



HRTAC RESOLUTION 2017-08

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$500,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HAMPTON ROADS TRANSPORTATION FUND SENIOR LIEN REVENUE BONDS

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, on June 16, 2016, the Commission adopted HRTAC Resolution 2016-08 entitled “Resolution Authorizing Hampton Roads Transportation Fund Revenue Bonds” (the “Initial Bond Authorizing Resolution”) which (i) authorized, subject to further approving resolutions of the Commission, the issuance of bonds 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 use of the proceeds thereof 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 (“Projects”), and (ii) approved the execution and delivery of a form of Master Indenture of Trust, a form of Supplemental Series Indenture of Trust and other financing documents to effect the issuance of HRTF Bonds, subject to further approving resolutions of the Commission;

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, P.C., as bond counsel (“Bond Counsel”), have provided presentations to the Commission’s Finance Committee and to the Commission describing a plan to issue HRTF Bonds, in one or more series, to finance the cost of certain Projects, including Projects to which the Commission has previously advanced its funds and Projects which are expected to be undertaken, to fund any required reserves for such HRTF Bonds, and to pay certain costs associated with the issuance of such HRTF Bonds;

WHEREAS, in furtherance of the foregoing, the Executive Director and the Finance Committee have recommended that the Commission proceed with the issuance of senior lien HRTF Bonds in an aggregate principal amount not to exceed \$500,000,000, in one or more series (the “Series 2018 Bonds”), and with the execution and delivery of certain financing documents, model forms of which have been presented to the Finance Committee and to the Commission, including the following (collectively, the “Bond Documents”):

- (a) A revised Master Indenture of Trust between the Commission and the indenture trustee appointed by the Commission (the “Master Indenture”);
- (b) A revised Supplemental Series Indenture of Trust between the Commission and the indenture trustee appointed by the Commission (the “Series Supplement”);

(c) A Bond Purchase Agreement between the Commission and the underwriters appointed by the Commission (the “Bond Purchase Agreement”);

(d) A Preliminary Official Statement furnishing information to prospective purchasers of each series of the Series 2018 Bonds regarding the Commission, the Series 2018 Bonds and the security therefor (the “Preliminary Official Statement”); and

(e) 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 2018 Bonds and the security therefor; and

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 2018 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.

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

1. The Commission reaffirms its findings, determinations, authorizations and pledge of revenues set forth in the Initial Bond Authorizing Resolution, and authorizes and approves the issuance of the Series 2018 Bonds, in one or more series, 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, the structure, terms and conditions of the Series 2018 Bonds, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, redemption provisions, sales prices, and principal amounts in each maturity, subject to the following parameters: (i) the Series 2018 Bonds shall be issued in accordance with the form and requirements of the Master Indenture and the Series Supplement (as finalized in accordance with the terms of this Resolution), (ii) the Series 2018 Bonds shall have a true interest cost, set at the time of the formal award, not exceeding 5.00%, and (iii) the Series 2018 Bonds shall have a final maturity date not later than 40 years from the date of their issuance. The Commission further authorizes and directs the Executive Director to execute and deliver a Blanket Letter of Representations, and any required riders thereto, to The Depository Trust Company (“DTC”) to make all of the HRTF Bonds, including, without limitation, the Series 2018 Bonds, eligible for deposit at DTC in accordance with its Book-Entry-Only system and for transfer through DTC’s Fast Automated Securities Transfer program.

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.

4. The Commission hereby appoints _____¹ to serve as the trustee under the Master Indenture and each Series Supplement for the Series 2018 Bonds (the "Trustee").

5. The Commission hereby appoints _____, _____, and _____² to serve as the underwriters with respect to the Series 2018 Bonds, with _____ serving as the senior managing underwriter for the initial sale of the Series 2018 Bonds and the other two as co-managers, authorizes the sale of each series of the Series 2018 Bonds to any or all of such underwriters by negotiated sale, and authorizes the Executive Director, with the advice of the Financial Advisor and the Finance Committee or its designee, to appoint from the three named underwriters the senior managing underwriter and co-managers for each subsequent offering of the Series 2018 Bonds.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2018 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 2018 Bonds, together with any other information required by law to reflect the terms of the sale of the Series 2018 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 2018 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 2018 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 2018 Bonds are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have the final Series 2018 Bonds prepared in accordance with the terms of the Master Indenture and the Series Supplement and to execute the Series 2018 Bonds by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2018 Bonds by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2018 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 2018 Bonds, including,

¹ To be completed with Trustee approved at Commission meeting.

² To be completed with Underwriters approved at Commission meeting.

without limitation, and with the advice of Bond Counsel, (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Series 2018 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"), (b) 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 2018 Bonds, and (c) filing Internal Revenue Service Form 8038-G.

9. To ensure compliance with Tax Code, the Executive Director is authorized and directed to develop, and cause the Commission's staff to comply with, Post-Issuance Compliance Policies and Procedures, based on a form recommended by Bond Counsel derived from standard forms used in the municipal securities industry, to monitor the use of the proceeds of the HRTF Bonds, including the use of the Projects financed with such proceeds, 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 2018 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 2018 Bonds, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Bonds, the establishment and replenishment of reserves, and the deposit and investment of Series 2018 Bond proceeds and Commission revenues in the various funds and accounts established by the Master Indenture and the Series Supplement.

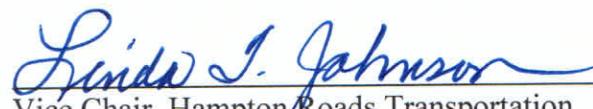
12. Each HRTAC Representative is authorized to execute and deliver on the Commission's behalf such other instruments, documents or certificates, and to do and perform such further things and acts, as he or she shall deem necessary or appropriate to carry out in accordance with the terms of this Resolution 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. 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 December 14, 2017.



Chair, Hampton Roads Transportation
Accountability Commission



Vice Chair, Hampton Roads Transportation
Accountability Commission