HRTAC could borrow for such period, as expressed in an Officer’s Certificate (which shall be based upon the opinion of HRTAC’s financial advisor or of a third party consultant reasonably acceptable to the Trustee).

“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 bonds that HRTAC may issue under the Virginia Code and pursuant to Article V of the Master Indenture, including any Senior Bonds, any Intermediate Lien Obligations, or any 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 Year” means each twelve month period beginning on July 1 and ending on June 30, or such other twelve-month period as may be selected by the Commission and approved by Bond Counsel with respect to any Series of Bonds.

“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 Series of Bonds.

“Commonwealth” means the Commonwealth of Virginia.

“Convertible Capital Appreciation Bonds” means a Series of Capital Appreciation Bonds having a conversion date after which such Bonds become Current Interest Bonds.

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

“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 reasonably acceptable to the Trustee.

“Debt Service Fund” means a Senior Debt Service Fund, an Intermediate Lien Debt Service Fund, and/or a Subordinate Debt Service Fund established with respect to any Series of Bonds issued under the Master Indenture.

“Debt Service Reserve Fund” means, as the context requires, a Senior Debt Service Reserve Fund, an Intermediate Lien Debt Service Reserve Fund, and/or a Subordinate Debt Service Reserve Fund established with respect to any Series of Bonds issued under the Master Indenture.

“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, from a financial institution (including, without limitation, any bank, trust company, insurance company, or broker-dealer) with a long term credit rating at the time of issuance of such facility in the third highest rating category or higher by any Rating Agency, 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.

“DSRF Credit Provider” means the financial institution providing, and qualified under the definition of, 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 the Master Indenture.

“Event of Default” means any of the events enumerated in the subsection “Events of Default and Remedies Upon Default” below.

“Excess Revenues” means, following the occurrence of a Revenue Sharing Trigger Event and until such time as the Revenue Sharing Trigger Event ends, an amount in each month equal to 50% of the Pledged Revenues remaining after the transfers described in clauses “FIRST” through “TENTH” in Section 8.1(b) “FLOW OF FUNDS” have occurred.

“Excluded Interest Payment” means each payment of interest on obligations that HRTAC has specified in a Related Series Supplement or in an Officer’s Certificate to be payable from or secured by funds or revenues that do not constitute HRTAC Revenues, which may include, without limitation, (i) Toll Revenues, (ii) any grants from the Commonwealth or federal government, or any agency or instrumentality thereof, that have not been designated as HRTAC Revenues, or (iii) any other funds that have not been designated as HRTAC Revenues.

“Excluded Principal Payment” means each payment of Principal on obligations that HRTAC has specified in a Related Series Supplement or in an Officer’s Certificate to be payable from or secured by funds or revenues that

do not constitute HRTAC Revenues, which may include, without limitation, (i) Toll Revenues, (ii) any grants from the Commonwealth or federal government, or any agency or instrumentality thereof, that have not been designated as HRTAC Revenues, (iii) any proceeds of anticipated future borrowings, or (iv) any other funds that have not been designated as HRTAC Revenues.

“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 the 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.

“General Fund” means the General Fund established pursuant to the Master Indenture.

“Government Certificates” means certificates representing an ownership interest in 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 guaranteed by, the United States of America.

“Hedge Agreement” means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement that HRTAC determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

“Hedge Payments” means amounts payable by HRTAC pursuant to any Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

“Hedge Period” means the period during which a Hedge Agreement is in effect and has not been terminated.

“Hedge Receipts” means amounts payable by any Swap Provider pursuant to a related Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

“Hedging Termination Obligations” means the aggregate amount payable to the Hedging Banks (as defined in the 2019 TIFIA Loan Agreement) by HRTAC upon the early termination of all or a portion of the Hedging Agreements (as defined in the 2019 TIFIA Loan Agreement), net of all amounts payable to HRTAC by such Hedging Banks upon the early unwind of all or a portion of such Hedging Agreements. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

“HRTAC” or **“Commission”** means the Hampton Roads Transportation Accountability Commission, a body politic and 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 Representative” means (i) the Chair or Vice Chair of HRTAC, and (ii) any other commissioner, 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, (ii) all earnings from the investment of moneys held in any Fund or Account that is pledged to the payment of any Bonds issued under the Master Indenture (other than any Rebate Fund or any Fund or Account that is established to hold the proceeds of a drawing on a Bond Credit Facility), and (iii) any and all other revenues available under the HRTAC Act that have been designated as HRTAC Revenues pursuant to a Supplemental Indenture, but shall not include Toll Revenues.

“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 additional sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the additional 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 2016-08 and entitled “Resolution Authorizing Hampton Roads Transportation Fund Revenue Bonds,” adopted by HRTAC on June 16, 2016, as supplemented by the resolution numbered 2017-08 adopted by HRTAC on December 14, 2017.

“Interest Payment Date” means any January 1 or July 1, as the case may be, or such other date or dates provided with respect to any Bond as may be designated in a Related Series Supplement.

“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, subject to Section 5.4 (Modification of Certain Definitions) of the Master Indenture. Interest expense shall be excluded from the definition of Interest Requirement to the extent that (i) they constitute Excluded Interest Payments, or (ii) proceeds of any Bonds or other funds (including, without limitation, applicable Debt Service Funds and Debt Service Reserve Funds) are held by the Trustee, or are reasonably expected to be obtained from investment earnings thereon, 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.

“Intermediate Lien Debt Service Fund” means a Debt Service Fund established with respect to a Series of Intermediate Lien Obligations pursuant to the Master Indenture.

“Intermediate Lien Debt Service Reserve Fund” means a Debt Service Reserve Fund established with respect to one or more Series of Intermediate Lien Obligations pursuant to the Master Indenture.

“Intermediate Lien Debt Service Reserve Requirement” means an amount, required to be maintained in an Intermediate Lien Debt Service Reserve Fund established by the Series Supplement for any Intermediate Lien Obligations; provided, however, (1) to the extent specified in a Related Series Supplement or in an Officer’s Certificate in connection with the issuance of any additional Series of Intermediate Lien Obligations or any calculation of the Intermediate Lien Debt Service Reserve Requirement, HRTAC may hold any Intermediate Lien Debt Service Reserve Fund collectively with respect to all or multiple Series of Intermediate Lien Obligations; and (2) if any Intermediate Lien Debt Service Reserve Fund held collectively with respect to all or multiple Series of Intermediate Lien Obligations is determined as of the beginning of any Fiscal Year to be in an amount greater than the amount that would be derived by measuring the Intermediate Lien Debt Service Reserve Requirement separately for each Outstanding Series of Intermediate Lien Obligations, then such lesser derived amount shall be the Intermediate Lien Debt Service Reserve Requirement for such Fiscal Year.

“Intermediate Lien Obligations” means any Bonds issued under the Master Indenture and designated as being subordinate as to payment and security to the Senior Bonds but senior as to payment and security to the Subordinate Obligations.

“Majority Owners” means the Owners of greater than 50% of the aggregate principal amount of the Senior Bonds Outstanding.

“Master Indenture” means the Master Indenture of Trust dated as of February 1, 2018, 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 that may hereafter be added to HRTAC by amendment to the Virginia Code.

“Officer’s Certificate” means a certificate signed by an HRTAC Representative and filed with the Trustee, upon which the Trustee may conclusively rely.

“One Month USD LIBOR Rate” means, on any determination date, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a period equal in length to the interest period for calculation, as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by HRTAC in its reasonable discretion; in each case the “LIBOR Screen Rate”) at approximately 11:00 a.m., London time, two London Banking Days (defined below) prior to the commencement of such interest period; provided that if the LIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of the Master Indenture; provided further that if the LIBOR Screen Rate shall not be available at such time, or if HRTAC or the Trustee determines that it is unlawful at such time to determine interest by reference to the LIBOR Screen Rate, then the “One Month USD LIBOR Rate” shall be determined by any comparable alternate method designed to measure interest rates in a similar manner as the original One Month USD LIBOR Rate, as selected by HRTAC and expressed in an Officer’s Certificate (which shall be based upon the opinion of HRTAC’s financial advisor or of a third party consultant reasonably acceptable to the Trustee). Any successor rate or alternate methodology must be an interest-based index, variations in the value of which can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in U.S. dollars. In order to account for the relationship of the replacement index to the original One Month USD LIBOR Rate, such alternate method will incorporate any spread to any replacement index or rate as is necessary to ensure that the alternate method will measure interest rates in a manner similar to the original One Month USD LIBOR Rate; provided further that if any rate established pursuant to any of the foregoing clauses is less than zero, such rate shall be deemed to be zero for purposes of the Master Indenture. As used in this definition, **“London Banking Day”** means any day on which commercial banks are open for general business, including dealings in U.S. dollars and foreign exchange and foreign currency, in London, England.

“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, but shall exclude expenses related to the payment of debt service on any Bonds, capital expenditures for Projects, or expenses for the operation or maintenance of any Project.

“Operating Fund” means the Operating Fund established pursuant to the Master Indenture, in which there is established an Operating Account and an Operating Reserve Account.

“Operating Reserve Requirement” means an amount not to exceed 110% of the aggregate amount of Operating Expense provided for in the Annual Budget in effect as of the applicable measurement date.

“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 the 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 issued, authenticated and delivered under the 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 issued, authenticated and delivered under the Master Indenture;
- (c) Any Bond deemed paid under Article XII of the Master Indenture 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 of the Master Indenture (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 of the Master Indenture.

“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 the Master Indenture. 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 limited liability company, 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 with respect to any Bond as may be provided by a 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, subject to Section 5.4 (Modification of Certain Definitions) of the Master Indenture. Principal payments shall be excluded from the

definition of Principal Requirement to the extent that (i) they constitute Excluded Principal Payments, or (ii) 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 refinance pursuant to the Virginia Code.

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

“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 under the Master Indenture.

“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 a Related Series Supplement, a Related Tax Regulatory Agreement, or an Officer’s Certificate.

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

“Refunding Bonds” shall have the meaning set forth in the subsection “Issuance of Bonds” below.

“Reimbursement Accounts” means any Reimbursement Account that may be established within a Related Debt Service Fund by a Related Series Supplement and pursuant to Section 7.2 of the Master Indenture.

“Reimbursement Obligations” means any reimbursement obligations of HRTAC for principal and interest drawings on any Bond Credit Facility or DSRF Credit Facility with respect to which moneys in a Debt Service Fund, or Reimbursement Account thereof, are pledged or payable pursuant to the provisions of the 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 the 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, as the context requires, the Senior Debt Service Reserve Requirement, the Intermediate Lien Debt Service Reserve Requirement, and/or the Subordinate Debt Service Reserve Requirement.

“Revenue Fund” means the Revenue Fund established pursuant to the Master Indenture.

“Revenue Sharing Trigger Event” means any date on which Subordinate Obligations issued to the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, are outstanding and HRTAC or the Virginia Department of Transportation, an agency of the Commonwealth of Virginia, on behalf of HRTAC, is not actively engaged in the development of capital project programs in the Hampton Roads Transportation Planning Organization’s most recently adopted long-range transportation plan.

“Senior Bonds” means any Bonds issued under the Master Indenture with seniority of payment and security to the Intermediate Lien Obligations and the Subordinate Obligations.

“Senior Debt Service Fund” means a Debt Service Fund established with respect to a Series of Senior Bonds pursuant to the Master Indenture.

“Senior Debt Service Reserve Fund” means a Debt Service Reserve Fund established with respect to one or more Series of Senior Bonds pursuant to the Master Indenture.

“Senior Debt Service Reserve Requirement” means an amount, required to be maintained in a Senior Debt Service Reserve Fund established by the Series Supplement for any Series of Senior Bonds; provided, however, (1) to the extent specified in a Related Series Supplement or in an Officer’s Certificate in connection with the issuance of any additional Series of Senior Bonds or any calculation of the Senior Debt Service Reserve Requirement, HRTAC may hold any Senior Debt Service Reserve Fund collectively with respect to all or multiple Series of Senior Bonds; and (2) if any Senior Debt Service Reserve Fund held collectively with respect to all or multiple Series of Senior Bonds is determined as of the beginning of any Fiscal Year to be in an amount greater than the amount that would be derived by measuring the Senior Debt Service Reserve Requirement separately for each Outstanding Series of Senior Bonds, then such lesser derived amount shall be the Senior Debt Service Reserve Requirement for such Fiscal Year.

“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 issued, authenticated and delivered pursuant to the 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 the Master Indenture and such Series Supplement, regardless of variations in priority of payment, 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 the Master Indenture.

“SIFMA” means the Securities Industry and Financial Markets Association and its successors.

“SIFMA Swap Index” means, on any determination date, the rate calculated, on the basis of the seven day high grade market index comprised of tax exempt variable rate demand obligation reset rates, by Bloomberg (or successor organizations) and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA as the SIFMA Municipal Swap Index on such date.

“Subordinate Debt Service Fund” means a Debt Service Fund established with respect to a Series of Subordinate Obligations pursuant to the Master Indenture.

“Subordinate Debt Service Reserve Fund” means a Debt Service Reserve Fund established with respect to one or more Series of Subordinate Obligations pursuant to the Master Indenture.

“Subordinate Debt Service Reserve Requirement” means an amount, required to be maintained in a Subordinate Debt Service Reserve Fund established by the Series Supplement for any Subordinate Obligations; provided, however, (1) to the extent specified in a Related Series Supplement or in an Officer’s Certificate in connection with the issuance of any additional Series of Subordinate Obligations or any calculation of the Subordinate

Debt Service Reserve Requirement, HRTAC may hold any Subordinate Debt Service Reserve Fund collectively with respect to all or multiple Series of Subordinate Obligations; and (2) if any Subordinate Debt Service Reserve Fund held collectively with respect to all or multiple Series of Subordinate Obligations is determined as of the beginning of any Fiscal Year to be in an amount greater than the amount that would be derived by measuring the Subordinate Debt Service Reserve Requirement separately for each Outstanding Series of Subordinate Obligations as of such date, then such lesser derived amount shall be the Subordinate Debt Service Reserve Requirement for such Fiscal Year.

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

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

“Swap Provider” means, with respect to a Hedge Agreement, the Person that is identified in such agreement as the counterparty to, or contracting party with, HRTAC.

“Swap Related Bonds” means all or any portion of Bonds with respect to which HRTAC has entered into a Hedge Agreement identified as relating to such Bonds, whether or not such Hedge Agreement constitutes a “qualified hedge” under the Tax Code.

“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 such 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.

“TIFIA Revenue Sharing Account” means the account by that name established in the Subordinate Debt Service Fund with respect to the 2019 TIFIA Loan and any Additional TIFIA Loans (as defined in the 2019 TIFIA Loan Agreement) of HRTAC secured by HRTAC Revenues as provided in Section 5.1(b) of the Second Series Supplement.

“Toll Revenues” means revenues received from tolls established for the use of any transportation facility located in one or more of the Member Localities.

“Trustee” means Wilmington Trust, National Association, and its successors serving in the same capacity under the 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.

THE MASTER INDENTURE

Establishment of Trust

Security for Bonds. 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:

- (a) All of the HRTAC Revenues; and
- (b) The Revenue Fund; and
- (c) 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.

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, the Master Indenture, and the Related Series Supplement, subject to the terms 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 Debt Service Fund, and Related Debt Service Reserve Fund (if any).

Bond Credit Facility. Any Bond Credit Facility that is given to secure some, but not all, of the Bonds, together with money drawn or paid under it, will be held by the Trustee solely as security for such 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 the Bonds. The status of the Bond Credit Facility as a Senior Bond, an Intermediate Lien Obligation, a Subordinate Obligation or otherwise will be provided for in the Related Series Supplement.

Issuance of Bonds

In General. HRTAC may issue Bonds, subject to the terms and conditions contained in the Master Indenture, for any purpose permitted to be financed from the proceeds of Bonds under the HRTAC Act or other law, 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.

HRTAC shall not issue or incur any Bonds that will be secured by a pledge of revenues, money or property pledged by the Master Indenture to the payment of any Series of Bonds, except for Senior Bonds, Intermediate Lien Obligations and Subordinate Obligations.

Subject to the restrictions described in the previous paragraph, HRTAC reserves the right in its sole discretion and without the consent of the Trustee or any Owner of any Bond to issue from time to time Bonds for any lawful purpose authorized by the HRTAC Act.

Parity of Bonds. The Master Indenture constitutes a continuing irrevocable pledge of the HRTAC Revenues and other revenues, money and property of HRTAC pledged as described in the subsection "Establishment of Trust" above 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 the Master Indenture. Except as otherwise described herein, all Bonds shall in all respects be equally and ratably secured under the Master Indenture without preference, priority or distinction on account of the time of their authentication, delivery or maturity, so that all such Bonds at any time outstanding under the Master Indenture will have the same right, lien and preference under the Master Indenture with

respect to the pledge described in the subsection "Establishment of Trust" above with like effect as if they had all been executed, authenticated and delivered simultaneously. Nothing in the Master Indenture will 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, be subject to mandatory or optional redemption before maturity on the same basis as any other Bonds, or precluding the creation of separate reserve funds or obtaining separate surety bonds, insurance policies or other Bond Credit Facilities or DSRF Credit Facilities for any Series of Bonds or portions thereof, (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 the Master Indenture or any Supplemental Indenture for the benefit of any Bonds. Intermediate Lien Obligations shall in all respects be junior and subordinate to the Senior Bonds, but senior to the Subordinate Obligations. Subordinate Obligations shall in all respects be junior and subordinate to the Senior Bonds and the Intermediate Lien Obligations.

Conditions to the Issuance of Additional 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 the Master Indenture only:

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

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

(3) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, to the effect that the 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 the 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 to cause the amount held therein to equal the applicable Reserve Requirement; 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 the Master Indenture and for any Series of Refunding Bonds, an Officer's Certificate (subject to the requirements of Section 5.4 (Modification of Certain Definitions) of the Master Indenture, as applicable) 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 2.00 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Senior Bonds Outstanding plus the Series of Senior Bonds to be issued; and to the extent that the Series of

Bonds to be issued consists of or includes Intermediate Lien Obligations or Subordinate Obligations, HRTAC shall also provide in such Officer's Certificate evidence of compliance with any minimum ratio of HRTAC Revenues to Principal and Interest Requirements on Intermediate Lien Obligations and/or Subordinate Obligations as may be established by any Series Supplement;

(f) If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under the Master Indenture ("Refunding Bonds") evidence satisfactory to the Trustee that (i) the refunding produces present value debt service savings, and (ii) HRTAC has made provision for the payment or redemption of all of the Bonds to be refunded as required by the 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 the Master Indenture and (iv) Bonds are valid and legally binding limited obligations of HRTAC and are secured by the 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 the 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 an 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.

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 regarding the coverage of HRTAC Revenues described above shall be modified as follows:

(1) Optional Tender Bonds. (i) 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 and Principal and Interest Requirements shall be calculated based on Assumed Debt Service, (ii) if such Bonds also constitute Variable Rate Bonds, HRTAC shall also make the adjustments described in the next paragraph, 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 and Principal and Interest Requirements shall be calculated based on Assumed Debt Service.

(2) Variable Rate Bonds.

(i) Tax-Exempt. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds the interest on which is or will be excluded from gross income for federal income tax purposes, then the interest rate used in the above-described computations shall be assumed to equal the average of the SIFMA Swap Index for the five years preceding such date of calculation, or such other rate as shall be specified in a Related Series Supplement or in an Officer's Certificate in connection with the issuance of any additional Series of Bonds or any calculation of the Reserve Requirement.

(ii) Taxable. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds the interest on which is or will be included in gross income for federal income tax purposes, then the interest rate used in the above-described computations shall be assumed to equal the average of the One Month USD LIBOR Rate for the five years preceding such date of calculation, or such other rate as shall be specified in a Related Series Supplement or in an Officer's Certificate in connection with the issuance of any additional Series of Bonds or any calculation of the Reserve Requirement.

(3) Swap Related Bonds. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Swap Related Bonds, then the Interest Requirements on such Swap Related Bonds during any Hedge Period and, for so long as the Swap Provider has not defaulted on its payment obligations under the related Hedge Agreement, shall be calculated by adding (i) the amount of interest payable by HRTAC on such Swap Related Bonds pursuant to their terms, subject to paragraphs (a)(1) and (2) as applicable, and (ii) the amount of Hedge Payments payable by HRTAC pursuant to the Hedge Agreement and subtracting (iii) the amount of Hedge Receipts payable by the Swap Provider to HRTAC pursuant to the Hedge Agreement; provided, however, that if the Swap Provider is in default under the related Hedge Agreement, the Interest Requirements on such Swap Related Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts that are not fixed throughout the Hedge Period (i.e., which are variable), payable or receivable for any future period, such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation applicable to the Determination Period are equal to the higher of (1) such variables in effect as of the date of calculation and (2) the average of the actual variables that were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period).

(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 the Master Indenture.

(c) With respect to any Bonds bearing interest that is subject to a federal interest subsidy the proceeds of which are not otherwise designated as HRTAC Revenues, the interest rate on such Bonds shall be assumed to be the rate net of such interest subsidy.

Intermediate Lien Obligations. Nothing in the Master Indenture shall prohibit or prevent HRTAC from authorizing and issuing Intermediate Lien Obligations for any lawful purpose payable from HRTAC Revenues subject and subordinate to the payment of any Senior Bonds and to the deposits required to be made from HRTAC Revenues to the Senior Debt Service Funds and the Senior Debt Service Reserve Funds, or any other Fund or Account established to secure any Senior Bonds, or from securing any Intermediate Lien 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 Senior Bonds.

Subordinate Obligations. Nothing in the 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 Senior Bonds and Intermediate Lien Obligations and to the deposits required to be made from HRTAC Revenues to Senior and Intermediate Lien Debt Service Funds and Senior and Intermediate Lien Debt Service Reserve Funds, or any other Fund or Account established to secure any Senior Bonds or Intermediate Lien Obligations, 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 Senior Bonds and the Intermediate Lien Obligations.

Establishment of Funds and Accounts

Permanent Funds. The Funds listed below have been established under the Master Indenture with respect to all of the Outstanding Bonds issued under or in accordance with the Master Indenture and HRTAC's operations, and HRTAC will hold each such Fund without commingling the monies held therein.

(a) Revenue Fund;

- (b) Operating Fund, in which there is established an Operating Account and an Operating Reserve Account; and
- (c) General Fund.

Series-Specific Funds. The Funds listed below will 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, (ii) HRTAC has the option to establish a Debt Service Reserve Fund securing multiple Series of Bonds on a parity basis, and (iii) HRTAC shall hold each Cost of Issuance Fund.

- (a) Cost of Issuance Fund;
- (b) Project Fund and/or Escrow Fund, as appropriate;
- (c) Debt Service Fund;
- (d) Debt Service Reserve Fund; and
- (e) Rebate Fund.

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

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 Account in any Related Debt Service Fund. Amounts held for the credit of any such Reimbursement Account shall be paid out by the Trustee as necessary to enable HRTAC to meet its obligations constituting Reimbursement Obligations.

Revenue Fund and Flow of Funds

Revenue Fund. HRTAC will hold the Revenue Fund as a separate Fund. HRTAC will deposit into the Revenue Fund all HRTAC Revenues, including any HRTF Revenues transferred from the HRTF, immediately upon receipt.

At least once each month, not later than the last Business Day of each month, HRTAC shall make transfers from the Revenue Fund in the amounts and in the order of priority set forth below:

FIRST: To each Senior 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 Senior Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

SECOND: To each Senior Debt Service Reserve Fund, ratably, the amount, if any, required so that the balance in each such Fund shall be equal to the respective Senior Debt Service Reserve Requirement;

THIRD: To each Intermediate Lien 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 Intermediate Lien Obligations on the next ensuing payment date; provided that HRTAC shall receive a credit against such transfer for the amount, if any, held in an Intermediate Lien Debt Service Fund as capitalized interest or otherwise, together with the investment earnings thereon;

FOURTH: To each Intermediate Lien Debt Service Reserve Fund, ratably, the amount, if any, so that the balance in such Fund shall be equal to the respective Intermediate Lien Debt Service Reserve Requirement;

FIFTH: 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;

SIXTH: To each Subordinate Debt Service Reserve Fund, ratably, the amount, if any, so that the balance in such Fund shall be equal to the respective Subordinate Debt Service Reserve Requirement;

SEVENTH: 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;

EIGHTH: To the Operating Account of the Operating Fund, the amount of funds necessary to pay Operating Expenses during such period in accordance with the Annual Budget;

NINTH: To the Operating Reserve Account of the Operating Fund, the amount, if any, so that the balance in such Account shall be equal to the Operating Reserve Requirement;

TENTH: To fund any Hedging Termination Obligation in connection with a Qualified Hedge;

ELEVENTH: After curing any deficiencies as required by Section 8.5(b) of the Master Indenture to the deposits and balances required in "FIRST" through "TENTH" above, to the TIFIA Revenue Sharing Account, the amount, if any, as may be required under Section 6.1 of the Second Supplemental Indenture of Trust dated as of December 1, 2019, and the applicable provisions of any other Series Supplement, an amount equal to Excess Revenues for such month, for deposit into the TIFIA Revenue Sharing Account; and

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

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 Related Debt Service Fund, or the Related Reimbursement Account thereof, 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.

Operating Fund. HRTAC will hold the Operating Fund and the Accounts therein, as a separate Fund for the purpose of paying Operating Expenses. Neither the Operating Fund nor any amount therein is pledged to secure the Bonds. HRTAC shall pay Operating Expenses from the Operating Account as they become due and in accordance

with the purposes and amounts provided in the Annual Budget. If at any time there is a deficiency in the Operating Account, HRTAC shall transfer funds from the Operating Reserve Account to cover such deficiency. In determining the balance on deposit in the Operating Account for any purpose of the Master Indenture, there shall be deducted the amount of any pending payments or transfers from the Operating Account. HRTAC may cause amounts in the Operating Fund in excess of those required by the Annual Budget to be transferred to the General Fund.

Debt Service Funds. The Trustee shall promptly deposit the following amounts in each Debt Service Fund:

- (a) The amount, if any, of the proceeds of the Related Series of Bonds required by the Related Series Supplement to be deposited in the Debt Service Fund with respect to accrued and/or capitalized interest;
- (b) All amounts received from the Revenue Fund as described above;
- (c) Any amounts required to be transferred to the Debt Service Fund from a Debt Service Reserve Fund as provided under the Master Indenture; and
- (d) Any other amounts required to be paid to the Debt Service Fund or otherwise made available for deposit therein by HRTAC, including amounts made available pursuant to the Related Series Supplement.

The Trustee shall pay out of each 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 such Bonds of the Related Series purchased for retirement pursuant to the Master Indenture.

The Trustee shall pay out of each 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.

Whenever the amounts in a Debt Service Fund is sufficient to redeem all of the Outstanding Bonds of the Related Series and to pay interest accrued to the redemption date, the Commission will cause the Trustee to redeem all such Related Bonds on the applicable redemption date specified by the Commission. Any amounts remaining in the Related Debt Service Fund after payment in full of the principal or redemption price and interest on the Related Bonds (or provision for payment thereof) and the fees, charges and expenses related to such transaction, shall be transferred to the Revenue Fund.

Debt Service Reserve Funds. Except as specifically described below, the amount in each Debt Service Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Related Debt Service Fund and only with respect to the Related Series of Bonds. If there are insufficient funds in the Related Bond 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 Debt Service Fund.

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.

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 described in the subsection

“Permitted Investments and Valuation of Funds” below 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 immediately notify HRTAC of such fact and the amount of the deficiency.

Any interest earned from the investment of money in a Debt Service Reserve Fund shall be transferred upon receipt to the Related Debt Service Fund and/or to the Related Rebate Fund to pay any Rebate Amounts in accordance with the applicable Series Supplements, Tax Regulatory Agreements and Officer’s Certificates 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 Related Debt Service Fund and/or to the Related Rebate Fund to pay any Rebate Amounts in accordance with the applicable Series Supplements, Tax Regulatory Agreements and 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 the Master Indenture 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.

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.

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.

If HRTAC provides the Trustee with a DSRF Credit Facility as provided above, 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.

General Fund. HRTAC will hold the General Fund and, except as otherwise provided below, neither such Fund nor any moneys or investments therein shall be pledged to secure the Bonds.

HRTAC shall apply the balance in the General Fund, including interest earnings, first to cure any deficiency in the amount required to be on deposit in any Senior Debt Service Fund, any Senior Debt Service Reserve Fund, any Intermediate Lien Debt Service Fund, any Intermediate Lien Debt Service Reserve Fund, any Subordinate Debt Service Fund, any Subordinate Debt Service Reserve Fund, any Rebate Fund, or the Operating Reserve Account, in that order; and then to any lawful purpose approved by resolution of HRTAC, including without limitation, expenditures for capital improvements with respect to any Project or payment of any Operating Expenses.

Operation of Certain Series-Specific Funds

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 will use the amounts in each Cost of Issuance Fund to pay costs of issuance incurred in connection with the issuance of the Related Series of Bonds.

Project Funds. There will 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 to finance or refinance the Projects in accordance with the requirements of the Related Series Supplement and Tax Regulatory Agreement.

Rebate Funds. There shall be transferred to each Rebate Fund amounts to be used to pay Rebate Amounts with respect to the Related Series of Bonds to the extent, and from the sources, specified in a Related Series Supplement, a Related Tax Regulatory Agreement or an Officer's Certificate. Whenever amounts on deposit in a Rebate Fund shall be required to pay Rebate Amounts and any other obligations under Section 148 of the Tax Code in connection with a Related Series of Bonds, HRTAC shall direct the Trustee to transfer such amounts to or on behalf of HRTAC for such purpose. HRTAC may direct the Trustee to 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 in a Related Series Supplement, a Related Tax Regulatory Agreement or an Officer's Certificate.

Permitted Investments and Valuation of Funds

Permitted Investments. Subject to the provisions of any Supplemental Indenture, any amounts held in any Fund or Account established by the 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 an HRTAC Representative, in any investments that are at the time (i) 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 and the Government Non-Arbitrage Investment Act, Chapter 47 of Title 2.2 of the Virginia Code or any successor provision of law, (ii) authorized by HRTAC's Statement of Investment Policy then in effect, and (iii) structured to permit adequate liquidity to permit the purpose of such Fund or Account to be satisfied. 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 33.2-1525 of the Virginia Code for excess funds in the Transportation Trust Fund.

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 and HRTAC shall sell and reduce to cash a sufficient amount of investments whenever the case balance in any Fund or Account is insufficient for its purposes.

Valuation of Investments. Unless otherwise provided in a Supplemental Indenture, HRTAC or the Trustee shall value the investments in each Fund and Account established under the 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.

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.

Discharge and Defeasance

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 as described under the heading "Defeasance" 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 the Master Indenture, and

(b) All of the covenants, agreements, obligations, terms and conditions of HRTAC under the 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 of the Master Indenture, then the right, title and interest of the Trustee in the trust estate granted pursuant the Master Indenture will thereupon cease and the Trustee, on the request of and at the expense of HRTAC, shall release the 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 the Bonds.

Provision for Payment of Particular Bonds. If HRTAC shall pay or provide for the payment of all or part of the indebtedness on particular Bonds in any one or more of the following ways:

- (a) 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;
- (b) by delivering such Bonds to the Trustee for cancellation; or
- (c) 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 will verify to the Trustee's satisfaction; 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 the 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 the Master Indenture except as described below.

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 described above.

Upon such defeasance all rights of HRTAC, including its right to provide for optional redemption of such 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.

When a Transportation Bond is deemed to be paid as described above, it shall no longer be secured by or entitled to the benefits of the 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 payment and redemption provisions of the Master Indenture.

Events of Default and Remedies Upon Default

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

- (a) default in the payment of any installment of interest in respect of the any Series of Bonds as the same shall become due and payable; or
- (b) default in the payment of the principal of or premium, if any, in respect of any Series of Bonds as the same shall become due and payable either at maturity, upon redemption, or otherwise; or
- (c) default in the payment of any Amortization Requirement in respect of any Bond that is a Term Bond as the same shall become due and payable; or

(d) 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 the Master Indenture, a Series Supplement, a Tax Regulatory Agreement or any Bond (a "Covenant Event of Default"), subject to the provisions described in the subsection "Notice of Certain Defaults; Opportunity to Cure Such Defaults" below; or

(e) 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 the 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.

Notwithstanding any other provision of the Master Indenture, failure to pay the principal or any Amortization Requirement of or interest on any Intermediate Lien Obligation or Subordinate Obligation will not constitute an Event of Default with respect to any of the Senior Bonds, and failure to pay the principal or any Amortization Requirement of or interest on any Subordinate Obligation will not constitute an Event of Default with respect to any of the Intermediate Lien Obligations.

An Event of Default with respect to one Series of Bonds shall not cause an Event of Default with respect to any Series of Bonds unless such event or condition independently constitutes an Event of Default with such other Series of Bonds.

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; provided, however, no such Series Supplement shall provide for any acceleration of the full principal amount of any Bonds.

Remedies Upon Default. If an Event of Default occurs and is continuing, there shall be no right of acceleration with respect to any Bonds but the Trustee may, and upon the written request to the Trustee by the Majority Owners shall, subject to the indemnity requirements of the Master Indenture, protect and enforce its rights and the rights of the Owners of such Bonds by such suits, actions or proceedings to enforce payment of and receive any and all amounts due from the Commission hereunder, together with any and all costs and expenses of proceedings and collections, and to collect (but solely from HRTAC Revenues available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Without limiting the generality of the foregoing, the Commission shall not enter into any agreement, including, without limitation, a Credit Facility, continuing covenants agreement or similar direct purchase agreement, which purports to create any rights of acceleration of any Bonds; provided, however, the following shall not be considered acceleration for purposes of this paragraph: (i) termination payments under any Hedge Agreement; and (ii) term-outs of Reimbursement Obligations under Bond Credit Facilities that occur as a result of (A) mandatory tender for purchase of the Bonds or (B) revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase of the Bonds.

Control of Remedies. Notwithstanding anything in the 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 the Master Indenture on the Trustee or the Owners.

So long as any Senior Bonds are Outstanding, no owner or holder of any Intermediate Lien Obligation or any Subordinate Obligation may exercise any remedy under the Master Indenture or any Supplemental Indenture, and so long as any Intermediate Lien Obligations are Outstanding, no owner or holder of any Subordinate Obligation may exercise any remedy under the Master Indenture or any Supplemental Indenture.

Restriction on Owners' Actions. No Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or any remedy under the 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 the Master Indenture, or of which it is deemed to have notice thereunder; (ii) the Majority Owners have 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 the 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 the Master Indenture; 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 the Master Indenture or for any other remedy under the Master Indenture. It is intended that no one or more Owners will have any right to affect, disturb or prejudice the security of the Master Indenture, or to enforce any right under the Master Indenture or the Bonds, except in the manner provided for in the Master Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Master Indenture and for the benefit of all Owners. Nothing in the Master Indenture will affect or impair the right of the Owners generally to enforce payment of the Bonds in accordance with their terms.

Power of Trustee to Enforce. All rights of action under the Master Indenture or under any of the Bonds secured by it that 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 the Master Indenture.

Waiver of Events of Default; Effect of Waiver. 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 the 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 the Master Indenture.

Application of Money. Any amounts received by the Trustee following an Event of Default 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 the Master Indenture, be deposited in an appropriate Account established and held by the Trustee and shall be applied as follows:

FIRST: To the payment of the persons entitled to it of all installments of interest then due on the Senior 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 on any of the Senior Bonds which have become due (other than Senior Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Senior 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 Intermediate Lien 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;

FOURTH: To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Intermediate Lien Obligations that have become due (other than Intermediate Lien Obligations matured or called for redemption for the payment of which money is held pursuant to the provisions of the Master Indenture), in the order of their due dates and, if the amount available is not sufficient

to pay in full such Intermediate Lien 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;

FIFTH: 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

SIXTH: 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 the 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.

Whenever money is to be applied as described above, 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.

Notice of Certain Defaults; Opportunity to Cure Such Defaults. Notwithstanding anything to the contrary in the Master Indenture, no Covenant Event of Default will occur 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 applicable period, it will not constitute an Event of Default if corrective action is instituted by HRTAC within the applicable period and diligently pursued (as determined by the Trustee) until the default is corrected.

Rights of Bond Credit Provider. Notwithstanding anything contained in the 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.

Amendments and Supplemental Indentures

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 the Master Indenture or any Supplemental Indenture for any one or more of the following purposes:

- (a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in the Master Indenture or in a Supplemental Indenture;
- (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;
- (c) To permit the appointment of a co-Trustee or additional Paying Agents under the Master Indenture;
- (d) To subject to the lien and pledge of the Master Indenture additional revenues, properties or collateral;

(e) To provide for the issuance of coupon Bonds if authorized under the Related Supplemental Indenture;

(f) To amend certain provisions of the Master Indenture or any Supplemental Indenture 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 the Master Indenture or any Supplemental Indenture, of the HRTAC Revenues or any other moneys, property or Funds or Accounts;

(h) To modify, amend or supplement the 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 the 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 the 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 the Master Indenture;

(l) To make any changes necessary to comply with the requirements of a Rating Agency, a Bond Credit Provider, or an DSRF Credit Provider that, as expressed in a written finding or determination by HRTAC (which shall be stated in the Related Supplemental Indenture, and may be based on an Opinion of Bond Counsel or the written opinion of HRTAC's financial advisor), 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 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 such Bonds then Outstanding, as expressed in a written determination or finding by HRTAC (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Bond Counsel or the written opinion of HRTAC's financial advisor); and

(n) To restate in one document the Master Indenture and all Supplemental Indentures, which restatement shall then become the Master Indenture for all purposes, effective as of the date of the 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. Supplemental Indentures 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.

Exclusive of Supplemental Indentures covered above and subject to the terms and provisions contained above, the Majority Owners shall have the right from time to time, notwithstanding any other provision of the Master 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 the Master Indenture or in any Supplemental Indenture; provided, however, that without the consent and approval of the Owners of all of the affected Senior Bonds, Intermediate Lien Obligations or Subordinate Obligations, as applicable, then Outstanding nothing in the Master

Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any such Senior Bond, Intermediate Lien Obligation or Subordinate Obligation, (ii) a reduction in the principal amount of any such Senior Bond, Intermediate Lien Obligation or Subordinate Obligation or the rate of interest on it, (iii) a privilege or priority of any such Senior Bond over any other Senior Bond, any such Intermediate Lien Obligation over any other Intermediate Lien Obligation, or any such Subordinate Obligation over any other Subordinate Obligation, or (iv) a reduction in the aggregate principal amount of Senior Bonds, Intermediate Lien Obligations or Subordinate Obligations 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 expressed above, 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 such Bonds; provided, however, that failure to give such notice by mailing, or any defect in it, shall not affect the validity of any proceedings regarding such Supplemental Indenture. 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, no Owner of any such 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 permitted as described above, the 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 for purposes of entering into Supplemental Indentures. At the time of any such calculation, HRTAC shall furnish the Trustee an Officer's Certificate describing all such Bonds so to be excluded.

Anything contained in the 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.

THE FOURTH SERIES SUPPLEMENT

Authorization and Details of 2020A Bonds

The Fourth Series Supplement authorizes the issuance pursuant to the Master Indenture of the Series 2020A Bonds. The details as to principal, interest, and redemption terms are set forth in the Fourth Series Supplement and are consistent with the provisions of the Series 2020A Bonds as described in the Official Statement.

Establishment of Funds

The Fourth Series Supplement creates the following funds to be held by the Trustee:

1. the 2020A Cost of Issuance Fund;
2. the 2020A Project Fund;
3. the 2020A Bond Debt Service Fund, in which there is established the 2020A Capitalized Interest Subaccount; and
4. the 2020A Rebate Fund.

On the date of issuance of the Series 2020A Bonds, the Trustee shall apply the amounts received from the underwriters of the Series 2020A Bonds in payment therefor to the 2020A Cost of Issuance Fund, the 2020A Capitalized Interest Subaccount, and the 2020A Project Fund as provided in the Fourth Series Supplement.

The money and investments held in the 2020A Project Fund and in the 2020A Bond Debt Service Fund are pledged to secure the Series 2020A Bonds.

Cost of Issuance Fund

HRTAC shall apply the amounts in the 2020A Cost of Issuance Fund to pay the issuance and financing costs of the Series 2020A Bonds. Any amount deposited in the 2020A Cost of Issuance Fund that is not applied in accordance with the Master Indenture to pay the costs of issuance of the Series 2020A Bonds shall be transferred by HRTAC to the Project Fund and applied as set forth below.

Project Fund

The Trustee will apply the amounts in the 2020A Project Fund to the payment or reimbursement of the costs of certain projects as directed by HRTAC. Disbursements from the 2020A Project Fund shall be made by the Trustee to HRTAC or as directed by HRTAC upon receipt by the Trustee of a requisition signed by an HRTAC Representative and containing all information called for by the Fourth Series Supplement.

Bond Debt Service Fund

Each monthly transfer into the 2020A Bond Debt Service Fund under the Master Indenture shall be in an amount not less than the sum of (i) one-sixth of the interest due on the Series 2020A Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2020A Bonds at maturity or upon mandatory redemption on the next ensuing Principal Payment Date, less (iii) accrued interest and any other interest earnings currently on deposit therein.

Rebate Fund

The Trustee shall invest and apply amounts on deposit in the 2020A Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the Master Indenture.

Tax Regulatory Agreement

HRTAC agrees that it will not directly or indirectly use or permit the use of the proceeds of the Series 2020A Bonds except in accordance with the 2020A Tax Regulatory Agreement. 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 Series 2020A 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 Series 2020A Bonds or any other funds of HRTAC or take or omit to take any action that would cause the Series 2020A 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 Section 148(f)(2) and (3) of the Tax Code, to the extent applicable to the Series 2020A Bonds.

The Trustee agrees to comply with all written instructions of an HRTAC Representative given in accordance with the 2020A Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2020A 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 instructions (upon which the Trustee and HRTAC may conclusively rely) so as to enable HRTAC to perform its covenants under the Master Indenture and the Fourth Series Supplement.

Notwithstanding any provisions of the Fourth Series Supplement, 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 the Fourth Series Supplement by incorporation or otherwise is not required or is no longer required to maintain the excludability from gross income of the interest on the Series 2020A Bonds under Section 103 of the Tax Code, HRTAC and the Trustee may rely conclusively on such opinion in complying with the provisions of the Master Indenture and the Fourth Series Supplement.

APPENDIX B

FINANCIAL STATEMENTS OF HRTAC FOR THE FISCAL YEAR ENDED JUNE 30, 2019

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated _____, 2020 (the “Disclosure Undertaking”), is executed and delivered by the Hampton Roads Transportation Accountability Commission (the “Commission”), in connection with the issuance by the Commission of its \$_____ Hampton Roads Transportation Fund [Senior][Intermediate] Lien Bonds, Series 2020A (the “Series 2020A Bonds”). The Commission hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Undertaking is being executed and delivered by the Commission for the benefit of the holders of the Series 2020A Bonds and in order to assist the original purchasers of the Series 2020A Bonds in complying with the provisions of Section (b)(5)(i) of Securities and Exchange Commission (“SEC”) Rule 15c2-12, as amended (the “Rule”), by providing certain annual financial information and event notices required by the Rule (collectively, “Continuing Disclosure”).

Section 2. Annual Disclosure.

(a) The Commission shall provide annually certain financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) the audited financial statements of the Commission prepared in accordance with accounting principles generally accepted in the United States; and

(ii) updated operating data of the type described in the Official Statement for the Series 2020A Bonds in (A) Table I: “Historical Hampton Roads Transportation Fund Revenues,” (B) Appendix E, Table 1: “HRTF Revenues Fiscal Year 2014 to Date,” (C) Appendix E, Table 2: “Hampton Roads Transportation Fund (HRTF) Revenues and Expenditures,” and (D) Appendix E, Table 3: “Hampton Roads Transportation Fund (HRTF) Transportation Project Expenditures.”

(b) The Commission shall file annually with the Municipal Securities Rulemaking Board (the “MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) within 180 days after the end of the Commission’s fiscal year, commencing with the Commission’s fiscal year ending June 30, 202__.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Commission shall file with the MSRB in a timely manner notice specifying any failure of the Commission to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Commission shall file with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Series 2020A 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 Series 2020A Bonds, or other material events affecting the tax status of the Series 2020A Bonds;
- (g) modifications to rights of Bondholders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the Series 2020A Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2020A Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Commission;
- (m) the consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, 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;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) incurrence of a “Financial Obligation”* of the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect Bondholders of the Series 2020A Bonds, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflect financial difficulties.

Section 4. Termination. The obligations of the Commission hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Series 2020A Bonds.

Section 5. Amendment. The Commission may modify its obligations hereunder without the consent of Bondholders, provided that this Disclosure Undertaking as so modified complies with the Rule as it exists at the time of modification. The Commission shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Commission fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Undertaking, any holder (within the meaning of the Rule) or beneficial holder of Bonds then outstanding may, by notice to the Commission, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Commission’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Commission to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Undertaking (i) shall not be deemed to constitute an event of default under the Series 2020A Bonds or the Master Indenture of Trust, and any supplement

* “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

thereto, providing for the issuance of the Series 2020A Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access (EMMA) system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Commission may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Commission will not incur or be subject to any obligation or duty to continue to provide, or to update, such additional information or data.

Section 9. Dissemination Agent. The Commission may, in its discretion, from time to time appoint or engage an entity to serve as Dissemination Agent to assist the Commission in fulfilling its covenants and obligations regarding this Disclosure Undertaking. HRTAC anticipates utilizing the services of Digital Assurance Certification, L.L.C. to serve as Dissemination Agent.

Section 10. Counterparts. This Disclosure Undertaking may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11. Governing Law. This Disclosure Undertaking shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
Linda T. Johnson, Chair

By: _____
Kevin B. Page, Executive Director

APPENDIX D

**DEMOGRAPHIC, ECONOMIC AND FINANCIAL INFORMATION
REGARDING PLANNING DISTRICT 23 AND THE HAMPTON ROADS MSA**

APPENDIX E

HRTAC REVENUES AND EXPENSES

APPENDIX F

FORM OF BOND COUNSEL OPINION

APPENDIX G

**INFORMATION REGARDING THE DEPOSITORY
TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM**

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and premium, if any and interest on the Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission or the Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Commission or the Registrar subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Commission or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but the Commission takes no responsibility for the accuracy thereof.

Neither the Commission nor the Registrar has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Master Indenture to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Bonds for all purposes under the Master Indenture.

The Commission may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of Beneficial Owners or Bondholders.

FOURTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

between

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

Dated as of _____, 2020

Authorizing the Issuance of

\$_____

**Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund
[Senior][Intermediate] Lien Revenue Bonds
Series 2020A**

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[To be updated, along with Exhibits, Schedules, and Section references.]

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Series 6.1 Security for 2020 Bonds. The 2020 Bonds shall be issued pursuant to the Master Indenture and this Fourth Series Supplement as [Senior][Intermediate] Lien Obligations and shall be (a) equally and ratably secured with respect to the HRTAC Revenues and certain Funds, Accounts and Subaccounts established under the Master Indenture with any other Series of [Senior] Lien Obligations of HRTAC issued pursuant to Article V of the Master Indenture, without preference, priority or distinction of any [Senior] Lien Obligations over any other [Senior] Lien Obligations, and (b) secured with respect to certain Funds, Accounts and Subaccounts in accordance with the provisions of this Third Series Supplement. Notwithstanding anything in the Indenture to the contrary

and as provided in Section 2.1(b) of the Master Indenture, the money and investments held in the 2020 Project Fund and in the 2020 Bonds Debt Service Fund, including the 2020 Capitalized Interest Subaccount, are pledged to secure the 2020 Bonds.

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FOURTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

This **FOURTH SUPPLEMENTAL SERIES INDENTURE OF TRUST** (this “Fourth Series Supplement”) is made as of _____ 1, 2020, between the **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION**, a body politic and a political subdivision of the Commonwealth of Virginia (“HRTAC”), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, and its successors, as trustee (the “Trustee”).

RECITALS

WHEREAS, HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the authority 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 additional sales and use tax revenues described in Section 58.1-638.H.2 of the Virginia Code and the additional 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”), HRTAC shall use the moneys deposited in the HRTF solely for the purposes of (i) 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, and (ii) paying HRTAC’s administrative and operating expenses as provided in the Annual Budget;

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 “Bonds”) for any of HRTAC’s purposes;

WHEREAS, Section 33.2-1920 of the Virginia Code permits the 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 Bonds shall not constitute debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC, 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, HRTAC has executed and delivered to the Trustee a Master Indenture of Trust dated as of February 1, 2018 (as supplemented and amended, the “Master Indenture”), under which, among other things, HRTAC has provided for the financing and refinancing of the costs of Projects through the issuance from time to time of Bonds, payable from and secured by the HRTAC Revenues;

WHEREAS, HRTAC now desires to issue, sell, and deliver under the Master Indenture its [Senior] [Intermediate] Lien Revenue Bonds, Series 2020A, in the principal amount of

\$_____ (the “2020 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 “2020 Bond Projects”); [(b) pay capitalized interest on the 2020 Bonds;] and (c) pay the costs of issuance of the Series 2020A Bonds.

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, which shall consist of this Fourth Series Supplement; and

WHEREAS, all things necessary to make the 2020 Bonds valid and binding limited obligations of HRTAC, when authenticated and issued as provided in this Fourth Series Supplement, and to constitute this Fourth Series Supplement a valid and binding Series Supplement securing the payment of the principal of and premium, if any, and interest on the 2020 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 2020 Bonds, as follows:

ARTICLE I **SERIES SUPPLEMENT**

Section 1.1 Series Supplement This Fourth 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 2020 Bonds, except as otherwise expressly stated in this Fourth Series Supplement.

Section 1.2 Definitions. All capitalized words and terms used in this Fourth Series Supplement, including in the Recitals, shall have the meanings set forth in Article I of the Master Indenture unless the context clearly requires a different or separate meaning. In addition, the following words and terms have the following meanings in this Fourth Series Supplement unless the context clearly requires otherwise:

“2020 Bond Projects” means, collectively, (i) the Projects described in Exhibit A hereto, or (ii) such other Projects subject to Bond Counsel approval that are financed from time to time with proceeds of the Series 2020A Bonds.

“2020 Bonds” means the Series of Senior Bonds authorized to be issued under Section 2.1(a) of this Fourth Series Supplement.

“2020 Bond Debt Service Fund” means the Bond Debt Service Fund Related to the 2020 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Fourth Series Supplement.

“2020 Cost of Issuance Fund” means the Cost of Issuance Fund Related to the 2020 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Fourth Series Supplement.

“2020 Project Fund” means the Project Fund Related to the 2020 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Fourth Series Supplement.

“2020 Rebate Fund” means the Rebate Fund Related to the 2020 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Fourth Series Supplement.

“Fourth Series Supplement” means this Fourth Supplemental Indenture of Trust dated as of _____ 1, 2020, between HRTAC and the Trustee, being a Series Supplement with respect to the Series 2020A Bonds pursuant to the provisions of the Master Indenture.

“2020 Tax Regulatory Agreement” means the Tax Certificate and Regulatory Agreement dated the Closing Date made by HRTAC for the benefit of the Trustee and the Owners of the 2020 Bonds.

“Closing Date” means the date of the issuance, authentication and delivery of the 2020 Bonds.

“Closing Memorandum” means the Closing Memorandum for the 2020 Bonds, a copy of which is attached as Exhibit D.

“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 Fourth Series Supplement.

“Dated Date” means the Closing Date.

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

“Letter of Representations” means HRTAC’s Blanket Issuer Letter of Representations to DTC dated January 22, 2018.

“Master Indenture” means the Master Indenture of Trust dated as of February 1, 2018, 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 that may hereafter be added to HRTAC by amendment to the Virginia Code.

[“Partial Refunding Bonds”] means any Bonds issued under the Master Indenture to refund and defease the 2020 Bonds in part (for example, to refund and defease only the callable 2020 Bonds).]

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

[“**TIFIA Loan Agreement**” means the TIFIA Loan Agreement, dated December 10, 2019, by and between HRTAC and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, as amended or supplemented from time to time.]

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 2020 Bonds, to execute this Fourth Series Supplement, and to pledge and grant the security provided herein subject to the Master Indenture, (ii) all action on its part necessary for the execution and delivery of this Fourth Series Supplement has been taken, and (iii) the 2020 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 2020 BONDS**

Section 2.1 Authorization of 2020 Bonds. (a) There is authorized to be issued pursuant to the Master Indenture HRTAC’s [Senior][Intermediate] Lien Revenue Bonds, Series 2020A, in the principal amount of \$_____.

(b) The proceeds of the 2020 Bonds shall be used for the purposes set forth in the recitals.

(c) The 2020 Bonds are being issued to pay the costs of 2020 Bonds Projects .

(d) The 2020 Bonds are secured as provided in Article VI of this Fourth Series Supplement.

(e) Interest on the 2020 Bonds through _____, 20__ shall be payable from amounts on deposit in the 2020 Capitalized Interest Subaccount for so long as there are sufficient amounts therein or otherwise and thereafter as described in Article V of this Fourth Series Supplement. Principal due on the 2020 Bonds on the 2020 Bonds [Principal Payment Date] shall be payable from amounts available in the Funds and Accounts as described in Article V of this Fourth Series Supplement, and otherwise as provided in Section 6.2 hereof.]

Section 2.2 Details of 2020 Bonds. (a) The 2020 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 _____, 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>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %	<u>Year</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
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(a) Each 2020 Bond shall bear interest (i) from the Dated Date, if such 2020 Bond is authenticated before _____, 20____, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 2020 Bond is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 2020 Bond shall bear interest from the date to which interest has been paid. Interest on the 2020 Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

(b) Interest on the 2020 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 2020 Bond owns at least \$_____ in aggregate principal amount of 2020 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 2020 Bonds shall be payable to the Owners thereof upon the surrender of the 2020 Bonds at the Trustee's corporate trust office in Richmond, Virginia.

(c) Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is Owner of all of the 2020 Bonds, principal of and premium, if any, and interest on the 2020 Bonds shall be payable as provided in the Letter of Representations.

(d) The principal of and premium, if any, and interest on the 2020 Bonds shall be payable in lawful money of the United States of America.

(e) If the principal of any 2020 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 such 2020 Bond.

Section 2.3 Book Entry Provisions for the 2020 Bonds. (a) The 2020 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 2020 Bonds will not receive physical delivery of the 2020 Bonds. Individual purchases of the 2020 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 2020 Bonds are held in book-entry format, payments of principal of and premium, if any, and interest on the 2020 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 2020 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 2020 Bonds to the beneficial owners of the 2020 Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 2020 Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 2020 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 2020 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 2020 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 Fourth Series Supplement to be given to Owners of the 2020 Bonds, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 2020 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 2020 Bonds, references in the Master Indenture or this Fourth Series Supplement to the Owners or registered owners of the 2020 Bonds shall mean Cede & Co. and not the beneficial owners of the 2020 Bonds. Any notice to or consent requested of Owners of 2020 Bonds under the Master Indenture or this Fourth 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 2020 Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 2020 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 2020 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 Fourth Series Supplement) to which the Participants are entitled for delivery to the beneficial owners of the 2020 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 Fourth Series Supplement.

Section 2.4 Form of 2020 Bonds. The Series 2020A Bonds shall be issued substantially in the form set forth in Exhibit B to this Fourth Supplemental Indenture, with such appropriate variations, omissions and insertions as permitted or required by the Master Indenture and this Fourth Supplemental Indenture. There may be endorsed on the Series 2020A 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 2020 Bonds. Each 2020 Bond shall bear a certificate of authentication, substantially as set forth in the form of the 2020 Bond attached as Exhibit B, duly executed by the Trustee. The Trustee shall authenticate each 2020 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 2020 Bonds. Only such authenticated 2020 Bonds shall be entitled to any right or benefit under the Master Indenture or this Fourth Series Supplement, and such certificate on any 2020 Bond shall be conclusive evidence that the 2020 Bond has been duly issued under and is secured by the provisions of the Master Indenture and this Fourth Series Supplement.

ARTICLE III REDEMPTION OF 2020 BONDS

Section 3.1 Optional Redemption. (a) HRTAC may call the 2020 Bonds for optional redemption only as provided in this section.

(b) The 2020 Bonds maturing on or before _____, 20__, shall not be subject to redemption at HRTAC's option before their respective maturity dates.

(c) The 2020 Bonds maturing on or after _____, 20__, 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 _____, 20__, 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 2020 Bonds may be a Conditional Redemption.

Section 3.2 Mandatory Redemption.

(a) The Series 2020A Bonds maturing on _____, 20__, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year (July 1)</u>	<u>Principal Amount</u>
	\$

(b) The Series 2020A Bonds maturing on _____, 20___, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year (July 1)</u>	<u>Principal Amount</u>
	\$

Section 3.3 Selection of 2020 Bonds for Redemption. (a) In connection with any optional redemption of 2020 Bonds, HRTAC shall select the maturities of serial bonds, and portions of the amortization of term bonds, that shall be redeemed and shall designate such selections in an Officer's Certificate.

(b) In the case of any partial redemption of a serial maturity of the 2020 Bonds, the particular 2020 Bonds of such maturity 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 2020 Bonds shall be counted as one 2020 Bond for purposes of selecting 2020 Bonds for a partial redemption.

(d) If a 2020 Bond shall be called for partial redemption, upon its surrender a new 2020 Bond, representing the unredeemed balance of the principal amount of the 2020 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 first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days before the redemption date, to all Owners of 2020 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 2020 Bonds of any other Owners to whom such notice was properly given.

(b) The Trustee shall give further notice of such redemption in accordance with its procedures to (i) all registered national securities depositories then in the business of holding substantial amounts of obligations of types similar to the 2020 Bonds and (ii) to at least one national information service that disseminates notices of redemption of obligations such as the 2020 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 2020 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 2020 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 2020 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 Fourth Series Supplement and shall not be deemed to be Outstanding under the provisions of the Master Indenture and this Fourth Series Supplement.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the 2020 Bonds.

(c) The Trustee shall authenticate and deliver the 2020 Bonds when there have been filed with it the following:

i. The various documents, certificates and opinions required under Section 5.3 of the Master Indenture; and

ii. An Officer's Certificate showing compliance with the provisions of Section [8.4 of the Second Series Supplement] and [Section 17(a) of the TIFIA Loan Agreement], with respect to the issuance of the 2020 Bonds as [Senior] [Intermediate] Lien Obligations, and delivery of the documents specified in [Section 13(c) of the TIFIA Loan Agreement].

ARTICLE IV

ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS

Section 4.1 Establishment of Funds and Accounts for the 2020 Bonds. (a) In accordance with Section 7.1 of the Master Indenture, the following Funds are hereby established for the 2020 Bonds: (i) the 2020 Cost of Issuance Fund, (ii) the 2020 Project Fund, (iii) the 2020 Bond Debt Service Fund, and (iv) the 2020 Rebate Fund.

(b) All of the Funds [and Accounts] established pursuant to this Section shall be held by the Trustee.

(c) As provided in Section 2.1(b) of the Master Indenture, the money and investments held in the 2020 Project Fund and in the 2020 Bond Debt Service Fund are pledged to secure the 2020 Bonds.

Section 4.2 Application of Sale Proceeds of the 2020 Bonds. As provided in the Closing Memorandum, on the Closing Date, the Trustee shall apply the total amount received from the underwriters of the 2020 Bonds in payment therefor (i.e., \$_____), which is the principal amount of \$_____, [plus][minus] [net] original issue [premium][discount] of \$_____, less underwriting discount of \$_____), as follows:

(1) \$_____ shall be deposited in the 2020 Cost of Issuance Fund; and

(2) \$_____ shall be deposited in the 2020 Project Fund.

ARTICLE V

APPLICATION OF CERTAIN FUNDS

Section 5.1 Cost of Issuance Fund. (a) The Trustee shall apply the amounts in the 2020 Cost of Issuance Fund to pay the issuance and financing costs of the 2020 Bonds as directed by HRTAC. Disbursements from the 2020 Cost of Issuance 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-1.

(b) Any amount deposited in the 2020 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 2020 Bonds shall be transferred by HRTAC to the Project Fund and applied as set forth in Section 5.2 below.

Section 5.2 Project Fund. (a) The Trustee will apply the amounts in the 2020 Project Fund to the payment or reimbursement of the costs of the 2020 Bond Projects as directed by HRTAC. Disbursements from the 2020 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-2.

(b) If the Trustee receives an Officer's Certificate stating that certain amounts in the 2020 Project Fund will not be necessary to pay the costs of the 2020 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 2020 Bonds.

Section 5.3 Bond Debt Service Fund. Each monthly transfer into the 2020 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 2020 Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the 2020 Bonds at maturity or upon mandatory redemption on the next ensuing [Principal Payment Date], less (iii) accrued interest and any other interest earnings currently on deposit therein.

Section 5.4 Rebate Fund. The Trustee shall invest and apply amounts on deposit in the 2020 Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the Master Indenture.

ARTICLE VI SPECIAL COVENANTS

Series 6.1 Security for 2020 Bonds. The 2020 Bonds shall be issued pursuant to the Master Indenture and this Fourth Series Supplement as [Senior][Intermediate] Lien Obligations and shall be (a) equally and ratably secured with respect to the HRTAC Revenues and certain Funds, Accounts and Subaccounts established under the Master Indenture with any other Series of [Senior] Lien Obligations of HRTAC issued pursuant to Article V of the Master Indenture, without preference, priority or distinction of any [Senior] Lien Obligations over any other [Senior] Lien Obligations, and (b) secured with respect to certain Funds, Accounts and Subaccounts in accordance with the provisions of this Third Series Supplement. Notwithstanding anything in the Indenture to the contrary and as provided in Section 2.1(b) of the Master Indenture, the money and investments held in the 2020 Project Fund and in the 2020 Bonds Debt Service Fund, including the 2020 Capitalized Interest Subaccount, are pledged to secure the 2020 Bonds.

Section 6.2 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 2020 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 2020 Bonds or any other funds of HRTAC or take or omit to take any action that would cause the 2020 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 2020 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 2020 Bonds except in accordance with the 2020 Tax Regulatory Agreement and (ii) insofar as the 2020 Tax Regulatory Agreement imposes duties and responsibilities on HRTAC, the 2020 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 2020 Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2020 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 instructions (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 2020 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.

[Insert TIFIA Information]

ARTICLE VII

MISCELLANEOUS

Section 7.1 Successors and Assigns. This Fourth Series Supplement is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 7.2 Severability. If any provision of this Fourth Series Supplement is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 7.3 Governing Law. This Fourth Series Supplement will be governed by and construed under the applicable laws of the Commonwealth.

Section 7.4 Counterparts. This Fourth 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 7.5 Parties Interested. Nothing in this Fourth 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 2020 Bonds, any right, remedy or claim under or by reason of this Fourth

Series Supplement, this Fourth Series Supplement being intended for the sole and exclusive benefit of HRTAC, the Trustee and the Owners of the 2020 Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Trustee have caused this Fourth 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: _____
Linda T. Johnson
Chair

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee**

By: _____
[Joy Holloway]
Vice President

[Signature Page of Fourth Series Supplement]

EXHIBIT A

DESCRIPTION OF 2020 BOND PROJECTS

All or a portion of the following projects:

1. Hampton Roads Bridge Tunnel project; and
2. Such other Projects that the Commission [and the Hampton Roads Transportation Planning Organization] have approved for Commission financing proceeds of Bonds issued under the Master Indenture, including the 2020 Bonds, and as may be approved by written opinion of Bond Counsel may be financed with proceeds of the 2020 Bonds.

EXHIBIT B
FORM OF 2020 BOND

REGISTERED		CUSIP
R-_____		_____

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

**HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR][INTERMEDIATE] LIEN REVENUE BOND
SERIES 2020A**

INTEREST RATE	MATURITY DATE	DATED DATE
_____ %	_____ 1, 20____	_____, 20____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION, a body politic and 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 WILMINGTON TRUST, NATIONAL ASSOCIATION, 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 _____ 1 and _____ 1, commencing _____ 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 February 1, 2018 (the “Master Indenture”), between HRTAC and Wilmington Trust, National Association, or its successor, as trustee (the “Trustee”), as supplemented by the Fourth Supplemental Series Indenture of Trust dated as of _____, 2020 (the “Fourth 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 _____ 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 Senior 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 [Senior][Intermediate] Lien Revenue Bonds, Series 2020A (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, December 14, 2017, _____, and the Indenture, to provide proceeds to be used, along with other available funds, to pay the issuance and financing costs of the Bonds, and to pay the costs of the construction and acquisition of the transportation facilities and projects described in Exhibit A to the Fourth Series Supplement. The Bonds are issued as and constitute Senior Bonds within the meaning of such term in the Indenture.

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's authority to receive any or all of the taxes or other revenues pledged to the Trustee for payment of the Bonds pursuant to the Indenture is subject to appropriation by the General Assembly of the Commonwealth, and neither the General Assembly nor HRTAC can or will pledge, covenant or agree to impose or maintain at any particular rate or level any of such taxes or other revenues.

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 _____ 1, 20__, will not be subject to optional or mandatory redemption.

(2) The Bonds maturing on or after _____ 1, 20__, may be redeemed before maturity at the option of HRTAC from any available moneys on and after _____ 1, 20__, 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.

(3) The Series 2020A Bonds maturing on _____ 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
--------------------------------	-----------------------------------

(4) The Series 2020A Bonds maturing on _____ 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
--------------------------------	-----------------------------------

In connection with any optional redemption of Bonds, HRTAC shall select the maturities of serial bonds, and portions of the amortization of term bonds, that shall be redeemed. In the case of any partial redemption of a serial maturity of the Bonds, the particular Bonds of such maturity 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, postage prepaid, not less than twenty (20) nor more than sixty (60) 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 and this Bond to be dated the Dated Date.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
Linda T. Johnson
Chair

[Signature Page of the Bond]

* * * * *

CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____, 20____

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee**

By: _____

[Joy Holloway]
Vice President

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 the name of the registered owner as it appears on the front of this Bond.)

EXHIBIT C-1

FORM OF
2020 COST OF ISSUANCE FUND REQUISITION

Wilmington Trust, National Association, as Trustee

Requisition No. _____

Attn: _____

Dated: _____

Re: Direction to Make Disbursements from the 2020 Cost of Issuance Fund for the HRTAC Hampton Roads Transportation Fund [Senior][Intermediate] Lien Revenue Bonds

Pursuant to Section 5.1 of the Fourth Supplemental Series Indenture of Trust dated as of _____, 2020 (the “Fourth Series Supplement”), between the Hampton Roads Transportation Accountability Commission (“HRTAC”), and Wilmington Trust, National Association, as trustee (the “Trustee”), the Trustee is directed to disburse from the 2020 Cost of Issuance Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the Fourth 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 undersigned is a “HRTAC Representative” within the meaning of the Fourth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT C-2

FORM OF
2020 PROJECT FUND REQUISITION

Wilmington Trust, National Association, as Trustee

Attn: _____

Requisition No. _____
Dated: _____

Re: Direction to Make Disbursements from the 2020 Project Fund for the HRTAC
Hampton Roads Transportation Fund [Senior][Intermediate] Lien Revenue Bonds

Pursuant to Section 5.2 of the Fourth Supplemental Series Indenture of Trust dated as of _____, 2020 (the “Fourth Series Supplement”), between the Hampton Roads Transportation Accountability Commission (“HRTAC”), and Wilmington Trust, National Association, as trustee (the “Trustee”), the Trustee is directed to disburse from the 2020 Project Fund the amount indicated below.

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

The undersigned certifies as follows:

4. 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.]

5. The total amount to be disbursed is \$_____.

6. The project for which the obligation(s) to be paid was/were incurred:
_____.

7. The undersigned is a “HRTAC Representative” within the meaning of the Fourth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT D

CLOSING MEMORANDUM

(See Attached)

**HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR][INTERMEDIATE] LIEN REVENUE BONDS
SERIES 2020A**

BOND PURCHASE AGREEMENT

_____, 2020

Hampton Roads Transportation
Accountability Commission
Chesapeake, Virginia

Ladies and Gentlemen:

The undersigned _____ (the “Representative”), acting on behalf of itself, _____ (collectively, the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with the Hampton Roads Transportation Accountability Commission, a political subdivision of the Commonwealth of Virginia (the “Commission”), for the sale by the Commission and purchase by the Underwriters of \$_____ in aggregate principal amount of the Commission’s Hampton Roads Transportation Fund [Senior][Intermediate] Lien Revenue Bonds, Series 2020A (the “Series 2020A Bonds”). This offer is made subject to acceptance by the Commission of this Agreement, which acceptance shall be evidenced by the execution and delivery of this Agreement by a duly authorized officer of the Commission, prior to 5:00 p.m., Eastern Time, on the date hereof and, upon such acceptance, execution and delivery, this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Commission and the Underwriters, subject to Section 9 hereof. If not so accepted, the offer will be subject to withdrawal by the Representative upon written notice delivered to the Commission at any time prior to the acceptance hereof by the Commission.

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Official Statement (as defined in Section 3 hereof).

1. Purchase and Sale of Series 2020A Bonds. Upon the terms and conditions and in reliance on the representations, warranties, and covenants contained in this Agreement, the Underwriters hereby agree to purchase from the Commission, and the Commission hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the Series 2020A Bonds at the purchase price of \$_____ (representing the sum of the par amount of the Series 2020A Bonds, plus original issue premium of \$_____ less an underwriting discount of \$_____) (the “Purchase Price”). The Purchase Price shall be payable to the Commission on the Closing Date (as defined herein), by wire transfer of Federal Funds as provided in Section 7 below. The Series 2020A Bonds shall be as described in, authorized by, and issued and secured under the hereinafter

described Indenture, shall be dated the date of delivery, shall bear interest at the rates and mature in principal amounts as described in the Official Statement and in Schedule I attached hereto.

The Representative has delivered to the Commission, and the Commission acknowledges receipt of, a wire transfer in the aggregate amount of \$_____, representing the good faith deposit of the Underwriters. At the Closing (hereinafter defined in Section 7 below), the good faith deposit, exclusive of any interest earned on such amount which shall accrue to the benefit of the Commission, will be deducted from the amount payable by the Underwriters with respect to the aggregate purchase price of the Series 2020A Bonds (and applied by the Commission as proceeds of the Series 2020A Bonds), and, accordingly, the Underwriters will wire \$_____(representing the \$____ purchase price, less the \$____ good faith deposit). If the Commission fails to deliver the Series 2020A Bonds at the Closing, or if the Commission is unable on or before the Closing to satisfy the conditions to the Underwriters' obligations contained in this Agreement, or if the obligations of the Underwriters are terminated for any reason permitted by this Agreement, the good faith deposit (with no credit for interest thereon) will be returned to the Representative. If the Underwriters fail (other than for a reason permitted in this Agreement) to accept delivery of and pay for the Series 2020A Bonds as provided in this Agreement, the good faith deposit will be retained by the Commission as full liquidated damages for such failure and for any and all defaults on the part of the Underwriters, and the delivery of the good faith deposit will constitute satisfaction, and will result in full release and discharge of the Underwriters and their affiliates from all claims and damages for such failure and for any and all defaults.

2. Background. The Series 2020A Bonds are authorized to be issued pursuant to the provisions of Chapter 26 of Title 33.2 of the Code of Virginia of 1950, as amended (the "HRTAC Act"), a resolution adopted by the Commission on _____, 2020 (the "Bond Resolution"), and the Master Trust Indenture dated as of February 1, 2018 (the "Master Indenture"), by and between the Commission and Wilmington Trust, National Association, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Series Indenture of Trust dated as of February 1, 2018 (the "First Supplemental Indenture"), the Second Supplemental Series Indenture of Trust dated as of December 1, 2019 (the "Second Supplemental Indenture"), and the Third Supplemental Series Indenture of Trust dated as of December 15, 2019 (the "Third Supplemental Indenture"), each between the Commission and the Trustee (the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, and the Third Supplemental Indenture are hereinafter collectively referred to as the "Indenture").

The proceeds of the Series 2020A Bonds, along with other available funds, will be used to finance the costs of the Hampton Roads Bridge Tunnel project, to fund a portion of [capitalized interest] on the Series 2020A Bonds, and to pay costs of issuance of the Series 2020A Bonds.

3. Delivery of Official Statement.

(a) The Commission has previously delivered to the Representative a Preliminary Official Statement dated _____, 2020, with respect to the Series 2020A Bonds (the "Preliminary Official Statement"), in electronic form, and represents that the Preliminary Official Statement was deemed final by the Commission as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of

1934 (the “Rule”), except for the omission of such information as is specified under the Rule. The Commission consents to the use of the Preliminary Official Statement by the Underwriters prior to the date hereof. The Commission also authorizes and consents to the references in the Preliminary Official Statement and in the Official Statement (as defined below) to the Indenture and other pertinent documents, and the use by the Underwriters of copies of the Indenture and other pertinent documents of the Commission in connection with the public offering and sale of the Series 2020A Bonds, including, without limitation, the Audited Financial Statements of the Commission for the Fiscal Year ended June 30, 2019 (the “Financial Statements”).

(b) Within seven (7) business days of the date hereof and, in any event, unless otherwise agreed to by the parties hereto, at least three (3) business days prior to Closing (as hereinafter defined), the Commission will deliver to the Underwriters copies of the final Official Statement relating to the Series 2020A Bonds in electronic word-searchable portable document format and dated the date hereof, in sufficient quantities to enable the Underwriters to comply with the Rule and other applicable rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (the “MSRB”). The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by the Rule, the Commission shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. By execution and delivery thereof by its Executive Director, the Commission shall deem the Official Statement complete as of its date within the meaning of the Rule (such final Official Statement, including the cover and inside cover pages and all appendices and statements included therein, incorporated by reference therein or attached thereto, together with any supplements thereto, being hereinafter called the “Official Statement”).

(c) The Representative shall submit a copy of the Official Statement to the MSRB’s Electronic Municipal Market Access System for municipal securities disclosures.

(d) The Commission agrees that it will cooperate with the Representative in the qualification of the Series 2020A Bonds for offering and sale and the determination of their eligibility for investment under the securities or “blue sky” laws of such jurisdictions as the Representative shall designate; provided, however, the Commission shall not be required to register as a dealer or broker in any such jurisdiction, execute a general or special consent to service of process or qualify to do business in connection with any such qualification of the Series 2020A Bonds in any jurisdiction other than Virginia, nor incur any costs or fees in connection with such qualification of the Series 2020A Bonds.

(e) To assist the Underwriters in complying with the Rule, the Commission (i) has executed and delivered a Rule 15c2-12 Compliance Certificate dated _____, 2020 (the “Rule 15c2-12 Compliance Certificate”); and (ii) will execute and deliver a Continuing Disclosure Undertaking dated _____, 2020 (the “Continuing Disclosure Undertaking”) wherein the Commission will agree to provide annual financial information and operating data, and notices of the occurrence of certain specified events.

The Continuing Disclosure Undertaking is described in, and a form thereof is attached as an Appendix to, the Preliminary Official Statement and shall also be included in the Official Statement.

(f) The Commission covenants and agrees to promptly notify the Representative if, during the period commencing on the date hereof through the date twenty-five (25) days after the “end of the underwriting period,” as hereinafter defined, any event shall occur including, but not limited to, any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Commission, and of which the Commission has knowledge, that would cause the Official Statement to contain any untrue or incorrect statement of a material fact or to omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and, if in the reasonable opinion of the Representative such event requires any amendment or supplement to the Official Statement, the Commission will at the Commission’s expense promptly amend or supplement the Official Statement in a form and manner jointly approved by the Commission and the Representative. Anything in this paragraph to the contrary notwithstanding, in no event shall the Commission be under any obligation to perform any continuing due diligence or monitoring to determine if any event described in this paragraph has occurred subsequent to the end of the underwriting period. The “end of the underwriting period” means the Closing Date unless the Representative advises the Commission in writing on such Closing Date that as of such date there remains an unsold balance of the Series 2020A Bonds, in which case the “end of the underwriting period” means the date as of which the Representative notifies the Commission that the Underwriters no longer retain an unsold balance of the Series 2020A Bonds for sale to the public; however, in no event shall the “end of the underwriting period” extend beyond the date that is thirty-five (35) days from the Closing Date.

4. Public Offering of Series 2020A Bonds. The Underwriters agree to make *a bona fide* public offering of all of the Series 2020A Bonds of each maturity at a price not in excess of the respective initial offering price set forth in the front portion of the Official Statement, but after such *bona fide* public offering the Underwriters may change such prices as they may deem necessary or desirable in connection with the offering and sale of the Series 2020A Bonds and to sell the Series 2020A Bonds to dealers (including dealer banks and dealers depositing the Series 2020A Bonds into investment trusts) and others at prices higher than the initial offering prices indicated in the Official Statement. As used in this paragraph the term “public” means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, including any of the Underwriters, any affiliates or affiliated accounts of any of the Underwriters, or dealers (including dealer banks and dealers depositing the Series 2020A Bonds into investment trusts). The Underwriters agree that the Series 2020A Bonds will only be offered pursuant to the Official Statement and only in jurisdictions where such offer is legal, and that a copy of the final version of the Official Statement will be delivered to each purchaser of the Series 2020A Bonds.

5. Establishment of Issue Price.

(a) The Representative on behalf of the Underwriters, agrees to assist the Commission in establishing the issue price of the Series 2020A Bonds, and shall execute and deliver to the Commission and Kaufman & Canoles, a Professional Corporation (“Bond Counsel”), on the Closing Date an “issue price” certificate, together with supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D (the “Issue Price Certificate”), with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Commission and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020A Bonds.

(b) Except as otherwise set forth in Exhibit D attached hereto, the Commission will treat the first price at which 10% of each maturity of the Series 2020A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the Commission the price or prices at which the Underwriters have sold to the public each maturity of the Series 2020A Bonds. If at the time the 10% test has not been satisfied as to any maturity of the Series 2020A Bonds, the Representative agrees to promptly report to the Commission the prices at which Series 2020A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2020A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020A Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Commission or bond counsel. For purposes of this Section, if Series 2020A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2020A Bonds.

(c) The Representative confirms that the Underwriters have offered the Series 2020A Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit D attached hereto, except as otherwise set forth therein. Exhibit D also sets forth, as of the date of this Agreement, the maturities, if any, of the Series 2020A Bonds for which the 10% test has not been satisfied and for which the Commission and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Commission to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020A Bonds, the Underwriters will neither offer nor sell unsold Series 2020A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) The close of fifth (5th) business day after the sale date; or

(2) The date on which the Underwriters have sold at least 10% of that maturity of the Series 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Commission promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Bonds of that maturity allocated to it have been sold or it

is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Commission acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Commission further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Bonds.

(f) The Underwriters acknowledge that sales of any Series 2020A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an

underwriting syndicate) to participate in the initial sale of the Series 2020A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020A Bonds to the public),

- (iii) a purchaser of any of the Series 2020A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

6. Representations, Warranties and Covenants of the Commission. By the Commission’s acceptance hereof, it hereby represents, warrants and covenants to the Underwriters, as of the date of this Agreement (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020A Bonds at the Closing that the Commission shall so represent and warrant as of the Closing Date), that:

- (a) The Commission is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) duly created and validly existing under the laws of the Commonwealth;
- (b) The Commission has complied with all applicable provisions of the Constitution and laws of the Commonwealth, including the HRTAC Act, with respect to the consummation of, and has full power and authority to consummate, all transactions contemplated by this Agreement, the Indenture, the Continuing Disclosure Undertaking, and the Official Statement (collectively, the “Commission Documents”) and any other agreements and instruments relating thereto;
- (c) The Commission is authorized under the provisions of the HRTAC Act to issue the Series 2020A Bonds for the purposes described in the Indenture and the Official Statement;

(d) The Bond Resolution has duly and validly authorized all necessary action to be taken by the Commission for (i) the issuance, sale, and delivery of the Series 2020A Bonds upon the terms set forth herein, (ii) the execution, delivery, and performance of the Commission Documents, which provide for the issuance and delivery of and security for the Series 2020A Bonds, (iii) the carrying out, giving effect to, and consummation of the transactions contemplated hereby and (iv) to the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement;

(e) The Commission Documents, when executed by the other parties thereto, if any, will have been duly and validly executed and delivered by the Commission and will be in full force and effect as to the Commission, and such Commission Documents constitute legal, valid and binding obligations of the Commission, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Series 2020A Bonds, when issued, authenticated and delivered to the Underwriters in accordance with the Bond Resolution and the Indenture will constitute legal, valid and binding limited obligations of the Commission enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(f) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency or public board or body, pending or, to the best knowledge of the Commission, threatened against the Commission (i) which may affect the existence of the Commission or the titles or rights of its officers to their respective offices, (ii) which may affect or which seeks to prohibit, restrain or enjoin (A) the sale, issuance, authentication or delivery of the Series 2020A Bonds or (B) the collection or payment of HRTAC Revenues or the pledge and assignment thereof by the Commission to make payments on the Series 2020A Bonds, (iii) which in any way contests or affects the validity or enforceability of the Commission Documents, (iv) which contests in any way the completeness or accuracy of the Official Statement, or (v) which contests the powers of the Commission or, to the best knowledge of the Commission, any authority or proceedings for the issuance, authentication, sale or delivery of the Series 2020A Bonds, the Commission Documents or any of them or the transactions contemplated thereby, nor, to the best knowledge of the Commission, is there any basis therefor wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2020A Bonds or any of the Commission Documents;

(g) The Commission is not in breach of or default under any constitutional provision, law or administrative regulation of the Commonwealth of Virginia or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the Commission is a party or to which the Commission or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Commission under any such instrument; and the execution and delivery of

this Agreement and the other Commission Documents, and the Commission's compliance with the provisions hereof and thereof, under the circumstances contemplated hereby, will not conflict with or constitute on the part of the Commission a violation of, breach of, or default under (i) the HRTAC Act, (ii) in any material respect, any indenture, mortgage, lease or note agreement, or any other agreement or instrument to which the Commission is a party or by which the Commission is bound, or (iii) any constitutional provision or statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Commission or any of its activities or properties;

(h) All consents, approvals, authorizations and orders of governmental or regulatory authorities that are required to be obtained by the Commission in connection with the execution and delivery of this Agreement and the other Commission Documents and the consummation of the transactions contemplated thereby to be consummated on or before the Closing Date have been or will be, at Closing, duly obtained and in full force and effect; provided, that no representation or warranty is expressed as to any action required under applicable federal or state securities laws or "blue sky" laws of any jurisdiction in connection with the issuance and sale of the Series 2020A Bonds;

(i) The Series 2020A Bonds conform to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2020A BONDS," and "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS"; the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE" and in APPENDIX F; and the proceeds of the sale of the Series 2020A Bonds will be applied generally as described in the Official Statement under the caption "INTRODUCTION";

(j) As of the date thereof, the Official Statement did not contain any untrue or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to information in the Official Statement (A) with respect to overallotment and stabilization, (B) under the captions "TAX MATTERS," "FINANCIAL ADVISOR," and "UNDERWRITING," and (C) in APPENDICES A, F and G;

(k) Except for information which is permitted to be omitted pursuant to the Rule, the Preliminary Official Statement, as of its date and as of the date hereof, was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to information in the Official Statement (A) with respect to overallotment and stabilization, (B) under the captions "TAX MATTERS," "FINANCIAL ADVISOR," and "UNDERWRITING," and (C) in APPENDICES A, F and G;

(l) At the time of the Commission's acceptance hereof and (unless an event occurs of the nature described in Section 3(f)) at all times subsequent hereto during the period up to and including twenty-five (25) days subsequent to the end of the underwriting period, as defined in Section 3(f), the Official Statement did not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the information described in the provisos of paragraph (j) and (k) above;

(m) If the Official Statement is supplemented or amended pursuant to Section 3(f), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 3(f)) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the end of the underwriting period, the Official Statement as so supplemented or amended will not contain any untrue or misleading statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, no representation or warranty is made as to any of the information described in the provisos of paragraphs (j) and (k) above;

(n) The Financial Statements and other financial information regarding the Commission contained in the Preliminary Official Statement and the Official Statement have been prepared in all material respects on a consistent basis (except as described in the Preliminary Official Statement and the Official Statement) in accordance with generally accepted accounting principles applicable to the financial reporting of governmental entities and present fairly the financial position and results of operations of the Commission as of the dates and for the periods therein indicated;

(o) The Commission has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2020A Bonds as provided in, and subject to all of the terms and provisions of the Indenture, and will not take or omit to take any action which action or omission would adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2020A Bonds;

(p) Prior to the Closing, the Commission will not take any action within or under its control that would cause any adverse change of a material nature in such financial position, results of operations or condition of the Commission;

(q) Neither the SEC nor any state securities commission has issued or threatened to issue any order preventing or suspending the use of the Preliminary Official Statement, which has been "deemed final" by the Commission under the Rule, or the Official Statement;

(r) Except as set forth in the Preliminary Official Statement and the Official Statement, the Commission has not failed during the previous five (5) years to comply in

all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule;

(s) No person, whether generally or through an enterprise, fund, or account of such person, other than the Commission, is committed by contract or other arrangement structured to support payment of all, or part, of the obligations on the Series 2020A Bonds for purposes of and within the meaning of the Rule;

(t) Any certificate signed by any of the Commission's authorized officers and delivered to the Representative shall be deemed a representation and warranty by it to the Underwriters as to the statements made therein; and

(u) Between the date hereof and the time of the Closing, the Commission shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Commission or except for such borrowings as may be described in or contemplated by the Official Statement.

7. Closing. At or before 2:00 p.m., Eastern Time, on _____, 2020, or at such other time or at such other date as shall have been mutually agreed upon by the Commission and the Representative (the "Closing Date" or the "Closing"), (a) the Commission will deliver the Series 2020A Bonds to the Underwriters, in definitive form and duly executed and authenticated, in such authorized denominations and registered in such names as the Underwriters may request through the FAST system of registration with The Depository Trust Company ("DTC"), New York, New York, at the offices of the Trustee, (b) the Commission will deliver to the Representative the closing documents hereinafter mentioned and (c) the Underwriters will accept such delivery and pay the Purchase Price of the Series 2020A Bonds as set forth in Section 1 hereof by wire transfer of Federal Funds to or as directed by the Commission for deposit in the various funds established under the Indenture. Delivery of the other documents as aforesaid shall be made at the offices of Bond Counsel or at such other location as shall have been mutually agreed upon by the Commission and the Representative. The Series 2020A Bonds shall bear proper CUSIP numbers and shall be in typewritten form, with a single bond for each maturity of the Series 2020A Bonds, each such Bond to be in a principal amount equal to the principal amount of the Series 2020A Bonds maturing on each such date. The Series 2020A Bonds shall be registered in the name of Cede & Co., as nominee of DTC and will be made available for inspection and checking by the Underwriters at the offices of the Trustee in Richmond, Virginia, not later than the business day prior to the Closing Date. It is anticipated that CUSIP identification numbers will be printed on each Bond, but neither the failure to print the numbers on any Bond nor any error in the numbers or the printing will constitute cause for a failure or refusal by the Underwriters to accept delivery and pay the Purchase Price.

8. Conditions Precedent to the Underwriters' Obligations. The Underwriters have entered into this Agreement in reliance upon the Commission's representations and warranties and subject to the Commission's performance of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriters' obligations under this Agreement are and shall be subject to the following further conditions:

(a) At the time of the Closing, the Bond Resolution and the Commission Documents shall be in full force and effect and shall not have been repealed, amended, modified or supplemented in any material respect since the date of this Agreement unless agreed to by the Representative;

(b) There shall not have occurred any material change, or any development involving a prospective material change, in or affecting the activities, properties or financial condition of the Commission from that described in the Official Statement, which in the reasonable judgment of the Representative materially and adversely affects the investment quality of the Series 2020A Bonds or the price at which the Series 2020A Bonds are proposed to be sold; and

(c) At or prior to the Closing, the Representative shall have received each of the following documents:

(1) The final approving opinion of Bond Counsel in substantially the form attached as APPENDIX F to the Official Statement;

(2) The supplemental opinion of Bond Counsel in substantially the form attached hereto as Exhibit A;

(3) The opinion of Willcox & Savage, P.C., counsel to the Commission (“Commission’s Counsel”), in substantially the form attached hereto as Exhibit B;

(4) The opinion of _____, counsel to the Underwriters (“Underwriters’ Counsel”), in substantially the form attached hereto as Exhibit C;

(5) A certificate of the Commission dated the Closing Date signed by its Executive Director and by the Chair of the Commission (and/or other such proper officer of the Commission) to the effect that: (A) the representations and warranties of the Commission contained herein and in the Indenture are true and correct in all material respects as of the Closing Date, as if made on the Closing Date; (B) except as otherwise disclosed in the Official Statement, no litigation or proceeding is pending with respect to which service or notice on the Commission has been perfected or given or, to their knowledge, threatened against the Commission (i) to restrain or enjoin the issuance or delivery of the Series 2020A Bonds and the Commission Documents or the collection of HRTAC Revenues, (ii) in any way contesting or affecting any authority for the issuance or the validity of the Series 2020A Bonds, the validity, due authorization and execution of the Commission Documents, or the Commission’s right to use the proceeds of the Series 2020A Bonds for the purposes described in the Bond Resolution, the Official Statement and the Indenture or (iii) in any way contesting the corporate existence or powers of the Commission with respect to the transactions contemplated hereby; (C) none of the proceedings or authority for the issuance and delivery of the Series 2020A Bonds and for the execution and delivery of this Agreement, the Bond Resolution and the Commission Documents have been

modified, amended or repealed; and (D) the Financial Statements present fairly the Commission's financial condition as of June 30, 2019, and the results of its operations for such period set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied; and there has been no material adverse change in the financial affairs of the Commission since June 30, 2019, except as disclosed in the Official Statement;

(6) A certified copy of the Bond Resolution and a fully-executed original of each of the Commission Documents;

(7) A request and authorization of the Commission signed by its Chair (or such other proper officer of the Commission) to the Trustee to authenticate and deliver the Series 2020A Bonds to or at the direction of the Underwriters for the account of the Underwriters upon payment to or for the account of the Commission of the Purchase Price;

(8) Evidence that (A) the Commission shall have received long-term rating for the Series 2020A Bonds of not less than “ ” by Moody's Investor Service (“Moody's”), and not less than “ ” by S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto (“S&P”), and (B) the ratings previously assigned to the senior lien obligations of the Commission (i.e., “ ” by S&P, “ ” by Moody's, and “ ” by Fitch Ratings, Inc.) shall have remained in effect and shall not have been downgraded on or prior to the Closing; and

(9) A certificate signed by the Commission's Executive Director setting forth facts, estimates and circumstances (including covenants of the Commission) in existence on the Closing Date sufficient to support the conclusion that it is not expected that the proceeds of the Series 2020A Bonds will be used in a manner that would cause the Series 2020A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations;

(10) A copy of the Internal Revenue Service Form 8038-G relating to the Series 2020A Bonds and duly signed by an authorized officer of the Commission;

(11) Evidence that the Commission has satisfied the conditions set forth in the Indenture with respect to the issuance of the Series 2020A Bonds; and

(12) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably require to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by the Commission.

If the Commission shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Commission shall have any further obligation hereunder, except (i) as required by Section 1 hereof with respect to the good faith deposit, and (ii) that the respective obligations of the Commission and the Underwriters set forth in Section 10 hereof shall continue in full force and effect.

9. Events Permitting the Underwriters to Terminate. The Representative shall have the right to cancel the Underwriters' obligation to purchase and accept delivery of the Series 2020A Bonds hereunder and to terminate this Agreement by written notification by the Representative to the Commission of their election to cancel if at any time subsequent to the date of this Agreement and prior to the Closing Date:

(a) an event shall occur that makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such event, (i) the Commission does not permit the Official Statement to be supplemented to supply such statement or information, or (ii) the effect of the Official Statement as so supplemented, in the judgment of the Representative, is to materially adversely affect the market for the Series 2020A Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Series 2020A Bonds;

(b) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chair or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Series 2020A Bonds which, in the opinion of the Representative, materially adversely affects the market for the Series 2020A Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Series 2020A Bonds;

(c) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the Series 2020A Bonds are in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended;

(d) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2020A Bonds, or the issuance, offering or sale of the Series 2020A Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(e) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Series 2020A Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bond Purchase Agreement, the Rule 15c2-12 Compliance Certificate, the Indenture, or the Continuing Disclosure Undertaking; or the existence or powers of the Commission with respect to its obligations under the Bond Purchase Agreement, the Rule 15c2-12 Compliance Certificate, the Indenture, or the Continuing Disclosure Undertaking;

(f) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2020A Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Series 2020A Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(g) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable opinion of the Representative, impractical or inadvisable to proceed with the offering or delivery of the Series 2020A Bonds as contemplated by the Official Statement;

(h) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or

prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Series 2020A Bonds or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriters or broker-dealers such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Series 2020A Bonds as contemplated in the Official Statement;

(i) a general banking moratorium shall have been declared by federal or New York or Virginia state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearing services shall have occurred such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Series 2020A Bonds as contemplated in the Official Statement;

(j) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the Commonwealth of Virginia, or a decision by any court of competent jurisdiction within the Commonwealth of Virginia shall be rendered that, in the Representative's judgment, would have a material adverse effect on the market price of the Series 2020A Bonds;

(k) the marketability of the Series 2020A Bonds or the market price thereof, in the opinion of the Representative, has been materially and adversely affected by disruptive events, occurrences, or conditions in the securities or debt markets; or

(l) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Commission's obligations, including, without limitation, the Series 2020A Bonds.

10. **Expenses.**

(i) Except as provided in Section 10(ii) below, the Commission shall pay any expenses incident to the performance of its obligations hereunder, including but not limited to (a) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing and recording, as the case may be, of this Agreement, the Official Statement, the Bond Resolution, the Indenture, the Continuing Disclosure Undertaking and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby, (b) the cost of the preparation, execution and delivery of the definitive Series 2020A Bonds, (c) the cost of preparing and publishing all advertisements relating to the Series 2020A Bonds upon commencement of the offering of the Series 2020A Bonds, (d) the fees and disbursements of Bond Counsel and Commission's Counsel, and any other experts, advisors or consultants retained by the Commission, (e) the initial or acceptance fee, if any, of the Trustee, (f) any rating fees charged by the rating agencies, requested by the Commission to rate the Series 2020A Bonds, and (g) any expenses incurred by or on behalf of Commission employees that are

incidental to implementing this Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of such employees. The Commission also agrees to pay or to reimburse the Underwriters for any expenses incident to the cost of preparing and publishing all advertisements and investor presentations relating to the Series 2020A Bonds upon commencement of the offering of the Series 2020A Bonds. Notwithstanding anything herein to the contrary, the Commission's obligation to pay expenses shall be limited to amounts available to it from the proceeds of the sale of the Series 2020A Bonds unless the Commission otherwise agrees.

(ii) The Underwriters shall pay: (a) the cost of qualifying the Series 2020A Bonds for offer and sale under "blue sky" laws and determining their eligibility for investment under the laws of such jurisdictions and the Representative may designate, including filing fees; (b) the fees and disbursements of Underwriters' Counsel; (c) the cost of the transportation and lodging for representatives of the Underwriters to attend meetings and the Closing; (d) all other expenses incurred by the Underwriters in connection with the offering and the distribution of the Series 2020A Bonds; (e) any fees of the MSRB in connection with the issuance, offering or sale of the Series 2020A Bonds; and (f) the cost of obtaining CUSIP number assignments for the Series 2020A Bonds; Series 2020A Bonds; provided, however, the Commission acknowledges that a portion of such expenses and other actual expenses incurred or paid for or by the Underwriters on behalf of the Commission in connection with the marketing, issuance, and delivery of the Series 2020A Bonds are included in the expense component of the Underwriters' discount or as direct reimbursement as a cost of issuance in either case as proposed by the Representative and agreed to by the Commission.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Commission and the Underwriters and their respective successors and assigns. Nothing in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and assigns, and not for the benefit of any other person, firm or corporation. No purchaser of the Series 2020A Bonds from the Underwriters or any other persons or entity shall be deemed to be a successor merely by reason of such purchase.

12. Notices. All notices, demands and formal actions shall be in writing and mailed, faxed, sent by electronic communication (provided that facsimile and electronic communications must be confirmed by the sender) or hand delivered to: (a) the Commission, at 723 Woodlake Drive, Chesapeake, Virginia 23320, Attention: Executive Director, Fax: (757) 523-4881, and (b) the Representative, at _____.

13. Survival of Certain Representations and Obligations. All representations, warranties, covenants and agreements by the Commission in this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Series 2020A Bonds and any termination of this Agreement for the applicable statute of limitations period.

14. **Miscellaneous.** This Agreement may not be amended without the written consent of the Commission and the Representative. None of the officers, directors, employees or agents of the Commission shall be charged personally by the Underwriters with any liability, or be held liable by the Underwriters under any term or provision of this Agreement because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof. The validity, interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth, without regard to conflict of law principles.

15. **Severability.** In case any one or more of the provisions of this Agreement shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

16. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart. The parties hereto may evidence their acceptance, execution and delivery of this Agreement by facsimile signature.

17. **No Advisory or Fiduciary Role.** Each of the Underwriters is acting as a principal and not as agent or fiduciary, and each Underwriter's engagement under the terms set forth herein is as an independent contractor and not in any other capacity. The Commission acknowledges and agrees with the Underwriters that (i) the purchase and sale of the Series 2020A Bonds pursuant to this Agreement is an arm's-length commercial transaction among the Commission and the Underwriters; (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Commission; (iii) none of the Underwriters has assumed an advisory or fiduciary responsibility in favor of the Commission with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (irrespective of whether such Underwriter has provided other services or is currently providing other services to the Commission on other matters) and none of the Underwriters has any obligation to the Commission with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement; and (iv) the Commission has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

[Signature Pages Follow]

Very truly yours,

_____,

By: _____, as Representative

By:_____

[Underwriters' signature page to Bond Purchase Agreement]

Accepted as of the date first above written at
the following time: _____.

HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION

By:_____

Linda T. Johnson
Chair

By:_____

Kevin B. Page
Executive Director

[Commission's signature page to Bond Purchase Agreement]

SCHEDULE I

\$ _____
Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund
[Senior][Intermediate] Lien Revenue Bonds
Series 2020A

Maturities, Principal Amounts, Interest Rates and Yields

<u>Due</u>				<u>10%</u>	
<u>July 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Sold?</u>	<u>CUSIP*</u>

* CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services LLC business. CUSIP data herein is provided for convenience of reference only. The Commission, the Underwriter, and their agents take no responsibility for the accuracy of such data.

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[To Come]

EXHIBIT B

FORM OF COMMISSION'S COUNSEL OPINION

[To Come]

EXHIBIT C

FORM OF OPINION OF UNDERWRITERS' COUNSEL

[To Come]

EXHIBIT D
FORM OF ISSUE PRICE CERTIFICATE

\$ _____
Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund
[Senior][Intermediate] Lien Revenue Bonds, Series 2020A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Representative”), on behalf of itself and _____ (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2020A Bonds”).

1. ***Sale of the Series 2020A Bonds.*** As of the date of this certificate, for each Maturity of the Series 2020A Bonds, the first price at which at least ten percent (10%) of such Maturity of the Series 2020A Bonds was sold to the Public is the respective price listed in Schedule A hereto.

2. ***Defined Terms.***

(a) ***Commission*** means the Hampton Roads Transportation Accountability Commission.

(b) ***Maturity*** means Series 2020A Bonds with the same credit and payment terms. Series 2020A Bonds with different maturity dates, or Series 2020A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(d) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2020A Bonds. The Sale Date of the Series 2020A Bonds is _____, 2020.

(e) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2020A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Commission with respect to certain of the representations set forth in its Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2020A Bonds, and by Kaufman & Canoles, a Professional Corporation, in connection with rendering its opinion that the interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G and other federal income tax advice it may give to the Commission from time to time relating to the Series 2020A Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group. Except as expressly set forth above, the representations set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law. Accordingly, the Representative makes no representation as to the legal sufficiency of the factual matters set forth herein.

_____, as Representative of the Underwriting Group

By: _____
Name: _____
Title: _____

Dated: _____, 2020

SCHEDULE A TO ISSUE PRICE CERTIFICATE

SALE PRICES OF THE MATURITIES

Due <u>July 1</u>	Amount	Rate	Yield	Price

To: Chair Johnson and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: May 28, 2020

Re: Authorization to Conduct a Public Hearing for each of the following:

- (i) HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review;**
- (ii) HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review; and**
- (iii) HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review.**

Recommendation:

The Finance Committee recommends that the Commission (i) endorse the (a) HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review; (b) HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review; and (c) HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review, and (ii) authorize the Finance Committee Chair or Executive Director to conduct a public hearing for each.

Background:

At its May 14, 2020 meeting, the Finance Committee endorsed the (a) HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review; (b) HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review; and (c) HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review and authorized the Finance Committee Chair to communicate to the Commission the affirmative action of the Committee.

- (a) HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review background.**

At its March 12, 2020 meeting, the Finance Committee endorsed the Staff proposed HRTAC Debt Management Plan Update and recommended it to the Commission for further action. Subsequently, it became apparent that the COVID-19 pandemic may adversely affect Commission revenues. The Commonwealth has not provided, and does not appear ready to provide, updated revenue projections. In the absence of updated revenue projections from the Commonwealth, HRTAC Staff felt it prudent to work with its professional financial advisors to evaluate the HRTF revenue estimates



provided by the Commonwealth and to conduct a COVID-19 Potential Impact Review of the HRTAC Proposed Debt Management Plan to verify that the plan, as adjusted by the COVID-19 Potential Impact Review, would continue to project sufficient revenues for the current approved projects and the addition of the Hampton Roads Express Lanes Network. The Potential Impact Review used solely national guidance provided by several rating service providers and data resulting from an evaluation of the 2008-2009 recession impacts to Hampton Roads to discount the revenue estimates previously provided by the Commonwealth. Then, the revenue estimates, as discounted, were applied to the HRTAC Proposed FY2021-FY2026 Plan of Finance – Six Year Operating and Capital Program of Projects that includes the Hampton Roads Express Lanes Network (HREL) and the Proposed HRTAC 2045 Long Range Funding Plan.

(b) HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review background.

At its March 12, 2020 meeting, the Finance Committee endorsed the Staff proposed HRTAC FY2021-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC) as an update to the Commission's Adopted Financial Plan for the Region's High Priority Projects and recommended it to the Commission for further action. Subsequently, it became apparent that the COVID-19 pandemic may adversely affect Commission revenues. The Commonwealth has not provided, and does not appear ready to provide, updated revenue projections. In the absence of updated revenue projections from the Commonwealth, HRTAC Staff felt it prudent to work with its professional financial advisors to evaluate the HRTF revenue estimates provided by the Commonwealth and to conduct a COVID-19 Potential Impact Review of the HRTAC

Proposed FY2021-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects to include the Hampton Roads Express Lanes Network to verify that the plan, as adjusted by the COVID-19 Potential Impact Review, would continue to project sufficient revenues for the current approved projects and the addition of the Hampton Roads Express Lanes Network. The Potential Impact review used solely national guidance provided by several rating service providers and data resulting from an evaluation of the 2008-2009 recession impacts to Hampton Roads to discount the revenue estimates previously provided by the Commonwealth. Then, the revenue estimates, as discounted, were applied to the HRTAC Proposed FY2021-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects to include the Hampton Roads Express Lanes Network. The Commission will need to conduct a public hearing on the HRTAC Proposed FY2021-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects to receive public comments for consideration in the Commission's action at a future meeting.

(c) HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review background.



At its March 12, 2020 meeting, the Finance Committee endorsed the Staff proposed the HRTAC 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects and recommended it to the Commission for further action. Subsequently, it became apparent that the COVID-19 pandemic may adversely affect Commission revenues. The Commonwealth has not provided, and does not appear ready to provide, updated revenue projections. In the absence of updated revenue projections from the Commonwealth, HRTAC Staff felt it prudent to work with its professional financial advisors to evaluate the HRTF revenue estimates provided by the Commonwealth and to conduct a COVID-19 Potential Impact Review stress test of the HRTAC Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects, to include the Hampton Roads Express Lanes Network, to verify that the plan, as adjusted by the COVID-19 Potential Impact Review, would continue to project sufficient revenues. The Potential Impact Review used solely national guidance provided by several rating service providers and data resulting from an evaluation of the 2008-2009 recession impacts to Hampton Roads to discount the revenue estimates previously provided by the Commonwealth. Then, the revenue estimates, as discounted, were applied to the plan. The Commission will need to conduct a public hearing on the HRTAC Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects to receive public comments for consideration in the Commission's action at a future meeting.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item seeking authorization to conduct a public hearing.

The fiscal impact to the Hampton Roads Transportation Fund in relation to the HRTAC Proposed Debt Management Plan with stress test adjustments from the COVID-19 Potential Impact Review is based on the limited guidance that is currently available. When the Commonwealth provides updated revenue projections, HRTAC Staff will conduct further analysis and provide future adjustment recommendations to the Finance Committee and Commission.

The proposed \$6,223,895,532 HRTAC FY2021-FY2026 Plan of Finance Update – Six Year Operating and Capital Program of Projects represents a \$934,739,864 increase in comparison to the Amended HRTAC FY2020-FY2026 Plan of Finance Update. The increase is attributed to the net addition of the Hampton Roads Express Lanes Network reduced by contract savings and amounts de-obligated from other projects. When the Commonwealth provides updated revenue projections, HRTAC Staff will conduct further analysis and provide future adjustment recommendations to the Finance Committee and Commission.

The proposed \$7.02 billion HRTAC 2045 Long Range Plan of Finance Update represents an \$865 million decrease in comparison to last year's HRTAC 2045 Long Range Plan of Finance Update.



	Six Initial Projects	HRBT	HRELN	Bower's Hill Interchange	Ft. Eustis Interchange	Total FV Cost	Funded by HRTF Debt	Funded by Toll Debt	Funded by HRTAC Pay-Go	Funded by VDOT and Other Pay-Go
2045 (With Toll Revenues to HRTAC)										
Inflated Costs (MM)	\$1,420	\$3,762	\$940	\$600	\$298	\$7,020	\$3,285	\$897	\$2,250	\$588
Fiscally Constrained Construction End Year	2022	2026	2026	2035	2037					

Suggested Motion:

Motion: The Commission (i) endorses the (a) HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review, (b) HRTAC Proposed FY2021-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review, and (c) HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review, and (ii) authorizes the Finance Committee Chair or Executive Director to conduct a public hearing for each.





**HAMPTON ROADS TRANSPORTATION FUND
FINANCIAL REPORT
FY2014 – FY2020
Period Ending March 31, 2020**

The HRTAC staff has prepared the attached March 2020 financial report based on data received to date from the Virginia Department of Transportation.

<u>Revenues</u>	<u>Inception to Mar 2020</u>	<u>FY2020 YTD</u>	<u>Mar 2020</u>
Total Gross Revenues	2,259,056,710	622,356,355	17,329,718
State Sales & Use Tax	874,925,845	103,140,156	10,013,105
Local Fuels Tax	278,826,646	44,539,924	4,504,735
Interest	3,845,752	568,348	45,257
Investment Income	63,354,887	21,274,420	2,766,621
Bond Proceeds	1,036,103,580	452,833,507	--

<u>Expenditures</u>	<u>Inception to Mar 2020</u>	<u>FY2020 YTD</u>	<u>Mar 2020</u>
Total Expenditures	784,110,531	206,604,050	48,653,221
Projects	711,482,268	178,670,791	44,512,900
Total DMV & Dept. of Tax Admin. Fees	826,678	--	--
Investment Fees	1,301,453	174,822	19,830
Bond Interest Expenses	62,608,590	25,375,540	3,880,944
Operating Expenses	7,891,542	2,382,897	239,547

Cash Balance

March 31, 2020 Ending Cash/Cash Equivalents	\$ 1,474,946,179
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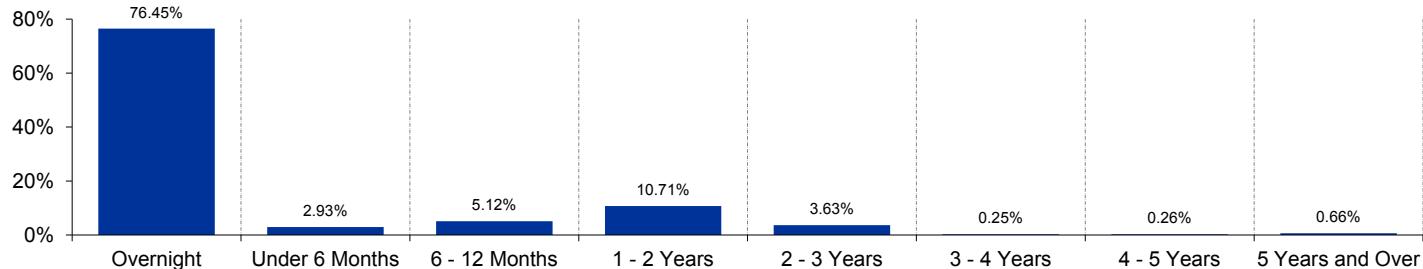
Encumbered Balance

Balance of Encumbered (through FY2026)	\$ 3,916,218,533
Allocation	4,627,700,801
Less: Project Expenditures	711,482,268

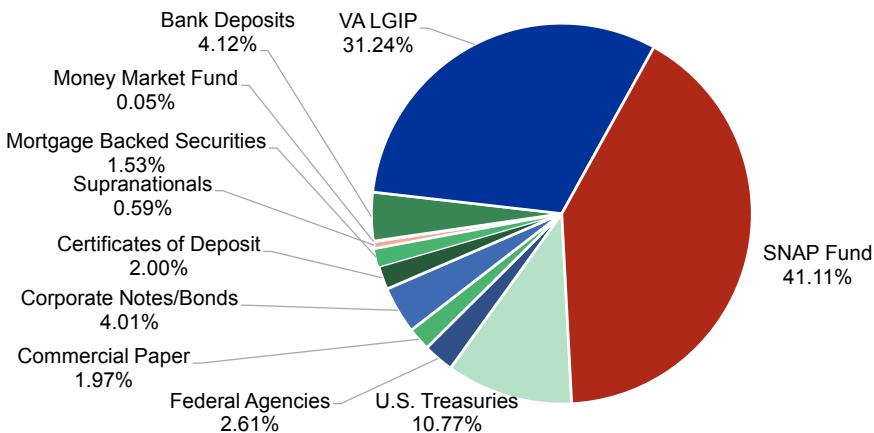
Hampton Roads Transportation Accountability Commission
Summary of Cash and Investments
For March 2020

Portfolio	Yield at Cost	Yield at Market	Balances at Cost	Balances at Market	% of Total
Union Checking	0.00%	0.00%	1,000,000	1,000,000	0.07%
Union Sweep	0.50%	0.50%	6,263,133	6,263,133	0.43%
Union Money Market	0.50%	0.50%	4,598	4,598	0.00%
Union General	0.50%	0.50%	53,050,720	53,050,720	3.62%
VA LGIP	1.38%	1.38%	457,901,775	457,901,775	31.21%
Enhanced Cash Portfolio	2.06%	1.23%	208,201,561	210,175,568	14.33%
Core Portfolio	2.35%	1.16%	133,116,077	135,986,224	9.27%
SNAP Fund	1.78%	1.78%	602,597,344	602,597,344	41.08%
Total			\$ 1,462,135,207	\$ 1,466,979,362	100.00%

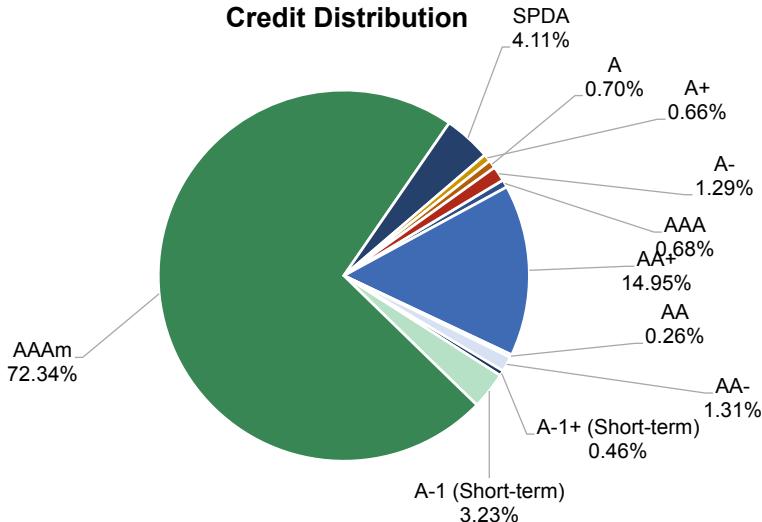
Total Maturity Distribution



Sector Distribution



Credit Distribution



All charts are based on market value as of 3/31/20

This material is for general informational purposes only and is not intended to provide specific advice or a specific recommendation.

Hampton Roads Transportation Accountability Commission
Interest and Investment Income
Inception - March 2020

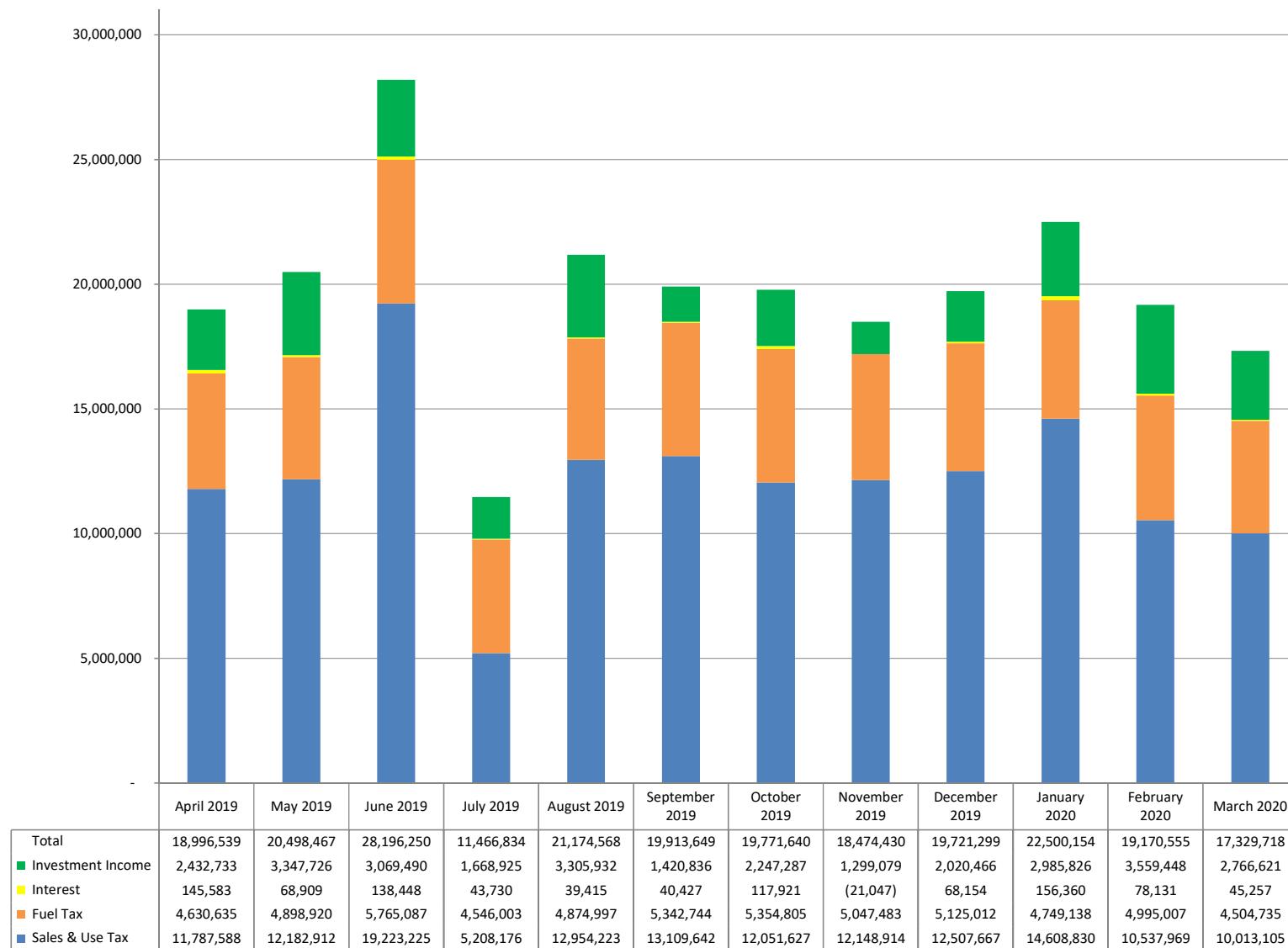
	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>Total</u>
HRTF Interest Income	\$ 363,855	\$ 1,027,959	\$ 272,261	\$ 291,738	\$ 321,499	\$ 1,000,093	\$ 568,348	\$ 3,845,752
HRTF Investment Income	-	368,310	3,993,773	980,870	8,868,404	29,869,111	21,274,420	65,354,887
Total	\$ 363,855	\$ 1,396,269	\$ 4,266,033	\$ 1,272,608	\$ 9,189,903	\$ 30,869,204	\$ 21,842,768	\$ 69,200,639

Notes:

"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

"HRTF Investment Income" in FY2019 and FY2020 includes income from PFMAM (US Bank) core and enhanced cash, LGIP, and SNAP accounts. FY2014-2018 totals also include income from Sterling and Union Bank.

HRTF Revenue



Notes: November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

June 2019 Sales & Use Tax includes \$7,424,592 of FY2019 AST Estimated Sales & Use Tax revenue.

Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Summary

	Gross Revenue						Expenditures						Cummulative Balance 7/1/13 - 3/31/20
	Sales & Use			Investment		Bond	Dept of Tax			Investment	Bond	Operating	
	Tax	Fuels Tax	Interest	Income	Proceeds	Total	Projects	Admin Fee	Fees	Expenses	Expenses	Total	
<i>July 2013 - Mar 2019</i>	\$ 728,591,965	\$ 218,992,078	\$ 2,924,465	\$ 35,230,518	\$ 583,270,073	\$ 1,569,009,099	\$ 355,686,537	\$ 626,745	\$ 1,069,292	\$ 30,769,532	\$ 4,700,318	\$ 392,852,424	\$ 1,176,156,676
<i>April 2019</i>	\$ 11,787,588	4,630,635	145,583	2,432,733		18,996,539	10,449,817	-	18,871	2,154,506	136,069	12,759,263	1,182,393,951
<i>May 2019</i>	12,182,912	4,898,920.37	68,908.55	3,347,726.27		20,498,466.77	52,817,158	-	19,531	2,154,506	275,696	55,266,891	1,147,625,527
<i>June 2019</i>	19,223,225	5,765,087	138,448	3,069,490		28,196,250	113,857,965	199,933	18,935	2,154,506	396,563	116,627,903	1,059,193,874
<i>July 2019</i>	5,208,176	4,546,003	43,730	1,668,925		11,466,834	-	-	19,598	2,154,506	46,851	2,220,955	1,068,439,753
<i>August 2019</i>	12,954,223	4,874,997	39,415	3,305,932		21,174,568	15,335,134	-	19,552	2,154,506	95,288	17,604,480	1,072,009,841
<i>September 2019</i>	13,109,642	5,342,744	40,427	1,420,836		19,913,649	18,399,487	-	19,029	2,154,506	172,956	20,745,978	1,071,177,513
<i>October 2019</i>	12,051,627	5,354,805	117,921	2,247,287		19,771,640	14,129,508	-	19,696	2,154,506	349,475	16,653,185	1,074,295,968
<i>November 2019</i>	12,148,914	5,047,483	(21,047)	1,299,079		18,474,430	21,970,226	-	19,099	2,154,506	76,246	24,220,076	1,068,550,321
<i>December 2019</i>	12,507,667	5,125,012	68,154	2,020,466	452,833,507	472,554,806	12,188,878	-	19,789	2,960,177	1,059,078	16,227,922	1,524,877,206
<i>January 2020</i>	14,608,830	4,749,138	156,360	2,985,826		22,500,154	19,348,861	-	19,751	3,880,944	171,694	23,421,249	1,523,956,111
<i>February 2020</i>	10,537,969	4,995,007	78,131	3,559,448		19,170,555	32,785,799	-	18,480	3,880,944	171,762	36,856,984	1,506,269,681
<i>March 2020</i>	10,013,105	4,504,735	45,257	2,766,621		17,329,718	44,512,900	-	19,830	3,880,944	239,547	48,653,221	1,474,946,179
<i>Total 12 Months</i>	\$ 146,333,880	\$ 59,834,567	\$ 921,287	\$ 30,124,369	\$ 452,833,507	\$ 690,047,611	\$ 355,795,731	\$ 199,933	\$ 232,161	\$ 31,839,058	\$ 3,191,224	\$ 391,258,107	
<i>Grand Totals</i>	\$ 874,925,845	\$ 278,826,646	\$ 3,845,752	\$ 65,354,887	\$ 1,036,103,580	\$ 2,259,056,710	\$ 711,482,268	\$ 826,678	\$ 1,301,453	\$ 62,608,590	\$ 7,891,542	\$ 784,110,531	
<i>Less Balance of Encumbered (through FY2026)</i>													\$ (3,916,218,533)
<i>Total Net Available</i>													\$ (2,441,272,354)

Notes:

November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

June 2019 Sales & Use Tax revenue includes \$7,424,592 of FY2019 AST Estimated Sales & Use Tax revenue

For audit purposes, the January through December 2019 investment income and bond expenses have been updated to reflect the gain on investments (on bond proceeds) held by the trustee and the full bond interest expense.

June 2019 Department of Taxation Administrative Fee is a \$199,993 fee charged by the Department of Motor Vehicles for fuels tax audit costs.

December 2019 Revenues include proceeds from the issuance of Intermediate Lien Bond Anticipation Notes, Series 2019A, dated December 17, 2019.

Table 1 - Total HRTF Revenues

Hampton Roads Transportation Fund (HRTF)

Total of Sales & Use and Fuels Taxes

Fiscal Year 2020

Locality	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
<i>Chesapeake</i>	\$ 184,375,921	\$ 21,440,981	\$ 2,688,674	\$ 24,129,655	\$ 208,505,577
<i>Franklin</i>	10,835,471	2,176,455	172,470	2,348,926	13,184,396
<i>Hampton</i>	72,743,305	8,794,697	1,157,653	9,952,350	82,695,655
<i>Isle of Wight</i>	15,714,603	2,729,994	218,319	2,948,312	18,662,915
<i>James City</i>	45,631,266	7,710,111	546,778	8,256,889	53,888,156
<i>Newport News</i>	107,563,646	12,476,947	1,597,746	14,074,693	121,638,340
<i>Norfolk</i>	140,592,136	17,844,026	2,212,938	20,056,964	160,649,100
<i>Poquoson</i>	2,611,952	1,987,499	40,971	2,028,470	4,640,422
<i>Portsmouth</i>	35,106,389	6,245,631	568,368	6,813,999	41,920,387
<i>Southampton</i>	5,096,645	771,185	82,655	853,840	5,950,485
<i>Suffolk</i>	50,215,890	7,041,114	846,460	7,887,574	58,103,464
<i>Virginia Beach</i>	268,621,783	32,167,933	3,549,981	35,717,915	304,339,697
<i>Williamsburg</i>	21,444,115	6,440,210	242,513	6,682,723	28,126,838
<i>York</i>	45,519,288	5,335,456	592,314	5,927,770	51,447,058
Total	1,006,072,410	133,162,239	14,517,840	147,680,080	1,153,752,491
Interest ^a	3,277,405	523,091	45,257	568,348	3,845,752
Investment Income ^b	44,080,467	18,507,799	2,766,621	21,274,420	65,354,887
Bond Proceeds ^c	583,270,073	452,833,507	-	452,833,507	1,036,103,580
Total Revenues	\$ 1,636,700,355	\$ 605,026,636	\$ 17,329,718	\$ 622,356,355	\$ 2,259,056,710
Project Expenses	(532,811,477)	(134,157,891)	(44,512,900)	(178,670,791)	(711,482,268)
DMV & Dept. of Tax Admin Fees	(826,678)	-	-	-	(826,678.13)
Investment Fees (Sterling&PFMAM)	(1,126,630)	(154,992)	(19,830)	(174,822)	(1,301,453)
Bond Interest Expenses	(37,233,051)	(21,494,596)	(3,880,944)	(25,375,540)	(62,608,590)
Operating Expense	(5,508,645)	(2,143,350)	(239,547)	(2,382,897)	(7,891,542)
Cash Balance	1,059,193,874	447,075,807	(31,323,503)	415,752,305	1,474,946,179
Less Balance of Encumbered					(3,916,218,533)
Net Available Cash					\$ (2,441,272,354)
Updated forecast ^c	\$ 1,013,671,045	\$ 120,227,011	\$ 16,949,871	\$ 137,176,882	\$ 1,150,847,927
Total Revenue - Forecast (under)/over	\$ (7,598,635)	\$ 12,935,229	\$ (2,432,031)	\$ 10,503,199	\$ 2,904,564

Notes:

^a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

^b FY2019 and FY2020 include income from PFMAM (US Bank), LGIP, and SNAP accounts. FY2014-2018 includes income from Sterling and Union Bank.

^c The forecasts received from the Virginia Dept. of Transportation on 3/23/2020 and 4/20/2020 included substantial increases in estimated fuels tax revenue. Due to the uncertainty resulting from the COVID-19 situation, HRTAC will continue to use the amounts provided in the forecast received on 2/24/2020.

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2020

Locality	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
Chesapeake	\$ 139,712,883	\$ 14,127,484	\$ 1,882,153	\$ 16,009,637	\$ 155,722,520
Franklin	5,947,627	1,292,740	73,625	1,366,365	7,313,992
Hampton	54,326,862	5,404,210	748,166	6,152,376	60,479,238
Isle of Wight	8,875,532	1,670,898	130,657	1,801,555	10,677,087
James City	38,405,097	6,339,436	402,188	6,741,624	45,146,721
Newport News	84,786,312	8,706,605	1,137,916	9,844,521	94,630,833
Norfolk	112,635,165	12,610,234	1,578,559	14,188,793	126,823,958
Poquoson	1,826,727	1,881,458	29,123	1,910,582	3,737,309
Portsmouth	24,594,191	4,510,842	374,702	4,885,544	29,479,735
Southampton	2,242,889	271,662	32,251	303,913	2,546,801
Suffolk	32,952,471	3,916,257	500,316	4,416,573	37,369,044
Virginia Beach	214,046,261	22,900,490	2,526,966	25,427,456	239,473,717
Williamsburg	16,782,386	5,771,190	171,662	5,942,853	22,725,239
York	34,651,287	3,723,543	424,821	\$ 4,148,364	38,799,652
Total	\$ 771,785,689	\$ 93,127,050	\$ 10,013,105	\$ 103,140,156	\$ 874,925,845
Updated Forecast	767,771,042	87,340,129	11,464,251	98,804,380	866,575,422
Diff(under)/over	4,014,647	5,786,921	(1,451,146)	4,335,776	8,350,423

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2020

Locality	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
Chesapeake	\$ 44,663,038	\$ 7,313,497	\$ 806,521	\$ 8,120,018	\$ 52,783,057
Franklin	4,887,844	883,715	98,846	982,561	5,870,405
Hampton	18,416,444	3,390,487	409,487	3,799,973	22,216,417
Isle of Wight	6,839,071	1,059,095	87,662	1,146,757	7,985,828
James City	7,226,169	1,370,675	144,590	1,515,265	8,741,435
Newport News	22,777,335	3,770,342	459,830	4,230,172	27,007,506
Norfolk	27,956,971	5,233,792	634,380	5,868,172	33,825,143
Poquoson	785,224	106,040	11,848	117,889	903,113
Portsmouth	10,512,198	1,734,788	193,666	1,928,454	12,440,652
Southampton	2,853,757	499,524	50,404	549,927	3,403,684
Suffolk	17,263,419	3,124,857	346,144	3,471,001	20,734,420
Virginia Beach	54,575,522	9,267,444	1,023,015	10,290,458	64,865,980
Williamsburg	4,661,728	669,020	70,851	739,870	5,401,599
York	10,868,001	1,611,913	167,493	1,779,406	12,647,407
Total	\$ 234,286,721	\$ 40,035,189	\$ 4,504,735	\$ 44,539,924	\$ 278,826,646
Updated Forecast	245,900,003	32,886,882	5,485,620	* 38,372,502	284,272,505
Diff(under)/over	(11,613,282)	7,148,308	(980,885)	6,167,423	(5,445,859)

* The forecasts received from the Virginia Dept. of Transportation on 3/23/2020 and 4/20/2020 included substantial increases in estimated fuels tax revenue. Due to the uncertainty resulting from the COVID-19 situation, HRTAC will continue to use the amounts provided in the forecast received on 2/24/2020.

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)
Allocations
Fiscal Year 2020

Project	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905 - Segment 1 - Construction</i>	\$ 14,000,000	\$ (2,391,615)	\$ -	\$ (2,391,615)	\$ 11,608,385
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	175,832,897	-	-	-	175,832,897
<i>UPC 109790/106689 - Segment 3 - PE</i>	10,000,000	-	-	-	10,000,000
<i>UPC 109790/106689 - Segment 3 - Construction</i>	112,893,996	-	-	-	112,893,996
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - Phase I - Construction</i>	137,023,653	-	-	-	137,023,653
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	54,592,576	-	-	-	54,592,576
<i>UPC 17630/108041 - Phase II - Construction</i>	73,157,062	-	-	-	73,157,062
<i>UPC 106693 - Phase III - PE & ROW</i>	10,000,000	-	-	-	10,000,000
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	12,200,000	-	-	-	12,200,000
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	419,756,220	-	-	-	419,756,220
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	3,004,569,251	-	-	-	3,004,569,251
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	548,900,330	-	-	-	548,900,330
<i>HRCS Preferred Alternative Refinement - HRBT</i>	30,000,000	-	-	-	30,000,000
<i>UPC 110577 - SEIS</i>					
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	5,000,000	(3,904,632) *	-	(3,904,632)	1,095,368 *
<i>Bowers Hill Interchange Study - UPC 111427</i>	4,000,000	-	-	-	4,000,000
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	7,000,000	-	-	-	7,000,000
Total	\$ 4,633,997,048	\$ (6,296,247)	\$ -	\$ (6,296,247)	\$ 4,627,700,801

* Remaining project funds were deallocated based on action Consent Item 5B of the 11/21/2019 HRTAC Regular Meeting. SPA Floatdown agreement with VDOT was executed 12/11/2019.

Table 3 - Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2020

Project	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 11,608,384	\$ -	\$ -	\$ -	\$ 11,608,384
UPC 106665 - Segment 2 - PE/ROW/Construction	152,522,993	2,236,300	85,063	2,321,363	154,844,356
UPC 109790/106689 - Segment 3 - PE	5,141,294	146,784	11,991	158,775	5,300,069
UPC 109790/106689 - Segment 3 - Construction	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	107,384,764	8,126,423	709,358	8,835,781	116,220,545
UPC 17630/108041 - Phase II - PE/ROW	47,959,987	2,803,250	1,378,297	4,181,547	52,141,534
UPC 17630/108041 - Phase II - Construction	-	-	-	-	-
UPC 106693 - Phase III - PE & ROW	1,855,504	255,291	2,194	257,485	2,112,989
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,189,098	-	-	-	12,189,098
UPC 106692/108990 - Phase I - ROW/Construction	51,667,159	21,565,957	7,543,948	29,109,905	80,777,064
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	82,836,930	93,347,747	33,951,283	127,299,030	210,135,960
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	11,570,087	4,966,400	821,824	5,788,224	17,358,311
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	28,685,064	115,223	-	115,223	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	1,756,331	197,456	8,943	206,398	1,962,729
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	1,467,451	397,060	-	397,060	1,864,510
Total	\$ 532,811,477	\$ 134,157,891	\$ 44,512,900	\$ 178,670,791	\$ 711,482,268

Table 3A - Bond-Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)
Bond Reimbursements
Fiscal Year 2020

Project	Total FY2014 - FY2019	Previous FY2020	March 2020	Total YTD FY2020	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905/111926 - Segment 1 - PE/Construction</i>	\$ 10,063,882	\$ -	\$ -	\$ -	\$ 10,063,882
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	152,522,993	1,819,094	502,269	2,321,363	154,844,356
<i>UPC 109790/106689 - Segment 3 - PE</i>	5,141,294	69,709	89,066	158,775	5,300,069
<i>UPC 109790/106689 - Segment 3 - Construction</i>	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - Phase I - Construction</i>	107,384,764	3,548,244	5,287,537	8,835,781	116,220,545
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	47,959,987	2,712,755	1,468,792	4,181,547	52,141,534
<i>UPC 17630/108041 - Phase II - Construction</i>	-	-	-	-	-
<i>UPC 106693 - Phase III - PE & ROW</i>	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	12,189,098	-	-	-	12,189,098
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	51,667,159	21,240,646	7,869,259	29,109,905	80,777,064
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	-	-	-	-	-
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
<i>UPC 110577 - SEIS</i>	-	-	-	-	-
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	-	-	-	-	-
<i>Bowers Hill Interchange Study - UPC 111427</i>	-	-	-	-	-
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	-	-	-	-	-
Total	\$ 402,000,240	\$ 29,390,448	\$ 15,216,923	\$ 44,607,371	\$ 446,607,612

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2020

Project	Total FY2014 - FY2019	Previous 2020	March 2020	Total YTD FY2020	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
UPC 106665 - Segment 2 - PE/ROW/Construction	-	417,206	(417,206) *	-	-
UPC 109790/106689 - Segment 3 - PE	-	77,075	(77,075) *	-	-
UPC 109790/106689 - Segment 3 - Construction	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	-	-	-	-	-
UPC 57048/108042 - Phase I - Construction	-	4,578,179	(4,578,179) *	-	-
UPC 17630/108041 - Phase II - PE/ROW	-	90,495	(90,495) *	-	-
UPC 17630/108041 - Phase II - Construction	-	-	-	-	-
UPC 106693 - Phase III - PE & ROW	1,855,504	255,291	2,194	257,485	2,112,989
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	-	-	-	-	-
UPC 106692/108990 - Phase I - ROW/Construction	-	325,312	(325,312) *	-	-
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	82,836,930	93,347,747	33,951,283	127,299,030	210,135,960
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	11,570,087	4,966,400	821,824	5,788,224	17,358,311
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	28,685,064	115,223	-	115,223	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	1,756,331	197,456	8,943	206,398	1,962,729
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	1,467,451	397,060	-	397,060	1,864,510
Total	\$ 130,811,236	\$ 104,767,443	\$ 29,295,977	\$ 134,063,420	\$ 264,874,656

* Bond funds (2019A BAN funds held by the Trustee) were used to reimburse the General Fund for these project expenses in March 2020, resulting in a credit balance for the month.



Hampton Roads Transportation Accountability Commission



Investment Performance Review For the Quarter Ended March 31, 2020

Client Management Team

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QUARTERLY MARKET SUMMARY

SUMMARY

- In Q1, U.S. economic conditions were characterized by: (1) solid economic fundamentals to start the year made largely irrelevant by the emergence of the COVID-19 pandemic; (2) global economic shutdowns enforced to slow the spread of the virus; (3) whole scale equity market sell-offs; (4) bond market dislocations amid liquidity concerns and sharply wider yield spreads; (5) record-shattering weekly jobless claims; (6) contraction in both the manufacturing and services sectors, and; (7) massive monetary and fiscal initiatives designed to support markets, households and businesses.
- As the COVID-19 pandemic took hold across the globe, it created a threefold crisis: (1) a global health crisis, (2) a virtual economic shutdown in the U.S. and elsewhere and (3) sudden, extreme volatility in the financial markets. U.S. states attempted to slow the spread of the virus through closures of non-essential businesses and lockdowns, causing severe and abrupt economic distress.
- The Fed acted quickly and aggressively by cutting rates at two emergency meetings to the new target range of 0% to 0.25%. It initiated unlimited bond-buying (quantitative easing) of various security types and rolled out an “alphabet soup” of market support programs totaling \$2.3 trillion. Some programs are from the 2008-2009 financial crisis playbook, and new, even broader programs are to cushion the potential blow on financial markets.
- U.S. Treasury yields plunged in the wake of the Fed’s rate cuts and a broad flight-to-quality. Short-term yields settled near 0%, and long-term rates fell to record lows with the 10-year Treasury well below 1%. At the same time, credit spreads widened to the highest levels since the 2008-9 financial crisis and equity markets plunged. U.S. equities ended its 11-year bull market (2009 – 2020), and the S&P 500 lost 19.6% of its value in Q1.

ECONOMIC SNAPSHOT

- The immediate impact of the pandemic on global economies made typical economic indicators, most of which are backward-looking, essentially irrelevant. The U.S. economy grew at 2.1% in Q4, driven by consumer spending, but by the end of Q1, the economy was likely in recession. Economists’ forecasts for 2nd quarter GDP point to a deep recession, perhaps as severe as -40% on an annualized rate basis.
- The U.S. labor market was turned on its head in March as tens of millions of Americans filed for unemployment. While the usually-important March employment report showed job losses and an uptick in the official unemployment rate, the real rate is likely much higher. The weekly release of initial jobless claims painted a more dire picture of current conditions. Despite long lines and overburdened state unemployment systems, over 10 million Americans filed initial jobless claims during the last two weeks of the quarter, with an additional 6.6 million filing for the week ended April 4.
- As expected, due to the shelter-in-place orders and closures of many businesses, both the U.S. services and goods-producing parts of the economy fell into contraction, according to the latest Markit PMI surveys. Services suffered the steepest decline in output since data collection began in 2009.

INTEREST RATES

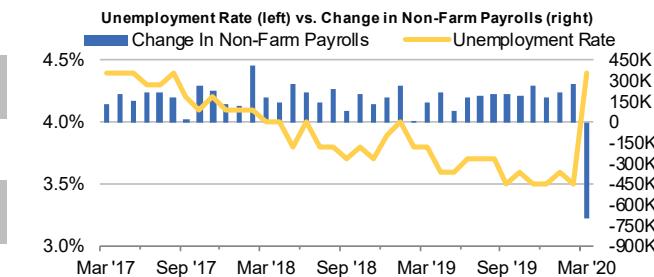
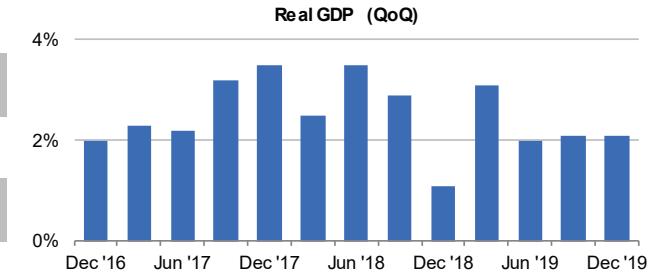
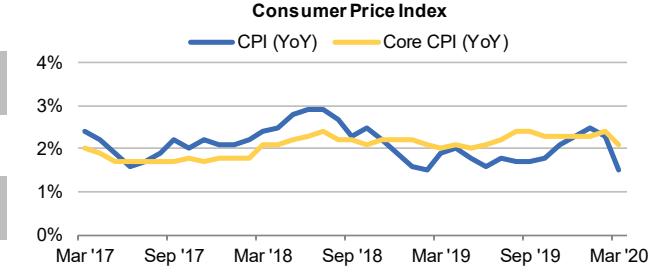
- U.S. Treasury yields plunged amid a flight-to-quality and extreme levels of volatility. Short-term rates (with maturities less than six months) fell in near lock-step with the Fed’s rate actions, with the 3-month T-Bill falling approximately 1.46%. Intermediate- and longer-term yields (with maturities beyond two years) also fell, declining between 1.00% to 1.35%. Long-term Treasuries fell to the lowest yields on record.
- At quarter-end, the yield on a 3-month T-Bill stood at a mere 0.09%, the 2-year and 5-year notes were 0.25% and 0.38%, respectively, the 10-year note was 0.67% and the 30-year Treasury ended at 1.32%.
- As a result of the sharp fall in Treasury yields over the quarter, longer duration was advantageous for portfolio returns. For example, the 3-month and 2-year Constant Maturity U.S. Treasury Indexes returned 0.6% and 2.8%, respectively, while the longer 5-year and 10-year indices returned 6.7% and 11.9%, respectively.

SECTOR PERFORMANCE

- Amid the extreme flight to quality, U.S. Treasuries led all investment-grade (IG) fixed income sectors. Yield spreads on non-Treasuries widened, generating severe underperformance. Diversification away from U.S. Treasury securities, which typically enhances returns, was a detractor of historic proportions for fixed income portfolios.
- While federal agency and supranational spreads increased to multi-year wides, each sector produced positive absolute returns, less than comparable Treasury securities.
- The corporate sector underperformed markedly in Q1, as spreads widened to levels not seen since the financial crisis, but well below peak levels of that recession. As a result, IG corporates produced negative excess returns, with longer-duration and lower quality issues underperforming the most. In coming months, the IG corporate market will face numerous challenges and uncertainties as companies respond to the dislocation brought on by the near shutdown of the economy.
- Asset-backed securities (ABS), even AAA-rated issues, were not immune to credit-related sell-offs. ABS was one of the worst-performing sectors as investors raised concerns about consumer’s ability to pay on credit cards and auto loans in the wake of the shutdown and unemployment. Similar to corporates, spreads spiked to their highest levels since the financial crisis, still not reaching the widest levels during that recession.
- Federal agency mortgage-backed securities (MBS) posted positive absolute returns but trailed similar-duration Treasuries. The sector was hurt initially by an expected surge in prepayments as mortgage rates fell, then were hurt by spread widening due to reports of mortgage forbearance. The Fed’s announcement of unlimited buying of agency MBS eased liquidity concerns and helped stabilize the MBS sector near quarter-end.
- Like other credit sectors, both the taxable and tax-exempt municipal sectors were affected by lack of liquidity and spread widening, which produced negative excess returns that were most pronounced in longer-term taxable securities.
- In money markets, overnight repurchase agreement rates fell to near zero. Yield spreads on commercial paper and bank CDs widened sharply, but issuers re-entered the market in late March, supported by the Fed’s liquidity support measures.

QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market	Latest	Dec '19	Mar '19	
Unemployment Rate	Mar '20	4.4%	3.5%	3.8%
Change In Non-Farm Payrolls	Mar '20	-701,000	184,000	147,000
Average Hourly Earnings (YoY)	Mar '20	3.1%	3.0%	3.4%
Personal Income (YoY)	Feb '20	4.0%	3.7%	4.7%
Initial Jobless Claims (week)	4/11/20	5,245,000	220,000	211,000
				
Growth				Real GDP (QoQ)
Real GDP (QoQ SAAR)	2019Q4	2.1%	2.1% ¹	1.1% ²
GDP Personal Consumption (QoQ SAAR)	2019Q4	1.8%	3.2% ¹	1.4% ²
Retail Sales (YoY)	Mar '20	-6.2%	5.4%	3.8%
ISM Manufacturing Survey (month)	Mar '20	49.1	47.8	54.6
Existing Home Sales SAAR (month)	Feb '20	5.77 mil.	5.53 mil.	5.23 mil.
				
Inflation / Prices				Consumer Price Index
Personal Consumption Expenditures (YoY)	Feb '20	1.8%	1.6%	1.4%
Consumer Price Index (YoY)	Mar '20	1.5%	2.3%	1.9%
Consumer Price Index Core (YoY)	Mar '20	2.1%	2.3%	2.0%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$20.48	\$61.06	\$60.14
Gold Futures (oz.)	Mar 31	\$1,583	\$1,523	\$1,293
				

1. Data as of Third Quarter 2019.

2. Data as of Fourth Quarter 2018.

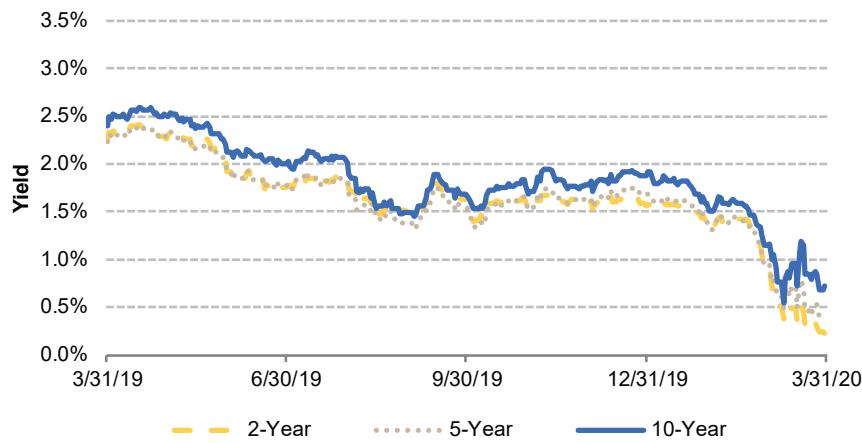
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

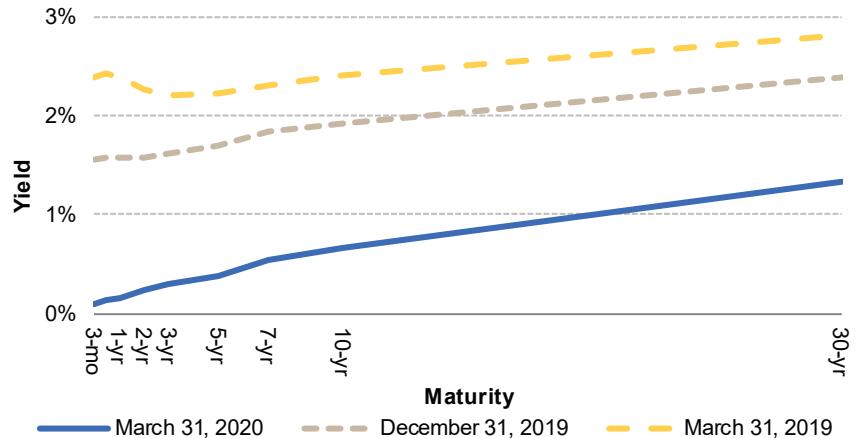
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve

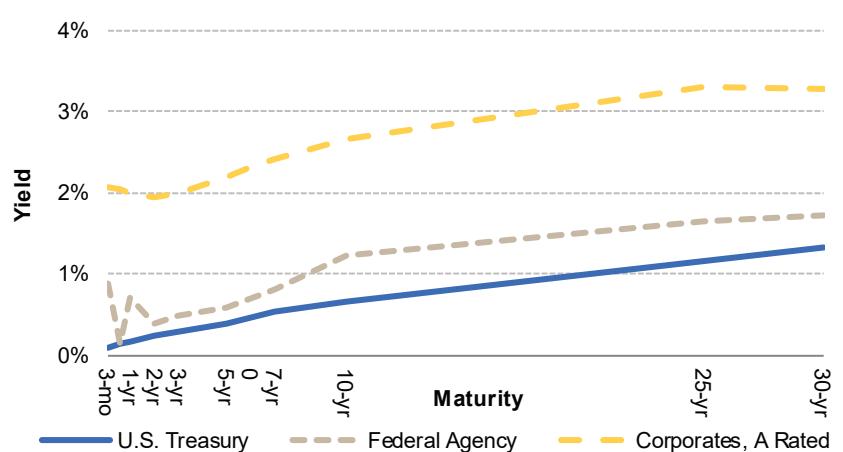


U.S. Treasury Yields

Maturity	Mar '20	Dec '19	Change over Quarter	Mar '19	Change over Year
3-Month	0.09%	1.55%	(1.46%)	2.39%	(2.30%)
1-Year	0.16%	1.58%	(1.42%)	2.39%	(2.23%)
2-Year	0.25%	1.57%	(1.32%)	2.26%	(2.01%)
5-Year	0.38%	1.69%	(1.31%)	2.23%	(1.85%)
10-Year	0.67%	1.92%	(1.25%)	2.41%	(1.74%)
30-Year	1.32%	2.39%	(1.07%)	2.82%	(1.50%)

Source: Bloomberg.

Yield Curves as of 03/31/2020



QUARTERLY MARKET SUMMARY

ICE BofAML Index Returns

March 31, 2020	Duration	Yield	Returns for Periods ended 03/31/2020		
			3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.81	0.20%	2.81%	5.42%	2.70%
Federal Agency	1.47	0.54%	1.95%	4.48%	2.51%
U.S. Corporates, A-AAA rated	1.76	2.36%	(0.29%)	2.99%	2.45%
Agency MBS (0 to 3 years)	2.26	1.47%	3.40%	7.36%	4.07%
Taxable Municipals	1.61	1.97%	0.27%	3.39%	2.89%
1-5 Year Indices					
U.S. Treasury	2.58	0.25%	3.80%	6.86%	3.26%
Federal Agency	1.95	0.64%	2.42%	5.12%	2.78%
U.S. Corporates, A-AAA rated	2.55	2.40%	(0.36%)	3.60%	8.71%
Agency MBS (0 to 5 years)	1.36	1.28%	2.53%	6.43%	3.42%
Taxable Municipals	2.22	2.43%	0.19%	3.34%	2.99%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.35	0.56%	8.80%	13.92%	6.07%
Federal Agency	4.26	0.90%	4.23%	8.37%	4.28%
U.S. Corporates, A-AAA rated	7.75	2.85%	(0.72%)	7.02%	4.72%
Agency MBS (0 to 30 years)	2.25	1.64%	2.79%	7.06%	4.08%
Taxable Municipals	11.03	3.31%	0.17%	8.36%	6.97%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

QUARTERLY MARKET SUMMARY

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Core Portfolio

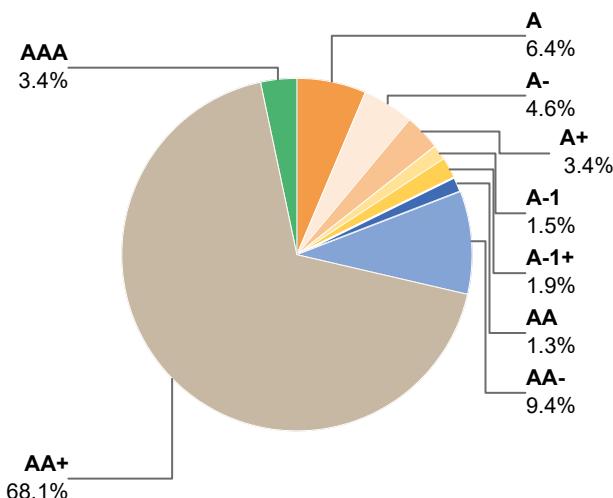


Portfolio Statistics

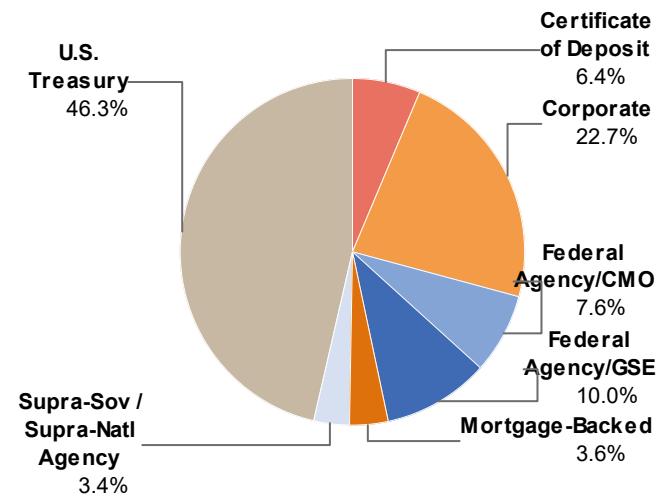
As of March 31, 2020

Par Value:	\$131,754,940
Total Market Value:	\$135,986,224
Security Market Value:	\$134,859,820
Accrued Interest:	\$767,353
Cash:	\$359,050
Amortized Cost:	\$132,031,236
Yield at Market:	0.93%
Yield at Cost:	2.22%
Effective Duration:	1.80 Years
Duration to Worst:	1.89 Years
Average Maturity:	2.37 Years
Average Credit: *	AA

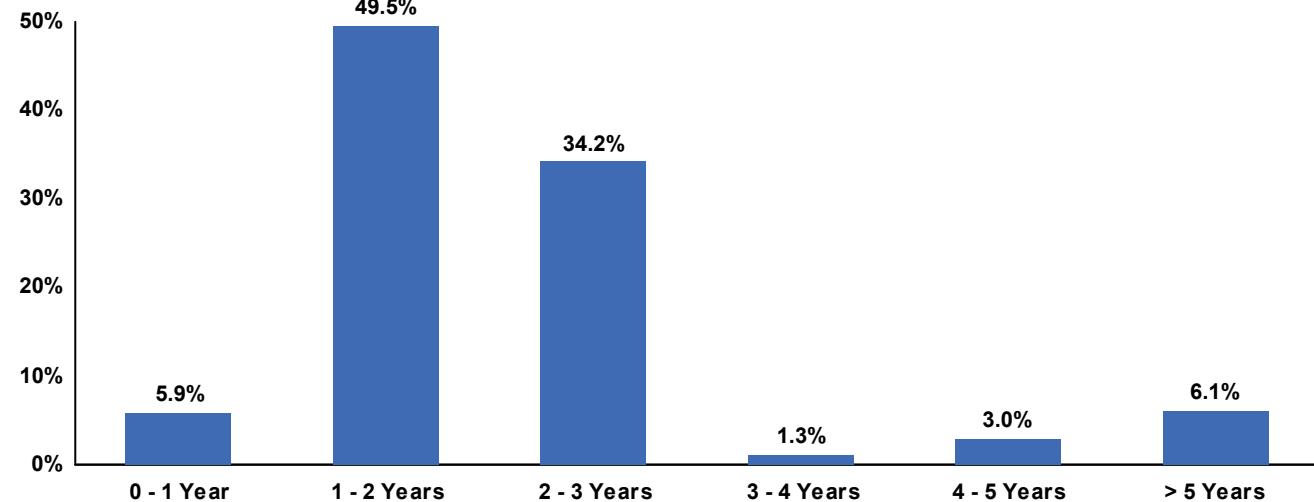
Credit Quality (S&P Ratings)



Sector Allocation



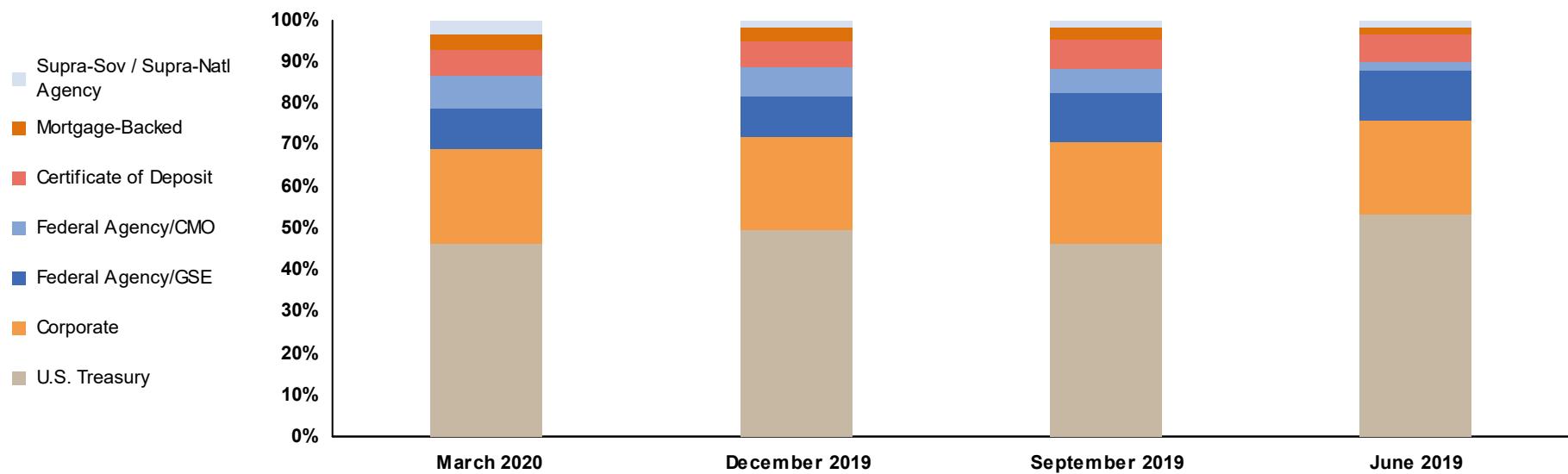
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation

Sector	March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	62.5	46.3%	65.2	49.4%	61.1	46.4%	69.9	53.3%
Corporate	30.5	22.7%	29.7	22.4%	31.7	24.1%	29.3	22.4%
Federal Agency/GSE	13.5	10.0%	13.3	10.1%	15.9	12.1%	15.9	12.1%
Federal Agency/CMO	10.3	7.6%	8.8	6.7%	7.5	5.7%	2.6	2.0%
Certificate of Deposit	8.6	6.4%	8.5	6.4%	9.2	7.0%	8.5	6.5%
Mortgage-Backed	4.8	3.6%	4.4	3.3%	4.0	3.0%	2.4	1.9%
Supra-Sov / Supra-Natl Agency	4.6	3.4%	2.3	1.7%	2.3	1.7%	2.3	1.8%
Total	\$134.9	100.0%	\$132.2	100.0%	\$131.6	100.0%	\$130.9	100.0%

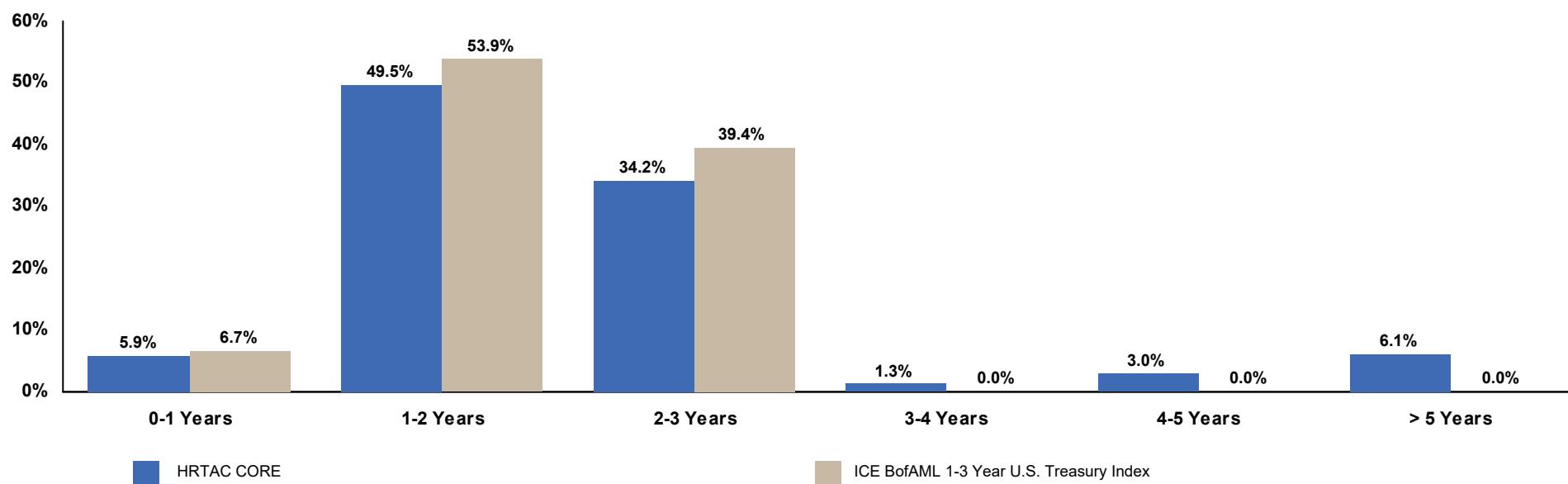


Detail may not add to total due to rounding.

Maturity Distribution

As of March 31, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
HRTAC CORE	0.93%	2.37 yrs	5.9%	49.5%	34.2%	1.3%	3.0%	6.1%
ICE BofAML 1-3 Year U.S. Treasury Index	0.20%	1.86 yrs	6.7%	53.9%	39.4%	0.0%	0.0%	0.0%



Issuer Distribution

As of March 31, 2020

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	62,542,117	46.4%
FANNIE MAE	13,913,063	10.3%
FREDDIE MAC	8,142,529	6.0%
FEDERAL HOME LOAN BANKS	6,518,879	4.8%
NORDEA BANK AB	2,692,434	2.0%
HSBC HOLDINGS PLC	2,519,843	1.9%
TOYOTA MOTOR CORP	2,362,122	1.8%
AFRICAN DEVELOPMENT BANK	2,103,701	1.6%
SWEDBANK AB	2,013,706	1.5%
ROYAL BANK OF CANADA	1,840,598	1.4%
DNB ASA	1,355,615	1.0%
INTL BANK OF RECONSTRUCTION AND DEV	1,286,434	1.0%
AMERICAN HONDA FINANCE	1,275,625	1.0%
BANK OF MONTREAL	1,264,918	0.9%
BB&T CORPORATION	1,258,163	0.9%
WESTPAC BANKING CORP	1,255,750	0.9%
ASIAN DEVELOPMENT BANK	1,228,881	0.9%
CHEVRON CORPORATION	1,158,357	0.9%

Top 5 = 69.6%

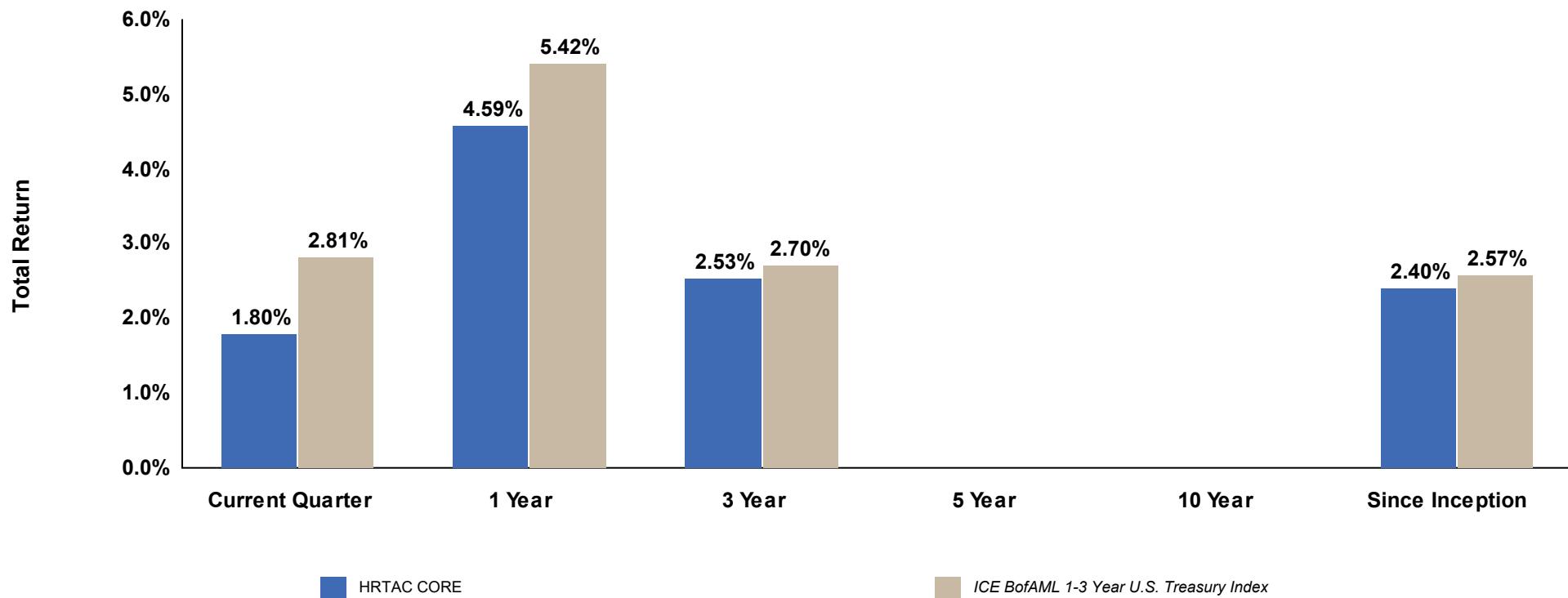
Top 10 = 77.6%

Issuer	Market Value (\$)	% of Portfolio
PACCAR FINANCIAL CORP	1,151,721	0.9%
TORONTO-DOMINION BANK	995,944	0.7%
CATERPILLAR INC	981,876	0.7%
APPLE INC	704,377	0.5%
AMAZON.COM INC	676,238	0.5%
NORTHERN TRUST	675,187	0.5%
US BANCORP	664,663	0.5%
PROCTER & GAMBLE CO	659,932	0.5%
UNITED PARCEL SERVICE INC	658,198	0.5%
AMERICAN EXPRESS CO	654,649	0.5%
BANCO SANTANDER SA	653,906	0.5%
TOTAL SA	652,293	0.5%
CREDIT SUISSE GROUP	646,773	0.5%
STATE STREET CORPORATION	646,629	0.5%
BLACKROCK INC	644,919	0.5%
IBM CORP	641,746	0.5%
VISA INC	636,514	0.5%
DEERE & COMPANY	628,726	0.5%
THE BANK OF NEW YORK MELLON CORPORATION	628,103	0.5%
BP PLC	627,869	0.5%
JP MORGAN CHASE & CO	626,983	0.5%

Issuer	Market Value (\$)	% of Portfolio
CHARLES SCHWAB	626,578	0.5%
WELLS FARGO & COMPANY	623,416	0.5%
BANK OF AMERICA CO	618,306	0.5%
EXXON MOBIL CORP	568,419	0.4%
MITSUBISHI UFJ FINANCIAL GROUP INC	507,456	0.4%
ADOBE INC	480,520	0.4%
BURLINGTON NORTHERN SANTA FE	472,442	0.4%
3M COMPANY	380,125	0.3%
PFIZER INC	373,566	0.3%
THE WALT DISNEY CORPORATION	346,715	0.3%
HONEYWELL INTERNATIONAL	272,296	0.2%
Grand Total:	134,859,820	100.0%

Portfolio Performance (Total Return)

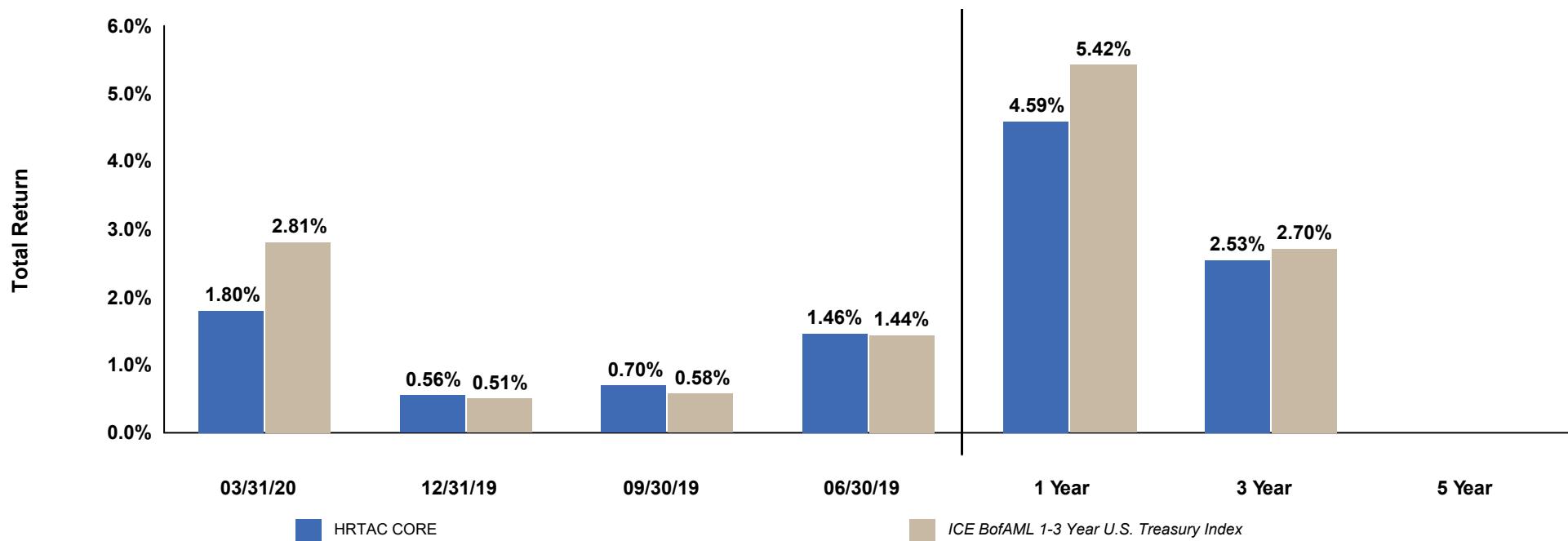
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception (12/31/16) **
HRTAC CORE	1.80	1.80%	4.59%	2.53%	-	-	2.40%
<i>ICE BofAML 1-3 Year U.S. Treasury Index</i>	1.81	2.81%	5.42%	2.70%	-	-	2.57%
Difference		-1.01%	-0.83%	-0.17%	-	-	-0.17%



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/20	12/31/19	09/30/19	06/30/19	1 Year	3 Year	5 Year
HRTAC CORE	1.80	1.80%	0.56%	0.70%	1.46%	4.59%	2.53%	-
Net of Fees **	-	1.78%	0.54%	0.68%	1.44%	4.52%	2.46%	-
ICE BofAML 1-3 Year U.S. Treasury Index	1.81	2.81%	0.51%	0.58%	1.44%	5.42%	2.70%	-
Difference (Gross)		-1.01%	0.05%	0.12%	0.02%	-0.83%	-0.17%	-
Difference (Net)		-1.03%	0.03%	0.10%	0.00%	-0.90%	-0.24%	-



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/16/2011 3.125% 05/15/2021	912828QN3	575,000.00	AA+	Aaa	5/15/2018	5/17/2018	581,154.30	2.75	6,812.33	577,361.68	593,328.13
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	4,000,000.00	AA+	Aaa	6/3/2019	6/5/2019	4,055,156.25	1.90	39,807.69	4,032,068.84	4,108,124.80
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	6,200,000.00	AA+	Aaa	6/4/2018	6/6/2018	6,089,804.68	2.62	41,672.13	6,156,021.42	6,328,843.44
US TREASURY NOTES DTD 06/30/2014 2.125% 06/30/2021	912828WR7	3,850,000.00	AA+	Aaa	7/3/2018	7/6/2018	3,791,046.88	2.66	20,677.88	3,824,809.33	3,939,632.62
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	2,250,000.00	AA+	Aaa	9/5/2018	9/7/2018	2,251,845.70	2.72	7,819.37	2,250,891.81	2,325,937.50
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	2,500,000.00	AA+	Aaa	9/26/2018	9/28/2018	2,489,355.47	2.91	8,688.19	2,494,837.95	2,584,375.00
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	2,000,000.00	AA+	Aaa	9/10/2018	9/12/2018	1,998,515.63	2.78	6,950.55	1,999,299.78	2,067,500.00
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	3,250,000.00	AA+	Aaa	11/8/2019	11/12/2019	3,222,578.13	1.69	17,075.89	3,227,913.72	3,297,734.38
UNITED STATES TREASURY NOTES DTD 12/17/2018 2.625% 12/15/2021	9128285R7	7,250,000.00	AA+	Aaa	1/7/2019	1/9/2019	7,275,771.48	2.50	56,157.79	7,265,251.68	7,538,867.55
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	3,000,000.00	AA+	Aaa	2/8/2019	2/11/2019	3,005,976.56	2.43	15,865.38	3,003,720.06	3,118,125.00
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	3,775,000.00	AA+	Aaa	1/29/2019	1/31/2019	3,769,543.95	2.55	19,963.94	3,771,666.18	3,923,640.63
US TREASURY NOTES DTD 02/15/2019 2.500% 02/15/2022	9128286C9	860,000.00	AA+	Aaa	3/1/2019	3/5/2019	859,059.38	2.54	2,717.03	859,398.65	895,206.25
UNITED STATES TREASURY NOTES DTD 07/15/2019 1.750% 07/15/2022	9128287C8	3,000,000.00	AA+	Aaa	1/2/2020	1/6/2020	3,010,898.44	1.60	11,105.77	3,009,900.48	3,097,031.40
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	1,550,000.00	AA+	Aaa	7/1/2019	7/3/2019	1,555,267.58	1.76	4,870.36	1,554,023.94	1,606,187.50
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	1,700,000.00	AA+	Aaa	10/3/2019	10/4/2019	1,713,945.31	1.34	2,402.17	1,711,619.91	1,752,859.46

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	150,000.00	AA+	Aaa	8/2/2019	8/5/2019	149,701.17	1.69	211.96	149,764.40	154,664.07
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	2,000,000.00	AA+	Aaa	9/5/2019	9/9/2019	2,008,437.50	1.48	2,826.09	2,006,872.86	2,062,187.60
UNITED STATES TREASURY NOTES DTD 10/15/2019 1.375% 10/15/2022	912828YK0	1,375,000.00	AA+	Aaa	10/31/2019	11/4/2019	1,369,897.46	1.50	8,729.94	1,370,592.27	1,411,738.35
UNITED STATES TREASURY NOTES DTD 10/15/2019 1.375% 10/15/2022	912828YK0	4,750,000.00	AA+	Aaa	12/2/2019	12/4/2019	4,716,601.56	1.63	30,157.96	4,720,338.15	4,876,914.30
UNITED STATES TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023	912828Z29	600,000.00	AA+	Aaa	2/3/2020	2/5/2020	602,953.12	1.33	1,903.85	602,801.71	620,156.28
UNITED STATES TREASURY NOTES DTD 02/18/2020 1.375% 02/15/2023	912828Z86	6,050,000.00	AA+	Aaa	3/2/2020	3/4/2020	6,155,166.02	0.78	7,233.70	6,152,482.77	6,239,062.50
Security Type Sub-Total		60,685,000.00					60,672,676.57	2.07	313,649.97	60,741,637.59	62,542,116.76
Supra-National Agency Bond / Note											
AFRICAN DEVELOPMENT BANK NOTE DTD 03/22/2018 2.625% 03/22/2021	00828ECZ0	1,000,000.00	AAA	Aaa	3/22/2018	3/23/2018	999,260.00	2.65	656.25	999,753.04	1,019,771.00
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	1,250,000.00	AAA	Aaa	8/10/2018	8/14/2018	1,247,612.50	2.82	6,493.06	1,248,916.81	1,286,433.75
ASIAN DEVELOPMENT BANK SUPRANATL DTD 04/07/2020 0.625% 04/07/2022	045167ET6	1,230,000.00	AAA	Aaa	3/31/2020	4/7/2020	1,228,880.70	0.67	0.00	1,228,880.70	1,228,880.70
AFRICAN DEVELOPMENT BANK SUPRANATL DTD 04/03/2020 0.750% 04/03/2023	008281BC0	1,080,000.00	AAA	Aaa	3/26/2020	4/3/2020	1,078,498.80	0.80	0.00	1,078,498.80	1,083,930.12
Security Type Sub-Total		4,560,000.00					4,554,252.00	1.74	7,149.31	4,556,049.35	4,619,015.57
Federal Agency Mortgage-Backed Security											

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Mortgage-Backed Security											
FG G16778 DTD 03/01/2019 3.000% 01/15/2027	3128MFXF0	474,142.06	AA+	Aaa	4/15/2019	4/18/2019	477,235.10	2.76	1,185.36	476,736.29	496,152.80
FG G14660 DTD 01/01/2013 2.000% 01/15/2028	3128MDMH3	515,249.60	AA+	Aaa	5/2/2019	5/16/2019	503,575.97	2.69	858.75	504,295.35	529,011.91
FANNIE MAE POOL DTD 01/01/2013 2.500% 01/25/2028	3138MRLV1	637,076.93	AA+	Aaa	2/5/2020	2/18/2020	648,424.86	1.85	1,327.24	648,423.82	661,241.35
FN FM1456 DTD 09/01/2019 2.500% 09/25/2028	3140X4TN6	638,006.74	AA+	Aaa	12/10/2019	12/17/2019	644,386.81	2.16	1,329.18	644,111.12	662,206.43
FANNIE MAE POOL DTD 01/01/2019 2.500% 03/25/2029	3140J94Y4	568,487.60	AA+	Aaa	8/15/2019	8/19/2019	577,547.88	2.02	1,184.35	576,847.86	590,592.95
FN FM1082 DTD 06/01/2019 3.000% 09/25/2031	3140X4FY7	551,688.07	AA+	Aaa	8/19/2019	8/21/2019	567,635.32	2.26	1,379.22	566,427.18	578,501.74
FANNIE MAE POOL DTD 02/01/2019 4.000% 02/25/2034	3140JAEZ7	440,234.99	AA+	Aaa	3/1/2019	3/18/2019	452,960.53	3.24	1,467.45	451,267.71	464,430.97
FANNIE MAE POOL DTD 02/01/2019 3.500% 03/25/2034	31418DAL6	403,699.26	AA+	Aaa	4/15/2019	4/18/2019	412,404.02	2.96	1,177.46	411,409.27	424,863.96
FHR 3745 NP DTD 10/01/2010 4.000% 06/15/2039	3137A24V0	356,346.47	AA+	Aaa	9/12/2019	9/17/2019	369,083.07	3.08	1,187.82	369,081.78	375,075.00
Security Type Sub-Total		4,584,931.72					4,653,253.56	2.48	11,096.83	4,648,600.38	4,782,077.11
Federal Agency Collateralized Mortgage Obligation											
FHMS K019 A2 DTD 08/01/2012 2.272% 03/25/2022	3137ASNJ9	618,162.97	AA+	Aaa	3/29/2019	4/3/2019	613,599.19	2.65	1,170.39	614,736.42	625,531.02
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/25/2022	3137BLUR7	625,000.00	AA+	Aaa	3/13/2019	3/18/2019	624,222.42	2.68	1,414.58	624,222.42	636,341.19
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2013 2.510% 11/25/2022	3137B1BS0	650,000.00	AA+	Aaa	6/12/2019	6/17/2019	655,687.50	1.92	1,359.58	654,272.59	667,375.55
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/25/2022	3136AEGQ4	481,103.59	AA+	Aaa	9/4/2019	9/9/2019	487,406.53	1.42	914.10	486,301.23	492,697.70

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/25/2022	3136AEGQ4	371,221.91	AA+	Aaa	9/11/2019	9/16/2019	373,534.99	1.82	705.32	373,112.34	380,167.98
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	247,633.56	AA+	Aaa	11/20/2019	11/26/2019	247,627.61	2.03	431.71	247,627.62	253,129.14
FHMS K047 A1 DTD 07/01/2015 2.827% 12/25/2024	3137BKRH5	610,356.09	AA+	Aaa	6/18/2019	6/21/2019	620,846.58	2.14	1,437.90	619,361.08	630,727.64
FHMS K047 A1 DTD 07/01/2015 2.827% 12/25/2024	3137BKRH5	577,063.94	AA+	Aaa	7/5/2019	7/10/2019	587,072.38	2.13	1,359.47	585,696.76	596,324.31
FNA 2015-M8 A1 DTD 05/01/2015 2.344% 01/25/2025	3136ANRH2	533,790.94	AA+	Aaa	7/25/2019	7/30/2019	535,375.63	2.18	1,042.67	535,123.73	546,775.20
FHLMC SERIES K049 A1 DTD 10/01/2015 2.475% 03/01/2025	3137BLMY1	604,166.68	AA+	Aaa	7/11/2019	7/16/2019	608,532.73	2.29	1,246.09	607,817.01	622,662.96
FHLMC MULTIFAMILY K055 A1 DTD 06/01/2016 2.263% 04/01/2025	3137BPVZ9	1,312,454.99	AA+	Aaa	9/19/2019	9/24/2019	1,318,760.93	2.13	2,475.07	1,317,960.28	1,347,488.05
FNA 2015-M16 A1 DTD 11/01/2015 2.700% 11/25/2025	3136AQTF7	340,516.74	AA+	Aaa	2/6/2020	2/11/2020	349,846.90	1.70	766.16	349,658.78	353,807.20
FHMS K736 A1 DTD 09/01/2019 1.895% 06/25/2026	3137FNWW6	678,830.36	AA+	Aaa	9/4/2019	9/17/2019	682,224.51	1.71	1,071.99	681,923.67	692,931.70
FHR 4096 PA DTD 08/01/2012 1.375% 08/15/2027	3137ATCD2	663,771.09	AA+	Aaa	2/21/2020	2/26/2020	658,377.95	1.64	760.57	658,377.95	669,777.45
FNR 2012-107 GA DTD 09/01/2012 1.500% 09/25/2027	3136A85N6	560,918.12	AA+	Aaa	12/3/2019	12/6/2019	553,161.67	1.95	701.15	553,339.88	563,767.44
FNR 2012-145 EA DTD 12/01/2012 1.250% 01/25/2028	3136AAZ57	638,092.38	AA+	Aaa	2/7/2020	2/12/2020	629,044.43	1.72	664.68	629,077.07	636,767.17
FNR 2013-39 MP DTD 04/01/2013 1.750% 05/25/2028	3136AEEF0	581,925.16	AA+	Aaa	12/9/2019	12/12/2019	577,015.16	1.98	848.64	577,094.84	588,981.32
Security Type Sub-Total		10,095,008.52					10,122,337.11	2.03	18,370.07	10,115,703.67	10,305,253.02
Federal Agency Bond / Note											

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 06/25/2018 2.750% 06/22/2021	3135G0U35	2,500,000.00	AA+	Aaa	6/22/2018	6/25/2018	2,499,425.00	2.76	18,906.25	2,499,757.40	2,572,285.00
FANNIE MAE NOTES DTD 06/25/2018 2.750% 06/22/2021	3135G0U35	1,750,000.00	AA+	Aaa	12/11/2018	12/12/2018	1,746,832.50	2.82	13,234.38	1,748,442.24	1,800,599.50
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	2,500,000.00	AA+	Aaa	11/2/2018	11/6/2018	2,498,550.00	3.02	35,208.33	2,499,244.90	2,596,447.50
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	2,000,000.00	AA+	Aaa	12/11/2018	12/12/2018	2,008,120.00	2.85	28,166.67	2,004,492.46	2,077,158.00
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	1,250,000.00	AA+	Aaa	1/11/2019	1/14/2019	1,251,587.50	2.58	7,291.67	1,250,958.63	1,297,688.75
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	1,250,000.00	AA+	Aaa	1/29/2019	1/31/2019	1,250,325.00	2.62	7,291.67	1,250,205.54	1,297,688.75
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	1,800,000.00	AA+	Aaa	2/20/2020	2/21/2020	1,796,688.00	1.44	2,750.00	1,796,808.74	1,845,273.60
Security Type Sub-Total		13,050,000.00					13,051,528.00	2.62	112,848.97	13,049,909.91	13,487,141.10
Corporate Note											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 01/08/2019 3.050% 01/08/2021	89236TFQ3	800,000.00	AA-	A1	1/3/2019	1/8/2019	799,520.00	3.08	5,625.56	799,812.08	801,705.60
TORONTO-DOMINION BANK CORP NOTE DTD 01/25/2018 2.550% 01/25/2021	89114QBX5	1,000,000.00	AA-	Aa1	1/31/2018	2/2/2018	995,740.00	2.70	4,675.00	998,800.74	995,944.00
EXXON MOBIL CORPORATE (CALLABLE) NOTES DTD 03/03/2016 2.222% 03/01/2021	30231GAV4	570,000.00	AA	Aaa	3/2/2018	3/6/2018	561,558.30	2.74	1,055.45	567,336.93	568,419.39
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	300,000.00	AA-	A1	4/18/2018	4/20/2018	299,541.00	3.00	4,130.00	299,836.70	301,041.30

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	300,000.00	A	A1	6/13/2019	6/17/2019	300,927.00	2.33	3,458.33	300,516.32	301,509.90
ROYAL BANK OF CANADA CORP NOTES DTD 04/30/2018 3.200% 04/30/2021	78013XKG2	1,000,000.00	AA-	Aa2	11/2/2018	11/6/2018	995,950.00	3.37	13,422.22	998,199.20	1,004,635.00
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	650,000.00	A	A1	6/17/2019	6/19/2019	646,165.00	2.27	4,647.50	647,716.41	646,629.10
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	625,000.00	A	A2	5/22/2019	5/24/2019	632,862.50	2.60	7,335.07	629,543.49	626,577.50
TOTAL CAPITAL INTL SA CORP NOTE DTD 06/23/2014 2.750% 06/19/2021	89153VAP4	650,000.00	A+	Aa3	7/8/2019	7/10/2019	656,207.50	2.24	5,064.58	653,922.15	652,292.55
WELLS FARGO & CO CORP NOTES DTD 07/25/2016 2.100% 07/26/2021	949746SA0	625,000.00	A-	A2	4/1/2019	4/3/2019	615,087.50	2.81	2,369.79	619,278.88	623,416.25
BURLINGTN NORTH SANTA FE CORP NOTES DTD 08/22/2011 3.450% 09/15/2021	12189LAF8	465,000.00	A+	A3	8/9/2019	8/13/2019	476,592.45	2.22	713.00	473,137.37	472,442.33
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	625,000.00	A-	A2	3/12/2019	3/13/2019	618,118.75	2.78	7,275.00	620,896.41	618,306.25
CREDIT SUISSE NEW YORK CORP NOTES DTD 11/12/2019 2.100% 11/12/2021	22550L2A8	650,000.00	A+	A1	11/4/2019	11/12/2019	649,922.00	2.11	5,270.42	649,936.83	646,772.75
WESTPAC BANKING CORP NY CORP NOTES DTD 01/11/2017 2.800% 01/11/2022	961214DG5	1,250,000.00	AA-	Aa3	4/8/2019	4/10/2019	1,247,862.50	2.86	7,777.78	1,248,621.54	1,255,750.00
JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022	46625HJD3	600,000.00	A-	A2	3/13/2019	3/13/2019	625,440.00	2.94	5,025.00	616,364.15	626,983.20
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	425,000.00	A+	A1	2/22/2019	3/1/2019	424,626.00	2.88	1,009.38	424,757.43	417,945.43
3M COMPANY BONDS DTD 02/22/2019 2.750% 03/01/2022	88579YBF7	375,000.00	A+	A1	2/26/2019	3/1/2019	375,630.00	2.69	859.38	375,408.21	380,124.75

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	650,000.00	A-	A2	7/16/2019	7/18/2019	655,746.00	2.35	1,365.00	654,195.67	654,648.80
CHEVRON CORP (CALLABLE) NOTES DTD 03/03/2017 2.498% 03/03/2022	166764BN9	500,000.00	AA	Aa2	5/15/2019	5/17/2019	499,160.00	2.56	971.44	499,422.62	506,208.00
mitsubishi ufj fin grp DTD 03/07/2019 3.218% 03/07/2022	606822BG8	500,000.00	A-	A1	2/26/2019	3/7/2019	500,000.00	3.22	1,072.67	500,000.00	507,456.00
PFIZER INC CORP BONDS DTD 03/11/2019 2.800% 03/11/2022	717081ER0	365,000.00	AA-	A1	3/4/2019	3/11/2019	364,978.10	2.80	567.78	364,985.60	373,565.82
US BANCORP (CALLABLE) NOTE DTD 03/02/2012 3.000% 03/15/2022	91159HHC7	650,000.00	A+	A1	6/14/2019	6/18/2019	661,472.50	2.33	866.67	658,163.77	664,663.35
BANK OF MONTREAL DTD 03/26/2019 2.900% 03/26/2022	06367WJM6	1,250,000.00	A-	A2	3/21/2019	3/26/2019	1,246,825.00	2.99	503.47	1,247,866.68	1,264,917.50
BB&T CORP (CALLABLE) NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	625,000.00	A-	A3	4/1/2019	4/3/2019	624,943.75	2.75	8,593.75	624,962.36	628,735.00
JOHN DEERE CAPITAL CORP DTD 03/07/2019 2.950% 04/01/2022	24422EUT4	625,000.00	A	A2	4/1/2019	4/3/2019	630,168.75	2.66	9,218.75	628,497.84	628,725.63
TOYOTA MOTOR CREDIT CORP DTD 04/12/2019 2.650% 04/12/2022	89236TFX8	1,250,000.00	AA-	A1	4/9/2019	4/12/2019	1,249,212.50	2.67	15,550.35	1,249,460.20	1,259,375.00
ROYAL BANK OF CANADA CORP NOTES DTD 04/29/2019 2.800% 04/29/2022	78013X6D5	825,000.00	A	A2	4/24/2019	4/29/2019	824,645.25	2.82	9,753.33	824,751.20	835,963.43
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 3.245% 05/06/2022	10373QAJ9	625,000.00	A-	A1	2/26/2020	2/28/2020	648,181.25	1.52	8,168.84	647,229.04	627,869.38
PACCAR FINANCIAL CORP CORP NOTES DTD 05/10/2019 2.650% 05/10/2022	69371RP83	750,000.00	A+	A1	5/3/2019	5/10/2019	749,595.00	2.67	7,784.38	749,712.11	733,775.25
IBM CORP DTD 05/15/2019 2.850% 05/13/2022	459200JX0	625,000.00	A	A2	10/30/2019	11/1/2019	638,025.00	2.00	6,828.13	635,927.66	641,745.63

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
APPLE INC CORP NOTES DTD 05/13/2015 2.700% 05/13/2022	037833BF6	675,000.00	AA+	Aa1	6/12/2019	6/14/2019	683,606.25	2.25	6,986.25	681,310.85	704,376.68
UNITED PARCEL SERVICE (CALLABLE) NOTES DTD 05/16/2017 2.350% 05/16/2022	911312BC9	650,000.00	A	A2	6/26/2019	6/27/2019	653,659.50	2.15	5,728.13	652,693.37	658,198.45
BLACKROCK INC CORP NOTES DTD 05/25/2012 3.375% 06/01/2022	09247XAJ0	625,000.00	AA-	Aa3	4/11/2019	4/15/2019	639,431.25	2.60	7,031.25	635,126.11	644,919.38
BRANCH BANKING & TRUST CORP NOTES DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	625,000.00	A-	A3	6/13/2019	6/20/2019	636,175.00	2.43	5,348.09	633,342.14	629,427.50
AMERICAN HONDA FINANCE DTD 06/27/2019 2.200% 06/27/2022	02665WCY5	1,300,000.00	A	A3	6/24/2019	6/27/2019	1,298,804.00	2.23	7,467.78	1,299,100.21	1,275,625.00
NORTHERN TRUST COMPANY CORP NOTES DTD 08/02/2012 2.375% 08/02/2022	665859AN4	650,000.00	A+	A2	8/9/2019	8/13/2019	657,891.00	1.95	2,530.03	656,246.26	675,186.85
HONEYWELL INTERNATIONAL CORPORATE NOTE DTD 08/08/2019 2.150% 08/08/2022	438516BT2	270,000.00	A	A2	7/30/2019	8/8/2019	269,727.30	2.19	854.63	269,784.69	272,296.08
PROCTER & GAMBLE CO/THE CORP NOTES DTD 08/11/2017 2.150% 08/11/2022	742718EU9	650,000.00	AA-	Aa3	6/18/2019	6/21/2019	650,071.50	2.15	1,940.97	650,059.90	659,932.00
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.650% 09/01/2022	254687FJ0	345,000.00	A	A2	9/3/2019	9/6/2019	344,251.35	1.72	474.38	344,390.97	346,715.00
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 09/06/2019 1.900% 09/06/2022	14913Q3A5	340,000.00	A	A3	9/3/2019	9/6/2019	339,527.40	1.95	448.61	339,615.05	335,045.86
VISA INC (CALLABLE) NOTE DTD 09/11/2017 2.150% 09/15/2022	92826CAG7	315,000.00	AA-	Aa3	5/22/2019	5/24/2019	310,942.80	2.56	301.00	311,960.32	320,802.93
VISA INC (CALLABLE) NOTE DTD 09/11/2017 2.150% 09/15/2022	92826CAG7	310,000.00	AA-	Aa3	5/22/2019	5/24/2019	306,007.20	2.56	296.22	307,008.57	315,710.82
CATERPILLAR FINL SERVICE DTD 01/13/2020 1.950% 11/18/2022	14913Q3C1	650,000.00	A	A3	1/9/2020	1/13/2020	649,701.00	1.97	2,746.25	649,719.60	646,830.60

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
SANTANDER UK PLC DTD 01/13/2020 2.100% 01/13/2023	80283LAY9	675,000.00	A	Aa3	1/6/2020	1/13/2020	674,588.25	2.12	3,071.25	674,617.21	653,906.25
BANK OF NY MELLON CORP DTD 01/28/2020 1.850% 01/27/2023	06406RAM9	325,000.00	A	A1	1/21/2020	1/28/2020	324,772.50	1.87	1,052.19	324,785.45	326,593.48
ADOBEC INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	325,000.00	A	A2	1/23/2020	2/3/2020	325,026.00	1.70	890.14	325,024.60	328,776.83
ADOBEC INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	150,000.00	A	A2	1/22/2020	2/3/2020	149,794.50	1.75	410.83	149,805.30	151,743.15
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	650,000.00	AA-	A2	3/4/2020	3/6/2020	675,239.50	1.06	1,690.00	674,655.59	676,237.90
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023	166764AH3	625,000.00	AA	Aa2	2/25/2020	2/27/2020	656,706.25	1.62	5,373.73	655,829.66	652,149.38
Security Type Sub-Total		30,305,000.00					30,460,626.15	2.46	205,599.75	30,444,335.44	30,542,618.23
Certificate of Deposit											
HSBC BANK USA NA CERT DEPOS DTD 04/04/2019 2.700% 10/02/2020	40435RCN9	2,500,000.00	A-1+	P-1	4/3/2019	4/4/2019	2,500,000.00	2.70	68,062.50	2,500,000.00	2,519,842.50
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	2,000,000.00	A-1	P-1	11/16/2017	11/17/2017	2,000,000.00	2.30	17,025.00	2,000,000.00	2,013,706.00
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	2,650,000.00	AA-	Aa3	8/27/2019	8/29/2019	2,650,000.00	1.87	4,766.32	2,650,000.00	2,692,434.45
DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	1,325,000.00	AA-	Aa2	12/4/2019	12/6/2019	1,325,000.00	2.04	8,784.75	1,325,000.00	1,355,615.45
Security Type Sub-Total		8,475,000.00					8,475,000.00	2.24	98,638.57	8,475,000.00	8,581,598.40
Managed Account Sub Total		131,754,940.24					131,989,673.39	2.22	767,353.47	132,031,236.34	134,859,820.19

For the Quarter Ended March 31, 2020

HRTAC CORE

Portfolio Holdings

Securities Sub-Total	\$131,754,940.24	\$131,989,673.39	2.22%	\$767,353.47	\$132,031,236.34	\$134,859,820.19
Accrued Interest						\$767,353.47
Total Investments						\$135,627,173.66

Bolded items are forward settling trades.

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/2/20	1/6/20	3,000,000	9128287C8	UNITED STATES TREASURY NOTES	1.75%	7/15/22	3,035,864.47	1.60%	
1/6/20	1/13/20	675,000	80283LAY9	SANTANDER UK PLC	2.10%	1/13/23	674,588.25	2.12%	
1/9/20	1/13/20	650,000	14913Q3C1	CATERPILLAR FINL SERVICE	1.95%	11/18/22	649,701.00	1.97%	
1/21/20	1/28/20	325,000	06406RAM9	BANK OF NY MELLON CORP	1.85%	1/27/23	324,772.50	1.87%	
1/22/20	2/3/20	150,000	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	149,794.50	1.75%	
1/23/20	2/3/20	325,000	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	325,026.00	1.70%	
2/3/20	2/5/20	3,150,000	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	3,168,229.87	1.33%	
2/5/20	2/18/20	647,618	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	659,917.83	1.85%	
2/6/20	2/11/20	344,442	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	354,138.36	1.70%	
2/7/20	2/12/20	650,177	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	641,206.30	1.72%	
2/20/20	2/21/20	1,800,000	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	1,796,688.00	1.44%	
2/21/20	2/26/20	676,101	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	671,252.96	1.64%	
2/25/20	2/27/20	625,000	166764AH3	CHEVRON CORP	3.19%	6/24/23	660,196.41	1.62%	
2/26/20	2/28/20	625,000	10373QAJ9	BP CAP MARKETS AMERICA CORP BONDS	3.24%	5/6/22	654,490.97	1.52%	
3/2/20	3/4/20	6,050,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	6,159,279.69	0.78%	
3/4/20	3/6/20	650,000	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	675,846.17	1.06%	
3/26/20	4/3/20	1,080,000	008281BC0	AFRICAN DEVELOPMENT BANK SUPRANATL	0.75%	4/3/23	1,078,498.80	0.80%	
3/31/20	4/7/20	1,230,000	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	1,228,880.70	0.67%	
Total BUY		22,653,338					22,908,372.78		
INTEREST									
1/1/20	1/15/20	542,465	3128MDMH3	FG G14660	2.00%	1/15/28	904.11		
1/1/20	1/15/20	506,578	3128MFXF0	FG G16778	3.00%	1/15/27	1,266.44		
1/1/20	1/15/20	381,840	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,272.80		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/1/20	1/25/20	589,089	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,387.79		
1/1/20	1/25/20	623,074	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,467.86		
1/1/20	1/25/20	625,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
1/1/20	1/25/20	1,340,984	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,528.87		
1/1/20	1/25/20	602,537	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,255.29		
1/1/20	1/25/20	650,000	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
1/1/20	1/25/20	621,676	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,282.21		
1/1/20	1/25/20	679,418	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.91		
1/1/20	1/25/20	314,505	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	585.24		
1/1/20	1/25/20	534,998	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,153.10		
1/1/20	1/25/20	601,047	3140X4FY7	FN FM1082	3.00%	9/25/31	1,502.62		
1/1/20	1/25/20	622,833	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,179.23		
1/1/20	1/25/20	596,779	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	745.97		
1/1/20	1/25/20	412,807	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	889.73		
1/1/20	1/25/20	461,661	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,346.51		
1/1/20	1/25/20	491,333	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,637.78		
1/1/20	1/25/20	625,223	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	911.78		
1/1/20	1/25/20	676,740	3140X4TN6	FN FM1456	2.50%	9/25/28	1,409.87		
1/1/20	1/25/20	559,041	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,091.99		
1/2/20	1/2/20	0	MONEY0002	MONEY MARKET FUND			236.09		
1/8/20	1/8/20	800,000	89236TFQ3	TOYOTA MOTOR CREDIT CORP CORP NOTES	3.05%	1/8/21	12,200.00		
1/11/20	1/11/20	1,250,000	961214DG5	WESTPAC BANKING CORP NY CORP NOTES	2.80%	1/11/22	17,500.00		
1/11/20	1/11/20	1,250,000	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	16,406.25		
1/11/20	1/11/20	1,250,000	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	16,406.25		
1/15/20	1/15/20	3,000,000	9128285V8	US TREASURY NOTES	2.50%	1/15/22	37,500.00		
1/15/20	1/15/20	3,775,000	9128285V8	US TREASURY NOTES	2.50%	1/15/22	47,187.50		
1/15/20	1/15/20	2,400,000	9128283Q1	US TREASURY N/B NOTES	2.00%	1/15/21	24,000.00		
1/15/20	1/15/20	3,000,000	9128287C8	UNITED STATES TREASURY NOTES	1.75%	7/15/22	26,250.00		
1/23/20	1/23/20	1,250,000	459058GH0	INTL BANK OF RECONSTRUCTION AND DEV NOTE	2.75%	7/23/21	17,187.50		
1/24/20	1/24/20	600,000	46625HJD3	JPMORGAN CHASE & CO CORP NOTES	4.50%	1/24/22	13,500.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/25/20	1/25/20	1,000,000	89114QBX5	TORONTO-DOMINION BANK CORP NOTE	2.55%	1/25/21	12,750.00		
1/26/20	1/26/20	625,000	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	6,562.50		
1/31/20	1/31/20	1,550,000	912828P4	US TREASURY NOTES	1.87%	7/31/22	14,531.25		
2/1/20	2/1/20	315,000	097023CL7	BOEING CO	2.30%	8/1/21	3,642.63		
2/1/20	2/25/20	621,341	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,176.41		
2/1/20	2/25/20	1,332,247	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,512.40		
2/1/20	2/25/20	679,234	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.62		
2/1/20	2/25/20	395,445	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	865.70		
2/1/20	2/25/20	619,070	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,458.43		
2/1/20	2/25/20	616,115	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,270.74		
2/1/20	2/25/20	661,829	3140X4TN6	FN FM1456	2.50%	9/25/28	1,378.81		
2/1/20	2/25/20	551,080	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,076.44		
2/1/20	2/25/20	592,606	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,234.60		
2/1/20	2/25/20	440,812	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,285.70		
2/1/20	2/25/20	585,302	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,378.87		
2/1/20	2/25/20	584,105	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	730.13		
2/1/20	2/25/20	309,730	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	1,092.88		
2/1/20	2/25/20	476,560	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,588.53		
2/1/20	2/25/20	512,497	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,121.94		
2/1/20	2/25/20	650,000	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
2/1/20	2/25/20	576,934	3140X4FY7	FN FM1082	3.00%	9/25/31	1,442.34		
2/1/20	2/25/20	610,509	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	890.33		
2/1/20	2/25/20	625,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
2/1/20	2/15/20	533,785	3128MDMH3	FG G14660	2.00%	1/15/28	889.64		
2/1/20	2/15/20	372,441	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,241.47		
2/1/20	2/15/20	496,104	3128MFXF0	FG G16778	3.00%	1/15/27	1,240.26		
2/2/20	2/2/20	650,000	665859AN4	NORTHERN TRUST COMPANY CORP NOTES	2.37%	8/2/22	7,718.75		
2/3/20	2/3/20	0	MONEY0002	MONEY MARKET FUND			466.20		
2/8/20	2/8/20	270,000	438516BT2	HONEYWELL INTERNATIONAL CORPORATE NOTE	2.15%	8/8/22	2,902.50		
2/11/20	2/11/20	650,000	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/22	6,987.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
2/12/20	2/12/20	625,000	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	7,187.50		
2/15/20	2/15/20	860,000	9128286C9	US TREASURY NOTES	2.50%	2/15/22	10,750.00		
2/15/20	2/15/20	2,500,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	34,375.00		
2/15/20	2/15/20	2,250,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	30,937.50		
2/15/20	2/15/20	2,000,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	27,500.00		
2/16/20	2/16/20	1,850,000	3137EAEL9	FREDDIE MAC NOTES	2.37%	2/16/21	21,968.75		
2/26/20	2/26/20	2,650,000	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.85%	8/26/22	24,648.68		
2/29/20	2/29/20	150,000	9128282S8	US TREASURY NOTES	1.62%	8/31/22	1,218.75		
2/29/20	2/29/20	2,000,000	9128282S8	US TREASURY NOTES	1.62%	8/31/22	16,250.00		
2/29/20	2/29/20	1,700,000	9128282S8	US TREASURY NOTES	1.62%	8/31/22	13,812.50		
3/1/20	3/1/20	375,000	88579YBF7	3M COMPANY BONDS	2.75%	3/1/22	5,156.25		
3/1/20	3/1/20	570,000	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	6,332.70		
3/1/20	3/1/20	345,000	254687FJ0	WALT DISNEY COMPANY/THE	1.65%	9/1/22	2,767.19		
3/1/20	3/1/20	425,000	69371RP75	PACCAR FINANCIAL CORP NOTE	2.85%	3/1/22	6,056.25		
3/1/20	3/25/20	482,153	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	916.09		
3/1/20	3/25/20	565,049	3140X4FY7	FN FM1082	3.00%	9/25/31	1,412.62		
3/1/20	3/25/20	619,843	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,173.57		
3/1/20	3/25/20	649,817	3140X4TN6	FN FM1456	2.50%	9/25/28	1,353.79		
3/1/20	3/25/20	248,139	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	432.59		
3/1/20	3/25/20	679,049	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.33		
3/1/20	3/25/20	580,985	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,210.39		
3/1/20	3/25/20	647,618	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	1,349.20		
3/1/20	3/25/20	572,314	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	715.39		
3/1/20	3/25/20	1,323,432	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,495.77		
3/1/20	3/25/20	542,989	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,060.64		
3/1/20	3/25/20	610,535	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,259.23		
3/1/20	3/25/20	372,032	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	706.86		
3/1/20	3/25/20	650,000	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
3/1/20	3/25/20	625,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
3/1/20	3/25/20	596,078	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	869.28		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/1/20	3/25/20	615,052	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,448.96		
3/1/20	3/25/20	422,323	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,231.77		
3/1/20	3/25/20	456,772	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,522.57		
3/1/20	3/25/20	344,442	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	775.00		
3/1/20	3/25/20	581,503	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,369.93		
3/1/20	3/25/20	650,177	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	677.27		
3/1/20	3/15/20	364,033	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,213.44		
3/1/20	3/15/20	676,101	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	774.70		
3/1/20	3/15/20	524,028	3128MDMH3	FG G14660	2.00%	1/15/28	873.38		
3/1/20	3/15/20	484,759	3128MFXF0	FG G16778	3.00%	1/15/27	1,211.90		
3/2/20	3/2/20	0	MONEY0002	MONEY MARKET FUND			305.88		
3/3/20	3/3/20	500,000	166764BN9	CHEVRON CORP (CALLABLE) NOTES	2.49%	3/3/22	6,245.00		
3/3/20	3/3/20	650,000	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	8,775.00		
3/6/20	3/6/20	340,000	14913Q3A5	CATERPILLAR FINANCIAL SERVICES CORP NOTE	1.90%	9/6/22	3,230.00		
3/7/20	3/7/20	500,000	606822BG8	MITSUBISHI UFJ FIN GRP	3.21%	3/7/22	8,045.00		
3/11/20	3/11/20	365,000	717081ER0	PFIZER INC CORP BONDS	2.80%	3/11/22	5,110.00		
3/15/20	3/15/20	650,000	91159HHC7	US BANCORP (CALLABLE) NOTE	3.00%	3/15/22	9,750.00		
3/15/20	3/15/20	310,000	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	3,332.50		
3/15/20	3/15/20	465,000	12189LAF8	BURLINGTN NORTH SANTA FE CORP NOTES	3.45%	9/15/21	8,021.25		
3/15/20	3/15/20	315,000	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	3,386.25		
3/22/20	3/22/20	1,000,000	00828ECZ0	AFRICAN DEVELOPMENT BANK NOTE	2.62%	3/22/21	13,125.00		
3/26/20	3/26/20	1,250,000	06367WJM6	BANK OF MONTREAL	2.90%	3/26/22	18,125.00		
Total INTEREST		89,066,596					665,636.36		

PAYDOWNS

1/1/20	1/15/20	9,399	3137A24V0	FHR 3745 NP	4.00%	6/15/39	9,398.99	0.00
1/1/20	1/15/20	8,681	3128MDMH3	FG G14660	2.00%	1/15/28	8,680.67	0.00
1/1/20	1/15/20	10,474	3128MFXF0	FG G16778	3.00%	1/15/27	10,473.73	0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/1/20	1/25/20	1,492	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,491.97		0.00
1/1/20	1/25/20	14,714	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,714.04		0.00
1/1/20	1/25/20	17,362	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	17,361.80		0.00
1/1/20	1/25/20	22,501	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	22,500.89		0.00
1/1/20	1/25/20	4,775	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	4,774.77		0.00
1/1/20	1/25/20	184	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	184.40		0.00
1/1/20	1/25/20	14,910	3140X4TN6	FN FM1456	2.50%	9/25/28	14,910.41		0.00
1/1/20	1/25/20	24,113	3140X4FY7	FN FM1082	3.00%	9/25/31	24,113.24		0.00
1/1/20	1/25/20	4,005	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,004.76		0.00
1/1/20	1/25/20	9,931	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	9,931.35		0.00
1/1/20	1/25/20	3,786	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	3,786.32		0.00
1/1/20	1/25/20	20,849	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	20,849.32		0.00
1/1/20	1/25/20	8,737	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	8,736.60		0.00
1/1/20	1/25/20	14,773	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	14,772.80		0.00
1/1/20	1/25/20	12,674	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	12,673.63		0.00
1/1/20	1/25/20	7,961	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	7,961.41		0.00
1/1/20	1/25/20	5,561	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	5,560.82		0.00
2/1/20	2/25/20	12,012	3140X4TN6	FN FM1456	2.50%	9/25/28	12,012.01		0.00
2/1/20	2/25/20	1,497	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,497.47		0.00
2/1/20	2/25/20	4,018	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,018.01		0.00
2/1/20	2/25/20	5,580	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	5,580.01		0.00
2/1/20	2/25/20	14,431	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,430.82		0.00
2/1/20	2/25/20	11,791	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	11,791.22		0.00
2/1/20	2/25/20	8,816	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	8,815.96		0.00
2/1/20	2/25/20	23,414	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	23,413.58		0.00
2/1/20	2/25/20	185	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	185.05		0.00
2/1/20	2/25/20	19,789	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	19,788.51		0.00
2/1/20	2/25/20	18,489	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	18,489.34		0.00
2/1/20	2/25/20	11,620	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	11,620.29		0.00
2/1/20	2/25/20	11,885	3140X4FY7	FN FM1082	3.00%	9/25/31	11,885.24		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
2/1/20	2/25/20	61,592	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	61,591.50		0.00
2/1/20	2/25/20	30,344	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	30,344.01		0.00
2/1/20	2/25/20	3,799	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	3,798.84		0.00
2/1/20	2/25/20	8,091	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	8,091.48		0.00
2/1/20	2/15/20	9,757	3128MDMH3	FG G14660	2.00%	1/15/28	9,756.77		0.00
2/1/20	2/15/20	11,345	3128MFXF0	FG G16778	3.00%	1/15/27	11,345.21		0.00
2/1/20	2/15/20	8,408	3137A24V0	FHR 3745 NP	4.00%	6/15/39	8,408.28		0.00
3/1/20	3/25/20	11,396	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	11,395.78		0.00
3/1/20	3/25/20	1,049	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,049.44		0.00
3/1/20	3/25/20	1,680	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,680.37		0.00
3/1/20	3/25/20	12,498	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	12,497.75		0.00
3/1/20	3/25/20	218	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	218.37		0.00
3/1/20	3/25/20	16,537	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	16,536.74		0.00
3/1/20	3/25/20	6,368	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	6,368.43		0.00
3/1/20	3/25/20	13,361	3140X4FY7	FN FM1082	3.00%	9/25/31	13,360.92		0.00
3/1/20	3/25/20	10,541	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	10,540.66		0.00
3/1/20	3/25/20	810	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	809.75		0.00
3/1/20	3/25/20	3,926	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	3,925.57		0.00
3/1/20	3/25/20	12,085	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	12,084.90		0.00
3/1/20	3/25/20	4,439	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,439.48		0.00
3/1/20	3/25/20	18,624	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	18,623.56		0.00
3/1/20	3/25/20	14,153	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,152.60		0.00
3/1/20	3/25/20	11,810	3140X4TN6	FN FM1456	2.50%	9/25/28	11,810.42		0.00
3/1/20	3/25/20	10,977	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	10,976.51		0.00
3/1/20	3/25/20	4,696	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,695.60		0.00
3/1/20	3/25/20	9,198	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	9,197.56		0.00
3/1/20	3/25/20	505	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	505.05		0.00
3/1/20	3/15/20	8,778	3128MDMH3	FG G14660	2.00%	1/15/28	8,778.38		0.00
3/1/20	3/15/20	7,687	3137A24V0	FHR 3745 NP	4.00%	6/15/39	7,686.67		0.00
3/1/20	3/15/20	12,330	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	12,329.61		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/1/20	3/15/20	10,617	3128MFXF0	FG G16778	3.00%	1/15/27	10,616.63		0.00
Total PAYDOWNS 698,026 698,026.27 0.00									
SELL									
1/2/20	1/6/20	1,075,000	912828L99	US TREASURY NOTES	1.37%	10/31/20	1,075,537.13	1.63%	1,082.06
1/2/20	1/6/20	1,525,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	1,527,445.64	1.63%	3,632.24
1/7/20	1/9/20	675,000	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	684,423.30	1.68%	8,015.28
1/9/20	1/13/20	660,000	14913Q2W8	CATERPILLAR FINL SERVICE CORP NOTES	2.65%	5/17/21	669,795.87	1.84%	7,289.90
1/21/20	1/28/20	325,000	06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	2.50%	4/15/21	330,025.40	1.80%	2,041.14
1/23/20	2/3/20	325,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	326,026.80	1.59%	809.04
2/3/20	2/5/20	3,150,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	3,161,831.33	1.53%	9,394.94
2/7/20	2/12/20	645,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	647,542.79	1.53%	2,780.05
2/13/20	2/18/20	315,000	097023CL7	BOEING CO	2.30%	8/1/21	317,181.73	1.89%	1,848.71
2/13/20	2/18/20	350,000	097023BG9	BOEING COMPANY NOTE	2.35%	10/30/21	354,791.50	1.95%	4,851.90
2/20/20	2/21/20	1,800,000	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	1,808,721.07	1.38%	(2,753.03)
2/21/20	2/26/20	250,000	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	251,760.82	1.31%	121.32
2/25/20	2/27/20	500,000	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	505,632.08	1.16%	2,334.72
2/26/20	2/28/20	625,000	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	630,726.39	1.44%	6,826.64
2/27/20	2/27/20	25,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	25,172.25	1.26%	160.59
2/27/20	2/28/20	25,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	25,173.45	1.26%	160.40
3/2/20	3/4/20	1,805,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	1,821,905.61	0.98%	15,461.28
3/2/20	3/4/20	2,400,000	9128283Q1	US TREASURY N/B NOTES	2.00%	1/15/21	2,427,836.54	0.96%	39,047.50
3/2/20	3/4/20	1,850,000	3137EAEI9	FREDDIE MAC NOTES	2.37%	2/16/21	1,876,228.38	1.00%	25,304.23
3/4/20	3/6/20	650,000	912828QN3	US TREASURY NOTES	3.12%	5/15/21	674,785.16	0.72%	15,698.40
3/26/20	4/2/20	900,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	925,188.20	0.17%	25,459.09
3/31/20	4/7/20	1,150,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	1,181,825.31	0.20%	31,763.09

For the Quarter Ended March 31, 2020

HRTAC CORE

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total SELL		21,025,000					21,249,556.75		201,329.49

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/20	1/15/20	542,465.42	3128MDMH3	FG G14660	2.00%	1/15/28	904.11		
INTEREST	1/1/20	1/15/20	506,577.63	3128MFXF0	FG G16778	3.00%	1/15/27	1,266.44		
INTEREST	1/1/20	1/15/20	381,840.41	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,272.80		
PAYDOWNS	1/1/20	1/15/20	9,398.99	3137A24V0	FHR 3745 NP	4.00%	6/15/39	9,398.99		0.00
PAYDOWNS	1/1/20	1/15/20	8,680.67	3128MDMH3	FG G14660	2.00%	1/15/28	8,680.67		0.00
PAYDOWNS	1/1/20	1/15/20	10,473.73	3128MFXF0	FG G16778	3.00%	1/15/27	10,473.73		0.00
INTEREST	1/1/20	1/25/20	589,088.58	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,387.79		
INTEREST	1/1/20	1/25/20	623,074.46	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,467.86		
INTEREST	1/1/20	1/25/20	625,000.00	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
INTEREST	1/1/20	1/25/20	1,340,984.06	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,528.87		
INTEREST	1/1/20	1/25/20	602,536.99	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,255.29		
INTEREST	1/1/20	1/25/20	650,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
INTEREST	1/1/20	1/25/20	621,675.94	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,282.21		
INTEREST	1/1/20	1/25/20	679,418.18	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.91		
INTEREST	1/1/20	1/25/20	314,504.88	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	585.24		
INTEREST	1/1/20	1/25/20	534,997.93	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,153.10		
INTEREST	1/1/20	1/25/20	601,047.47	3140X4FY7	FN FM1082	3.00%	9/25/31	1,502.62		
INTEREST	1/1/20	1/25/20	622,832.78	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,179.23		
INTEREST	1/1/20	1/25/20	596,778.75	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	745.97		
INTEREST	1/1/20	1/25/20	412,807.04	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	889.73		

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/20	1/25/20	461,661.48	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,346.51		
INTEREST	1/1/20	1/25/20	491,333.04	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,637.78		
INTEREST	1/1/20	1/25/20	625,222.62	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	911.78		
INTEREST	1/1/20	1/25/20	676,739.58	3140X4TN6	FN FM1456	2.50%	9/25/28	1,409.87		
INTEREST	1/1/20	1/25/20	559,041.39	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,091.99		
PAYOUTNS	1/1/20	1/25/20	1,491.97	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,491.97		0.00
PAYOUTNS	1/1/20	1/25/20	14,714.04	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,714.04		0.00
PAYOUTNS	1/1/20	1/25/20	17,361.80	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	17,361.80		0.00
PAYOUTNS	1/1/20	1/25/20	22,500.89	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	22,500.89		0.00
PAYOUTNS	1/1/20	1/25/20	4,774.77	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	4,774.77		0.00
PAYOUTNS	1/1/20	1/25/20	184.40	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	184.40		0.00
PAYOUTNS	1/1/20	1/25/20	14,910.41	3140X4TN6	FN FM1456	2.50%	9/25/28	14,910.41		0.00
PAYOUTNS	1/1/20	1/25/20	24,113.24	3140X4FY7	FN FM1082	3.00%	9/25/31	24,113.24		0.00
PAYOUTNS	1/1/20	1/25/20	4,004.76	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,004.76		0.00
PAYOUTNS	1/1/20	1/25/20	9,931.35	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	9,931.35		0.00
PAYOUTNS	1/1/20	1/25/20	3,786.32	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	3,786.32		0.00
PAYOUTNS	1/1/20	1/25/20	20,849.32	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	20,849.32		0.00
PAYOUTNS	1/1/20	1/25/20	8,736.60	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	8,736.60		0.00
PAYOUTNS	1/1/20	1/25/20	14,772.80	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	14,772.80		0.00
PAYOUTNS	1/1/20	1/25/20	12,673.63	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	12,673.63		0.00
PAYOUTNS	1/1/20	1/25/20	7,961.41	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	7,961.41		0.00
PAYOUTNS	1/1/20	1/25/20	5,560.82	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	5,560.82		0.00

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/2/20	1/2/20	0.00	MONEY0002	MONEY MARKET FUND			236.09		
BUY	1/2/20	1/6/20	3,000,000.00	9128287C8	UNITED STATES TREASURY NOTES	1.75%	7/15/22	(3,035,864.47)	1.60%	
SELL	1/2/20	1/6/20	1,075,000.00	912828L99	US TREASURY NOTES	1.37%	10/31/20	1,075,537.13	1.63%	1,082.06
SELL	1/2/20	1/6/20	1,525,000.00	912828M98	US TREASURY NOTES	1.62%	11/30/20	1,527,445.64	1.63%	3,632.24
BUY	1/6/20	1/13/20	675,000.00	80283LAY9	SANTANDER UK PLC	2.10%	1/13/23	(674,588.25)	2.12%	
SELL	1/7/20	1/9/20	675,000.00	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	684,423.30	1.68%	8,015.28
INTEREST	1/8/20	1/8/20	800,000.00	89236TFQ3	TOYOTA MOTOR CREDIT CORP CORP NOTES	3.05%	1/8/21	12,200.00		
BUY	1/9/20	1/13/20	650,000.00	14913Q3C1	CATERPILLAR FINL SERVICE	1.95%	11/18/22	(649,701.00)	1.97%	
SELL	1/9/20	1/13/20	660,000.00	14913Q2W8	CATERPILLAR FINL SERVICE CORP NOTES	2.65%	5/17/21	669,795.87	1.84%	7,289.90
INTEREST	1/11/20	1/11/20	1,250,000.00	961214DG5	WESTPAC BANKING CORP NY CORP NOTES	2.80%	1/11/22	17,500.00		
INTEREST	1/11/20	1/11/20	1,250,000.00	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	16,406.25		
INTEREST	1/11/20	1/11/20	1,250,000.00	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	16,406.25		
INTEREST	1/15/20	1/15/20	3,000,000.00	9128285V8	US TREASURY NOTES	2.50%	1/15/22	37,500.00		
INTEREST	1/15/20	1/15/20	3,775,000.00	9128285V8	US TREASURY NOTES	2.50%	1/15/22	47,187.50		
INTEREST	1/15/20	1/15/20	2,400,000.00	9128283Q1	US TREASURY N/B NOTES	2.00%	1/15/21	24,000.00		
INTEREST	1/15/20	1/15/20	3,000,000.00	9128287C8	UNITED STATES TREASURY NOTES	1.75%	7/15/22	26,250.00		
BUY	1/21/20	1/28/20	325,000.00	06406RAM9	BANK OF NY MELLON CORP	1.85%	1/27/23	(324,772.50)	1.87%	
SELL	1/21/20	1/28/20	325,000.00	06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	2.50%	4/15/21	330,025.40	1.80%	2,041.14
BUY	1/22/20	2/3/20	150,000.00	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	(149,794.50)	1.75%	
INTEREST	1/23/20	1/23/20	1,250,000.00	459058GH0	INTL BANK OF RECONSTRUCTION AND DEV NOTE	2.75%	7/23/21	17,187.50		
BUY	1/23/20	2/3/20	325,000.00	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	(325,026.00)	1.70%	
SELL	1/23/20	2/3/20	325,000.00	912828M98	US TREASURY NOTES	1.62%	11/30/20	326,026.80	1.59%	809.04

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/24/20	1/24/20	600,000.00	46625HJD3	JPMORGAN CHASE & CO CORP NOTES	4.50%	1/24/22	13,500.00		
INTEREST	1/25/20	1/25/20	1,000,000.00	89114QBX5	TORONTO-DOMINION BANK CORP NOTE	2.55%	1/25/21	12,750.00		
INTEREST	1/26/20	1/26/20	625,000.00	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	6,562.50		
INTEREST	1/31/20	1/31/20	1,550,000.00	9128282P4	US TREASURY NOTES	1.87%	7/31/22	14,531.25		
INTEREST	2/1/20	2/1/20	315,000.00	097023CL7	BOEING CO	2.30%	8/1/21	3,642.63		
INTEREST	2/1/20	2/15/20	533,784.75	3128MDMH3	FG G14660	2.00%	1/15/28	889.64		
INTEREST	2/1/20	2/15/20	372,441.42	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,241.47		
INTEREST	2/1/20	2/15/20	496,103.90	3128MFXF0	FG G16778	3.00%	1/15/27	1,240.26		
PAYDOWNS	2/1/20	2/15/20	9,756.77	3128MDMH3	FG G14660	2.00%	1/15/28	9,756.77		0.00
PAYDOWNS	2/1/20	2/15/20	11,345.21	3128MFXF0	FG G16778	3.00%	1/15/27	11,345.21		0.00
PAYDOWNS	2/1/20	2/15/20	8,408.28	3137A24V0	FHR 3745 NP	4.00%	6/15/39	8,408.28		0.00
INTEREST	2/1/20	2/25/20	621,340.81	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,176.41		
INTEREST	2/1/20	2/25/20	1,332,247.46	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,512.40		
INTEREST	2/1/20	2/25/20	679,233.78	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.62		
INTEREST	2/1/20	2/25/20	395,445.24	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	865.70		
INTEREST	2/1/20	2/25/20	619,069.70	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,458.43		
INTEREST	2/1/20	2/25/20	616,115.12	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,270.74		
INTEREST	2/1/20	2/25/20	661,829.17	3140X4TN6	FN FM1456	2.50%	9/25/28	1,378.81		
INTEREST	2/1/20	2/25/20	551,079.98	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,076.44		
INTEREST	2/1/20	2/25/20	592,605.64	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,234.60		
INTEREST	2/1/20	2/25/20	440,812.16	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,285.70		
INTEREST	2/1/20	2/25/20	585,302.26	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,378.87		

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	2/1/20	2/25/20	584,105.12	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	730.13		
INTEREST	2/1/20	2/25/20	309,730.11	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	1,092.88		
INTEREST	2/1/20	2/25/20	476,560.24	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,588.53		
INTEREST	2/1/20	2/25/20	512,497.04	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,121.94		
INTEREST	2/1/20	2/25/20	650,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
INTEREST	2/1/20	2/25/20	576,934.23	3140X4FY7	FN FM1082	3.00%	9/25/31	1,442.34		
INTEREST	2/1/20	2/25/20	610,508.58	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	890.33		
INTEREST	2/1/20	2/25/20	625,000.00	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
PAYOUTNS	2/1/20	2/25/20	12,012.01	3140X4TN6	FN FM1456	2.50%	9/25/28	12,012.01		0.00
PAYOUTNS	2/1/20	2/25/20	1,497.47	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,497.47		0.00
PAYOUTNS	2/1/20	2/25/20	4,018.01	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,018.01		0.00
PAYOUTNS	2/1/20	2/25/20	5,580.01	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	5,580.01		0.00
PAYOUTNS	2/1/20	2/25/20	14,430.82	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,430.82		0.00
PAYOUTNS	2/1/20	2/25/20	11,791.22	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	11,791.22		0.00
PAYOUTNS	2/1/20	2/25/20	8,815.96	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	8,815.96		0.00
PAYOUTNS	2/1/20	2/25/20	23,413.58	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	23,413.58		0.00
PAYOUTNS	2/1/20	2/25/20	185.05	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	185.05		0.00
PAYOUTNS	2/1/20	2/25/20	19,788.51	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	19,788.51		0.00
PAYOUTNS	2/1/20	2/25/20	18,489.34	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	18,489.34		0.00
PAYOUTNS	2/1/20	2/25/20	11,620.29	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	11,620.29		0.00
PAYOUTNS	2/1/20	2/25/20	11,885.24	3140X4FY7	FN FM1082	3.00%	9/25/31	11,885.24		0.00
PAYOUTNS	2/1/20	2/25/20	61,591.50	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	61,591.50		0.00

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	2/1/20	2/25/20	30,344.01	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	30,344.01		0.00
PAYDOWNS	2/1/20	2/25/20	3,798.84	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	3,798.84		0.00
PAYDOWNS	2/1/20	2/25/20	8,091.48	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	8,091.48		0.00
INTEREST	2/2/20	2/2/20	650,000.00	665859AN4	NORTHERN TRUST COMPANY CORP NOTES	2.37%	8/2/22	7,718.75		
INTEREST	2/3/20	2/3/20	0.00	MONEY0002	MONEY MARKET FUND			466.20		
BUY	2/3/20	2/5/20	3,150,000.00	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	(3,168,229.87)	1.33%	
SELL	2/3/20	2/5/20	3,150,000.00	912828M98	US TREASURY NOTES	1.62%	11/30/20	3,161,831.33	1.53%	9,394.94
BUY	2/5/20	2/18/20	647,617.59	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	(659,917.83)	1.85%	
BUY	2/6/20	2/11/20	344,442.31	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	(354,138.36)	1.70%	
BUY	2/7/20	2/12/20	650,177.28	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	(641,206.30)	1.72%	
SELL	2/7/20	2/12/20	645,000.00	912828N48	US TREASURY NOTES	1.75%	12/31/20	647,542.79	1.53%	2,780.05
INTEREST	2/8/20	2/8/20	270,000.00	438516BT2	HONEYWELL INTERNATIONAL CORPORATE NOTE	2.15%	8/8/22	2,902.50		
INTEREST	2/11/20	2/11/20	650,000.00	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/22	6,987.50		
INTEREST	2/12/20	2/12/20	625,000.00	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	7,187.50		
SELL	2/13/20	2/18/20	315,000.00	097023CL7	BOEING CO	2.30%	8/1/21	317,181.73	1.89%	1,848.71
SELL	2/13/20	2/18/20	350,000.00	097023BG9	BOEING COMPANY NOTE	2.35%	10/30/21	354,791.50	1.95%	4,851.90
INTEREST	2/15/20	2/15/20	860,000.00	9128286C9	US TREASURY NOTES	2.50%	2/15/22	10,750.00		
INTEREST	2/15/20	2/15/20	2,500,000.00	9128284W7	US TREASURY NOTES	2.75%	8/15/21	34,375.00		
INTEREST	2/15/20	2/15/20	2,250,000.00	9128284W7	US TREASURY NOTES	2.75%	8/15/21	30,937.50		
INTEREST	2/15/20	2/15/20	2,000,000.00	9128284W7	US TREASURY NOTES	2.75%	8/15/21	27,500.00		
INTEREST	2/16/20	2/16/20	1,850,000.00	3137EAEL9	FREDDIE MAC NOTES	2.37%	2/16/21	21,968.75		
BUY	2/20/20	2/21/20	1,800,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	(1,796,688.00)	1.44%	

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
SELL	2/20/20	2/21/20	1,800,000.00	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	1,808,721.07	1.38%	(2,753.03)
BUY	2/21/20	2/26/20	676,100.70	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	(671,252.96)	1.64%	
SELL	2/21/20	2/26/20	250,000.00	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	251,760.82	1.31%	121.32
BUY	2/25/20	2/27/20	625,000.00	166764AH3	CHEVRON CORP	3.19%	6/24/23	(660,196.41)	1.62%	
SELL	2/25/20	2/27/20	500,000.00	912828Z29	UNITED STATES TREASURY NOTES	1.50%	1/15/23	505,632.08	1.16%	2,334.72
INTEREST	2/26/20	2/26/20	2,650,000.00	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.85%	8/26/22	24,648.68		
BUY	2/26/20	2/28/20	625,000.00	10373QAJ9	BP CAP MARKETS AMERICA CORP BONDS	3.24%	5/6/22	(654,490.97)	1.52%	
SELL	2/26/20	2/28/20	625,000.00	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	630,726.39	1.44%	6,826.64
SELL	2/27/20	2/27/20	25,000.00	912828N48	US TREASURY NOTES	1.75%	12/31/20	25,172.25	1.26%	160.59
SELL	2/27/20	2/28/20	25,000.00	912828N48	US TREASURY NOTES	1.75%	12/31/20	25,173.45	1.26%	160.40
INTEREST	2/29/20	2/29/20	150,000.00	912828S8	US TREASURY NOTES	1.62%	8/31/22	1,218.75		
INTEREST	2/29/20	2/29/20	2,000,000.00	912828S8	US TREASURY NOTES	1.62%	8/31/22	16,250.00		
INTEREST	2/29/20	2/29/20	1,700,000.00	912828S8	US TREASURY NOTES	1.62%	8/31/22	13,812.50		
INTEREST	3/1/20	3/1/20	375,000.00	88579YBF7	3M COMPANY BONDS	2.75%	3/1/22	5,156.25		
INTEREST	3/1/20	3/1/20	570,000.00	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	6,332.70		
INTEREST	3/1/20	3/1/20	345,000.00	254687FJ0	WALT DISNEY COMPANY/THE	1.65%	9/1/22	2,767.19		
INTEREST	3/1/20	3/1/20	425,000.00	69371RP75	PACCAR FINANCIAL CORP NOTE	2.85%	3/1/22	6,056.25		
INTEREST	3/1/20	3/15/20	364,033.14	3137A24V0	FHR 3745 NP	4.00%	6/15/39	1,213.44		
INTEREST	3/1/20	3/15/20	676,100.70	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	774.70		
INTEREST	3/1/20	3/15/20	524,027.98	3128MDMH3	FG G14660	2.00%	1/15/28	873.38		
INTEREST	3/1/20	3/15/20	484,758.69	3128MFXF0	FG G16778	3.00%	1/15/27	1,211.90		
PAYDOWNS	3/1/20	3/15/20	8,778.38	3128MDMH3	FG G14660	2.00%	1/15/28	8,778.38		0.00

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Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	3/1/20	3/15/20	7,686.67	3137A24V0	FHR 3745 NP	4.00%	6/15/39	7,686.67		0.00
PAYDOWNS	3/1/20	3/15/20	12,329.61	3137ATCD2	FHR 4096 PA	1.37%	8/15/27	12,329.61		0.00
PAYDOWNS	3/1/20	3/15/20	10,616.63	3128MFXF0	FG G16778	3.00%	1/15/27	10,616.63		0.00
INTEREST	3/1/20	3/25/20	482,153.03	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	916.09		
INTEREST	3/1/20	3/25/20	565,048.99	3140X4FY7	FN FM1082	3.00%	9/25/31	1,412.62		
INTEREST	3/1/20	3/25/20	619,843.34	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,173.57		
INTEREST	3/1/20	3/25/20	649,817.16	3140X4TN6	FN FM1456	2.50%	9/25/28	1,353.79		
INTEREST	3/1/20	3/25/20	248,138.61	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	432.59		
INTEREST	3/1/20	3/25/20	679,048.73	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	1,072.33		
INTEREST	3/1/20	3/25/20	580,985.35	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	1,210.39		
INTEREST	3/1/20	3/25/20	647,617.59	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	1,349.20		
INTEREST	3/1/20	3/25/20	572,313.90	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	715.39		
INTEREST	3/1/20	3/25/20	1,323,431.50	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	2,495.77		
INTEREST	3/1/20	3/25/20	542,988.50	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	1,060.64		
INTEREST	3/1/20	3/25/20	610,535.11	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	1,259.23		
INTEREST	3/1/20	3/25/20	372,031.66	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	706.86		
INTEREST	3/1/20	3/25/20	650,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/25/22	1,359.58		
INTEREST	3/1/20	3/25/20	625,000.00	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,414.58		
INTEREST	3/1/20	3/25/20	596,077.76	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	869.28		
INTEREST	3/1/20	3/25/20	615,051.69	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,448.96		
INTEREST	3/1/20	3/25/20	422,322.82	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	1,231.77		
INTEREST	3/1/20	3/25/20	456,771.73	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	1,522.57		

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	3/1/20	3/25/20	344,442.31	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	775.00		
INTEREST	3/1/20	3/25/20	581,503.42	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	1,369.93		
INTEREST	3/1/20	3/25/20	650,177.28	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	677.27		
PAYDOWNS	3/1/20	3/25/20	11,395.78	3136A85N6	FNR 2012-107 GA	1.50%	9/25/27	11,395.78		0.00
PAYDOWNS	3/1/20	3/25/20	1,049.44	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	1,049.44		0.00
PAYDOWNS	3/1/20	3/25/20	1,680.37	3137ASNJ9	FHMS K019 A2	2.27%	3/25/22	1,680.37		0.00
PAYDOWNS	3/1/20	3/25/20	12,497.75	3140J94Y4	FANNIE MAE POOL	2.50%	3/25/29	12,497.75		0.00
PAYDOWNS	3/1/20	3/25/20	218.37	3137FNWW6	FHMS K736 A1	1.89%	6/25/26	218.37		0.00
PAYDOWNS	3/1/20	3/25/20	16,536.74	3140JAEZ7	FANNIE MAE POOL	4.00%	2/25/34	16,536.74		0.00
PAYDOWNS	3/1/20	3/25/20	6,368.43	3137BLMY1	FHLMC SERIES K049 A1	2.47%	3/1/25	6,368.43		0.00
PAYDOWNS	3/1/20	3/25/20	13,360.92	3140X4FY7	FN FM1082	3.00%	9/25/31	13,360.92		0.00
PAYDOWNS	3/1/20	3/25/20	10,540.66	3138MRLV1	FANNIE MAE POOL	2.50%	1/25/28	10,540.66		0.00
PAYDOWNS	3/1/20	3/25/20	809.75	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	809.75		0.00
PAYDOWNS	3/1/20	3/25/20	3,925.57	3136AQTF7	FNA 2015-M16 A1	2.70%	11/25/25	3,925.57		0.00
PAYDOWNS	3/1/20	3/25/20	12,084.90	3136AAZ57	FNR 2012-145 EA	1.25%	1/25/28	12,084.90		0.00
PAYDOWNS	3/1/20	3/25/20	4,439.48	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,439.48		0.00
PAYDOWNS	3/1/20	3/25/20	18,623.56	31418DAL6	FANNIE MAE POOL	3.50%	3/25/34	18,623.56		0.00
PAYDOWNS	3/1/20	3/25/20	14,152.60	3136AEEF0	FNR 2013-39 MP	1.75%	5/25/28	14,152.60		0.00
PAYDOWNS	3/1/20	3/25/20	11,810.42	3140X4TN6	FN FM1456	2.50%	9/25/28	11,810.42		0.00
PAYDOWNS	3/1/20	3/25/20	10,976.51	3137BPVZ9	FHLMC MULTIFAMILY K055 A1	2.26%	4/1/25	10,976.51		0.00
PAYDOWNS	3/1/20	3/25/20	4,695.60	3137BKRH5	FHMS K047 A1	2.82%	12/25/24	4,695.60		0.00
PAYDOWNS	3/1/20	3/25/20	9,197.56	3136ANRH2	FNA 2015-M8 A1	2.34%	1/25/25	9,197.56		0.00

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	3/1/20	3/25/20	505.05	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	505.05		0.00
INTEREST	3/2/20	3/2/20	0.00	MONEY0002	MONEY MARKET FUND			305.88		
BUY	3/2/20	3/4/20	6,050,000.00	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	(6,159,279.69)	0.78%	
SELL	3/2/20	3/4/20	1,805,000.00	912828N48	US TREASURY NOTES	1.75%	12/31/20	1,821,905.61	0.98%	15,461.28
SELL	3/2/20	3/4/20	2,400,000.00	9128283Q1	US TREASURY N/B NOTES	2.00%	1/15/21	2,427,836.54	0.96%	39,047.50
SELL	3/2/20	3/4/20	1,850,000.00	3137EAEL9	FREDDIE MAC NOTES	2.37%	2/16/21	1,876,228.38	1.00%	25,304.23
INTEREST	3/3/20	3/3/20	500,000.00	166764BN9	CHEVRON CORP (CALLABLE) NOTES	2.49%	3/3/22	6,245.00		
INTEREST	3/3/20	3/3/20	650,000.00	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	8,775.00		
BUY	3/4/20	3/6/20	650,000.00	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	(675,846.17)	1.06%	
SELL	3/4/20	3/6/20	650,000.00	912828QN3	US TREASURY NOTES	3.12%	5/15/21	674,785.16	0.72%	15,698.40
INTEREST	3/6/20	3/6/20	340,000.00	14913Q3A5	CATERPILLAR FINANCIAL SERVICES CORP NOTE	1.90%	9/6/22	3,230.00		
INTEREST	3/7/20	3/7/20	500,000.00	606822BG8	MITSUBISHI UFJ FIN GRP	3.21%	3/7/22	8,045.00		
INTEREST	3/11/20	3/11/20	365,000.00	717081ER0	PFIZER INC CORP BONDS	2.80%	3/11/22	5,110.00		
INTEREST	3/15/20	3/15/20	650,000.00	91159HHC7	US BANCORP (CALLABLE) NOTE	3.00%	3/15/22	9,750.00		
INTEREST	3/15/20	3/15/20	310,000.00	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	3,332.50		
INTEREST	3/15/20	3/15/20	465,000.00	12189LAF8	BURLINGTN NORTH SANTA FE CORP NOTES	3.45%	9/15/21	8,021.25		
INTEREST	3/15/20	3/15/20	315,000.00	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	3,386.25		
INTEREST	3/22/20	3/22/20	1,000,000.00	00828ECZ0	AFRICAN DEVELOPMENT BANK NOTE	2.62%	3/22/21	13,125.00		
INTEREST	3/26/20	3/26/20	1,250,000.00	06367WJM6	BANK OF MONTREAL	2.90%	3/26/22	18,125.00		
SELL	3/26/20	4/2/20	900,000.00	912828WN6	US TREASURY NOTES	2.00%	5/31/21	925,188.20	0.17%	25,459.09
BUY	3/26/20	4/3/20	1,080,000.00	008281BC0	AFRICAN DEVELOPMENT BANK SUPRANATL	0.75%	4/3/23	(1,078,498.80)	0.80%	
BUY	3/31/20	4/7/20	1,230,000.00	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	(1,228,880.70)	0.67%	

For the Quarter Ended March 31, 2020

HRTAC CORE

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
SELL	3/31/20	4/7/20	1,150,000.00	912828WN6	US TREASURY NOTES	2.00%	5/31/21	1,181,825.31	0.20%	31,763.09
TOTALS								(295,153.40)		201,329.49

Enhanced Cash Portfolio

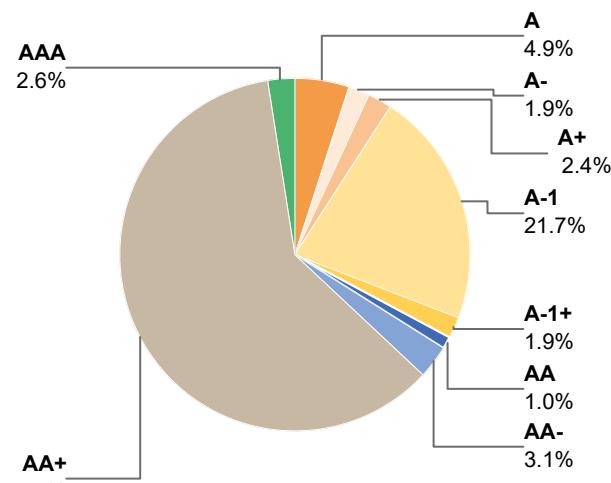


Portfolio Statistics

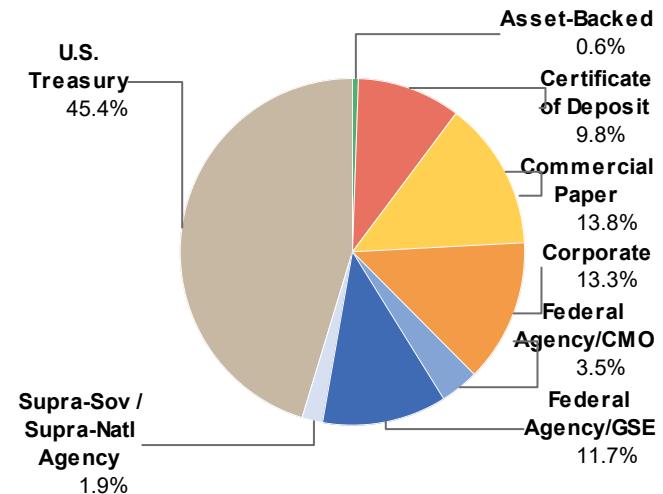
As of March 31, 2020

Par Value:	\$206,960,825
Total Market Value:	\$210,175,568
Security Market Value:	\$208,969,631
Accrued Interest:	\$866,446
Cash:	\$339,492
Amortized Cost:	\$207,167,351
Yield at Market:	0.88%
Yield at Cost:	1.99%
Effective Duration:	0.94 Years
Duration to Worst:	0.94 Years
Average Maturity:	1.00 Years
Average Credit: *	AA

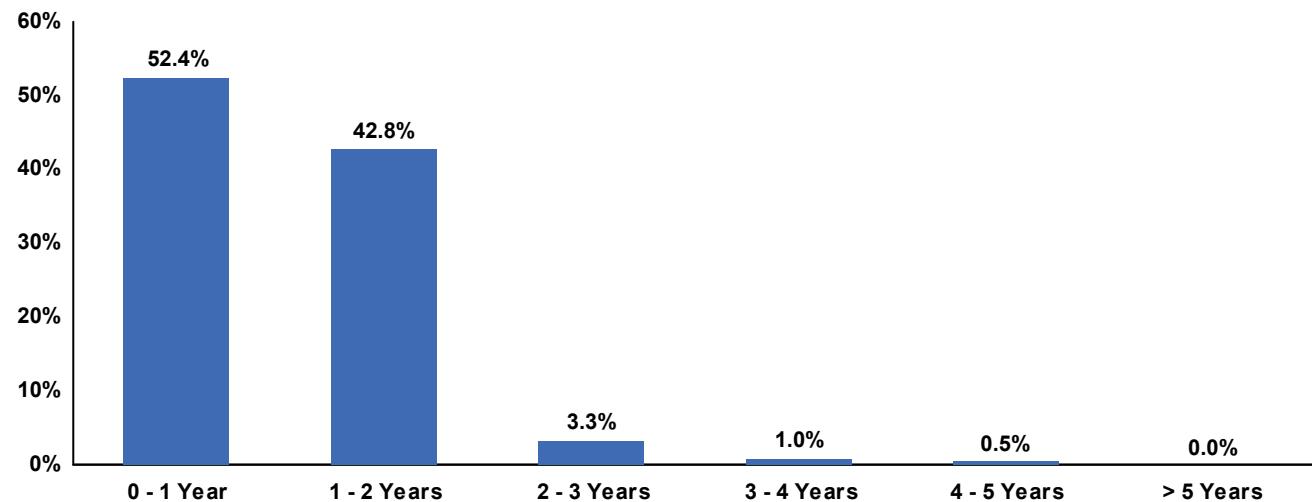
Credit Quality (S&P Ratings)



Sector Allocation



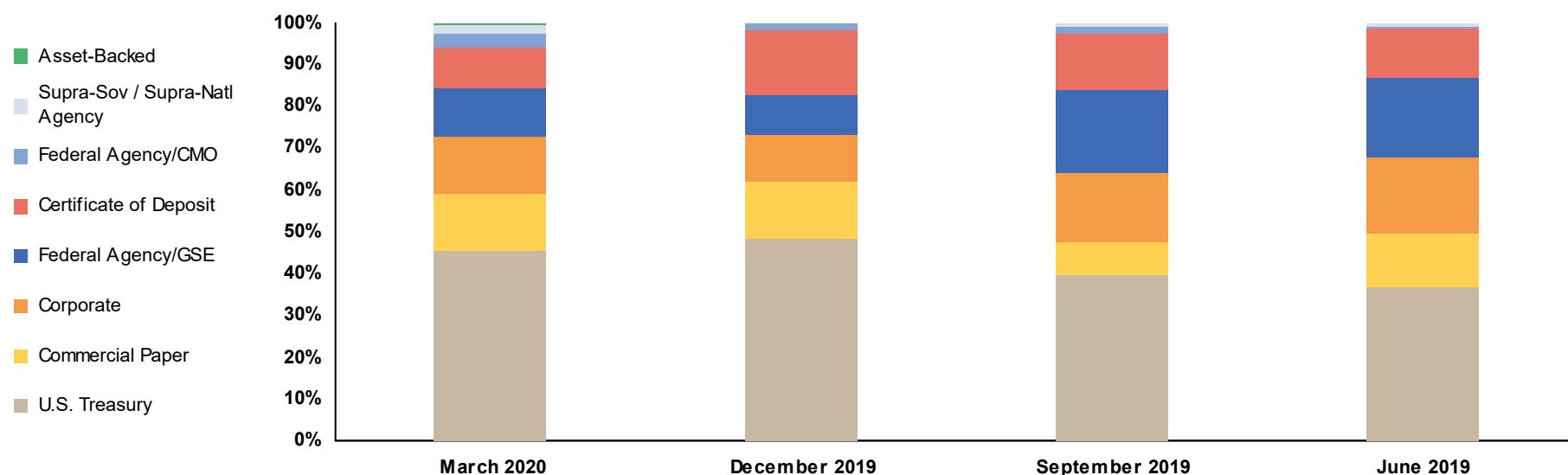
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation

Sector	March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	94.8	45.4%	99.4	48.1%	81.1	39.5%	75.1	36.8%
Commercial Paper	28.9	13.8%	28.6	13.9%	16.1	7.9%	25.8	12.7%
Corporate	27.8	13.3%	22.2	10.8%	33.6	16.4%	37.1	18.2%
Federal Agency/GSE	24.4	11.7%	20.2	9.8%	40.7	19.8%	39.1	19.1%
Certificate of Deposit	20.4	9.8%	32.5	15.8%	28.2	13.8%	24.1	11.8%
Federal Agency/CMO	7.3	3.5%	3.3	1.6%	3.3	1.6%	0.7	0.4%
Supra-Sov / Supra-Natl Agency	4.0	1.9%	0.0	0.0%	2.0	1.0%	2.0	1.0%
Asset-Backed	1.3	0.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	\$209.0	100.0%	\$206.2	100.0%	\$205.0	100.0%	\$203.9	100.0%

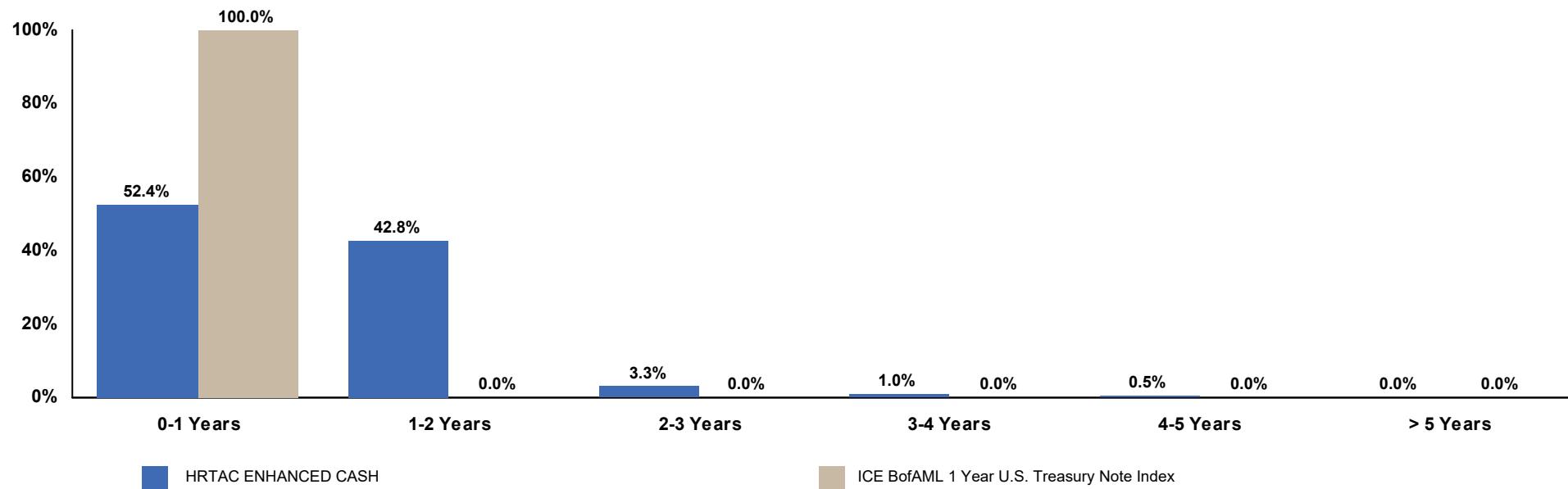


Detail may not add to total due to rounding.

Maturity Distribution

As of March 31, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
HRTAC ENHANCED CASH	0.88%	1.00 yrs	52.4%	42.8%	3.3%	1.0%	0.5%	0.0%
ICE BofAML 1 Year U.S. Treasury Note Index	0.09%	0.92 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Issuer Distribution

As of March 31, 2020

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	94,817,689	45.4%
FEDERAL HOME LOAN BANKS	20,388,994	9.8%
FREDDIE MAC	8,627,880	4.1%
JP MORGAN CHASE & CO	5,142,698	2.5%
CREDIT SUISSE GROUP	5,093,321	2.4%
NATIXIS NY BRANCH	4,168,654	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	4,143,476	2.0%
SOCIETE GENERALE	4,129,263	2.0%
MIZUHO FINANCIAL GROUP INC.	4,127,377	2.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	4,125,195	2.0%
CREDIT AGRICOLE SA	4,118,008	2.0%
ING BANK NV	4,111,029	2.0%
BNP PARIBAS	4,108,545	2.0%
FANNIE MAE	4,055,812	1.9%
HSBC HOLDINGS PLC	4,031,748	1.9%
ASIAN DEVELOPMENT BANK	4,021,337	1.9%
UBS AG	4,001,902	1.9%
WESTPAC BANKING CORP	2,792,930	1.3%

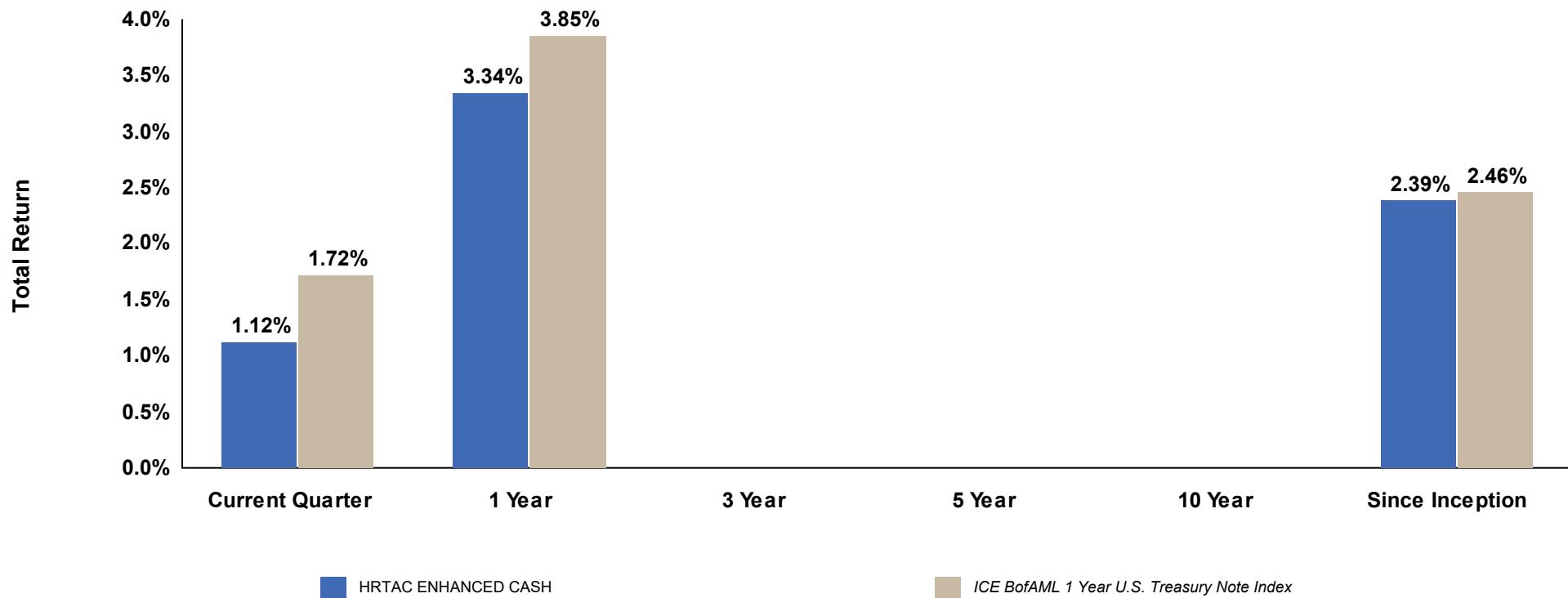
Top 5 = 64.2%

Top 10 = 74.1%

Issuer	Market Value (\$)	% of Portfolio
TOTAL SA	2,057,230	1.0%
AMERICAN HONDA FINANCE	2,016,093	1.0%
TOYOTA MOTOR CORP	1,653,518	0.8%
DEERE & COMPANY	1,275,410	0.6%
BERKSHIRE HATHAWAY INC	1,033,883	0.5%
BP PLC	1,029,706	0.5%
EXXON MOBIL CORP	1,022,158	0.5%
CATERPILLAR INC	1,011,405	0.5%
PROCTER & GAMBLE CO	1,009,079	0.5%
THE BANK OF NEW YORK MELLON CORPORATION	1,005,033	0.5%
NATIONAL AUSTRALIA BANK LTD	1,004,692	0.5%
THE WALT DISNEY CORPORATION	1,003,829	0.5%
CHARLES SCHWAB	1,002,524	0.5%
WELLS FARGO & COMPANY	997,466	0.5%
US BANCORP	997,243	0.5%
STATE STREET CORPORATION	994,814	0.5%
PACCAR FINANCIAL CORP	994,631	0.5%
BANK OF AMERICA CO	989,290	0.5%
PNC FINANCIAL SERVICES GROUP	988,784	0.5%
NATIONAL RURAL UTILITIES CO FINANCE CORP	876,984	0.4%
Grand Total:	208,969,631	100.0%

Portfolio Performance (Total Return)

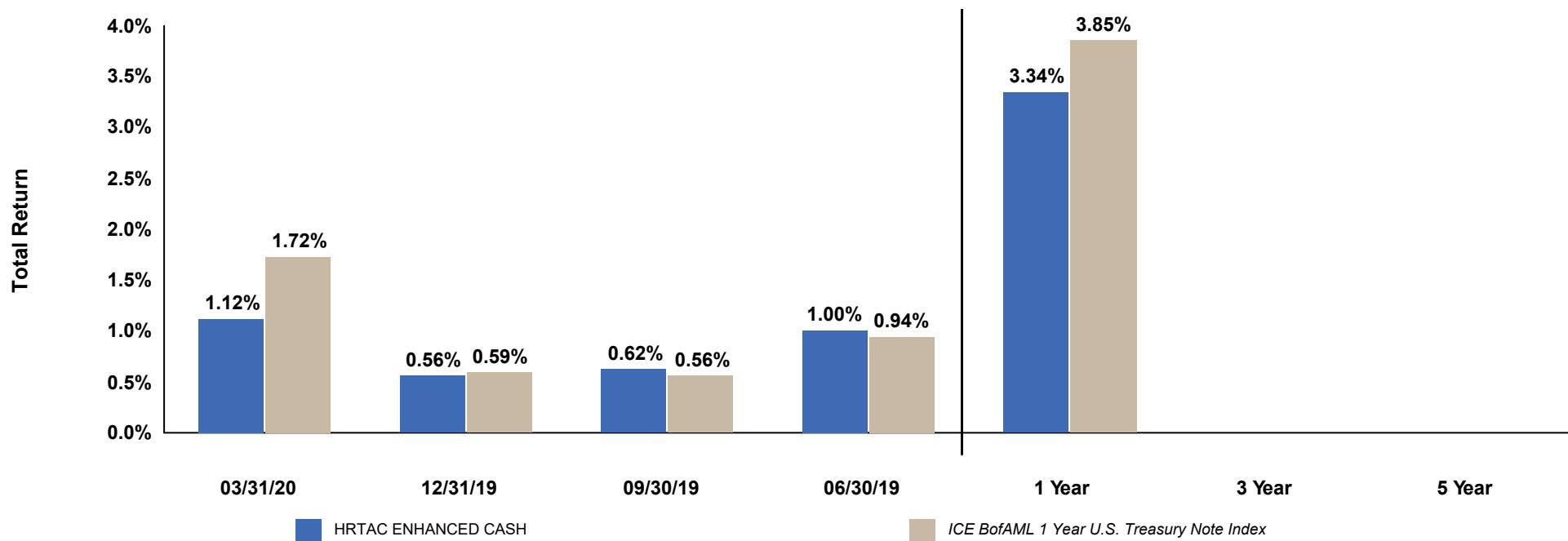
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return				Since Inception (06/30/17) **
				3 Year	5 Year	10 Year		
HRTAC ENHANCED CASH	0.94	1.12%	3.34%	-	-	-	2.39%	
<i>ICE BofAML 1 Year U.S. Treasury Note Index</i>	0.90	1.72%	3.85%	-	-	-	2.46%	
Difference		-0.60%	-0.51%	-	-	-	-0.07%	



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/20	12/31/19	09/30/19	06/30/19	1 Year	3 Year	5 Year
HRTAC ENHANCED CASH	0.94	1.12%	0.56%	0.62%	1.00%	3.34%	-	-
Net of Fees **	-	1.10%	0.54%	0.60%	0.98%	3.27%	-	-
ICE BofAML 1 Year U.S. Treasury Note Index	0.90	1.72%	0.59%	0.56%	0.94%	3.85%	-	-
Difference (Gross)		-0.60%	-0.03%	0.06%	0.06%	-0.51%	-	-
Difference (Net)		-0.62%	-0.05%	0.04%	0.04%	-0.58%	-	-



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 08/31/2018 2.625% 08/31/2020	9128284Y3	9,825,000.00	AA+	Aaa	1/8/2019	1/11/2019	9,824,232.42	2.63	22,426.63	9,824,845.06	9,921,715.34
US TREASURY N/B DTD 10/01/2018 2.750% 09/30/2020	9128285B2	4,000,000.00	AA+	Aaa	2/8/2019	2/11/2019	4,015,937.50	2.50	300.55	4,004,945.44	4,050,624.80
US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	1,026,000.00	AA+	Aaa	8/16/2018	8/20/2018	1,012,573.83	2.64	56.07	1,022,774.51	1,035,298.13
US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	1,026,000.00	AA+	Aaa	8/16/2018	8/20/2018	1,012,653.98	2.64	56.07	1,022,793.88	1,035,298.13
US TREASURY N/B DTD 10/01/2018 2.750% 09/30/2020	9128285B2	10,000,000.00	AA+	Aaa	2/12/2019	2/13/2019	10,033,593.75	2.54	751.37	10,010,468.40	10,126,562.00
US TREASURY N/B DTD 10/01/2018 2.750% 09/30/2020	9128285B2	3,975,000.00	AA+	Aaa	4/2/2019	4/3/2019	3,996,738.28	2.37	298.67	3,982,332.84	4,025,308.40
US TREASURY N/B NOTES DTD 02/15/2018 2.250% 02/15/2021	9128283X6	3,000,000.00	AA+	Aaa	3/1/2019	3/5/2019	2,982,539.06	2.56	8,530.22	2,992,085.37	3,054,375.00
US TREASURY N/B NOTES DTD 02/15/2018 2.250% 02/15/2021	9128283X6	4,250,000.00	AA+	Aaa	4/17/2019	4/18/2019	4,236,718.75	2.42	12,084.48	4,243,617.65	4,327,031.25
US TREASURY N/B NOTES DTD 02/15/2018 2.250% 02/15/2021	9128283X6	3,425,000.00	AA+	Aaa	2/28/2019	2/28/2019	3,405,868.17	2.54	9,738.67	3,416,385.95	3,487,078.13
US TREASURY N/B NOTES DTD 03/15/2018 2.375% 03/15/2021	9128284B3	2,300,000.00	AA+	Aaa	5/1/2019	5/2/2019	2,301,886.72	2.33	2,523.44	2,300,988.22	2,347,437.50
US TREASURY N/B DTD 07/01/2019 1.625% 06/30/2021	9128287A2	11,500,000.00	AA+	Aaa	1/2/2020	1/6/2020	11,503,144.53	1.61	47,232.14	11,502,651.67	11,701,250.00
US TREASURY NOTES DTD 08/15/2011 2.125% 08/15/2021	912828RC6	7,850,000.00	AA+	Aaa	10/3/2019	10/4/2019	7,951,498.05	1.42	21,080.70	7,925,075.05	8,042,569.92
UNITED STATES TREASURY NOTES DTD 09/03/2019 1.500% 08/31/2021	912828YC8	4,100,000.00	AA+	Aaa	2/10/2020	2/10/2020	4,102,882.81	1.45	5,347.83	4,102,636.01	4,170,468.75
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	4,100,000.00	AA+	Aaa	8/2/2019	8/5/2019	4,122,101.56	1.73	7,130.43	4,115,179.31	4,196,093.75
UNITED STATES TREASURY NOTES DTD 09/03/2019 1.500% 08/31/2021	912828YC8	3,800,000.00	AA+	Aaa	2/3/2020	2/5/2020	3,804,453.13	1.42	4,956.52	3,804,032.45	3,865,312.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	3,250,000.00	AA+	Aaa	10/31/2019	11/4/2019	3,231,337.89	1.54	17,075.89	3,235,135.44	3,297,734.38
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	8,650,000.00	AA+	Aaa	12/2/2019	12/4/2019	8,584,111.33	1.66	45,448.15	8,595,291.35	8,777,046.88
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	4,050,000.00	AA+	Aaa	11/4/2019	11/5/2019	4,021,365.23	1.61	21,279.19	4,027,158.12	4,109,484.38
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	2,650,000.00	AA+	Aaa	11/8/2019	11/12/2019	2,627,640.63	1.69	13,923.42	2,631,991.18	2,688,921.88
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	9/5/2019	9/9/2019	546,605.47	1.54	2,889.77	547,487.41	558,078.13
Security Type Sub-Total		93,327,000.00					93,317,883.09	2.01	243,130.21	93,307,875.31	94,817,689.25
Supra-National Agency Bond / Note											
ASIAN DEVELOPMENT BANK SUPRANATL DTD 04/07/2020 0.625% 04/07/2022	045167ET6	4,025,000.00	AAA	Aaa	3/31/2020	4/7/2020	4,021,337.25	0.67	0.00	4,021,337.25	4,021,337.25
Security Type Sub-Total		4,025,000.00					4,021,337.25	0.67	0.00	4,021,337.25	4,021,337.25
Federal Agency Collateralized Mortgage Obligation											
FHMS K016 A2 DTD 12/01/2011 2.968% 10/25/2021	3137AJMF8	1,402,707.57	AA+	Aaa	1/31/2020	2/5/2020	1,424,789.25	1.06	3,468.90	1,422,852.81	1,421,309.49
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	715,000.00	AA+	Aaa	5/16/2019	5/21/2019	719,468.75	2.20	1,662.97	717,792.45	726,959.86
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	1,000,000.00	AA+	Aaa	8/22/2019	8/27/2019	1,017,031.25	1.27	2,325.83	1,013,052.37	1,016,727.07
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	1,500,000.00	AA+	Aaa	8/16/2019	8/21/2019	1,527,187.50	1.21	3,488.75	1,520,562.26	1,525,090.61
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2012 2.396% 06/25/2022	3137AUPE3	830,000.00	AA+	Aaa	2/4/2020	2/7/2020	841,153.13	1.20	1,657.23	840,490.41	846,114.53

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FHMS K043 A1 DTD 03/01/2015 2.532% 10/25/2023	3137BGJZ3	670,679.51	AA+	Aaa	2/25/2020	2/28/2020	682,416.40	1.50	1,415.13	682,349.79	684,540.61
FHMS K041 A1 DTD 12/01/2014 2.720% 08/25/2024	3137BFE80	1,069,036.86	AA+	Aaa	2/21/2020	2/26/2020	1,093,591.30	1.63	2,423.15	1,093,412.01	1,098,392.61
Security Type Sub-Total		7,187,423.94					7,305,637.58	1.38	16,441.96	7,290,512.10	7,319,134.78
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANKS NOTES DTD 09/07/2018 2.625% 10/01/2020	3130AEWA4	4,000,000.00	AA+	Aaa	9/10/2018	9/12/2018	3,988,680.00	2.77	52,500.00	3,997,175.72	4,043,096.00
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	4,000,000.00	AA+	Aaa	11/2/2018	11/6/2018	3,994,320.00	2.95	48,236.11	3,998,307.20	4,055,812.00
FEDERAL HOME LOAN BANKS NOTES DTD 02/12/2014 2.375% 03/12/2021	3130A0XD7	4,000,000.00	AA+	Aaa	7/16/2019	7/18/2019	4,026,280.00	1.97	5,013.89	4,015,214.92	4,076,464.00
FHLB NOTES DTD 05/05/2014 2.250% 06/11/2021	3130A1W95	4,000,000.00	AA+	Aaa	7/1/2019	7/1/2019	4,028,040.00	1.88	27,500.00	4,017,350.20	4,088,968.00
FEDERAL HOME LOAN BANKS NOTES DTD 06/07/2019 1.875% 07/07/2021	3130AGLD5	2,000,000.00	AA+	Aaa	7/5/2019	7/9/2019	1,997,340.00	1.94	8,750.00	1,998,300.20	2,036,166.00
FEDERAL HOME LOAN BANKS NOTES DTD 06/07/2019 1.875% 07/07/2021	3130AGLD5	2,000,000.00	AA+	Aaa	6/10/2019	6/10/2019	1,997,260.00	1.94	8,750.00	1,998,308.32	2,036,166.00
FEDERAL HOME LOAN BANKS NOTES DTD 12/20/2019 1.625% 12/20/2021	3130AHSR5	2,000,000.00	AA+	Aaa	3/2/2020	3/4/2020	2,026,800.00	0.87	9,118.06	2,025,688.98	2,039,600.00
FHLB NOTES DTD 02/17/2012 2.250% 03/11/2022	313378CR0	2,000,000.00	AA+	Aaa	3/2/2020	3/4/2020	2,053,937.50	0.90	2,500.00	2,051,950.62	2,068,534.00
Security Type Sub-Total		24,000,000.00					24,112,657.50	2.06	162,368.06	24,102,296.16	24,444,806.00
Corporate Note											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 01/08/2019 3.050% 01/08/2021	89236TFQ3	1,650,000.00	AA-	A1	1/3/2019	1/8/2019	1,649,010.00	3.08	11,602.71	1,649,612.42	1,653,517.80

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
US BANCORP CORP NOTES (CALLABLE) DTD 01/29/2016 2.350% 01/29/2021	91159HHL7	1,000,000.00	A+	A1	6/14/2019	6/18/2019	1,000,526.00	2.32	4,047.22	1,000,265.40	997,243.00
THE WALT DISNEY CORP DTD 01/08/2016 2.300% 02/12/2021	25468PDJ2	1,000,000.00	A	A2	5/22/2019	5/24/2019	995,030.00	2.60	3,130.56	997,482.52	1,003,829.00
EXXON MOBIL CORPORATE (CALLABLE) NOTES DTD 03/03/2016 2.222% 03/01/2021	30231GAV4	1,025,000.00	AA	Aaa	8/13/2019	8/15/2019	1,028,915.50	1.97	1,897.96	1,027,250.64	1,022,157.68
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	1,000,000.00	A	A1	6/13/2019	6/17/2019	1,003,090.00	2.33	11,527.78	1,001,721.08	1,005,033.00
WESTPAC BANKING CORP NY CORP NOTES DTD 05/13/2016 2.100% 05/13/2021	961214CV3	2,000,000.00	AA-	Aa3	4/8/2019	4/10/2019	1,971,560.00	2.80	16,100.00	1,984,631.22	1,989,250.00
CATERPILLAR FINL SERVICE CORP NOTES DTD 05/17/2019 2.650% 05/17/2021	14913Q2W8	1,010,000.00	A	A3	5/14/2019	5/17/2019	1,009,515.20	2.67	9,962.53	1,009,723.61	1,011,404.91
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	1,000,000.00	A	A1	6/17/2019	6/19/2019	994,120.00	2.26	7,150.00	996,498.72	994,814.00
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	1,000,000.00	A	A2	5/22/2019	5/24/2019	1,012,580.00	2.60	11,736.11	1,007,269.58	1,002,524.00
JOHN DEERE CAPITAL CORP CORP NOTES DTD 06/07/2019 2.300% 06/07/2021	24422EUV9	1,270,000.00	A	A2	6/4/2019	6/7/2019	1,269,136.40	2.34	9,249.83	1,269,484.49	1,275,410.20
TOTAL CAPITAL INTL SA CORP NOTE DTD 06/23/2014 2.750% 06/19/2021	89153VAP4	2,050,000.00	A+	Aa3	7/8/2019	7/10/2019	2,069,577.50	2.24	15,972.92	2,062,369.86	2,057,230.35
WELLS FARGO & CO CORP NOTES DTD 07/25/2016 2.100% 07/26/2021	949746SA0	1,000,000.00	A-	A2	4/8/2019	4/10/2019	983,740.00	2.84	3,791.67	990,537.52	997,466.00
PACCAR FINANCIAL CORP BONDS DTD 08/09/2018 3.150% 08/09/2021	69371RP42	1,000,000.00	A+	A1	7/17/2019	7/19/2019	1,018,290.00	2.23	4,550.00	1,012,155.78	994,631.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
JPMORGAN CHASE & CO NOTES DTD 08/10/2011 4.350% 08/15/2021	46625HJC5	1,000,000.00	A-	A2	9/5/2019	9/9/2019	1,043,580.00	2.04	5,558.33	1,031,105.63	1,029,933.00
AMERICAN HONDA FINANCE CORP NOTES DTD 09/09/2016 1.700% 09/09/2021	02665WBG5	2,050,000.00	A	A3	9/5/2019	9/9/2019	2,037,556.50	2.01	2,129.72	2,040,999.15	2,016,093.00
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	1,000,000.00	A-	A2	4/8/2019	4/10/2019	991,010.00	2.71	11,640.00	994,482.58	989,290.00
PROCTER & GAMBLE CO CORP NOTES DTD 11/03/2016 1.700% 11/03/2021	742718EQ8	1,000,000.00	AA-	Aa3	3/4/2020	3/6/2020	1,012,160.00	0.96	6,988.89	1,011,656.18	1,009,079.00
CREDIT SUISSE NEW YORK CORP NOTES DTD 11/12/2019 2.100% 11/12/2021	22550L2A8	1,000,000.00	A+	A1	11/4/2019	11/12/2019	999,880.00	2.11	8,108.33	999,902.81	995,035.00
NATIONAL AUSTRALIA BK/NY CORP NOTES DTD 01/10/2017 2.800% 01/10/2022	63254AAU2	1,000,000.00	AA-	Aa3	2/13/2020	2/18/2020	1,019,770.00	1.73	6,300.00	1,018,542.01	1,004,692.00
WESTPAC BANKING CORP NY CORP NOTES DTD 01/11/2017 2.800% 01/11/2022	961214DG5	800,000.00	AA-	Aa3	3/5/2020	3/9/2020	823,400.00	1.19	4,977.78	822,630.30	803,680.00
NATIONAL RURAL UTIL COOP CORP NOTE DTD 02/05/2020 1.750% 01/21/2022	63743HET5	875,000.00	A	A2	1/22/2020	2/5/2020	874,230.00	1.80	2,381.94	874,289.63	876,983.63
BERKSHIRE HATHAWAY INC GLOBAL NOTES DTD 01/31/2012 3.400% 01/31/2022	084670BF4	1,000,000.00	AA	Aa2	3/4/2020	3/6/2020	1,046,060.00	0.95	5,761.11	1,044,400.84	1,033,883.00
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 3.245% 05/06/2022	10373QAJ9	1,025,000.00	A-	A1	2/26/2020	2/28/2020	1,063,427.25	1.50	13,396.89	1,061,848.35	1,029,705.78
PNC BANK NA DTD 02/25/2020 1.743% 02/24/2023	69353RFT0	400,000.00	A	A2	2/21/2020	2/25/2020	400,368.00	1.71	697.20	400,355.97	393,546.00
PNC BANK NA DTD 02/25/2020 1.743% 02/24/2023	69353RFT0	605,000.00	A	A2	2/20/2020	2/25/2020	605,000.00	1.74	1,054.52	605,000.00	595,238.33

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		27,760,000.00					27,921,532.35	2.18	179,714.00	27,914,216.29	27,781,669.68
Commercial Paper											
NATIXIS NY BRANCH COMM PAPER DTD 09/06/2019 0.000% 04/30/2020											
NATIXIS NY BRANCH COMM PAPER DTD 09/06/2019 0.000% 04/30/2020	63873JDW7	4,175,000.00	A-1	P-1	9/11/2019	9/12/2019	4,121,688.73	2.02	0.00	4,168,307.22	4,168,654.00
CANADIAN IMPERIAL HOLDING COMM PAPER DTD 11/14/2019 0.000% 05/12/2020	13607EEC9	4,150,000.00	A-1	P-1	11/14/2019	11/15/2019	4,112,032.11	1.86	0.00	4,141,303.43	4,143,476.20
JP MORGAN SECURITIES LLC COMM PAPER DTD 09/19/2019 0.000% 06/15/2020	46640PFF5	4,125,000.00	A-1	P-1	11/12/2019	11/13/2019	4,079,178.13	1.88	0.00	4,109,015.63	4,112,765.25
ING (US) FUNDING LLC COMM PAPER DTD 10/22/2019 0.000% 06/29/2020	4497W0FV5	4,125,000.00	A-1	P-1	10/22/2019	10/23/2019	4,070,859.38	1.92	0.00	4,105,725.94	4,111,028.63
BNP PARIBAS NY BRANCH COMM PAPER DTD 10/08/2019 0.000% 07/02/2020	09659BG20	4,125,000.00	A-1	P-1	10/8/2019	10/9/2019	4,067,330.78	1.91	0.00	4,105,128.97	4,108,545.38
MUFG BANK LTD/NY COMM PAPER DTD 01/03/2020 0.000% 09/03/2020	62479LJ30	4,150,000.00	A-1	P-1	1/3/2020	1/6/2020	4,097,769.94	1.90	0.00	4,116,408.03	4,125,195.45
CREDIT AGRICOLE CIB NY COMM PAPER DTD 01/06/2020 0.000% 10/02/2020	22533TK21	4,150,000.00	A-1	P-1	1/6/2020	1/7/2020	4,093,562.31	1.85	0.00	4,111,395.75	4,118,007.65
Security Type Sub-Total		29,000,000.00					28,642,421.38	1.90	0.00	28,857,284.97	28,887,672.56
Certificate of Deposit											
UBS AG STAMFORD CT CERT DEPOS DTD 07/12/2019 2.230% 04/15/2020											
UBS AG STAMFORD CT CERT DEPOS DTD 07/12/2019 2.230% 04/15/2020	90275DJS0	4,000,000.00	A-1	P-1	7/11/2019	7/12/2019	4,000,000.00	2.23	65,413.33	4,000,000.00	4,001,901.60
MIZUHO BANK LTD/NY CERT DEPOS DTD 11/01/2019 1.930% 05/01/2020	60710AG48	4,125,000.00	A-1	P-1	11/5/2019	11/6/2019	4,125,391.56	1.92	33,614.17	4,125,066.37	4,127,376.83
HSBC BANK USA NA CERT DEPOS DTD 04/04/2019 2.700% 10/02/2020	40435RCN9	4,000,000.00	A-1+	P-1	4/3/2019	4/4/2019	4,000,000.00	2.70	108,900.00	4,000,000.00	4,031,748.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 10/17/2019 1.970% 10/14/2020	22549LR64	4,125,000.00	A-1	P-1	10/16/2019	10/17/2019	4,125,000.00	1.96	37,696.77	4,125,000.00	4,098,286.38
SOCIETE GENERALE NY CERT DEPOS DTD 01/13/2020 1.810% 01/08/2021											
Security Type Sub-Total		20,375,000.00					20,375,391.56	2.12	262,008.54	20,375,066.37	20,388,575.59
Asset-Backed Security											
FHMS K726 A1 DTD 06/01/2017 2.596% 08/25/2023	3137BYPP9	1,286,400.87	AAA	NR	3/24/2020	3/27/2020	1,298,762.38	1.94	2,782.91	1,298,762.38	1,308,745.65
Security Type Sub-Total		1,286,400.87					1,298,762.38	1.94	2,782.91	1,298,762.38	1,308,745.65
Managed Account Sub Total		206,960,824.81					206,995,623.09	1.98	866,445.68	207,167,350.83	208,969,630.76
Securities Sub-Total		\$206,960,824.81					\$206,995,623.09	1.99%	\$866,445.68	\$207,167,350.83	\$208,969,630.76
Accrued Interest											\$866,445.68
Total Investments											\$209,836,076.44

Bolded items are forward settling trades.

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/2/20	1/6/20	11,500,000	9128287A2	US TREASURY N/B	1.62%	6/30/21	11,506,224.89	1.61%	
1/3/20	1/6/20	4,150,000	62479LJ30	MUFG BANK LTD/NY COMM PAPER	0.00%	9/3/20	4,097,769.94	1.90%	
1/6/20	1/7/20	4,150,000	22533TK21	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	10/2/20	4,093,562.31	1.85%	
1/10/20	1/13/20	4,125,000	83369XDC9	SOCIETE GENERALE NY CERT DEPOS	1.81%	1/8/21	4,125,000.00	1.81%	
1/22/20	2/5/20	875,000	63743HET5	NATIONAL RURAL UTIL COOP CORP NOTE	1.75%	1/21/22	874,230.00	1.80%	
1/31/20	2/5/20	1,405,677	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	1,428,268.98	1.06%	
2/3/20	2/5/20	3,800,000	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	3,829,194.89	1.42%	
2/4/20	2/7/20	830,000	3137AUPE3	FHLMC MULTIFAMILY STRUCTURED P	2.39%	6/25/22	841,484.58	1.20%	
2/10/20	2/10/20	4,100,000	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	4,130,422.65	1.45%	
2/13/20	2/18/20	1,000,000	63254AAU2	NATIONAL AUSTRALIA BK/NY CORP NOTES	2.80%	1/10/22	1,022,725.56	1.73%	
2/20/20	2/25/20	605,000	69353RFT0	PNC BANK NA	1.74%	2/24/23	605,000.00	1.74%	
2/21/20	2/25/20	400,000	69353RFT0	PNC BANK NA	1.74%	2/24/23	400,368.00	1.71%	
2/21/20	2/26/20	1,087,798	3137BFE80	FHMS K041 A1	2.72%	8/25/24	1,114,838.16	1.63%	
2/25/20	2/28/20	686,223	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	699,535.46	1.50%	
2/26/20	2/28/20	1,025,000	10373QAJ9	BP CAP MARKETS AMERICA CORP BONDS	3.24%	5/6/22	1,073,775.19	1.50%	
3/2/20	3/4/20	2,000,000	313378CR0	FHLB NOTES	2.25%	3/11/22	2,075,562.50	0.90%	
3/2/20	3/4/20	2,000,000	3130AHSR5	FEDERAL HOME LOAN BANKS NOTES	1.62%	12/20/21	2,033,480.56	0.87%	
3/4/20	3/6/20	1,000,000	084670BF4	BERKSHIRE HATHAWAY INC GLOBAL NOTES	3.40%	1/31/22	1,049,460.00	0.95%	
3/4/20	3/6/20	1,000,000	742718EQ8	PROCTER & GAMBLE CO CORP NOTES	1.70%	11/3/21	1,017,968.33	0.96%	
3/5/20	3/9/20	800,000	961214DG5	WESTPAC BANKING CORP NY CORP NOTES	2.80%	1/11/22	827,008.89	1.19%	
3/24/20	3/27/20	1,286,401	3137BYPP9	FHMS K726 A1	2.59%	8/25/23	1,301,174.24	1.94%	
3/31/20	4/7/20	4,025,000	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	4,021,337.25	0.67%	
Total BUY		51,851,099					52,168,392.38		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/1/20	1/25/20	1,000,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		
1/1/20	1/25/20	1,500,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
1/1/20	1/25/20	715,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
1/2/20	1/2/20	0	MONEY0002	MONEY MARKET FUND			151.50		
1/7/20	1/7/20	2,000,000	3130AGLD5	FEDERAL HOME LOAN BANKS NOTES	1.87%	7/7/21	18,750.00		
1/7/20	1/7/20	2,000,000	3130AGLD5	FEDERAL HOME LOAN BANKS NOTES	1.87%	7/7/21	18,750.00		
1/8/20	1/8/20	1,650,000	89236TFQ3	TOYOTA MOTOR CREDIT CORP CORP NOTES	3.05%	1/8/21	25,162.50		
1/26/20	1/26/20	1,000,000	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	10,500.00		
1/29/20	1/29/20	1,000,000	91159HHL7	US BANCORP CORP NOTES (CALLABLE)	2.35%	1/29/21	11,750.00		
1/31/20	1/31/20	5,900,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	59,000.00		
2/1/20	2/1/20	480,000	097023CL7	BOEING CO	2.30%	8/1/21	5,550.67		
2/1/20	2/25/20	1,000,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		
2/1/20	2/25/20	1,500,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
2/1/20	2/25/20	715,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
2/3/20	2/3/20	0	MONEY0002	MONEY MARKET FUND			663.61		
2/9/20	2/9/20	1,000,000	69371RP42	PACCAR FINANCIAL CORP BONDS	3.15%	8/9/21	15,750.00		
2/12/20	2/12/20	1,000,000	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	11,500.00		
2/15/20	2/15/20	3,425,000	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	38,531.25		
2/15/20	2/15/20	4,250,000	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	47,812.50		
2/15/20	2/15/20	7,850,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	83,406.25		
2/15/20	2/15/20	3,000,000	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	33,750.00		
2/15/20	2/15/20	1,000,000	46625HJC5	JPMORGAN CHASE & CO NOTES	4.35%	8/15/21	21,750.00		
2/20/20	2/20/20	4,000,000	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	54,400.00		
2/29/20	2/29/20	3,800,000	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	28,500.00		
2/29/20	2/29/20	14,550,000	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	190,968.75		
2/29/20	2/29/20	4,100,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	41,000.00		
2/29/20	2/29/20	4,100,000	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	30,750.00		
3/1/20	3/1/20	1,025,000	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	11,387.75		

HRTAC ENHANCED CASH

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/1/20	3/25/20	1,087,798	3137BFE80	FHMS K041 A1	2.72%	8/25/24	2,465.68		
3/1/20	3/25/20	715,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
3/1/20	3/25/20	830,000	3137AUPE3	FHLMC MULTIFAMILY STRUCTURED P	2.39%	6/25/22	1,657.23		
3/1/20	3/25/20	686,223	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	1,447.93		
3/1/20	3/25/20	1,405,677	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	3,476.24		
3/1/20	3/25/20	1,000,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		
3/1/20	3/25/20	1,500,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
3/2/20	3/2/20	0	MONEY0002	MONEY MARKET FUND			1,293.26		
3/9/20	3/9/20	2,050,000	02665WBG5	AMERICAN HONDA FINANCE CORP NOTES	1.70%	9/9/21	17,425.00		
3/11/20	3/11/20	2,000,000	313378CR0	FHLB NOTES	2.25%	3/11/22	22,500.00		
3/12/20	3/12/20	4,000,000	3130A0XD7	FEDERAL HOME LOAN BANKS NOTES	2.37%	3/12/21	47,500.00		
3/15/20	3/15/20	2,300,000	9128284B3	US TREASURY N/B NOTES	2.37%	3/15/21	27,312.50		
3/31/20	3/31/20	1,026,000	912828VZ0	US TREASURY NOTES	2.00%	9/30/20	10,260.00		
3/31/20	3/31/20	1,026,000	912828VZ0	US TREASURY NOTES	2.00%	9/30/20	10,260.00		
3/31/20	3/31/20	10,000,000	9128285B2	US TREASURY N/B	2.75%	9/30/20	137,500.00		
3/31/20	3/31/20	3,975,000	9128285B2	US TREASURY N/B	2.75%	9/30/20	54,656.25		
3/31/20	3/31/20	4,000,000	9128285B2	US TREASURY N/B	2.75%	9/30/20	55,000.00		
Total INTEREST		111,161,699					1,174,971.52		
MATURITY									
1/10/20	1/10/20	4,000,000	83369Y2V7	SOCIETE GENERALE NY CERT DEPOS	2.98%	1/10/20	4,119,531.11		0.00
2/10/20	2/10/20	4,125,000	86565BU58	SUMITOMO MITSUI BANK NY CERT DEPOS	2.01%	2/10/20	4,154,019.38		0.00
2/20/20	2/20/20	4,000,000	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	4,000,000.00		0.00
3/3/20	3/3/20	4,125,000	83050PDZ9	SKANDINAViska ENSKILDA BANKEN NY CERT DE	2.00%	3/3/20	4,166,020.83		0.00
Total MATURITY		16,250,000					16,439,571.32		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/1/20	3/25/20	15,544	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	15,543.90		0.00
3/1/20	3/25/20	2,969	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	2,969.48		0.00
3/1/20	3/25/20	18,761	3137BFE80	FHMS K041 A1	2.72%	8/25/24	18,761.21		0.00
Total PAYDOWNS		37,275					37,274.59		0.00
SELL									
1/2/20	1/6/20	7,700,000	9128284Q0	US TREASURY N/B NOTES	2.50%	5/31/20	7,746,229.91	1.62%	35,555.54
1/2/20	1/6/20	3,650,000	9128284Q0	US TREASURY N/B NOTES	2.50%	5/31/20	3,671,914.18	1.62%	16,924.00
1/3/20	1/6/20	100,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	101,098.51	1.58%	569.45
1/3/20	1/6/20	4,000,000	62479LAX3	MUFG BANK LTD/NY COMM PAPER	0.00%	1/31/20	3,995,222.22	1.72%	2,444.46
1/6/20	1/7/20	4,125,000	22533TB39	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	2/3/20	4,119,864.38	1.66%	556.88
1/22/20	2/5/20	675,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	676,582.90	1.57%	3,336.89
1/31/20	2/5/20	1,425,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	1,428,508.67	1.55%	7,211.54
2/3/20	2/5/20	3,800,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,809,504.90	1.54%	19,379.21
2/4/20	2/7/20	750,000	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	763,136.27	1.55%	4,498.44
2/5/20	2/7/20	100,000	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	101,751.51	1.55%	599.80
2/13/20	2/18/20	500,000	097023BG9	BOEING COMPANY NOTE	2.35%	10/30/21	506,845.00	1.95%	6,931.29
2/13/20	2/18/20	480,000	097023CL7	BOEING CO	2.30%	8/1/21	483,324.53	1.89%	2,817.09
3/4/20	3/6/20	300,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	304,132.60	0.68%	4,255.79
3/4/20	3/6/20	1,000,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	1,013,619.07	0.69%	14,029.72
3/5/20	3/9/20	900,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	913,017.86	0.64%	13,273.59
3/24/20	3/27/20	1,050,000	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	1,063,137.48	0.14%	11,132.32
3/31/20	4/7/20	3,675,000	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	3,720,563.01	0.18%	35,657.20
Total SELL		34,230,000					34,418,453.00		179,173.21

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/20	1/25/20	1,000,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		
INTEREST	1/1/20	1/25/20	1,500,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
INTEREST	1/1/20	1/25/20	715,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
INTEREST	1/2/20	1/2/20	0.00	MONEY0002	MONEY MARKET FUND			151.50		
BUY	1/2/20	1/6/20	11,500,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	(11,506,224.89)	1.61%	
SELL	1/2/20	1/6/20	7,700,000.00	9128284Q0	US TREASURY N/B NOTES	2.50%	5/31/20	7,746,229.91	1.62%	35,555.54
SELL	1/2/20	1/6/20	3,650,000.00	9128284Q0	US TREASURY N/B NOTES	2.50%	5/31/20	3,671,914.18	1.62%	16,924.00
BUY	1/3/20	1/6/20	4,150,000.00	62479LJ30	MUFG BANK LTD/NY COMM PAPER	0.00%	9/3/20	(4,097,769.94)	1.90%	
SELL	1/3/20	1/6/20	100,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	101,098.51	1.58%	569.45
SELL	1/3/20	1/6/20	4,000,000.00	62479LAX3	MUFG BANK LTD/NY COMM PAPER	0.00%	1/31/20	3,995,222.22	1.72%	2,444.46
BUY	1/6/20	1/7/20	4,150,000.00	22533TK21	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	10/2/20	(4,093,562.31)	1.85%	
SELL	1/6/20	1/7/20	4,125,000.00	22533TB39	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	2/3/20	4,119,864.38	1.66%	556.88
INTEREST	1/7/20	1/7/20	2,000,000.00	3130AGLD5	FEDERAL HOME LOAN BANKS NOTES	1.87%	7/7/21	18,750.00		
INTEREST	1/7/20	1/7/20	2,000,000.00	3130AGLD5	FEDERAL HOME LOAN BANKS NOTES	1.87%	7/7/21	18,750.00		
INTEREST	1/8/20	1/8/20	1,650,000.00	89236TFQ3	TOYOTA MOTOR CREDIT CORP CORP NOTES	3.05%	1/8/21	25,162.50		
MATURITY	1/10/20	1/10/20	4,000,000.00	83369Y2V7	SOCIETE GENERALE NY CERT DEPOS	2.98%	1/10/20	4,119,531.11		0.00
BUY	1/10/20	1/13/20	4,125,000.00	83369XDC9	SOCIETE GENERALE NY CERT DEPOS	1.81%	1/8/21	(4,125,000.00)	1.81%	
BUY	1/22/20	2/5/20	875,000.00	63743HET5	NATIONAL RURAL UTIL COOP CORP NOTE	1.75%	1/21/22	(874,230.00)	1.80%	
SELL	1/22/20	2/5/20	675,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	676,582.90	1.57%	3,336.89
INTEREST	1/26/20	1/26/20	1,000,000.00	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	10,500.00		

HRTAC ENHANCED CASH

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/29/20	1/29/20	1,000,000.00	91159HHL7	US BANCORP CORP NOTES (CALLABLE)	2.35%	1/29/21	11,750.00		
INTEREST	1/31/20	1/31/20	5,900,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	59,000.00		
BUY	1/31/20	2/5/20	1,405,677.05	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	(1,428,268.98)	1.06%	
SELL	1/31/20	2/5/20	1,425,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	1,428,508.67	1.55%	7,211.54
INTEREST	2/1/20	2/1/20	480,000.00	097023CL7	BOEING CO	2.30%	8/1/21	5,550.67		
INTEREST	2/1/20	2/25/20	1,000,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		
INTEREST	2/1/20	2/25/20	1,500,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
INTEREST	2/1/20	2/25/20	715,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
INTEREST	2/3/20	2/3/20	0.00	MONEY0002	MONEY MARKET FUND			663.61		
BUY	2/3/20	2/5/20	3,800,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	(3,829,194.89)	1.42%	
SELL	2/3/20	2/5/20	3,800,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,809,504.90	1.54%	19,379.21
BUY	2/4/20	2/7/20	830,000.00	3137AUPE3	FHLMC MULTIFAMILY STRUCTURED P	2.39%	6/25/22	(841,484.58)	1.20%	
SELL	2/4/20	2/7/20	750,000.00	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	763,136.27	1.55%	4,498.44
SELL	2/5/20	2/7/20	100,000.00	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	101,751.51	1.55%	599.80
INTEREST	2/9/20	2/9/20	1,000,000.00	69371RP42	PACCAR FINANCIAL CORP BONDS	3.15%	8/9/21	15,750.00		
BUY	2/10/20	2/10/20	4,100,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	(4,130,422.65)	1.45%	
MATURITY	2/10/20	2/10/20	4,125,000.00	86565BU58	SUMITOMO MITSUI BANK NY CERT DEPOS	2.01%	2/10/20	4,154,019.38		0.00
INTEREST	2/12/20	2/12/20	1,000,000.00	25468PDJ2	THE WALT DISNEY CORP	2.30%	2/12/21	11,500.00		
BUY	2/13/20	2/18/20	1,000,000.00	63254AAU2	NATIONAL AUSTRALIA BK/NY CORP NOTES	2.80%	1/10/22	(1,022,725.56)	1.73%	
SELL	2/13/20	2/18/20	500,000.00	097023BG9	BOEING COMPANY NOTE	2.35%	10/30/21	506,845.00	1.95%	6,931.29
SELL	2/13/20	2/18/20	480,000.00	097023CL7	BOEING CO	2.30%	8/1/21	483,324.53	1.89%	2,817.09
INTEREST	2/15/20	2/15/20	3,425,000.00	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	38,531.25		

HRTAC ENHANCED CASH

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	2/15/20	2/15/20	4,250,000.00	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	47,812.50		
INTEREST	2/15/20	2/15/20	7,850,000.00	912828RC6	US TREASURY NOTES	2.12%	8/15/21	83,406.25		
INTEREST	2/15/20	2/15/20	3,000,000.00	9128283X6	US TREASURY N/B NOTES	2.25%	2/15/21	33,750.00		
INTEREST	2/15/20	2/15/20	1,000,000.00	46625HJC5	JPMORGAN CHASE & CO NOTES	4.35%	8/15/21	21,750.00		
INTEREST	2/20/20	2/20/20	4,000,000.00	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	54,400.00		
MATURITY	2/20/20	2/20/20	4,000,000.00	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	4,000,000.00		0.00
BUY	2/20/20	2/25/20	605,000.00	69353RFT0	PNC BANK NA	1.74%	2/24/23	(605,000.00)	1.74%	
BUY	2/21/20	2/25/20	400,000.00	69353RFT0	PNC BANK NA	1.74%	2/24/23	(400,368.00)	1.71%	
BUY	2/21/20	2/26/20	1,087,798.07	3137BFE80	FHMS K041 A1	2.72%	8/25/24	(1,114,838.16)	1.63%	
BUY	2/25/20	2/28/20	686,223.41	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	(699,535.46)	1.50%	
BUY	2/26/20	2/28/20	1,025,000.00	10373QAJ9	BP CAP MARKETS AMERICA CORP BONDS	3.24%	5/6/22	(1,073,775.19)	1.50%	
INTEREST	2/29/20	2/29/20	3,800,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	28,500.00		
INTEREST	2/29/20	2/29/20	14,550,000.00	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	190,968.75		
INTEREST	2/29/20	2/29/20	4,100,000.00	912828D72	US TREASURY NOTES	2.00%	8/31/21	41,000.00		
INTEREST	2/29/20	2/29/20	4,100,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	30,750.00		
INTEREST	3/1/20	3/1/20	1,025,000.00	30231GAV4	EXXON MOBIL CORPORATE (CALLABLE) NOTES	2.22%	3/1/21	11,387.75		
INTEREST	3/1/20	3/25/20	1,087,798.07	3137BFE80	FHMS K041 A1	2.72%	8/25/24	2,465.68		
INTEREST	3/1/20	3/25/20	715,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,662.97		
INTEREST	3/1/20	3/25/20	830,000.00	3137AUPE3	FHLMC MULTIFAMILY STRUCTURED P	2.39%	6/25/22	1,657.23		
INTEREST	3/1/20	3/25/20	686,223.41	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	1,447.93		
INTEREST	3/1/20	3/25/20	1,405,677.05	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	3,476.24		
INTEREST	3/1/20	3/25/20	1,000,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	2,325.83		

HRTAC ENHANCED CASH

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	3/1/20	3/25/20	1,500,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,488.75		
PAYDOWNS	3/1/20	3/25/20	15,543.90	3137BGJZ3	FHMS K043 A1	2.53%	10/25/23	15,543.90		0.00
PAYDOWNS	3/1/20	3/25/20	2,969.48	3137AJMF8	FHMS K016 A2	2.96%	10/25/21	2,969.48		0.00
PAYDOWNS	3/1/20	3/25/20	18,761.21	3137BFE80	FHMS K041 A1	2.72%	8/25/24	18,761.21		0.00
INTEREST	3/2/20	3/2/20	0.00	MONEY0002	MONEY MARKET FUND			1,293.26		
BUY	3/2/20	3/4/20	2,000,000.00	313378CR0	FHLB NOTES	2.25%	3/11/22	(2,075,562.50)	0.90%	
BUY	3/2/20	3/4/20	2,000,000.00	3130AHSR5	FEDERAL HOME LOAN BANKS NOTES	1.62%	12/20/21	(2,033,480.56)	0.87%	
MATURITY	3/3/20	3/3/20	4,125,000.00	83050PDZ9	SKANDINAViska ENSKILDA BANKEN NY CERT DE	2.00%	3/3/20	4,166,020.83		0.00
BUY	3/4/20	3/6/20	1,000,000.00	084670BF4	BERKSHIRE HATHAWAY INC GLOBAL NOTES	3.40%	1/31/22	(1,049,460.00)	0.95%	
BUY	3/4/20	3/6/20	1,000,000.00	742718EQ8	PROCTER & GAMBLE CO CORP NOTES	1.70%	11/3/21	(1,017,968.33)	0.96%	
SELL	3/4/20	3/6/20	1,000,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	1,013,619.07	0.69%	14,029.72
SELL	3/4/20	3/6/20	300,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	304,132.60	0.68%	4,255.79
BUY	3/5/20	3/9/20	800,000.00	961214DG5	WESTPAC BANKING CORP NY CORP NOTES	2.80%	1/11/22	(827,008.89)	1.19%	
SELL	3/5/20	3/9/20	900,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	913,017.86	0.64%	13,273.59
INTEREST	3/9/20	3/9/20	2,050,000.00	02665WBG5	AMERICAN HONDA FINANCE CORP NOTES	1.70%	9/9/21	17,425.00		
INTEREST	3/11/20	3/11/20	2,000,000.00	313378CR0	FHLB NOTES	2.25%	3/11/22	22,500.00		
INTEREST	3/12/20	3/12/20	4,000,000.00	3130A0XD7	FEDERAL HOME LOAN BANKS NOTES	2.37%	3/12/21	47,500.00		
INTEREST	3/15/20	3/15/20	2,300,000.00	9128284B3	US TREASURY N/B NOTES	2.37%	3/15/21	27,312.50		
BUY	3/24/20	3/27/20	1,286,400.87	3137BYPP9	FHMS K726 A1	2.59%	8/25/23	(1,301,174.24)	1.94%	
SELL	3/24/20	3/27/20	1,050,000.00	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	1,063,137.48	0.14%	11,132.32
INTEREST	3/31/20	3/31/20	1,026,000.00	912828VZ0	US TREASURY NOTES	2.00%	9/30/20	10,260.00		
INTEREST	3/31/20	3/31/20	1,026,000.00	912828VZ0	US TREASURY NOTES	2.00%	9/30/20	10,260.00		

HRTAC ENHANCED CASH

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	3/31/20	3/31/20	10,000,000.00	9128285B2	US TREASURY N/B	2.75%	9/30/20	137,500.00		
INTEREST	3/31/20	3/31/20	3,975,000.00	9128285B2	US TREASURY N/B	2.75%	9/30/20	54,656.25		
INTEREST	3/31/20	3/31/20	4,000,000.00	9128285B2	US TREASURY N/B	2.75%	9/30/20	55,000.00		
BUY	3/31/20	4/7/20	4,025,000.00	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	(4,021,337.25)	0.67%	
SELL	3/31/20	4/7/20	3,675,000.00	9128284Y3	UNITED STATES TREASURY NOTES	2.62%	8/31/20	3,720,563.01	0.18%	35,657.20
TOTALS								(98,121.95)		179,173.21

IMPORTANT DISCLOSURES

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

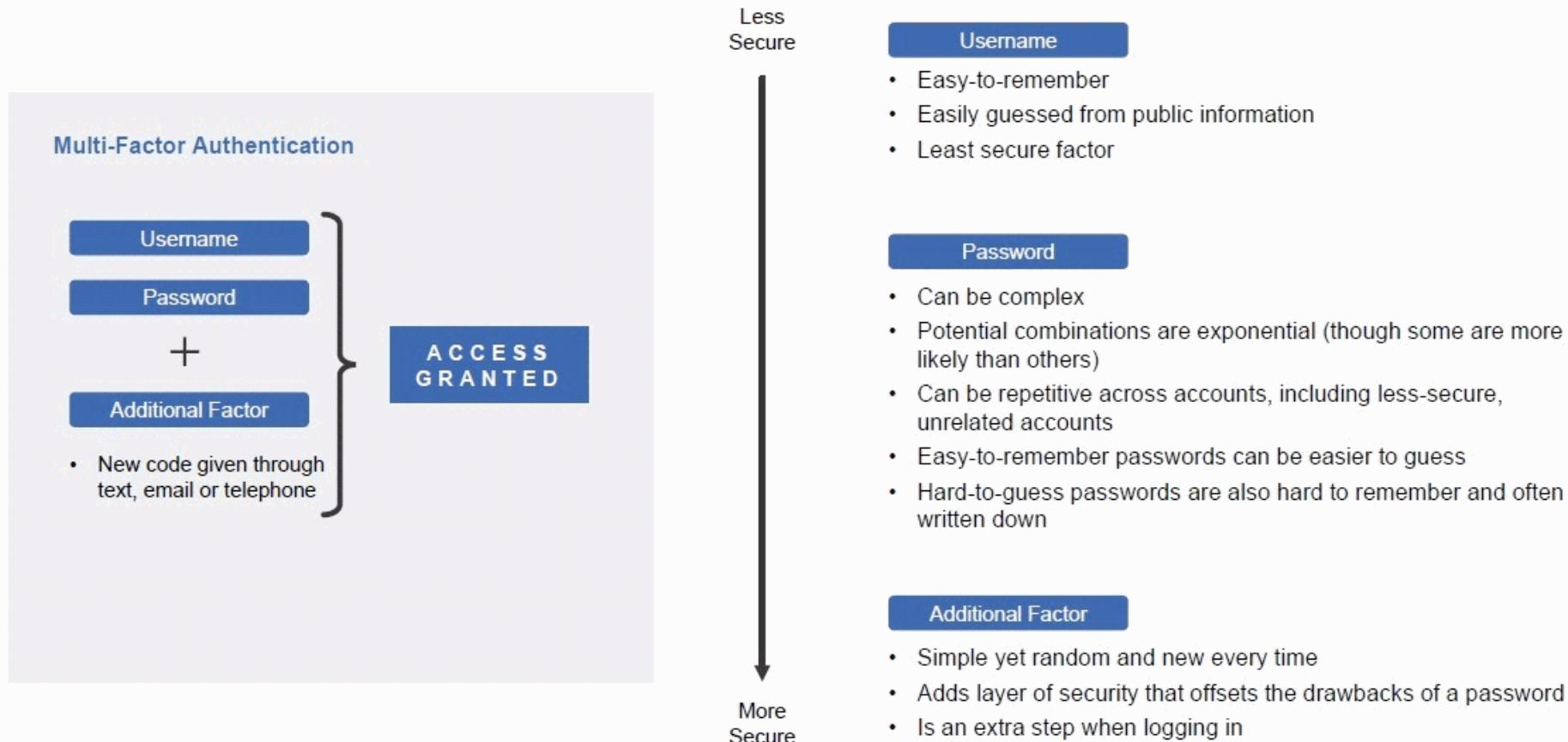
- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

What is Multi-Factor Authentication?

Multi-Factor Authentication (MFA) is a protocol that requires verification factors to supplement a username and password. We are excited to offer MFA for EON. It is another step in our efforts to provide our clients with simple, secure and effective account access.



To learn more or enroll in MFA, please review the alert on the homepage of your EON account or select "Update Profile" and change your preferences. Please contact your client representative if you have any questions.

Why Use Multi-Factor Authentication?

- 1 It can protect against some of the most common types of attacks.

Hackers can leverage any public information, from personnel listings on websites to social media and compromised databases to guess a password or username. No firewall can prevent these types of attacks; only better processes.

- 2 It's a benefit of working with PFM.

We strongly encourage your participation as MFA is a safety feature designed to meet your individual needs.

- 3 It's simple to set up and easy to use.

Enrollment is simple and can be set up by following the instructions posted to your EON account under the EON Enhancements link, or by contacting PFM directly. Once enrolled in MFA, access to your online account(s) will only be granted after you successfully complete two measures of identity verification: (1) providing your username and password, and (2) entering the auto-generated one-time passcode.

Multi-Factor Authentication



Makes it difficult to impersonate a user or share login credentials



Requires multiple methods for determining a user's identity



Provides protection against cyber attacks and data breaches

To learn more or enroll in MFA, please review the alert on the homepage of your EON account or select "Update Profile" and change your preferences. Please contact your client representative if you have any questions



Hampton Roads Bridge-Tunnel

VDOT



April 2020 Project Report

I-64 HAMPTON ROADS BRIDGE-TUNNEL EXPANSION

Proj. No. 0064-M06-032
Report #13

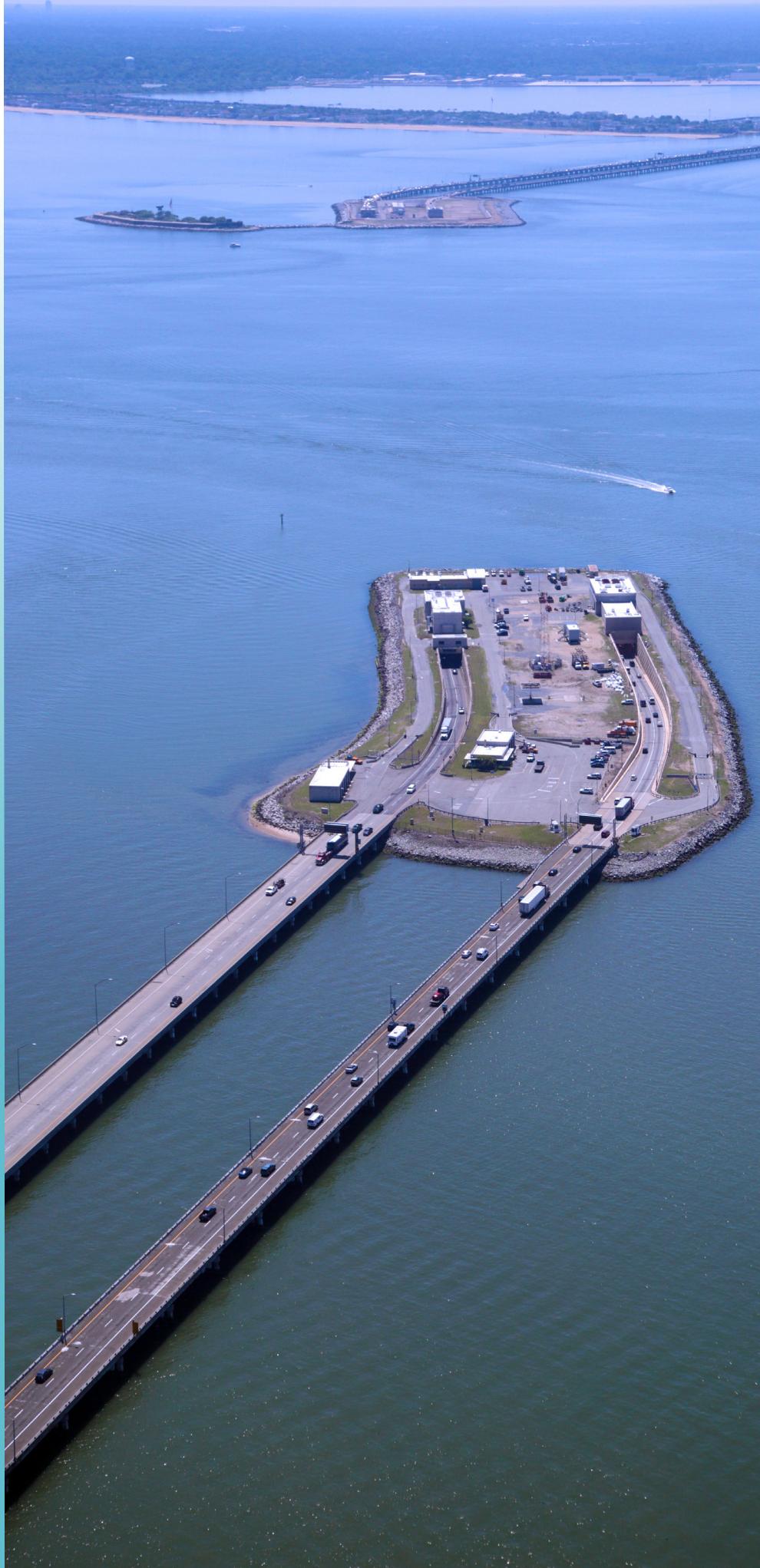


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Issue date: May 15, 2020

1. Executive Summary

1.1 Reporting Period

This report, prepared by the Virginia Department of Transportation (the Department), provides an overview of accomplishments and activities for the Hampton Roads Bridge-Tunnel Expansion project (the Project) from March 22, 2020 – April 18, 2020. The Design-Builder for the Project is Hampton Roads Connector Partners (HRCP), a consortium that includes Dragados, Vinci, Flatiron, and Dodin Campenon Bernard.

The current reporting period is aligned with HRCP's fiscal-month structure, on which the Project's design-build schedule updates and invoiced construction progress are based. Reporting periods typically close on the Saturday on or preceding the 24th of each month.

1.2 Project Accomplishments

During this reporting period, the following project accomplishments were recorded:

- HRCP conducted a Maritime Stakeholder meeting on April 1, 2020, to solicit comments from stakeholders as part of the Section 408 approval process with the US Army Corps of Engineers (USACE).
- HRCP conducted an interagency meeting on April 8, 2020, to identify any additional information required by the Agencies for the permit development process.
- The revised Section 7 consultation package was submitted to the US Fish and Wildlife Service (USFWS) on April 14, 2020.
- HRCP provided responses to comments received by the USACE and the Virginia Marine Resources Commission (VMRC) during their respective public comment periods.
- HRCP conducted a conference call with the National Oceanic and Atmospheric Administration (NOAA) to receive comments on the Letter of Authorization (LOA) request.
- HRCP completed the assessment of the Emancipation Oak condition.
- HRCP completed the installation of all passive bird management features on the South Island.
- HRCP has begun work on utility relocations on the South Island and the installation of a field office facility.

1.3 Priorities

The Department's priorities for the Project are to achieve the following objectives:

- To provide mobility enhancements and travel-time reliability along the Project corridor
- To minimize Project impacts on adjacent communities
- To improve transportation operations and safety throughout the Project corridor
- To develop public infrastructure in a financially responsible manner

1.4 Schedule

Schedule updates for this reporting period include:

- No significant changes to the critical path were made this period.
- HRCP's Targeted Substantial Completion has changed from July 18, 2025 to August 8, 2025; HRCP remains on track to achieve Substantial Completion in advance of the contract milestone of September 1, 2025.
- Final Completion remains as scheduled for November 1, 2025.
- Approximately 15.85% of the contract time has progressed to date.

1.5 Budget and Cost

The budget and cost updates for this reporting period are as follows:

- Project budget overview (through April 2020 payment application):

Total project budget:	\$3,858,997,227
Total charges for efforts to date:	\$238,607,903
Remaining project budget:	\$3,620,389,324

- Design-build contract overview (through April 2020 payment application):

Total contract amount:	\$3,296,997,227
Total charges for efforts to date:	\$219,230,659
Total work orders:	(\$3,000,000)

- Design-build progress to date (through April 2020 payment application):

Overall:	6.65%
Mobilization:	10.81%
General Requirements (incl. Project Management):	5.87%
Design:	42.36%
Physical Progress:	1.53%

1.6 Environmental Management

During this reporting period, HRCP took the following steps in support of permit acquisition for the project:

- HRCP conducted a Maritime Stakeholder meeting on April 1, 2020, to solicit comments from stakeholders as part of the Section 408 approval process with the USACE.
- HRCP conducted an interagency meeting on April 8, 2020, to identify any additional information required by the Agencies for the permit development process.
- The revised Section 7 consultation package was submitted to the USFWS on April 14, 2020.
- HRCP provided responses to comments received by the USACE and the VMRC during their respective public comment periods.
- HRCP has continued consultation with the Virginia Department of Environmental Quality (DEQ) to determine the need for an Air Permit for the permanent generators and ventilation system required for the planned tunnels.
- HRCP conducted a conference call with the National Oceanic and Atmospheric Administration (NOAA) to receive comments on the Letter of Authorization (LOA) request.
- HRCP submitted an artificial reef placement plan for VDOT review.
- HRCP continued to submit requested additional material to DEQ to support the Virginia Pollution Discharge Elimination System (VPDES) permit process.

1.7 Quality

Quality updates for this reporting period include:

- HRCP submitted updates to their Design Quality Management Plan (DQMP) and the Quality Management System Plan (QMSP). The QMSP update was conditionally accepted but the DQMP update was returned for revisions. The next scheduled update of all plans will be in May.
- VDOT quality and inspection staff participated in HRCP preparatory inspection meetings held for the utility relocation and early works for the South Island.
- Other Quality activities included reviews of Material Book Documentation and QA/QC Daily reports and conducting weekly Quality Status meetings.

1.8 Operations

The following operations activities took place during this reporting period:

- Shoulder closures and lane closures were conducted for geotechnical exploration and survey work.
- Corridor-wide field work was performed for the inspection of drainage structures.

- Marine geotechnical explorations and landside geotechnical explorations continue.
- 28 modular office trailers were delivered to the South Island.
- Safety Fencing was installed along the eastbound tunnel open approach walls on the South Island.
- HRCP completed the installation of all passive bird management features on the South Island.
- Utility relocation items have begun on the South Island.

1.9 Safety

Safety procedures and activities during this reporting period include:

- Daily Risk Assessments (DRA's) are completed on site with all field staff groups.
- All personnel are urged to use caution entering/exiting the tunnel islands, be aware of traffic conditions, and have an adequate gap in traffic to accelerate safely into the travel lane.
- Due to the outbreak of COVID-19, all gatherings of 10 people or more have been discontinued. Large meetings, including Safety Orientation Training, are being held with audio or video formats.
- In compliance with Commonwealth of Virginia guidance, office and field personnel are adhering to COVID-19 health and safety measures, including social distancing and additional equipment as appropriate for the workplace situation.
- On March 24, 2020, a tragic accident resulted in the fatality of an HRCP subcontract employee. While a crew was performing utility locating services on W. Evans Street in Norfolk, a vehicle traveling above on EB I-64 left the roadway and launched over the embankment between the bridge structures landing on the roadway below. The contractor initiated a safety stand down in the wake of this incident to fully review it and to identify future means to minimize similar risks.

1.10 DBE & SWAM Business Activities

Several in-person DBE & SWAM outreach activities and events were postponed this period due to the COVID-19 situation. However, virtual meetings and introductory conference calls continued.

1.11 Public Outreach

In-person public outreach events were suspended for this period due to the COVID-19 situation. However, the Team will begin implementing Virtual Meetings to maintain project public outreach until restrictions are lifted.

2. Project Accomplishments

2.1 Overview and Look Ahead

Milestones

The LNTP1 completion milestone was achieved on September 24, 2019. LNTP2 and LNTP3 were issued to HRCP on September 25, 2019.

Geotechnical Investigation

The marine geotechnical investigations are on-going, as are landside drilling and laboratory testing for soil classification in Norfolk and Hampton. Completion of the marine geotechnical program is expected in May 2020. Landside geotechnical borings are approximately 95% complete.

Environmental Permitting

To further advance environmental reviews, HRCP provided responses to public comments for several applications including the JPA from the USACE and the submerged lands permit from the VMRC, as well as multiple informal requests for information from NOAA, DEQ, and VMRC. HRCP also submitted a complete toxicity report in support of the VPDES application and a revised Section 7 consultation package to USFWS.

HRCP conducted a virtual maritime stakeholder meeting on April 1, 2020. HRCP also conducted an interagency meeting on April 8, 2020, to identify any additional information required by the Agencies for the permit development process. This coordination was completed by HRCP to further advance the JPA, Section 408 approval, VPDES application, and Submerged Lands Permit development process. In addition, coordination is underway with the Cities of Norfolk and Hampton to determine the potential beneficial use of sandy dredged materials.

The Notice of Proposed IHA was published in the Federal Register on March 20, 2020, and the public comment period ended on April 20, 2020. Coordination with USACE, VMRC, DEQ, NOAA, and USFWS is ongoing and will continue as appropriate through the life of the project.

Construction Operations

Utility relocations are underway on the South Island, to support the installation of the slurry walls for the TBM launch pit.

Third Party Coordination

Post-award coordination with the cities of Norfolk and Hampton, the U.S. Navy and the Federal Highway Administration (FHWA) started in April 2019 and are ongoing. FHWA participates in weekly coordination meetings with VDOT and HRCP.

3. Project Schedule

3.1 Schedule Status

Baseline Schedule

The Baseline Schedule has been accepted as the Schedule of Record. The current longest path for the project remains through the boring of the two new tunnels beginning with the design, permitting, and construction of the South Island Portal.

Permitting Schedule

The Project's USACE, Virginia Department of Environmental Quality (DEQ) and Virginia Marine Resources Commission (VMRC) permits include multiple administrative documents, including the Coastal Zone Management (CZM) consistency determination, the USACE Section 404/10 permit, USACE Section 408 Permission Letter, the DEQ water protection permit, and the VMRC subaqueous land permit.

The VMRC permit was scheduled to be heard before the VMRC Commission during the last week of March but the meeting was cancelled due to Covid-19. Rescheduling of the Commission Hearing to address the HRBT project is anticipated in May as a virtual meeting. The DEQ Virginia Water Protection (VWP) permit is scheduled for public notification in May with a projected permit issuance in June. The USACE has completed their public notification period (ended February 20, 2020) and continues to evaluate all comments received. HRCP is now targeting a May/June time-period to have the USACE permit, provided the Section 408 review is completed concurrently. HRCP continues to work with the USCG through the necessary processes and now anticipates having bridge permits in place by late summer/early fall 2020.

Key Dates

The following table depicts key milestone dates outlined in the contract requirements. HRCP's submitted Baseline Schedule reflects the early stages of HRCP's planning sequence and will be substantially refined and further detailed as the design advances. This table will be updated to reflect these dates and used as a benchmark to track milestone achievements.

Key Dates	Contract Requirement	Schedule of Record Dates	April 2020 Update	Actual
LNTP1		April 12, 2019	April 12, 2019	April 12, 2019
LNTP1 Completion Milestone		September 25, 2019	September 24, 2019	September 24, 2019
LNTP2		September 29, 2019	September 25, 2019	September 25, 2019
LNTP3		October 9, 2019	September 25, 2019	September 25, 2019
NTP		October 10, 2020	October 9, 2020	
Substantial Completion	September 1, 2025	July 18, 2025	August 8, 2025	
Final Completion	November 1, 2025	November 1, 2025	November 1, 2025	

3.2 Longest Path

The longest-path activities for the Project schedule include:

- Design of the South Portal Launching Pit - Early Works, Utility Relocations, and Slurry Walls Release for Construction (RFC) Plan Authorization
- Installation activities for slurry and water treatment plants on site
- Completion of the Slurry Walls for Cell 1 of the launching pit
- Completion of the South Portal launching pit
- Assembly of the Tunnel Boring Machine (TBM) in the launching pit
- TBM drive in the HOT tunnel, U-Turn then drive in GP tunnel
- Finishing works and MEP works in HOT tunnel
- Commissioning and integration tests

3.3 Impact Analysis

Several elements of work are near-critical and could affect Project progress if they are not addressed diligently. The Department and HRCP are closely monitoring these activities. The following work elements have been identified as near critical, meaning there is less than one month of float in the Baseline Schedule:

- Design and construction of permit-dependent structures at Oastes Creek and Bay Avenue
- Space proofing report for the TBM fabrication
- TBM Design, Fabrication, and Delivery
- Utility relocations
- North Island Reclamation*

Achieving the initial public-notice milestone for the project's JPA allowed LNTP2 and LNTP3 to be issued. LNTP2 enables procurement of the TBM, while LNTP3 allows commencement of construction work for the launching pit and ground improvement on South Island. Receipt of the project's USACE, DEQ and VMRC permits will allow full NTP for the Project.

* While this activity is not currently shown within 30 days of the critical path, the project team recognizes it as a high priority for the project schedule and it is listed for close monitoring.

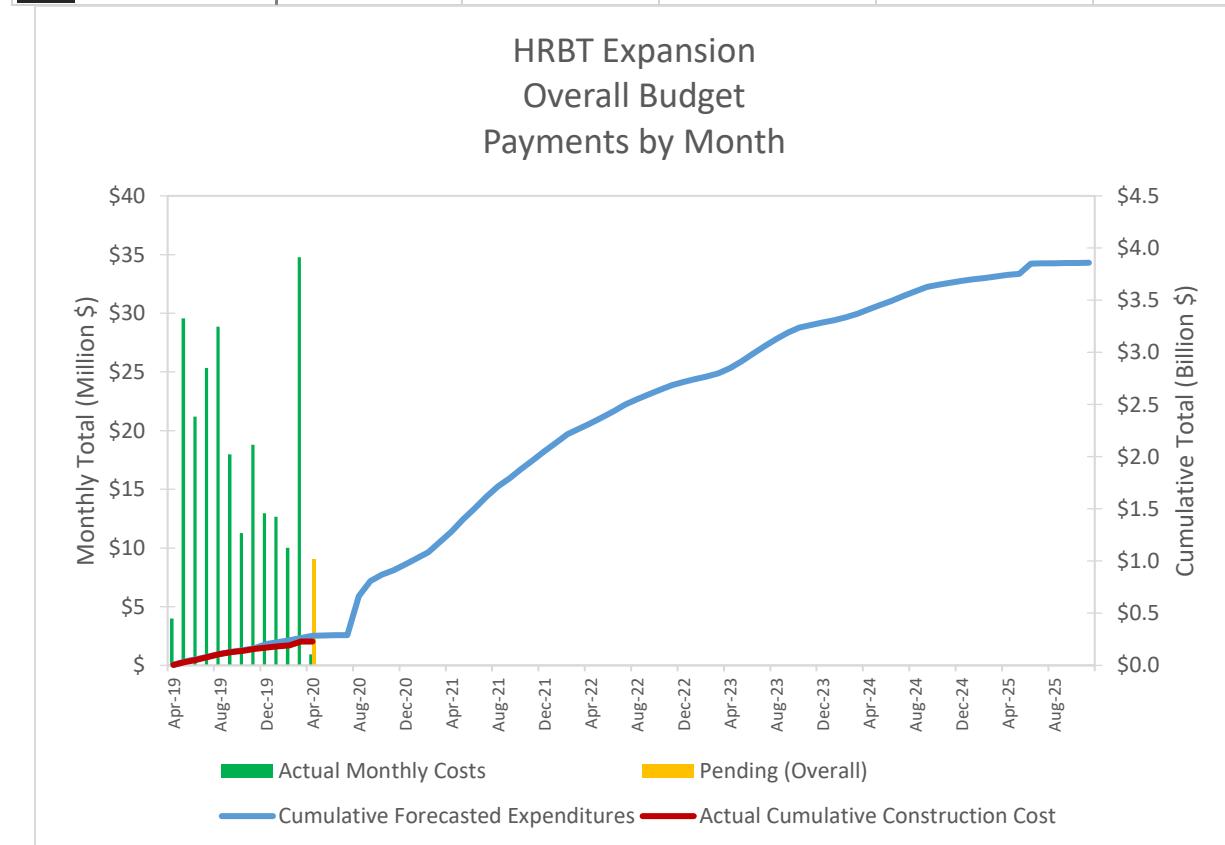
4. Budget and Cost

4.1 Overall Budget

The overall budget outlined in this report is based on the terms and conditions of Article 3 (Project Funding) in the Project Agreement for Funding and Administration (PAFA). The cost curve is based on Exhibit 6 of the CA (monthly maximum cumulative compensation amount).

Amounts this period reflects payouts for Construction, Engineering Administration, Right of Way, and Contingency between March 22, 2020 – April 18, 2020.

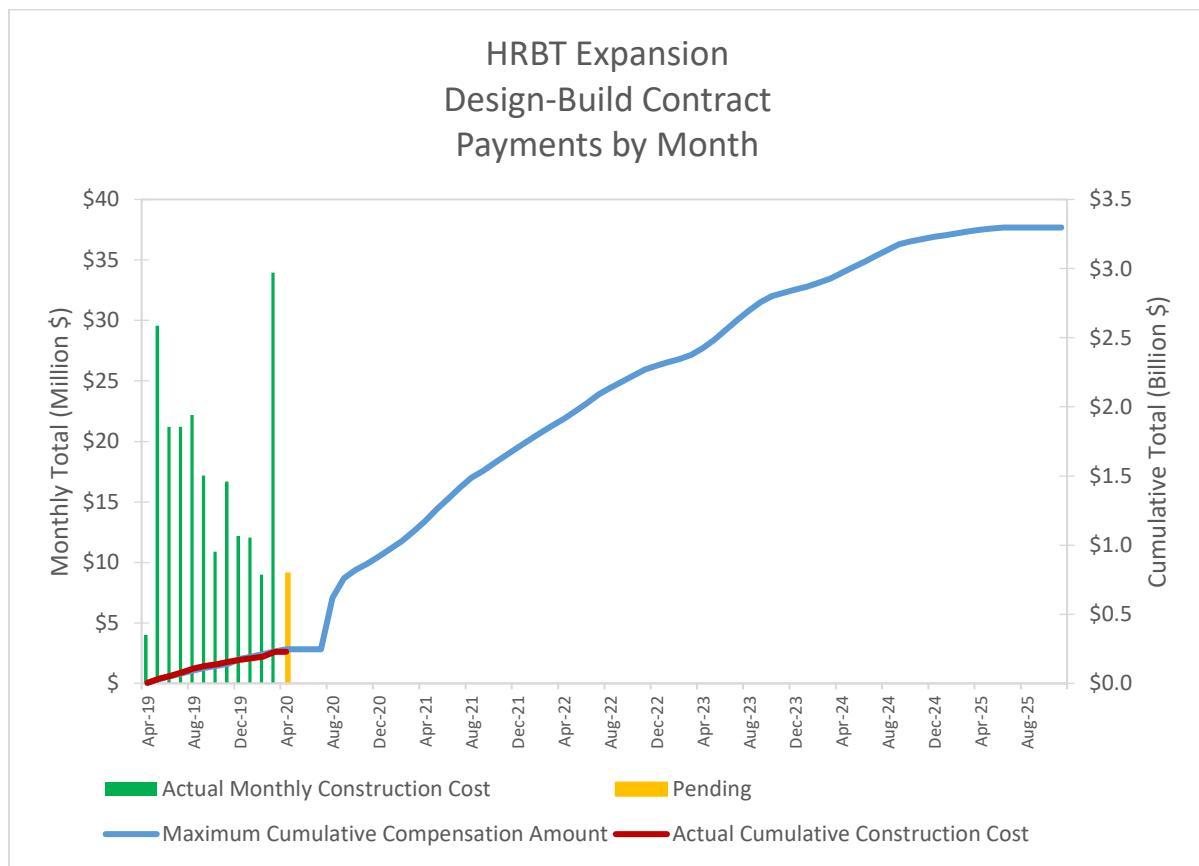
	Amount this period:	Total to Date:	Total Budget:	Total Remaining Budget:	Percent Spent To-date:
Comprehensive Agreement					
Construction	\$33,951,282.78	\$210,135,960.26	\$3,296,997,227.19	\$3,086,861,266.93	6.37%
Owner Costs					
Administration	\$928,369.05	\$7,926,151.64	\$122,000,000.00	\$114,073,848.36	6.50%
Right of Way	\$11,620.19	\$6,372,148.53	\$15,000,000.00	\$8,627,851.47	42.48%
No-Excuses Incentive	\$0.00	\$0.00	\$90,000,000.00	\$90,000,000.00	0.00%
Contingency	\$0.00	\$4,000,000.00	\$335,000,000.00	\$331,000,000.00	1.19%
Total	\$34,891,272.02	\$228,434,260.43	\$3,858,997,227.19	\$3,630,562,966.76	5.92%



4.2 Design-Build Cost Status

The construction budget and planned cost have been established based on the maximum cumulative compensation amount. For this period, the following tasks are associated with the invoiced expenditures (actual construction cost):

- Project management
- Design surveys
- Environmental permitting
- Geotechnical investigation
- Design work



4.3 Budget by Funding Source

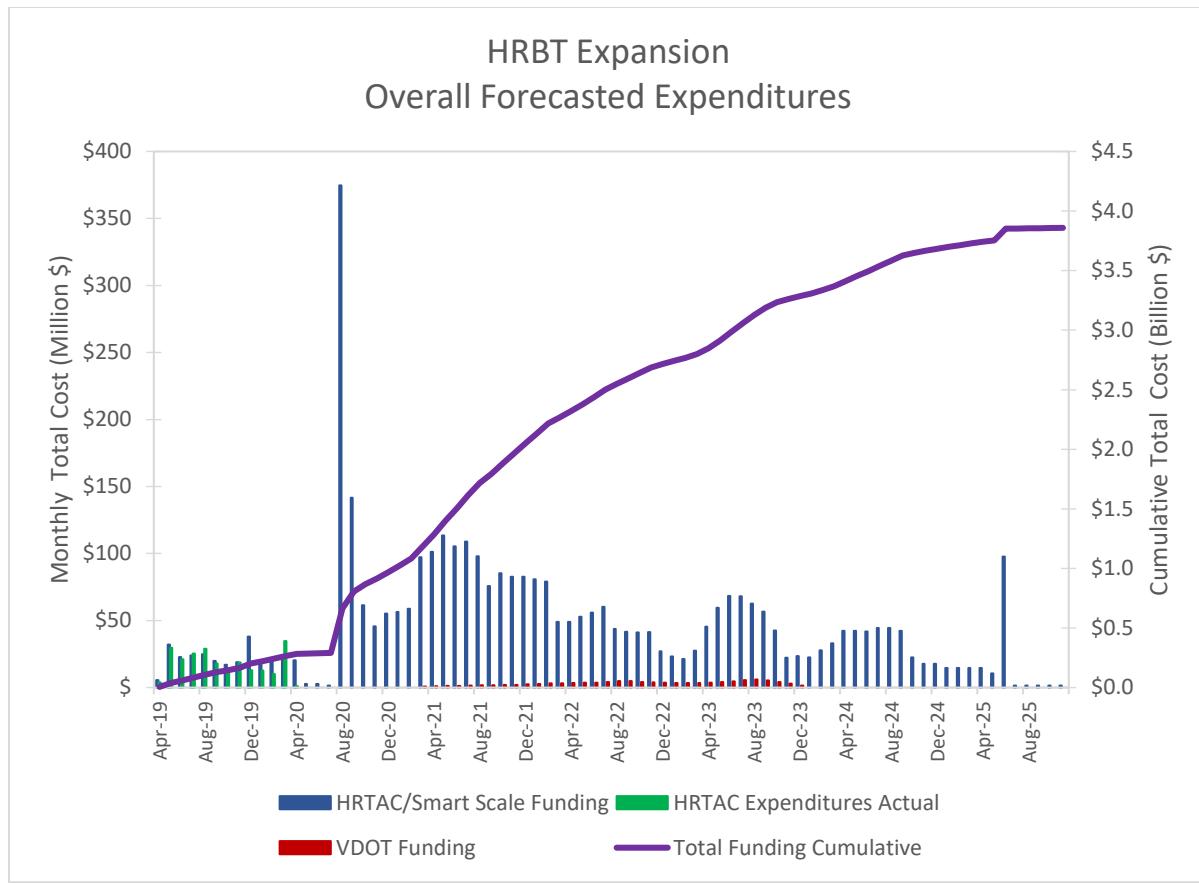
The budget for expenditures by funding source is based on the terms and conditions of Article 3 (Project Funding) and Exhibit 5 of the PAFA. This section outlines planned expenditures by both HRTAC and VDOT. The cost curve has been developed based on the monthly maximum cumulative compensation amount in the CA and will be updated as HRCP refines its design, construction means-and-methods, activity sequences, and project resourcing.

4.3.1 HRTAC and Smart Scale

	Amount this period:	Total to Date:	Total Budget Including Smart Scale:	Total Remaining Budget:	Percent Spent To-date:
<u>Comprehensive Agreement</u>					
Construction	\$33,951,282.78	\$210,135,960.26	\$3,201,569,251.14	\$2,991,433,290.88	6.56%
<u>Owner Costs</u>					
Administration	\$928,369.05	\$7,926,151.64	\$118,472,054.00	\$110,545,902.36	6.69%
Right of Way	\$11,620.19	\$6,372,148.53	\$15,000,000.00	\$8,627,851.47	42.48%
No-Excuses Incentive	\$0.00	\$0.00	\$90,000,000.00	\$90,000,000.00	0.00%
Contingency	\$0.00	\$4,000,000.00	\$325,428,276.00	\$321,428,276.00	1.23%
Total	\$34,891,272.02	\$228,434,260.43	\$3,750,469,581.14	\$3,522,035,320.71	6.09%

4.3.2 VDOT

	Amount this period:	Total to Date:	Total Budget:	Total Remaining Budget:	Percent Spent To-date:
<u>Comprehensive Agreement</u>					
Construction	\$0.00	\$0.00	\$95,427,976.00	\$95,427,976.00	0.00%
<u>Owner Costs</u>					
Administration	\$1,742.00	\$28,789.00	\$3,527,946.00	\$3,527,946.00	0.82%
Right of Way	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
No-Excuses Incentive	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Contingency	\$0.00	\$0.00	\$9,571,724.00	\$9,571,724.00	0.00%
Total	\$1,742.00	\$28,789.00	\$108,527,646.00	\$108,527,646.00	0.03%



4.4 Contingency

- 2 work orders to date
 - Change Order #1 (executed February 11, 2020): \$3,000,000 reduction in Contract Price due to Department's acquisition of Willoughby Staging Area.
 - Change Order #2 (executed March 18, 2020): no-cost/no-time amendments.
- \$0 material price adjustments (asphalt, steel, & fuel) to date

5. Environmental Management

During this reporting period, HRCP provided responses to informal requests for additional information and public comments for the JPA from the USACE, LOA request from NOAA, Section 7 consultation from USFWS and NOAA, and subaqueous lands permit from VMRC. HRCP has also submitted a complete toxicity report in support of the VPDES application. In addition, the Notice of Proposed IHA was published in the Federal Register on March 20, 2020, and the public response period ended on April 20, 2020. HRCP coordination with USACE, VMRC, DEQ, NOAA, and USFWS is ongoing and will continue until the respective permits or approvals are issued.

HRCP has completed appropriate measures as identified in the approved Nesting Bird Management Plan on the South Island. HRCP continues to coordinate with VDOT concerning revisions to the limits of disturbance, proposed improvements at the Willoughby Spit, DEQ discharge permitting for the bridge/tunnel construction, updates to the Stormwater Pollution Prevention Plan (SWPPP), and modifications to the Construction General Permit (VAR10L793).

6. Operations

Field activities continued this period to support early design and utility location efforts. Shoulder closures and lane closures were conducted for geotechnical exploration and survey work. Corridor-wide field inspections were also performed for existing drainage structures. Landside geotechnical borings are 95% complete.

Marine geotechnical explorations continue. Locations being performed by the self-propelled lift boats were completed, and those vessels have demobilized from the project site. Smaller barges are mobilized to complete the program of more than 400 marine borings along the HRBT trestle bridges and Willoughby Bay Bridge. This program is expected to last through May 2020.

The delivery of 28 modular office trailers to the South Island took place during this reporting period. These units will make up one of the field offices for construction and inspection staff during construction. This will be a two-story complex with units stacked to create the second floor. The first story is fully installed, and the placement of the second story is nearing completion.



South Island Trailer Erection

Fencing was installed along the EB tunnel open approach walls on the South Island. This safety fence eliminates the need for fall protection when working adjacent to the walls. Additionally, site perimeter fencing was installed on the South Island to clearly delineate the HRCP work area from the normal VDOT operational area to further enhance safety on the island.

During this period, HRCP completed the installation of measures on the South Island to deter the roosting of birds during construction.



South Island Grid Wire and Eagle Eye
for Bird Implementation Plan

Utility relocation work has begun on the South Island to move existing utilities that conflict with the TBM launch pit. This includes the relocation and removal of fire hydrants, as well as the relocation of VDOT and Cox fiber lines. Upcoming work includes the relocation of a medium and high voltage power duct bank.

VDOT and HRCP held planning meetings to begin discussions of HRCP's highway maintenance responsibilities during construction. An initial Maintenance Management Plan was submitted for review and comment.

VDOT's project team maintains close coordination with the Hampton Roads Harbor Tunnels (HRHT) facility staff in order to communicate ongoing project work as well as coordinate upcoming planned work at the facility.

The weekly operations coordination meeting between VDOT and HRCP continues to provide a forecast of upcoming field activities and ensures concurrent activities are properly coordinated. All field work and traffic impacts are being reported through VDOT's Lane Closure Advisory Management System (LCAMS), which enables coordinating traffic operations across the region.

7. DBE & SWaM Business Activities

The Design-Builder has awarded a total of 95 subcontracts, subconsultant agreements and purchase orders to DBE/SWaM certified firms for a total of over \$27.7 million to date. The work awarded by HRCP to DBE/SWaM firms represent a wide range of trades and professions with many services being unique to transportation infrastructure-type projects:

- Promotional Products
- Custom Pens
- Geotechnical Testing
- Event Production Services
- Office Renovations
- Water and Sewer Relocation
- Design Services
- Diving Services
- Laboratory Testing Support
- Plumbing Services
- 3D Video Services
- Construction Supplies
- Safety Supplies
- Office Furniture
- Temperature Monitoring Boxes
- Accounting Services
- Snowplow Services

In addition, DBE/SWaM Only Packages were created by HRCP identifying opportunities for work that only certified DBE/SWaM firms could bid. This good faith effort strategy creates increased opportunities for various certified firms to participate on the project.

During the reporting period, VDOT and HRCP responded to the pandemic by making adjustments to in-person meetings and planned outreach activities in compliance with social-distancing guidelines. Over ten (10) scheduled outreach activities and events sponsored by VDOT Civil Rights Division, Virginia Peninsula Economic Development Office, Rocky Mount NC Area Chamber of Commerce, Dominion Energy Innovation Center, and the Conference of Minority Transportation Officials were postponed. However, HRCP continued to host DBE and SWaM introductory conference calls with key project decision makers and business owners, while VDOT hosted virtual meetings with firms interested in learning more about business opportunities available on the project.

Dialogue continued with a local community bank and Virginia's Small Business Financing Authority to aid in addressing working capital and short-term financing needs for small businesses contracted in the project.

HRCP is continually collaborating with the VDOT Civil Rights team members to successfully achieve and exceed all project DBE/SWaM goals and initiatives.

8. Public Outreach

Social Distancing calls for additional creativity for the Communications Team to reach the public during COVID-19. Accordingly, the Team will begin implementing Virtual Meetings to maintain project public outreach until restrictions are lifted.

Additionally, a Monthly Newsletter began in February 2020 and will continue throughout the project. It is distributed monthly to citizens, stakeholders, organizations, businesses, project staff, and all interested parties who have signed up to receive emails from the project. The Newsletter is also posted to Nextdoor, so updates are received by anyone who is signed up for Nextdoor notices. The Newsletter has been well received.

9. Communications

Secretary of Transportation Shannon Valentine, accompanied by VDOT Deputy Commissioner Rob Cary, made a special visit to the Hampton Roads Bridge-Tunnel South Island on March 26, 2020 to observe early works on the expansion project.

Secretary Valentine met with VDOT's HRBT Expansion Project Director Jim Utterback, HRCP Project Executive Jose Martin and other VDOT and HRCP Expansion Team members.

Secretary Valentine also got a close-up look at the bird management measures for the South Island, which includes the use of border collies to deter seabirds from nesting in the construction area. She also saw passive bird control measures such as grid wire and Mylar tape that also encourage the birds toward safer roosting areas.



Secretary Valentine gets a look at an Eagle Eye which encourage the birds toward safer roosting areas.

I-64 Peninsula Widening- Segment II**UPC 106665 (HRTAC)****Project Scope:**

From 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy/Rte 199 (Exit 242) to where the Segment I project ends at 0.54 miles east of Yorktown Road/Rte 238 (Exit 247) (7.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Repair and widening of 9 bridges and 6 major culverts
- Reconstruction of existing roadway

Project Financial Summary:

<u>Project Budget (\$175,832,897):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 6,000,000	\$ 2,865,951	\$ 0
○ RW \$ 1,511,548	\$ 523,198	\$ 0
○ CN \$ 168,321,349	<u>\$ 151,556,511</u>	<u>\$ 0</u>
	\$ 154,945,660	

Project Schedule:

Notice To Proceed	February 2016
Project Completion	May 2019
Schedule Status	Completed

Enabling Funding

HRTAC	\$ 175,832,897
State/Federal	\$ _____.
	\$ 175,832,897

Project Status:

- In final contract close out

**Project Site (Looking West from the Yorktown Road overpass)**

I-64 Peninsula Widening- Segment III

UPC 106689 (HRTAC)

UPC 108042

UPC 109790 (State / Fed)

(HRTAC)

UPC 57048 (State /

Project Scope:

From approximately 1.26 miles West of Rte 199/Lightfoot (Exit 234) to where the Segment II project ends at 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy /Rte 199 (Exit 242) (8.36 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Replacement of the two Queen's Creek bridges, repair and widening of 4 bridges, 3 major culverts
- Reconstruction of existing mainline roadway

Project Financial Summary:

<u>Project Budget (\$244,045,973):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,000,000	\$ 5,394,972	\$ 0
○ RW \$ 12,000,000	\$ 541,565	\$ 0
○ CN \$ 222,045,973	<u>\$ 95,479,385</u>	<u>\$ 0</u>
	<u>\$101,415,922</u>	
<u>Enabling Funding</u>		
HRTAC \$ 122,893,996		
State/Federal \$ 121,151,977		
\$ 244,045,973		

Project Schedule:

Notice To Proceed	January 2018
Project Completion	December 2021*
Schedule Status	On-Schedule

<u>Enabling Funding</u>	
HRTAC	\$ 122,893,996
State/Federal	\$ 121,151,977
	\$ 244,045,973

*The Project Fixed Completion Date was extended from September to December 2021 to accommodate the additional required sound wall installation.

Project Status:

- Eastbound and Westbound traffic is being switched from the outside lanes to inside lanes over the Spring of 2020
- Bridge widening construction underway at the Lakeshead Drive & Colonial Pkwy bridges
- Traffic switch onto newly constructed Westbound Queens Creek Bridge completed in mid-April
- Demolition of the existing Eastbound Queens Creek Bridge is underway



EB 64 traffic switch over the new Queens Creek Bridge (Looking West)

I-64/I-264- Phase I**Project Scope:**

From the I-64 Twin Bridges to the I-264/Newtown Road Interchange

- Widening westbound I-64 by adding a second exit lane from Twin Bridges to the I-64/I-264 interchange
- Introducing a new two lane Collector-Distributor (C-D) roadway from I-64 to the Newtown Road interchange
- Constructing a new two-lane flyover ramp from westbound I-64 tying into the existing eastbound I-264 C-D road

Project Financial Summary:

<u>Project Budget (\$158,730,023):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,135,307	\$ 10,135,307	\$ 0
○ RW \$ 11,571,063	\$ 20,439,457	\$ 8,868,394
○ CN \$ 137,023,653	<u>\$ 118,346,222</u>	\$ 0
	\$ 148,920,986	

Project Schedule:

Notice To Proceed	October 2016
Project Completion	October 2019
Schedule Status	Project in Contract Close Out phase

Enabling Funding

HRTAC	\$ 152,094,716
State/Federal	<u>\$ 6,635,307</u>
	\$ 158,730,023

Project Status:

- Contractor has completed punch list and project will be accepted the week of 05/18/2020.



Interchange opened and operational

I-64/I-264- Phase II**UPC 108041 (HRTAC)**
UPC 17630 (State / Federal)**Project Scope:**

From the I-264/Newtown Road Interchange to the I-264/Witchduck Road Interchange

- Extends the new C-D roadway from the Newtown Road interchange to the Witchduck Road interchange
- Reconfigure the Newtown Road and Witchduck Road interchange ramps south of I-264
- Constructing a new overpass that connects Greenwich Road south side of I-264 and Cleveland north of I-264

Project Financial Summary:

<u>Project Budget (\$194,503,887):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 14,082,810	\$ 14,082,810	\$ 0
○ RW \$ 54,392,666	\$ 53,060,809	\$ 0
○ CN \$ 126,028,411	<u>\$ 56,888,900</u>	<u>\$ 0</u>
	\$ 124,032,519	

Project Schedule:

Award	December 2017
Notice to Proceed	February 2018
Projected Completion	September 2021
Schedule Status	On-Schedule

Enabling Funding

HRTAC	\$ 127,749,638
State/Federal	<u>\$ 66,754,249</u>
	\$ 194,503,887

Project Status:

- Completed drilled shafts I-264 Median for Flyover Pier One
- Completed ground improvement piles east end of I-264 EB over Newtown Road
- Mobilizing to commence drilled shaft construction for I-264 EB over Newtown Road
- Placing retaining wall fascia panels throughout the project

**Placing Fascia Panels (typical throughout project)**

I-64 Southside Widening and High Rise Bridge - Phase I**UPC 106692 (HRTAC)**
UPC 108990 (State / Federal)**Project Scope:**

From approximately the I-64/264/664 Interchange at Bowers Hill and extending to the I-64/464 Interchange in Chesapeake

- Widening from 4 to 6 lanes
- Constructing a new High Rise Bridge parallel to and to the South of the existing High Rise Bridge

Project Financial Summary:

<u>Project Budget (\$524,613,765):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 12,200,000	\$ 12,189,098	\$ 0
○ RW \$ 18,726,000	\$ 10,259,003	\$ 0
○ CN \$ 493,687,765	<u>\$ 174,717,160</u>	<u>\$ 0</u>
	\$ 197,165,261	

Project Schedule:

Award	October 2017
Notice to Proceed	November 2017
Project Completion	July 2021
Schedule Status	behind Schedule

<u>Enabling Funding</u>	
HRTAC	\$ 431,956,220
State/Federal	<u>\$ 92,657,545</u>
	\$ 524,613,765

Project Status:

- VDOT continues to respond to RFIs, NDCs, NCRs and submittals as needed
- All ROW parcels have been acquired and/or cleared for construction
- HRB substructure construction (piles, footings, columns, caps) continues
- Fender system construction continues
- Construction of both Great Bridge Blvd Bridge abutments, approach fills/MSE walls, pier continues
- Construction of piers on I-64 Bridge Widening over Military Highway, Yadkin Road, and Shell Road continues
- Clearing and grubbing, earthwork, drainage, roadway widening continues on all 5 roadway segments
- Construction of pavement on West 3 roadway segment and special wall on West 3 roadway segment started

**HRB (Panoramic View)**

I-64/I-264- Phase III

UPC 106693 (HRTAC)

Project Scope:

Study/design to improve the remaining I-64/I-264 movements

- Includes I-64 Eastbound (EB) movements to I-264
- Includes I-264 movements to I-64

Project Financial Summary:

<u>Project Budget (\$10,000,000):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
o PE \$ 10,000,000	\$ 2,139,493	\$ 0
o RW \$ 0	\$ 0	\$ 0
o CN \$ 0	<u>\$ 0</u>	\$ 0
	\$ 2,139,493	

Project Schedule:

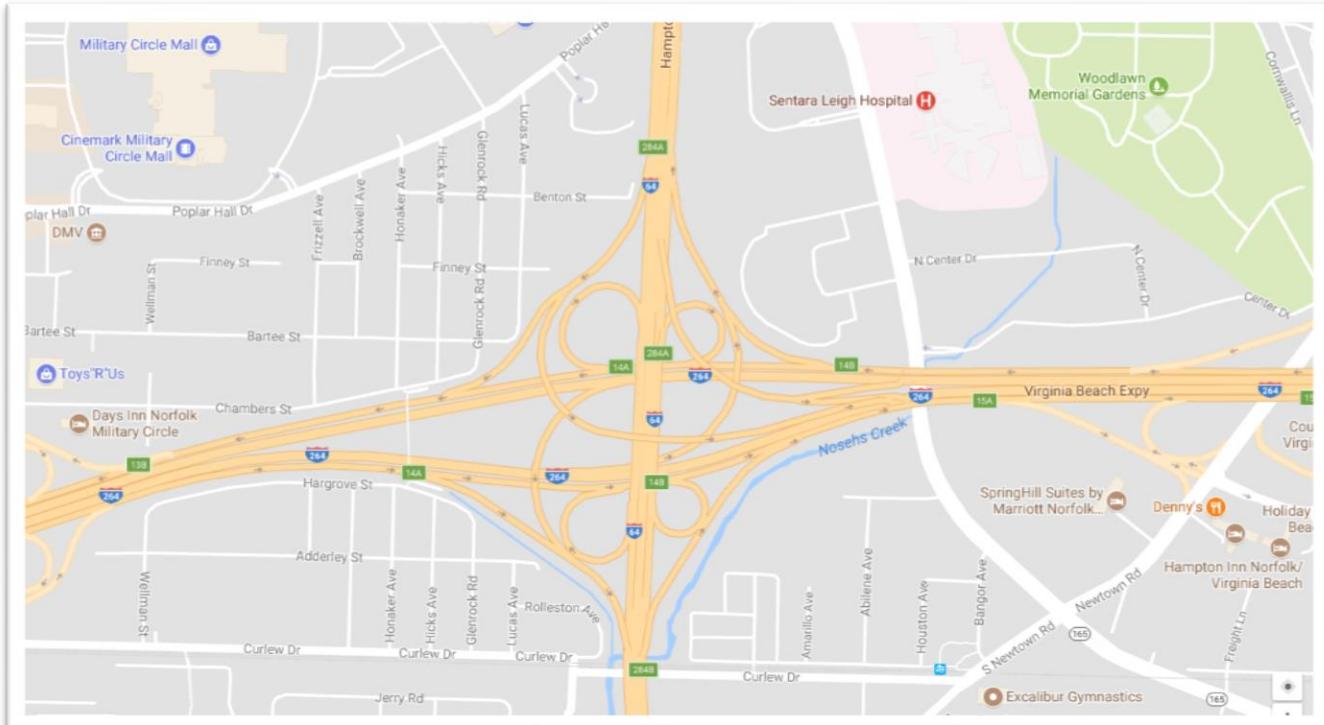
IMR Submittal to FHWA	December 2019
IMR Conditional Approval	Spring 2020
Schedule Status	On-Schedule

Enabling Funding

HRTAC \$ 10,000,000
State/Federal \$ _____
\$ 10,000,000

Project Status:

- Final signed and sealed IMR submitted to Central Office for approval on March 25, 2020
- Final IMR will be submitted to FHWA upon approval from Central Office



Bowers Hill Interchange

UPC 111427 (HRTAC)

Study Scope:

Develop NEPA document and supporting studies for improvements to the I-64/I-264/I-664 Interchange and the Route 58/Route 460 Interchange (Bowers Hill) extending north to approximately the College Drive interchange.

Study Financial Summary:

<u>Project Budget (\$4,000,000):</u>	<u>Funds Expended (as of 04/30/2020):</u>	<u>Projected Cost Over/(Under):</u>
o PE \$ 4,000,000	\$ 2,003,769	\$ 0
o RW \$ 0	\$ 0	\$ 0
o CN \$ 0	\$ 0	\$ 0
	\$ 2,003,769	

Study Schedule:

Enabling Funding

Study Status:

- Coordinating with FHWA on the type and scope of NEPA study that will be required

