



HRTAC RESOLUTION 2022-01

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$501,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HAMPTON ROADS TRANSPORTATION FUND [SENIOR] [INTERMEDIATE] LIEN BOND ANTICIPATION NOTES

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 (“Projects”), and funding for eligible costs for such Projects includes the Series 2019A Notes and the 2019/2021 Successor TIFIA Obligation as further described below;

WHEREAS, the Commission has issued its Senior Lien Revenue Bonds, Series 2018A 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 of Trust dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) to pay, together with other available funds, the costs of the following Projects: Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phase I and II), and I-64 Southside Widening & High Rise Bridge (Phase I) (the “Initial Financed 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 of Trust dated as of December 1, 2019, which 2019 TIFIA obligation was modified and refinanced (the “2019/2021 Successor TIFIA Obligation”) pursuant to the provisions of the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2021, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “Series 2019A Notes”), pursuant to the Master Indenture and a Third Supplemental Series Indenture of Trust dated as of December 15, 2019, each between the Commission and the Trustee, for the further funding of the Initial Financed Projects;

WHEREAS, the Commission has issued its Senior Lien Revenue Bonds, Series 2020A, in the principal amount of \$614,615,000, pursuant to the Master Indenture as supplemented by a Fourth Supplemental Series Indenture of Trust dated as of October 1, 2020, between the Commission and the Trustee for the funding of the Hampton Roads Bridge Tunnel project (the “HRBT Project”);

WHEREAS, the Commission has further issued its \$817,990,000 TIFIA Series 2021 Bond (TIFIA – 20211008A) pursuant to the Master Indenture as supplemented by a Fifth Supplemental Series Indenture of Trust dated as of September 1, 2021, and its \$817,990,000 Senior Lien Bond Anticipation Notes, Series 2021A, pursuant to the Master Indenture and a Sixth Supplemental Series Indenture of Trust dated as of September 15, 2021, each between the Commission and the Trustee, for the further funding of the HRBT Project;

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 Projects;

WHEREAS, under the terms of the 2019/2021 Successor TIFIA Obligation, the Commission has one year from the expected date of substantial completion of the Initial Financed Projects financed thereunder to make an initial draw on the 2019/2021 Successor TIFIA Obligation, and the Commission may realize a financial benefit to “roll over” the Series 2019A Notes to continue the interim financing of such projects before such draw, provided same can be done on a fiscally advantageous basis;

WHEREAS, market conditions may make it fiscally advantageous for the Commission to issue bond anticipation notes and utilize the proceeds thereof to refund and extend the Series 2019A Notes, and hence continue the interim financing of the Initial Financed Projects before the 2019/2021 Successor TIFIA Obligation is drawn upon to provide long term financing of such projects, with the Commission utilizing the disbursed proceeds to repay such bond anticipation notes at their maturity;

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 a series of HRTF Bonds, comprising bond anticipation notes, under and pursuant to the Master Indenture, in one or more series, to provide funding to refund the Series 2019A Notes as described above, to fund any required reserves for such obligations, and to pay certain costs associated with the issuance of such obligations;

WHEREAS, the Commission therefore desires to authorize the issuance of an additional series of HRTF Bonds under the Master Indenture in an initial principal amount of up to \$501,000,000, to be designated as the “[Senior] [Intermediate] Lien Bond Anticipation Notes, Series 2022A” (the “Series 2022A Extension Notes”), to refund and extend the interim funding of the Initial Financed Projects, through the rollover and refunding of the Series 2019A Notes, with the Series 2022A Extension Notes expected to be retired with proceeds of the 2019/2021 Successor TIFIA Obligation as stated above, or otherwise from available amounts under the Master Indenture, or by issuing bonds for such purpose under the Master Indenture;

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

2022A Extension Notes, 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 "Note Documents"):

(a) An Eighth Supplemental Series Indenture of Trust between the Commission and the Trustee (the "Eighth Series Supplement"), relating to the issuance of the Series 2022A Extension Notes;

(b) The form of the Series 2022A Extension Notes, attached as Exhibit A to the Eighth Series Supplement;

(c) A Preliminary Official Statement furnishing information to prospective purchasers of the Series 2022A Extension Notes regarding the Commission, the Series 2022A Extension Notes 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 2022A Extension Notes 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 2022A Extension Notes, and the Note Documents with the assistance of the Financial Advisor, Bond Counsel and the Commission's general counsel, and to cause the execution and delivery thereof, 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 authorizes and approves the issuance of the Series 2022A Extension Notes, 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 2022A Extension Notes, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, redemption and prepayment provisions (if any), lien status (which shall be either senior lien or intermediate lien), sales prices, and principal amount, subject to the following parameters:

- (i) the Series 2022A Extension Notes shall be issued in accordance with the form and requirements of the Master Indenture and the applicable Series Supplement (as finalized in accordance with the terms of this Resolution);
- (ii) the aggregate principal amount of the Series 2022A Extension Notes shall not exceed \$501,000,000;
- (iii) the Series 2022A Extension Notes shall have a final maturity date not later than twenty-four months from their date of issuance;
- (iv) the Series 2022A Extension Notes shall bear interest at the interest rate or rates as shall be approved by the Executive Director, provided that the issuance of the Series 2022A Extension Notes shall result in interest rate savings to the Commission, as compared to funding under the 2019/2021 Successor TIFIA Obligation and measured on a net present value basis, of at least \$100,000, net of costs of issuance; and
- (v) the sale price of the Series 2022A Extension Notes, excluding any original issue discount, shall not be less than 95.0% of the aggregate principal amount thereof.

The Executive Director is further authorized, with the advice of Bond Counsel and the Financial Advisor, to provide for the application of unspent proceeds of the Series 2019A Notes to the refunding and payment of the Series 2019A Notes or for application on remaining costs of the Initial Financed Projects, and to adjust the principal amount in clause (ii) above in accordance therewith.

4. The Note 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 Note Documents on the Commission’s behalf, with such changes, insertions or omissions (not inconsistent with the parameters in Sections 2 and 3 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 Note Documents by the HRTAC Representative.

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 the Series 2022A Extension Notes, and authorizes the sale of the Series 2022A Extension Notes to any or all of such underwriters appointed by the Executive Director for the issuance of the Series 2022A Extension Notes, and in connection therewith, the Commission hereby authorizes and directs the Executive Director to execute and deliver a bond purchase agreement with such underwriters in a form substantially similar to those bond purchase agreements previously approved by the Commission.

As trustee under the Master Indenture, Wilmington Trust, National Association, Richmond, Virginia, is hereby appointed as the escrow agent (the “Escrow Agent”) for the refunding and extension of the Series 2019A Notes. The Commission hereby delegates to the Executive Director the authority to select a bidding agent and a verification agent, and to the extent necessary or advisable an alternative escrow agent, with respect to the refunding and extension of the Series 2019A Notes.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2022A Extension Notes, 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 2022A Extension Notes, together with any other information required by law to reflect the terms of the sale of the Series 2022A Extension Notes, 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 2022A Extension Notes. 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 2022A Extension Notes 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 2022A Extension Notes are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have final Series 2022A Extension Notes prepared in accordance with the terms of the Master Indenture and the Eighth Series Supplement and to execute the Series 2022A Extension Notes by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2022A Extension Notes by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2022A Extension Notes to the 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 2022A Extension Notes, including, 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 2022A Extension Notes 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 including but not limited to regarding payments of rebate to the United States, and (c) 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, as the same shall be amended or supplemented, 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 any proceeds of the Series 2022A Extension Notes that are to spent on costs of the Initial Financed Projects, if the Executive Director determines, with the advice of the PFM Asset Management LLC, as 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 the Commission's staff are 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 the Series 2022A Extension Notes, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Series 2022A Extension Notes, the establishment and replenishment of reserves, and the deposit and investment of the proceeds of the Series 2022A Extension Notes and Commission revenues in the various funds and accounts established by the Master Indenture and the Eighth Series Supplement or any supplemental indenture. Any of such Series Supplement or supplemental indenture may have a different and additional numbered supplemental designation if necessary, desirable or in connection with the issuance of the Series 2022A Extension Notes.

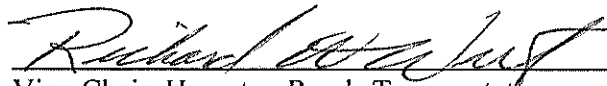
12. Each HRTAC Representative and the Executive Director is authorized to execute and deliver on the Commission's behalf such other instruments, documents or certificates, including an escrow agreement in connection with the refunding and payment of the Series 2019A Notes, and to do and perform such 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 March __, 2022.

A handwritten signature in black ink, appearing to read "Donnie B. Seek", written over a horizontal line.

Chair, Hampton Roads Transportation
Accountability Commission

A handwritten signature in black ink, appearing to read "Richard B. Smith", written over a horizontal line.

Vice-Chair, Hampton Roads Transportation
Accountability Commission