



HRTAC RESOLUTION 2022-02

RESOLUTION AUTHORIZING THE DEFEASANCE AND REDEMPTION OF OUTSTANDING SENIOR LIEN REVENUE BONDS, SERIES 2018A FROM AVAILABLE FUNDS OF THE COMMISSION AND RELATED ACTIONS

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 of Trust dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) for the funding of certain Projects;

WHEREAS, under the Master Indenture, as supplemented and amended, the 2018A Bonds are payable from amounts derived from the Hampton Roads Transportation Fund (“HRTF”);

WHEREAS, the Commission has on hand certain lawfully available funds which may be applied to the cash defeasance and redemption of all or a portion of the outstanding 2018A Bonds (the “Defeasance Candidates,” and as further described in Exhibit A), on the terms and conditions and as further provided herein;

WHEREAS, the Commission desires to authorize and approve (i) the defeasance and redemption of all or a portion of the Defeasance Candidates from available funds, (ii) the payment of any and all costs associated with such defeasance and redemption, and (iii) such other action as may be necessary or incidental in connection with the foregoing (collectively, a “Cash Defeasance Transaction”);

WHEREAS, it is in the best interest of the Commission to apply an amount up to \$625,000,000 to legally defease all or a portion of the Defeasance Candidates (any Defeasance Candidates that are defeased as provided herein shall constitute “Defeased Bonds”) as herein provided in order to terminate the payment of debt service thereon and to reduce the aggregate

debt service requirements of the Commission payable from the HRTF under the Master Indenture; and

WHEREAS, there has been presented at this meeting a draft Escrow Deposit Agreement, to be dated the date of the defeasance of the Defeasance Candidates between the Commission and Wilmington Trust, National Association, as bond trustee and escrow agent (the "Escrow Deposit Agreement").

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

1. The defeasance of all or a portion of the Defeasance Candidates, as described herein and in the Escrow Deposit Agreement and the application and use of sufficient and available funds of the Commission for such defeasance, is hereby authorized and approved, subject to the terms and conditions set forth in this Resolution.

The Commission hereby authorizes and approves the execution and the delivery of the Escrow Deposit Agreement, in substantially the form presented at this meeting, with such changes, insertions and omissions as may be approved and made by the Chair or Vice Chair of the Commission, either of whom may act (the "HRTAC Representative"). The HRTAC Representative's execution of the Escrow Deposit Agreement shall constitute conclusive evidence of the approval of such Escrow Deposit Agreement as executed, and any changes, insertions and omissions. To the extent necessary or desirable, more than one Escrow Deposit Agreement may be executed and delivered for differing series of the Defeasance Candidates in order to provide for the defeasance and prepayment thereof, and the Commission may undertake multiple Cash Defeasance Transactions subject to the limitations in this Resolution.

Any deposit of money into an escrow fund pursuant to an Escrow Deposit Agreement shall constitute an irrevocable deposit of Commission funds made for the purpose of accomplishing the defeasance of those Defeased Bonds identified in the applicable Escrow Deposit Agreement, all in accordance with the provisions of this Resolution and the Master Indenture.

2. The HRTAC Representative and the Executive Director, each of whom may act (each, a "Designated Financial Officer") on behalf of the Commission, are hereby authorized to select those Defeasance Candidates that will constitute Defeased Bonds payable solely from the cash and/or investments on deposit under an Escrow Deposit Agreement. Any Designated Financial Officer is authorized to execute an approval certificate evidencing those Defeasance Candidates that will constitute Defeased Bonds under an Escrow Deposit Agreement (an "Approval Certificate"). Such Approval Certificate shall evidence, in addition to any matters determined by a Designated Financial Officer to be necessary or desirable to effect the defeasance of the Defeased Bonds identified therein, the amount of funds required to be deposited under an Escrow Deposit Agreement, whether such deposit will constitute cash, investments or a combination thereof, in order to effect the defeasance of the Defeased Bonds, and the effective date of the subject defeasance. An Approval Certificate shall be executed in connection with each Cash Defeasance Transaction undertaken hereunder.

Furthermore, any Designated Financial Officer and the Escrow Agent are hereby authorized and directed (i) to make the necessary arrangements for the purchase of government securities referenced in an Escrow Deposit Agreement and the delivery thereof to the Escrow Agent for deposit to the credit of the escrow fund under the Escrow Deposit Agreement), and (ii) to execute any subscription forms for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the credit of an Escrow Deposit Agreement.

The maximum amount of lawful HRTF funds that may be used to provide for the defeasance of any of the Defeasance Candidates hereunder shall not exceed \$625,000,000 in the aggregate.

3. (a) In order for the Commission to satisfy in a timely manner all of its obligations under this Resolution, each Designated Financial Officer is hereby authorized and directed to take from time to time all actions that are reasonably necessary to provide for the legal defeasance of the Defeased Bonds or otherwise effect each Cash Defeasance Transaction, including, without limitation, executing and delivering on behalf of the Commission all certificates, consents, receipts, requests, notices, escrow reinvestment agreements, float contracts, and other documents as may be reasonably necessary, to direct the transfer and application of the lawfully available funds of the HRTF consistent with the provisions of this Resolution, to engage, in the case of a net defeasance of Defeased Bonds, a certified public accountant to prepare a verification of the sufficiency of the deposit of cash and or investments to an escrow fund to accomplish the defeasance of the Defeased Bonds, to direct bond counsel to prepare and deliver any necessary legal opinions in connection with the defeasance of Defeased Bonds, and to file any and all notices of such defeasance as specified or required in compliance with the Commission's continuing disclosure undertaking with respect to the Defeased Bonds.

(b) No money of the Commission, other than lawfully available HRTF funds up to the amount specified in Section 2 hereof, shall be used to defease the Defeased Bonds.

(c) To assure the purchase of any government securities referred to in an Escrow Deposit Agreement, any Designated Financial Officer and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and to purchase government securities, in such amounts and maturities and bearing interest at such rates as may be provided for in the verification report prepared by the verification agent pursuant to the Escrow Deposit Agreement, and to execute any and all subscriptions, purchase agreements, commitments, float contracts, escrow reinvestment agreements, letters of authorization, and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.


4. As trustee under the Master Indenture, Wilmington Trust, National Association, Richmond, Virginia, is the trustee for the 2018A Bonds, and is hereby appointed as the escrow agent (the "Escrow Agent") for the Defeased Bonds. 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 any Cash Defeasance Transaction.

5. Each Designated Financial Officer is hereby authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as such officer, with the advice of counsel, may deem necessary or appropriate to effect each Cash Defeasance Transaction and any other action contemplated by this Resolution.


6. In case any one or more of the provisions of this resolution or of any agreement, document or instrument executed and delivered in connection herewith shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or of any such agreement, document or instrument, but this resolution and any such agreement, document or instrument shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

7. This Resolution shall take effect immediately and any Cash Defeasance Transaction undertaken pursuant to the authority of this Resolution shall be consummated and settled by December 31, 2022. This Resolution shall constitute the resolution contemplated by Section 8.5 of the Master Indenture as to the use of amounts in the General Fund.

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.



Chair, Hampton Roads Transportation
Accountability Commission



Vice Chair, Hampton Roads Transportation
Accountability Commission