

AGENDA

Hampton Roads Transportation Accountability Commission

Finance Committee

March 12, 2020

9:00 a.m.

HRTAC Conference Room

723 Woodlake Drive, Chesapeake, VA 23320

1. **Call to Order**
2. **Approval of Agenda**
 - *Recommended Action: Approval*
3. **Public Comment Period**
 - *Limit 5 minutes per individual*
4. **Chair Comments**
 - A. **Welcome New Members** – Chair Hipple
 - B. **Legislative Update** - Executive Director Page
5. **Consent Items**
 - *Recommended Action: Approval*
 - A. **Minutes of the December 4, 2019 Finance Committee Meeting**
6. **Action Items**
 - *Recommended Action: Discussion/Endorsement/Recommendation/Direction*
 - A. **HRTAC Debt Management Plan Update, Issuance of Hampton Roads Transportation Fund Revenue Bonds, Series 2020 for the I-64 Hampton Roads Bridge-Tunnel Expansion Project - Recommendation to Endorse and Request Authorization to Conduct a Public Hearing (Attachment 6A)** – Executive Director Page and David Miller, Liang Shan PFM Financial Advisors, and Bond Counselors Eric Ballou and Megan Gilliland - Recommended Action: Discussion/Approval
 - B. **HRTAC FY2021-FY2026 Plan of Finance Update - Recommendation to Endorse and Request Authorization to Conduct a Public Hearing (Attachment 6B)** – Executive Director Page and David Miller, Liang Shan PFM Financial Advisors - Recommended Action: Discussion/Approval
 - C. **HRTAC Proposed 2045 Long Range Plan of Finance Update- Recommendation to Endorse and Request Authorization to Conduct a Public Hearing (Attachment 6C)** – Executive Director Page and David Miller, Liang Shan PFM Financial Advisors - Recommended Action: Discussion/Approval

- D. **Briefing to the Finance Committee on the progress of the prospective Hampton Roads Express Lane Network Master Tolling Agreement, and the financing activities relating thereto - Closed Session, as needed- (Attachment 6D)** - Executive Director Page, Counselors Inglima, and Ballou, and David Miller, PFM Financial Advisors
 - E. **Hampton Roads Express Lanes Network Investment Grade Traffic and Revenue Study - Recommendation to Approve the Funding of and Actions RE: Work Order (Attachment 6E)** – Executive Director Page and David Miller, PFM Financial Advisors
 - F. **HRTAC FY2021 Administrative and Project Development Budget – Recommendation to Endorse and Request Authorization to Conduct a Public Hearing (Attachment 6F)** – Executive Director Page - Recommended Action: Discussion/Approval
7. **Information Items**
- A. **HRTAC Financial Report - (Attachment 7A)** – Executive Director Page, PFM Asset Management and PFM Investment Advisors
8. **Adjournment**

Agenda Item 5A
Consent Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: December 4, 2019 Meeting Minutes

Recommendation:

The Finance Committee is asked to approve the December 4, 2019 Finance Committee meeting minutes.

Background:

The Finance Committee approves meeting minutes for the permanent record of the Finance Committee.

Fiscal Impact:

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

Suggested Motion:

Motion is to approve the minutes of the HRTAC Finance Committee meeting on December 4, 2019.

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Finance Committee
Summary Minutes of the December 4, 2019 Meeting**

The meeting of the Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee was held in The Regional Building, Board Room A, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Finance Committee Members in Attendance:

Michael Hipple, Chair	Christopher Stolle
Monty Mason	Barry Porter

HRTAC Executive Director

Kevin Page

HRTAC Finance Committee Members Absent:

Joel Acree

Other Participants:

Linda T. Johnson, HRTAC Chair	Tom Inglima, Willcox and Savage
Eric Ballou, Kaufman & Canoles	Stephen Brich, VDOT
Nelson Bush, PFM	Laura Farmer, VDOT
David Miller, PFM	Faizan Habib, VDOT

Others Recorded Attending:

Camryn Jordan (Veterans Reporters); Lynn Coen, Jennifer Hodnett (HRTAC); Tiffany Smith (HRPDC)

Call to Order

Chair Michael Hipple called the HRTAC Finance Committee to order at 9:00 a.m.

Mr. Page notified the Committee that Mr. David Miller would be presenting by telephone.

Approval of Agenda

A motion was made and seconded to approve the agenda. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No public comments were made.

Chair Comments

Chair Hipple welcomed HRTAC Chair Linda T. Johnson and VDOT representatives.

Consent Items

5A. Minutes of the September 12, 2019 Finance Committee Meeting

Mr. Barry Porter Moved to approve the HRTAC consent agenda items; seconded by Mr. Christopher Stolle. The Motion Carried.

Action Items

6A. I-64 Express Lanes Network Project: Review Funding Requirements, Financing Alternatives, and Compatibility with HRTAC's Plan of Finance and the Proposed Master Tolling Agreement (Closed Session as Needed)

Mr. Kevin B. Page, HRTAC Executive Director, reminded the Committee of the presentations given at the concurrent HRTAC and HRTPO meeting held on November 19, 2019 and stated that the full Commission requested that HRTAC staff research the viability of integrating the funding of the entire Regional Express Lanes Network into the HRTAC finance plan. He further explained that the research included an analysis of the repayment of the \$59M of pre-investments for the Network and the effect of including or excluding the \$142M in funding from the I-64 truck fees.

Mr. David Miller, PFM, reiterated that today's presentation was the result of a request at the November 19, 2019 concurrent HRTAC and HRTPO meeting. He reviewed the quantitative analyses and qualitative considerations of the HRTAC finance plan and reminded the Committee that the main funding source for the Hampton Roads Bridge Tunnel (HRBT), the potential regional HOT Network, and the 2045 future projects was the Hampton Roads Transportation Fund (HRTF).

Mr. Miller stated that PFM was focused on the long term HRTAC plan and is not just concerned with immediate financing.

He compared the HRTAC debt contemplated by HRTAC's finance plan versus the 9(c) debt proposed by VDOT and noted the similarities and differences between the two plans.

Committee members questioned how a lower debt coverage ratio would result in less future toll revenue.

Mr. Miller explained that a lower debt coverage ratio allows more money to be borrowed now, which leaves less revenue for future costs.

Mr. Page reminded the Committee of HRTAC's ability to reallocate available monies into the next project, develop financing, and then use the principal to reimburse the project costs.

Committee members questioned if maintenance costs were included in the HRTAC debt analysis.

Mr. Page reminded members that physical road, bridge and tunnel maintenance remain VDOT responsibilities, however, for purposes of the toll financing plan "maintenance" refers to the toll collection equipment and system.

Mr. Stephen Brich, VDOT Commissioner of Highways, stated that VDOT presented scenarios with debt coverage ratios closer to HRTAC's rate at the November 19, 2019 concurrent meeting and stated that the benefits of larger upfront proceeds allow projects to be developed without the cost of inflation. Finally, he voiced his opinion that the assumptions of the respective finance plans of VDOT and HRTAC were not equal. He suggested that the financial advisors from the two agencies needed to address the outstanding issues.

Mr. Miller reviewed the debt capacity and funding analyses of the HRTAC debt and the Commonwealth's 9(c) debt and highlighted that both plans included the use of TIFIA funds. He explained that the timeline for completing the projects would be a strong factor in determining whether the additional proceeds gained by the 9(c) debt would be of value; however, either scenario allowed the HRBT and Regional Express Lanes Network to be completed by 2025.

The Committee Members were given a table detailing post-HRBT projects and accelerated timelines due to the additional capacity on the current High Rise Bridge Project, smart scale funds, and I-64 truck fees. Mr. Miller noted that the HOT Network could be completed without utilizing the I-64 truck fees.

Mr. Page thanked VDOT for working with the High Rise Bridge Project Design-Build team and reminded the Committee that a recommendation would be made to the full Commission and a public hearing would be held regarding the adjustments to the High Rise Bridge Project and the inclusion of the HOT Network in the HRTAC funding plan.

Committee members questioned where the additional proceeds would be applied and whether the section of I-64 between James City County and Richmond could be a candidate project.

Mr. Page responded that although a few miles of this section of I-64 were in HRTAC's jurisdiction, the HRTF monies can only be used if a project provides congestion relief.

Mr. Brich stated that the \$80M was an estimate for altering the High Rise Bridge Project and the final amount would be determined in the beginning of 2020. Additionally, he stated I-64 was a priority for the Administration and they were actively analyzing a range of solutions.

Mr. Brich explained to the Committee members that a potential project for the upfront proceeds of the 9(c) debt was the I-64/I-464 Interchange. He noted that VDOT identified the intersection as the final congestion point in the regional network.

Mr. Page reminded Committee members of the actions needed to complete a project and that the timeline for those actions was about six months to a year.

Mr. Eric Ballou, Kaufman and Canoles, explained to the Committee the different categories of State-authorized debt and explained the differences from a toll revenue indenture.

At 10:09 a.m., Mr. Christopher Stolle Moved that a closed session be held for discussions regarding the proposed toll-backed debt financing models and the related Master Tolling

Agreement terms, in accordance with Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel; seconded by Mr. Barry Porter. The Motion Carried.

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

At 11:26 the closed session concluded. Counselor Inglima proceeded to read the following certification: The Finance Committee of 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. Michael Hipple: Yes

Mr. Barry Porter: Yes

Senator Monty Mason: Yes

Delegate Christopher Stolle: Yes

Mr. Stolle Moved that the Finance Committee endorse HRTAC's funding plan for the I-64 Express Lanes Network; the motion was seconded by Mr. Porter. The Motion Carried.

Information Items

7A. HRTAC Monthly Financial Report

Mr. Page reviewed the Financial Report with the Committee members.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission Finance Committee, the meeting adjourned at 11:29 a.m.

Michael J. Hipple
Finance Committee Chair

Agenda Item 6A
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: HRTAC Debt Management Plan Update, Issuance of Hampton Roads Transportation Fund Revenue Bonds, Series 2020 for the I-64 Hampton Roads Bridge-Tunnel Expansion Project - Recommendation to Endorse and Request Authorization to Conduct a Public Hearing

Recommendation:

HRTAC Staff recommends that the Finance Committee endorse the proposed HRTAC Debt Management Plan Update that includes the issuance of up to \$800,000,000 of Hampton Roads Senior Lien Revenue Bonds, Series 2020 for the I-64 Hampton Roads Bridge-Tunnel Expansion Project and authorize the Finance Committee Chair to communicate the Debt Management Plan Update with a request that the Commission authorize the Finance Committee Chair to conduct a public hearing.

Background:

HRTAC's short and long-range funding plans include assumptions re: debt financing utilizing senior lien HRTF supported revenues and the use of federal TIFIA loan funds to support the delivery of the 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 HRTAC Debt Management Plan Update has been developed based on the assumptions of the FY2021-FY2026 Plan of Finance – Six Year Operating and Capital Program of Projects and the HRTAC 2045 Long Range Funding Plan as they align with projects currently under development/construction, or advancing procurement for full project delivery. In the execution of the Debt Management Plan, from time-to-time, as projects advance and additional funding is needed HRTAC Staff will request Commission approval to issue debt or secure loans. As the HRBT TIFIA loan process continues to develop, HRTAC will need to support the HRBT project with HRTF supported debt and HRTF supported Pay-Go cash. As a part of the HRTAC Debt Management Plan Update, HRTAC Staff is requesting authorization for the issuance of up to \$800,000,000 of Hampton Roads Senior Lien Revenue Bonds, Series 2020 for the I-64 Hampton Roads Bridge-Tunnel Expansion Project.



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 Debt Management Plan Update is impacted by the funding of the I-64 Hampton Roads Bridge Tunnel Expansion Project that includes the following:

To fund HRBT

	Total	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
HRBT - HRTAC Funding Obligation								
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	1,507,229,424	441,063,852	269,135,718	93,691,412	545,663,727	137,676,493		19,998,221
HRTF Senior Bonds	747,844,715		765,775,760					
HRTF Subordinate TIFIA Loan	712,937,006		94,082,862	619,911,955				
Toll TIFIA Loan	575,000,000					283,969,285	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

Suggested Motion:

Motion: The Finance Committee endorses the proposed HRTAC Debt Management Plan Update that includes the issuance of up to \$800,000,000 of Hampton Roads Senior Lien Revenue Bonds, Series 2020 for the I-64 Hampton Roads Bridge-Tunnel Expansion Project and authorizes the Finance Committee Chair to communicate the Debt Management Plan Update to the Commission at its March 19, 2020 Special Meeting with a request that the Commission authorize the Finance Committee Chair to conduct a public hearing.





Hampton Roads Transportation Accountability Commission

Debt Management Plan Update

March 12, 2020

PFM Financial
Advisors LLC

300 S. Orange Avenue
Suite 1170
Orlando, FL 32801

(407) 648-2208
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- II. Detailed Project Financing Plans
 - Six Initial Projects
 - HRBT, including next steps
 - Hampton Roads Express Lane Network, including next steps
 - Bower's Hill
 - Ft Eustis Interchange



I. Overview



Current Debt Management Plan and Completed Financing

- The Debt Management Plan (the “Plan”) was established in September 2017 by the Commission and was amended in March 2019.
- The current Plan guides the implementation of the debt program for the Six-Year Funding Plan through FY 2026, which incorporates the Six Initial Projects and HRBT.
- Since March 2019, the Commission completed the funding for the Six Initial Projects:
 - \$500.0M 2018A HRTF Senior Lien Revenue Bonds closed in February 2018;
 - \$500.8M 2019 HRTF Subordinated Lien TIFIA Loan was closed in December 2019; and
 - \$414.3M 2019A HRTF Intermediate Lien Revenue Notes was issued in December 2019 as interim debt for the 2019 HRTF TIFIA Loan, which generated economic benefits.



Debt Management Plan Update

- ◆ The Plan is in need of an update to reflect the following aspects:
 - Align debt issuances with each individual project's cash flow estimates
 - Anticipated steps and timing required to issue additional debt:
 - Investment Grade Traffic & Revenue Study needed to issue toll revenue debt
 - Application process and time for the next TIFIA loan(s)
 - Possible inclusion of the Hampton Roads Express Lane Network (HRELN) Project* in the Six-Year Funding Plan through FY 2026
 - Planning for Bower's Hill and Ft Eustis Interchange projects, which may start promptly after the HRBT and HRELN projects.

* I-64 Express Lane Network costs minus HRBT and HRB.



Toll Revenue Debt

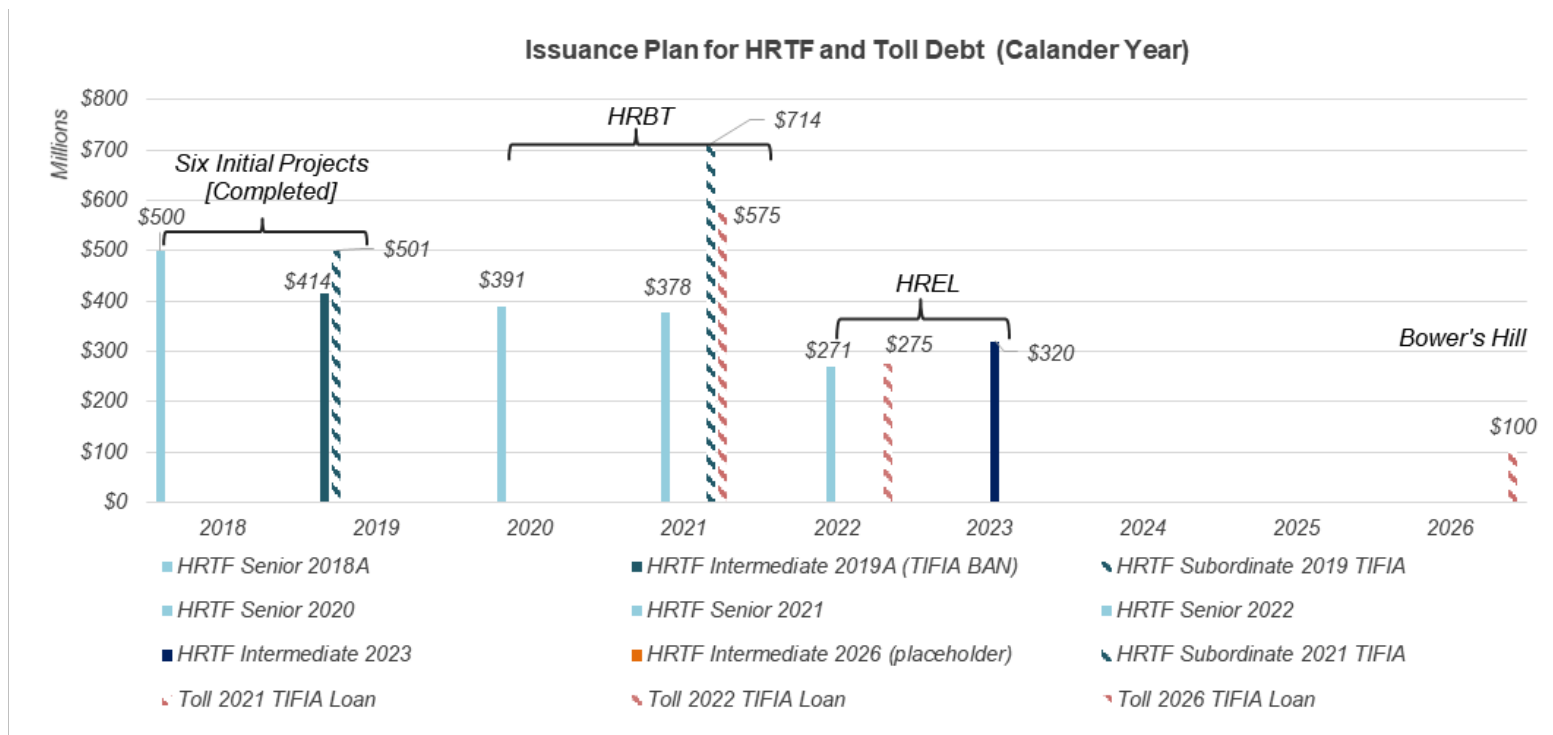
- HRTAC is expected to be the issuer of toll revenue debt backed by HRBT, HRB, and HRELN.
 - Application of debt proceeds and toll revenues will comply with the Master Tolling Agreement (MTA)
- Toll revenue debt indenture will be separated from the HRTF debt indenture.
- Toll revenue debt will be maximized to reduce HRTF funding.
 - TIFIA loans are expected to be the only toll revenue supported debt.
- The TIFIA loans will be applied in phases based on project readiness:
 - The first toll loan funds HRBT, leveraging HRBT only revenues.
 - Future loans can partially fund HRELN (and potentially Bower's Hill), leveraging additional revenues generated by HRB and other HRELN sections.
- CDM Smith is tasked to complete an investment grade T&R study by fall CY 2020, and VDOT is preparing operating cost estimates, critical steps to advance the TIFIA process.
 - In the interim, assume December 2018 and November 2019 preliminary study results for planning purposes

All toll financing plans will be updated when updated data becomes available.



Annual Debt Issuance Plan

- ◆ HRTF future debt issuance: \$1,359M bonds and \$714M TIFIA loans
- ◆ Toll revenue future debt issuance: \$950M 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.





II. Detailed Project Financing Plans



Six Initial Projects Financing (completed)

- ◆ \$1,411M total costs; HRTAC is responsible for \$1,020M
- ◆ HRTAC’s funding obligation has been fulfilled by two debt issuances:
 - the HRTF 2018A Senior Lien Bonds - \$500.0M in par amount providing \$582.1M funding
 - the HRTF 2019A Intermediate Lien Notes (TIFIA loan bond anticipation notes) - \$414.3M in par amount providing \$438.6M funding
 - A \$500.8M HRTF TIFIA Loan was closed in December 2019 – it will retire the HRTF 2019A Notes.

	Total	Prior Years	FY 2021	FY 2022
<i>Six Initial Projects - HRTAC Funding Obligation</i>				
Costs	1,020,673,861	778,977,388	194,150,069	47,546,403
Funds				
HRTF Senior 2018A Bonds	582,098,046	582,098,046		
HRTF Intermediate 2019A Notes (TIFIA BAN)	438,575,815	196,879,342	194,150,069	47,546,403
Total	1,020,673,861	778,977,388	194,150,069	47,546,403



HRBT Financing

- ◆ \$3.862B total costs; HRTAC is responsible for \$3.562B (VDOT is responsible for the remainder associated with the south trestle work plus \$200M SMART Scale).

HRTAC Funds	Considerations/Rationale
Toll TIFIA Loan	Maximize toll funding capacity from <i>HRTB revenues</i> , to reduce HRTF funding
HRTF TIFIA Loan	Total loan legally available (up to 33% of HRBT TIFIA eligible costs) minus the toll loan component
HRTF Bonds	After TIFIA is maximized, additional debt needed; issue on the senior lien
HRTF Paygo	Available cash during construction: HRTF received each year and existing cash on hand during construction

	Total	Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
HRBT - HRTAC Funding Obligation								
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	1,507,229,424	441,063,852	269,135,718	93,691,412	545,663,727	137,676,493		19,998,221
HRTF Senior Bonds	747,844,715		765,775,760					
HRTF Subordinate TIFIA Loan	712,937,006		94,082,862	619,911,955				
Toll TIFIA Loan	575,000,000					283,969,285	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



HRBT Financing (continued)

- ◆ VDOT's current cost estimates indicate shortly after the scope validation, over \$570M funding is needed in Q3 CY 2020, followed by \$45M-\$80M every month thereafter.
 - The payment spike would require HRTAC to start issuing HRTF bonds in late spring and early summer 2020.

- ◆ Maximize Toll Revenue debt issuance to reduce HRTF funding needed
 - Estimated \$575M just from HRBT toll revenue (toll revenues to be verified)

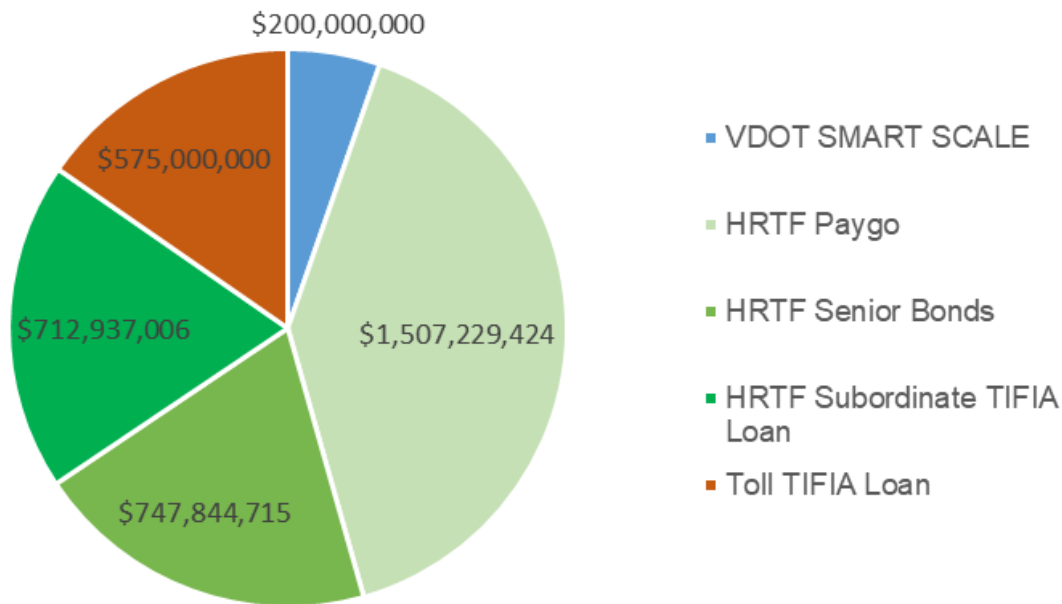
- ◆ Issue approximately \$750M HRTF bonds on the senior lien – the lowest-cost public bonds. Considering issuing in two methods:
 - All in one single series or
 - First series in late spring/summer CY 2020 and second series in early CY 2021

- ◆ Recommend commencing the next TIFIA loan application process now, with the goal of closing the loan(s) in spring CY 2021
 - Bifurcate the loan to a portion supported by HRBT toll revenues only and another portion supported by HRTF.
 - The two portions need to be executed simultaneously.



HRBT Funding Mix – \$3.562B HRTAC Funding

- 79% of the funding is provided by HRTF.
- Mix of debt and cash reserves used. Most of the HRTF paygo capacity through FY 2026 is used on HRBT.
- HRBT only net toll revenue supports more than the \$345M toll proceeds in the PAFA





HRBT Financing Implementation Next Steps

- ◆ Authorize preparation and submission of a TIFIA Letter of Interest for HRBT, including preliminary toll revenue credit ratings
- ◆ Authorize issuing next HRTF senior lien bonds in later spring or early summer 2020
- ◆ Authorize HRBT Traffic and Revenue Study provided by CDM Smith
- ◆ VDOT provide HRBT annual construction costs and tolling O&M / CapEx cost estimates
- ◆ Approve Master Tolling Agreement
- ◆ HRBT TIFIA Loans creditworthiness and loan agreement negotiation processes
- ◆ Consider HRBT TIFIA BANs in early 2021
- ◆ Close HRBT TIFIA Loans (and potentially issue TIFIA BANs) in Spring 2021



HRELN Financing

- ◆ \$885M estimated funding needed; HRTAC responsible for the full amount
 - \$965M VDOT cost estimate less \$80M HRB Phase 1 scope modification paid from existing contingency funds
 - Cost estimates subject to change; used maximum estimated cost. An annualized cost schedule not available yet; assumed a similar cost curve for HRBT

HRTAC Funds	Considerations/Rationale
Toll TIFIA Loan	Maximum <i>remaining</i> toll funding capacity from the entire network up to 33% of HRELN eligible TIFIA costs
HRTF Bonds	After TIFIA is maximized, additional debt needed - issue on both senior and intermediate liens
HRTF Paygo	Any available cash left after HRBT payments

	Total	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
HRELN							
Costs*	885,000,000	13,100,000	36,900,000	100,000,000	255,000,000	310,000,000	170,000,000
Funds							
HRTF Paygo	53,000,855	13,100,000	36,900,000		161,950	2,838,905	
HRTF Bonds	556,999,145			100,000,000	254,838,050	202,161,095	
Toll TIFIA Loan	275,000,000					105,000,000	170,000,000
Total	885,000,000	13,100,000	36,900,000	100,000,000	255,000,000	310,000,000	170,000,000

* To be provided by VDOT; HRTAC's preliminary assumption for analysis purposes



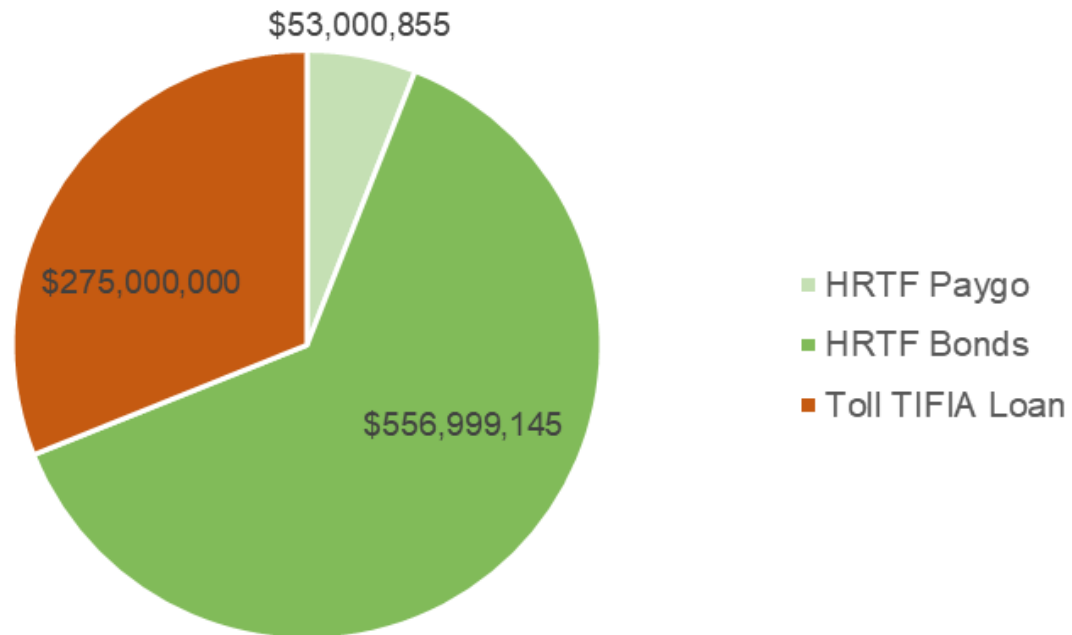
HRELN Financing (continued)

- ◆ Assume \$275M toll revenue TIFIA loan, subject to the updated T&R study data, including a weekend peak pricing analysis.
- ◆ \$557M HRTF revenue bonds are needed
 - HRTF senior lien might not be able to support the full amount, and a portion might need to be on the intermediate lien.
- ◆ Plan to apply for the toll TIFIA loan and issue the HRTF revenue bonds in 2022. Financing may be accelerated or delayed based on annualized cost schedules to be provided by VDOT.
- ◆ Project to advance based on project readiness. Toll financing assumption is that the entire network goes operational when HRBT opens to service.
- ◆ New sections will open in 2025 to tolling with HRBT unless VDOT provides funding to support initial start up deficit of the non-HRBT sections.



HRELN Funding Mix – \$885M Total

- Over 69% of the funding is provided by HRTF.
- \$275M toll proceeds, combined with \$575M for HRBT, equals \$850M total toll financing through TIFIA for HRBT and HRELN





HRELN Next Steps

- ◆ HRTPO and HRTAC project approval; Update SYIP and Long Range Funding Plans to include HRELN
- ◆ Authorize additional toll system Traffic and Revenue Study including weekend peak pricing analysis
- ◆ VDOT provides HRELN annual construction costs and tolling O&M / CapEx cost estimates
- ◆ Approve HRELN Funding Agreement with VDOT
- ◆ Authorize preparation and submission of a TIFIA Letter of Interest for HRELN (FY2021), including preliminary credit ratings
- ◆ Authorize issuing next HRTF senior lien bonds in FY2022
- ◆ HRBT TIFIA Loans creditworthiness and loan agreement negotiation processes (FY2022)
- ◆ Consider TIFIA BANs
- ◆ Close HRELN TIFIA Loans FY2022



Bower's Hill Financing

- Assume \$531M Bower's Hill cost, completed in FY 2030; all funded by HRTAC
- After the completion of HRBT and HRELN, HRTF paygo capacities will be directed to Bower's Hill.
- Toll system revenue estimated to support an additional \$100M toll TIFIA loan; Network toll revenues, collection O&M costs, and equipment maintenance to be verified.

HRTAC Funds Considerations/Rationale

Toll TIFIA Loan	Maximum <i>remaining</i> toll funding capacity from <i>the entire network</i> up to 33% of Bower's Hill eligible TIFIA costs (fund Bower's Hill Only)
HRTF Bonds	After TIFIA is maximized, additional debt needed
HRTF Paygo	Any available cash

	Total	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<i>Bower's Hill</i>							
Costs	530,659,975	24,638,242	26,254,198	121,097,488	120,093,809	132,953,029	105,623,209
Funds							
HRTF Paygo	430,659,975	24,638,242	26,254,198	121,097,488	120,093,809	33,238,257	105,337,981
HRTF Debt (placeholder)							
Toll 2026 TIFIA Loan	100,000,000					99,714,772	285,228
Total	530,659,975	24,638,242	26,254,198	121,097,488	120,093,809	132,953,029	105,623,209



Ft. Eustis Interchange Financing

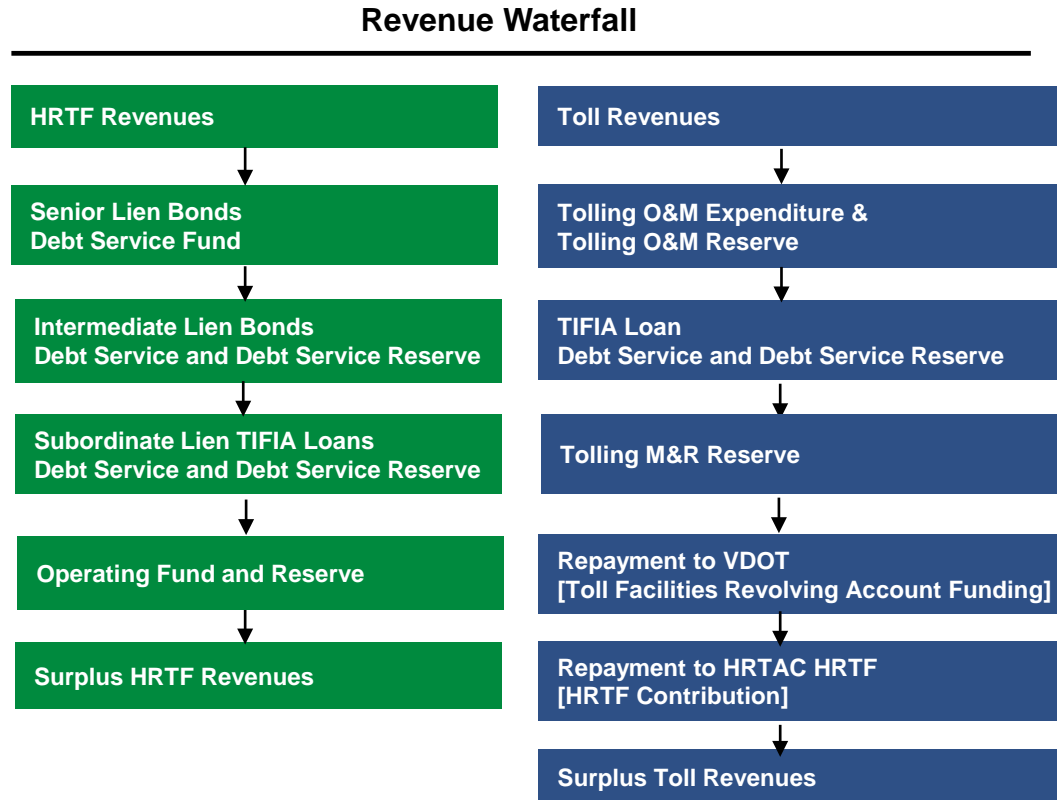
- Assume \$270M Ft. Eustis Interchange cost, completed in FY 2033; all funded by HRTAC
- Towards the end of the Bower's Hill construction, HRTF paygo capacities will be released and available.

HRTAC Funds	Considerations/Rationale
HRTF Paygo	Available cash projected to fund all costs

	Total	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
<i>Ft. Eustis Interchange</i>							
Costs	270,410,019	11,398,104	11,683,057	52,760,008	62,439,907	64,000,905	68,128,037
Funds							
HRTF Paygo	270,410,019	11,398,104	11,683,057	52,760,008	62,439,907	64,000,905	68,128,037
Total	270,410,019	11,398,104	11,683,057	52,760,008	62,439,907	64,000,905	68,128,037



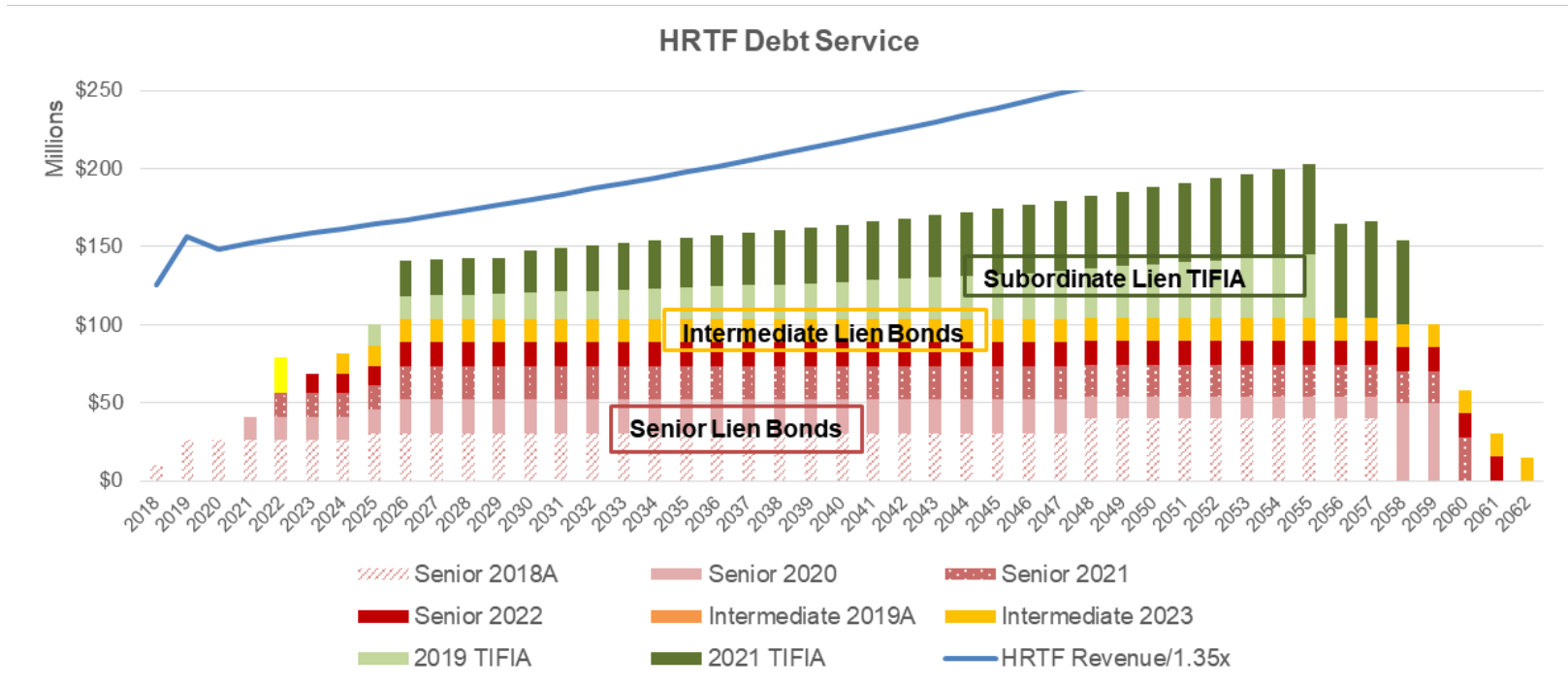
Flow of Funds and Funding Structure



- All roadway, bridge, and tunnel O&M and capital maintenance costs to be paid by VDOT
- HRTF pays HRTAC administrative costs
- Toll revenues pay toll collection costs and toll equipment replacement



HRTF Revenue Supported Debt Service Illustration



- ◆ Assume existing HRTF tax revenue bill (HB 2313)
- ◆ Assume 2.1% sales and use tax growth and 1.0% gas tax growth (note the General Assembly conversion to costs per gallon with a 2.3 CPI-U indexed in over a three year period has not yet been incorporated)
- ◆ Assume 100 bps to 200 bps above market rates as of February 21, 2020
- ◆ Debt service coverage ratios remain above minimum requirements
- ◆ Minimum HRTF cash balance of \$100M

Thank You



pfm



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”);

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;

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 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, 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; 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 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.

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, 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:

- (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) the principal amount of the Series 2020 Bonds shall not exceed \$800,000,000;
- (iii) the Series 2020 Bonds shall have a final maturity date not later than 40 years from the date of their issuance;
- (iv) the true interest cost of any series of the Series 2020 Bonds shall not exceed 4.5%; and
- (v) 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 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 2020 Bonds, and authorizes the sale of each series of the Series 2020 Bonds to any or all of such underwriters 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 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 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. 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 ____, 2020.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

NEW ISSUE
BOOK ENTRY ONLY

Ratings: Moody's: "____"
S&P: "____"
(See "Ratings" herein)

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants and the accuracy of certain representations and certifications made by HRTAC, interest on the Series 2020A Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed under the Tax Code, and (iii) is exempt from income taxation by the Commonwealth of Virginia. See "TAX MATTERS."

Hampton Roads Transportation Accountability Commission

\$ _____ *



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

Dated: Date of Delivery

Due: _____, as shown on the inside cover

This Official Statement has been prepared by the Hampton Roads Transportation Accountability Commission ("HRTAC" or the "Commission") to provide information on the above-referenced bonds (the "Series 2020A Bonds"). Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Series 2020A Bonds, a prospective investor should read this Official Statement in its entirety.

Security/Payment

The Series 2020A Bonds are limited obligations of HRTAC that are payable solely from certain funds pledged by HRTAC for such purpose under the Master Indenture (defined herein). The Series 2020A Bonds are on [parity] in payment and the pledge of such funds to [Senior Bonds], as described in "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A Bonds." The pledged funds consist of amounts credited by the Commonwealth of Virginia (the "Commonwealth") to the Hampton Roads Transportation Fund (the "HRTF"), a nonreverting fund held by the State Treasurer and recorded on the books of the Comptroller of Virginia and transferred to HRTAC for inclusion in the HRTAC Revenues (defined herein). The HRTF consists of revenues generated by (i) an additional 0.7% retail sales and use tax on transactions occurring in HRTAC's Member Localities (defined herein), and (ii) an additional wholesale motor vehicle fuels sales tax on transactions occurring in the Member Localities, calculated based on 2.1% of the average statewide wholesale price per gallon, subject to a floor of 6.7 cents per gallon as described herein. The continued availability of these 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. HRTAC relies entirely on the Commonwealth to collect and deposit such funds in the HRTF and to transfer them to HRTAC for inclusion in the HRTAC Revenues. HRTAC has no taxing powers. The Series 2020A Bonds are not a debt of the Commonwealth or any political subdivision thereof (including any Member Locality) other than HRTAC. Neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions (including any Member Locality) is pledged to the payment of the Series 2020A Bonds. See "INTRODUCTION—Security and Sources of Payment" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A Bonds."

Issued Pursuant to

The Series 2020A Bonds will be issued pursuant to a Master Indenture of Trust dated as of February 1, 2018, and a Fourth Supplemental Series Indenture of Trust to be dated as of _____, 2020. The Commission approved the Series 2020A Bonds in a resolution dated _____.

Purpose

The proceeds of the Series 2020A Bonds, along with other available funds, will be used to finance a portion of 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. See "DESCRIPTION OF THE SERIES 2020A Bonds—Estimated Sources and Uses of Funds."

Interest Rates/Yields

See inside cover.

Interest Payment Dates

January 1 and July 1, commencing ____ 1, 20__.

Redemption Terms

The Series 2020A Bonds are not subject to redemption prior to maturity.

Denominations

\$5,000 or integral multiples thereof.

Closing/Delivery Date

_____, 2020.*

Registration

Full book-entry only; The Depository Trust Company, New York, New York.

Trustee

Wilmington Trust, National Association.

Bond Counsel

Kaufman & Canoles, a Professional Corporation, Richmond, Virginia.

Underwriter's Counsel

_____.

Financial Advisor

PFM Financial Advisors, LLC, Orlando, Florida.

Official Statement Date: _____, 2020

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Series 2020A Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020A Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

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

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

* Preliminary, subject to change.

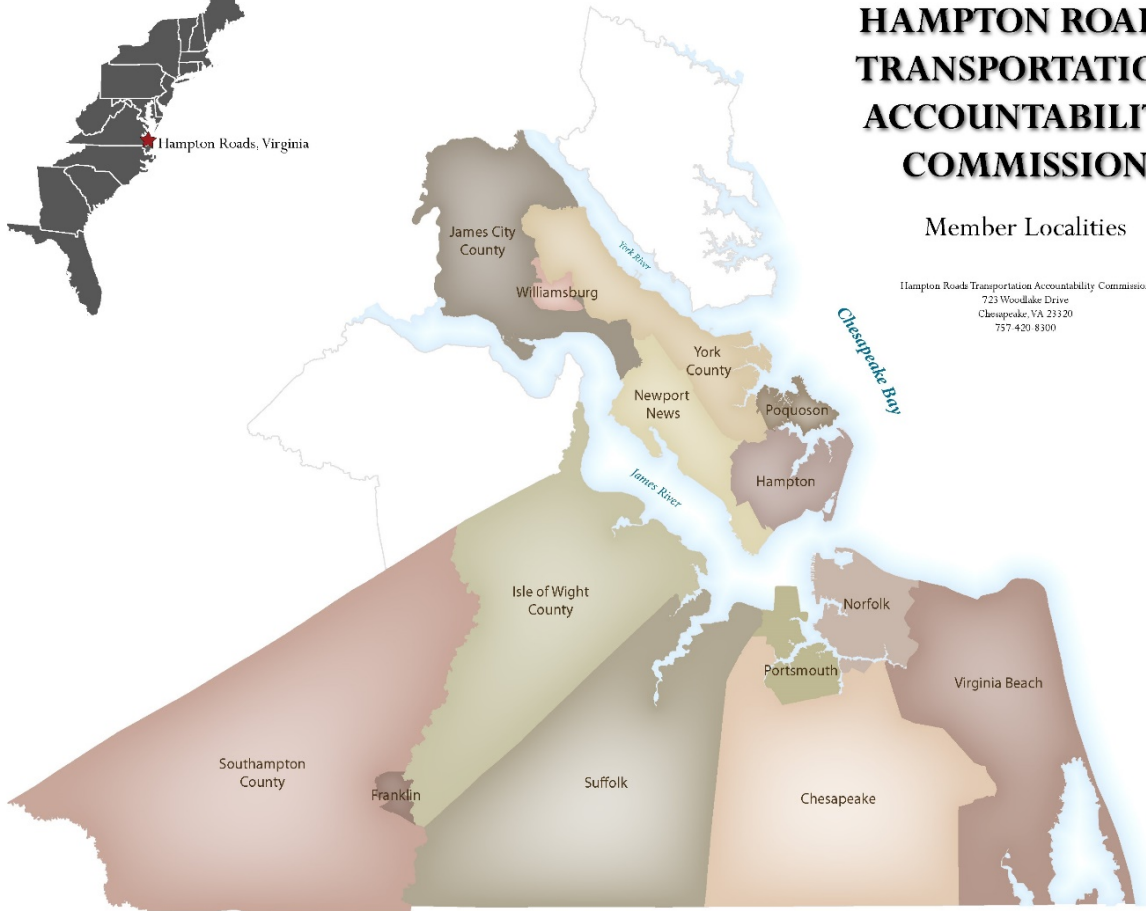
† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders, and neither HRTAC nor the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy.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



HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

Member Localities

Hampton Roads Transportation Accountability Commission
723 Woodlake Drive
Chesapeake, VA 23320
757 420 8300



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) overallocate 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, calculated based on 2.1% of the average statewide wholesale price per gallon but subject to a floor of 6.7 cents per gallon (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.”

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 “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, calculated based on 2.1% of the average statewide wholesale price per gallon but subject to a floor of 6.7 cents per gallon (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, calculated based on 2.1% of the average statewide wholesale price per gallon but subject to a floor of 6.7 cents per gallon.

[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 September 30, 2019, HRTF Revenues (unaudited) were \$46,035,769, compared to \$41,484,456 during such period for the previous year.

[Table appears on following page]

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

<u>Source</u>	<u>FY 2014</u> ⁽¹⁾	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u> ⁽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</u> ⁽⁴⁾	<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:	<u>\$ _____</u>

Uses:

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

Redemption *

The Series 2020A Bonds are not subject to redemption prior to maturity.

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.

* Preliminary, subject to change.

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 on the Series 2020A Bonds

	<u>Principal</u>	<u>Interest</u> ⁽¹⁾	<u>Total</u>
2020	\$ _____	\$ _____	\$ _____
2021	_____	_____	_____
2022	_____	_____	_____
2023	_____ (2)	_____ (3)	_____

(1) Assumes 5% coupon.

(2) Preliminary, subject to change. HRTAC expects to pay the principal installment on _____ 1, 20__, the maturity date of the Series 2020A Bonds, from expected disbursements under the 2019 TIFIA Loan Agreement. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS—Payment of Interest and Principal.”

(3) Preliminary, subject to change. Capitalized interest will be funded at closing for interest payments through _____ 1, 20__. Remainder of interest will be payable in FY 20__ from HRTAC Revenues on an [Senior][Intermediate] Lien basis as described in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2020A BONDS—Payment of Interest and Principal.”

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;

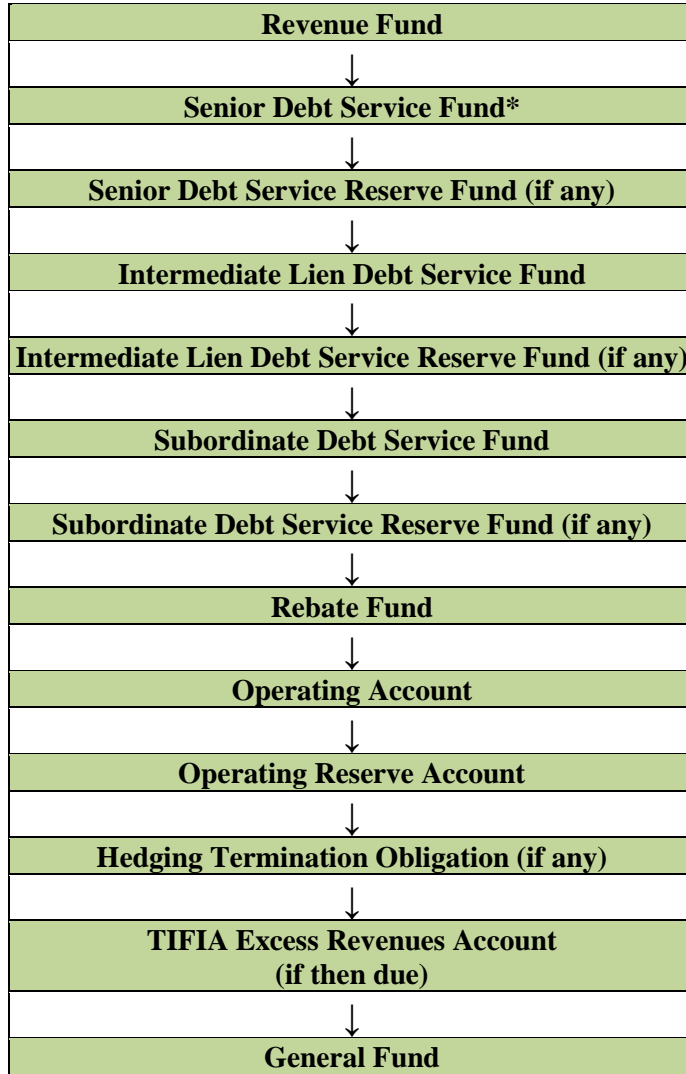
ELEVENTH: After curing any deficiencies as required by the Master Indenture to the deposits and balances required in "FIRST" through "TENTH" above, to the TIFIA Revenue Sharing Account, the amount, if any, as may be required under the TIFIA Series Supplement, and the applicable provisions of any other 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

<u>Non-Voting Members:</u>	<u>Title</u>	<u>Source of Appointment</u>
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.

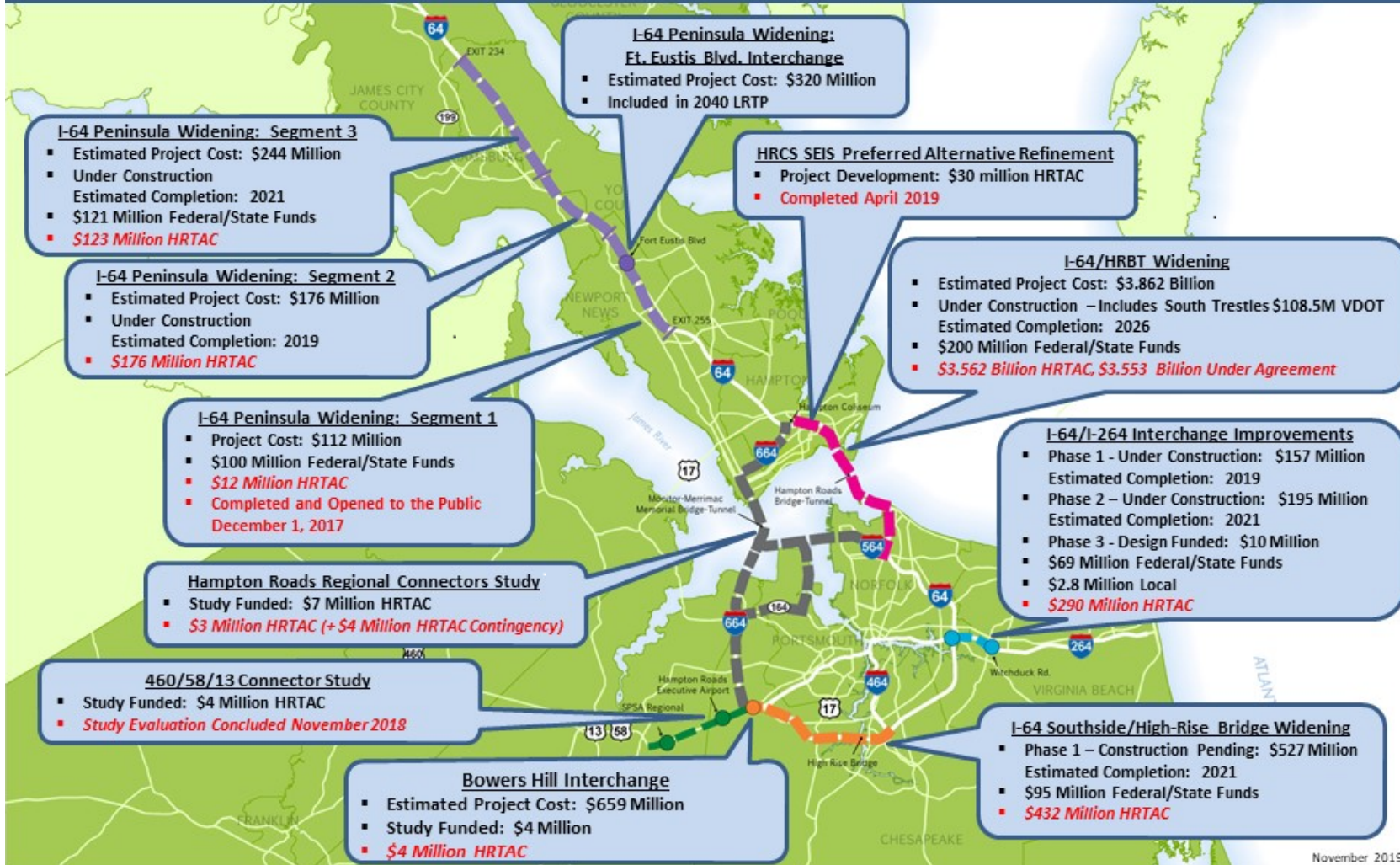
The map on the following page illustrates the regional priority projects included in the 2040 LRTP and the Vision Plan.

Hampton Roads Regional Transportation Priority Projects

“Moving Projects Forward – HRTAC Investments”



Projects Planned and Prioritized by HRTPO, Powered by HRTAC



November 2019

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>\$413</u>	<u>\$78</u>	<u>\$40</u>	-	-	-	-	-	<u>\$531</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>\$286</u>	<u>\$45</u>	<u>\$24</u>	<u>\$8</u>	-	-	-	-	<u>\$363</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>\$251</u>	<u>\$197</u>	<u>\$79</u>	-	-	-	-	-	<u>\$527</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>\$76</u>	<u>\$366</u>	<u>\$1,143</u>	<u>\$753</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$3,862</u>
<u>Project Development</u>									
HRTAC Funding	\$38	\$1	-	-	-	-	-	-	\$39
VDOT Funding	-	-	-	-	-	-	-	-	-
Total	<u>\$38</u>	<u>\$1</u>	-	-	-	-	-	-	<u>\$39</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>\$1,064</u>	<u>\$687</u>	<u>\$1,286</u>	<u>\$761</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$5,322</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

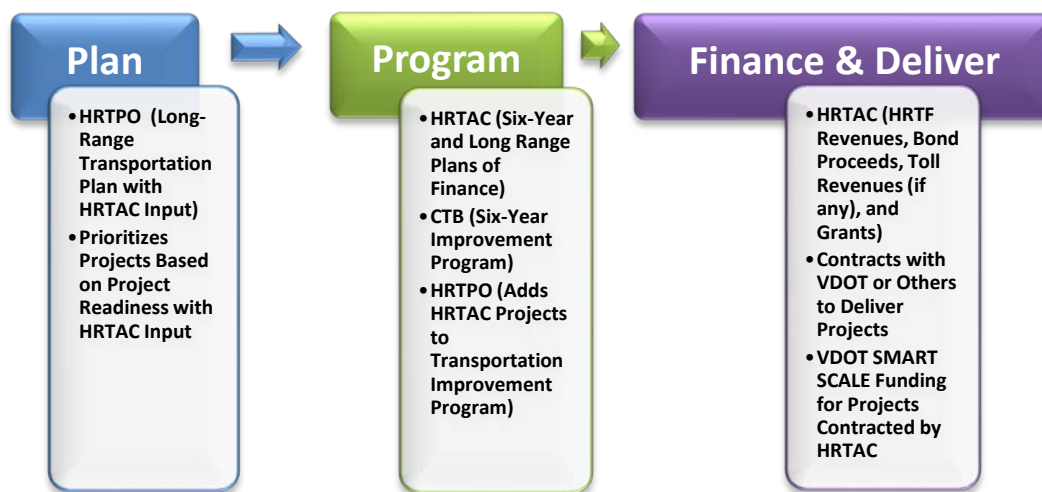
Source: HRTAC, 2045 Long Range Plan of Finance Update adopted June 20, 2019.

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	CY	CY	CY	CY	CY	CY	CY	Total
	2018	2019	2020	2021	2022	2023	2024	2025	
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."**

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

FY	HRTAC Revenues ⁽²⁾		Total HRTAC Revenues	Principal and Interest Requirements						Debt Coverage		
	Retail Sales and Uses Tax ⁽³⁾	Wholesale Motor Vehicle Fuels Sales Tax ⁽⁴⁾		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.

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 includible 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

**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.

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

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**

HRTAC REVENUES AND EXPENSES

FORM OF BOND COUNSEL OPINION

**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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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>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%		\$	%

(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</u> <u>(July 1)</u>	<u>Principal</u> <u>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</u> <u>(July 1)</u>	<u>Principal</u> <u>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 original issue premium 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
R- _____

CUSIP

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:

Year (<u>July 1</u>)	Principal <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:

Year (<u>July 1</u>)	Principal <u>Amount</u>
---------------------------	----------------------------

(5) 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>
--------------------------------	-----------------------------------

(6) 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 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

Requisition No. _____

Attn: _____

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 1650 Market Street, 30th Floor, Philadelphia, Pennsylvania 19103 Attention: Mary I. DiMartino, Public Finance, Fax: (215) 6540-3455.

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>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>10%</u>	<u>CUSIP*</u>
<u>July 1</u>				<u>Sold?</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

<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Agenda Item 6B
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: Proposed HRTAC FY2021-FY2026 Plan of Finance Update

Recommendation:

The Finance Committee is requesting that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed HRTAC FY2021-FY2026 – 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 HRTAC-adopted Financial Plan to include certain modifications for the Region’s High Priority Projects and additional revenues based on new or updated information.

Background:

During FY2020, HRTAC Staff developed a 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. This effort to update the Financial Plan included employing financial consultant services, general and bond counsel, and traffic and revenue estimators, and included input provided by VDOT, HRTAC and HRTPO Staff. The purpose of updating the Financial Plan is to provide current direction on project financing, revenue assumptions, and timing that will be used as the Commission’s current financial plan. The proposed HRTAC FY2021-FY2026 Plan of Finance Update provides clarity to the I-64 HRBT Expansion Project and adds the Hampton Roads Express Lanes Network. This update will guide the Commission and inform others through advancing project construction readiness, project finance, bonding, tolling, and environmental planning. The Commission will need to conduct a public hearing on the Proposed HRTAC 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 by no later than its June 18, 2020 Annual Organizational meeting.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. The proposed \$6,169,202,937 HRTAC FY2021-FY2026 Plan of Finance Update – Six Year



Operating and Capital Program of Projects represents an \$880,047,269 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 deobligations of other projects.

Suggested Motion:

Motion: The Finance Committee endorses the 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 HRTAC-adopted 2020-2026 Financial Plan and authorizes the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize HRTAC Staff to conduct a public hearing and report back public comments for consideration in the Commission’s action by no later than its June 18, 2020 Annual Organizational meeting.





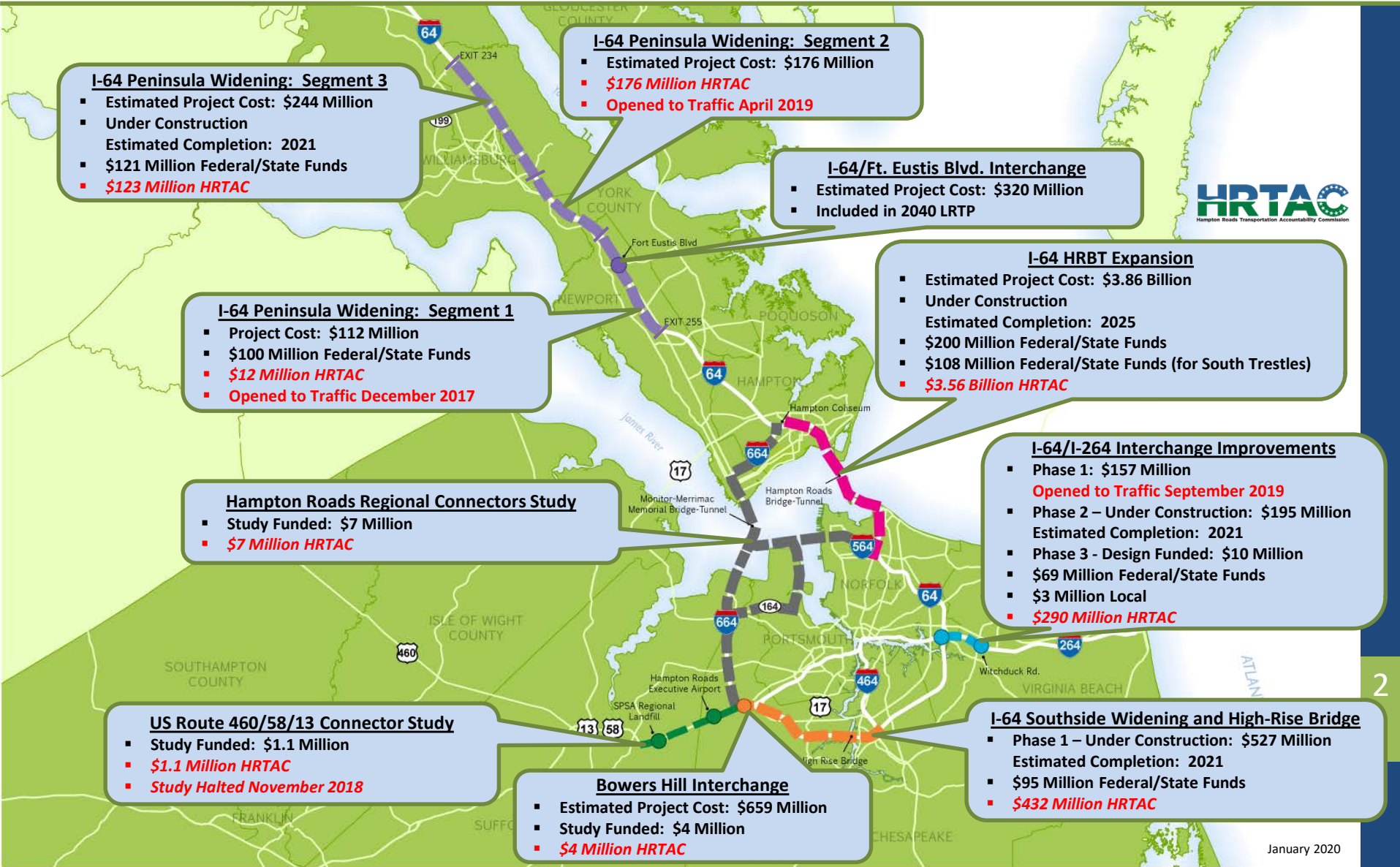
Finance Committee Meeting
March 12, 2020

Regional Priority Project Financing Update
SYIP and 2045 LRTP Update
Agenda Items 6B and 6C

Kevin Page, HRTAC

Hampton Roads Regional Transportation Priority Projects

\$5.17 Billion Total Value \$4.64 Billion HRTAC Funded



I-64 Peninsula Widening: Segment 3

- Estimated Project Cost: \$244 Million
- Under Construction
- Estimated Completion: 2021
- \$121 Million Federal/State Funds
- **\$123 Million HRTAC**

I-64 Peninsula Widening: Segment 2

- Estimated Project Cost: \$176 Million
- **\$176 Million HRTAC**
- **Opened to Traffic April 2019**

I-64/Ft. Eustis Blvd. Interchange

- Estimated Project Cost: \$320 Million
- Included in 2040 LRTP

I-64 Peninsula Widening: Segment 1

- Project Cost: \$112 Million
- \$100 Million Federal/State Funds
- **\$12 Million HRTAC**
- **Opened to Traffic December 2017**

I-64 HRBT Expansion

- Estimated Project Cost: \$3.86 Billion
- Under Construction
- Estimated Completion: 2025
- \$200 Million Federal/State Funds
- \$108 Million Federal/State Funds (for South Trestles)
- **\$3.56 Billion HRTAC**

Hampton Roads Regional Connectors Study

- Study Funded: \$7 Million
- **\$7 Million HRTAC**

I-64/I-264 Interchange Improvements

- Phase 1: \$157 Million
- **Opened to Traffic September 2019**
- Phase 2 – Under Construction: \$195 Million
- Estimated Completion: 2021
- Phase 3 - Design Funded: \$10 Million
- \$69 Million Federal/State Funds
- \$3 Million Local
- **\$290 Million HRTAC**

US Route 460/58/13 Connector Study

- Study Funded: \$1.1 Million
- **\$1.1 Million HRTAC**
- **Study Halted November 2018**

Bowers Hill Interchange

- Estimated Project Cost: \$659 Million
- Study Funded: \$4 Million
- **\$4 Million HRTAC**

I-64 Southside Widening and High-Rise Bridge

- Phase 1 – Under Construction: \$527 Million
- Estimated Completion: 2021
- \$95 Million Federal/State Funds
- **\$432 Million HRTAC**

Hampton Roads Express Lanes Network



- Segment 1 – Operational
- Segment 2 – Under Construction
- Segment 3 & Segment 4 – Traffic and Revenue Study and Concept of Operations Underway

Source: VA Secretary of Transportation

Project Progress and Status – Six Year Improvement Plan Projects

- Six Initial Project
 - Financing completed; project fully funded
- HRBT
 - HRTAC's next high priority to fund; will issue HRTF-backed and toll revenue-backed debt
 - PAFA executed in 2019
 - Master Tolling Agreement drafting and negotiation underway; execution expected by April 30, 2020
- Hampton Roads Express Lane Network
 - Additional costs to implement HOT lanes on I-64
 - To be included in the SYIP
 - HRTAC will issue HRTF-based and toll revenue-backed debt
 - Funding agreement with VDOT to come
 - Tolling policy and tolling commencement year to come

Project Progress and Status – Long Range Transportation Projects

- High Rise Bridge Phase II
 - HRTAC and HRTPO continue to maximize funding efficiency and maximize network functionality
 - HRB II – shifted to post HRTAC 2045 Funding Plan horizon due to elements included in HRB I - Released funding capacities for other projects
- Bowers Hill and Ft. Eustis
 - Remain in the 2045 LRTP
 - Bowers Hill construction can start after HRBT, completion in FY 2030
 - Ft. Eustis construction can start after Bowers Hill, completion in FY 2033

Proposed Six-Year Improvement 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 Funds	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 ^{1, 2}	\$13	\$37	\$100	\$255	\$310	\$170		\$885	\$885			
Total	\$1,783	\$1,316	\$828	\$807	\$849	\$559	\$28	\$6,169	\$5,581	\$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	\$1,437	\$1,281	\$820	\$807	\$739	\$469	\$28	\$5,581
Total	\$1,784	\$1,316	\$828	\$807	\$849	\$559	\$28	\$6,169

Notes:

- \$965M current VDOT Hampton Roads Express Lanes Network (HRELN) estimate reduced to \$885M due to High Rise Bridge Phase I scope modification to include initial elements of High Rise Bridge Phase II and use of currently available project resources outside of HRELN
- Annual HRELN expenditure schedule developed by PFM for planning purposes; to be verified/updated by VDOT as project advances

HRTAC Projected Cash Flow

FY 2021 to FY 2026

HRTAC Projected Cash Flow

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
HRTF .7% local Sales Tax Funds	\$149	\$153	\$156	\$160	\$163	\$167	\$949
HRTF 2.1% Fuel Tax Funds	\$57	\$57	\$58	\$58	\$59	\$59	\$347
Total HRTF Revenue	\$206	\$210	\$214	\$218	\$222	\$226	\$1,296
HRTAC Toll Revenues						\$31	\$31
HRTF Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HRTF Investment Income	\$6	\$3	\$3	\$2	\$3	\$3	\$20
HRTAC HRTF Revenue Debt Proceeds	\$1,054	\$767	\$340	\$222			\$2,383
HRTAC Toll Revenue Debt Proceeds				\$389	\$461		\$850
Total HRTAC Revenue	\$1,266	\$980	\$556	\$832	\$686	\$260	\$4,581
HRTAC Cost Share	\$1,281	\$820	\$807	\$739	\$469	\$28	\$4,144
HRTF and Toll Revenue Debt Service	\$41	\$80	\$70	\$86	\$105	\$147	\$529
HRTF and Toll Revenue Debt Service Reserve		\$29	\$1	\$1	\$1	\$112	\$143
Tolling O&M Costs						\$25	\$25
Tolling M&R Reserve							
Toll Revenue Repayment to VDOT							
Total HRTAC Expenditure	\$1,322	\$928	\$878	\$826	\$575	\$312	\$4,842
<i>Revenue/Expenditure Difference Balanced by Cash on Hand</i>	<i>\$56</i>	<i>(52)</i>	<i>\$322</i>	<i>(5)</i>	<i>(111)</i>	<i>\$51</i>	<i>\$261</i>
HRTAC Unobligated Funds							
Beginning Fund Balance	\$428	\$372	\$424	\$102	\$108	\$219	
Annual Deposit/(Draws)	(\$56)	\$52	(\$322)	\$5	\$111	(\$51)	(261)
Ending Fund Balance	\$372	\$424	\$102	\$108	\$219	\$167	

HRTAC 2045 Long Range Funding Plan 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	\$885	\$530	\$270					
Fiscally Constrained Construction End Year	2022	2026	2026	2030	2033	\$6,867	\$3,057	\$950	\$2,272	\$588

- High Rise Bridge Phase II full implementation shifted to post 2045 planning horizon due to initial elements included in High Rise Bridge Phase I project
- Hampton Roads Express Lanes Network (HRELN) added



Hampton Roads Transportation Accountability Commission



Agenda Item 6C
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: Proposed HRTAC 2045 Long Range Plan of Finance Update

Recommendation:

HRTAC Staff has developed a 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects, and Staff is requesting that the Finance Committee endorse the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects and request Commission authorization for the Finance Committee to conduct a public hearing to update the HRTAC 2045 Long Range Plan of Finance Update to include certain modifications for the Region's High Priority Projects and additional revenues based on new or updated information.

Background:

Two years ago, HRTAC Staff developed a 2045 Long Range Plan of Finance for the HRTAC High Priority Projects and communicated the plan to the HRTPO. This current effort is to update information and develop a 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects. HRTAC efforts have included employing financial consultant services, general and bond counsel, and included input provided by VDOT, HRTAC and HRTPO Staff. The purpose of developing the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects is to provide current direction on project financing and timing that will be used in the HRTPO's long range transportation plan. The proposed \$6.867 billion HRTAC 2045 Long Range Plan of Finance Update represents a \$1.018 billion decrease in comparison to last year's \$7.885 billion HRTAC 2045 Long Range Plan of Finance Update. The High Rise Bridge Phase II project is shifted to post a 2045 completion date and the Hampton Roads Express Lane Network is added to the plan. This update will guide the Region and inform others through advancing project construction readiness, project finance, bonding, tolling, and environmental planning.

The 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects process includes HRTAC conducting a public hearing for the purpose of sharing the proposed update with the public and soliciting public input for the Commission to be aware of prior to the Commission taking Action on the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects at a future meeting.



Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. The proposed \$6.867 billion HRTAC 2045 Long Range Plan of Finance Update represents a \$1.018 billion decrease in comparison to last year's HRTAC 2045 Long Range Plan of Finance Update.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects to the Commission, and requests that the Commission authorize the Finance Committee to hold a public hearing and report back public comments for consideration in the Commission's action at a future meeting to communicate the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects to the HRTPO.

Agenda Item 6D
Discussion Item

To: Chair Hipple and the Other Members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: Briefing to the Finance Committee on the progress of the prospective Hampton Roads Express Lane Network Master Tolling Agreement, and the financing activities relating thereto - Closed Session, as needed

Background:

HRTAC and VDOT are in the process of drafting the Master Tolling Agreement under which the CTB, VDOT and HRTAC will address, among other things, the tolling policies, the imposition of tolls, and the use of the toll revenues, including use in connection with toll-backed debt. During the 2020 session of the General Assembly, HB1438 clarified HRTAC's authority to toll the Commonwealth Transportation Board designated HOT lanes in Hampton Roads along I-64 between West Jefferson Avenue in Newport News, through the Hampton Roads Bridge Tunnel, to the Bowers Hill Interchange in Chesapeake. The legislation also stipulated that prior to the imposition of tolls, the Commission has to enter into an agreement with the Commonwealth Transportation Board and the Department of Transportation that (i) sets the standards for the operations of the facility, including the collection of tolls; (ii) addresses the use and application of toll revenues and toll-backed debt proceeds and the reimbursement of any funds expended by the Commonwealth Transportation Board or the Department of Transportation to convert any portion of the facility from high-occupancy vehicle lanes to high-occupancy toll lanes; and (iii) contains such other provisions deemed appropriate and necessary to ensure the safe and efficient operations of the general purpose and high-occupancy toll lanes on any portion of the facility where the Commission intends to exercise the authority as provided by the legislation.

RECOMMENDED ACTION:

Following the presentations, the Finance Committee is requested to provide its recommendations regarding next steps or direction regarding the development of more information.



Agenda Item 6E
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: Hampton Roads Express Lanes Network Investment Grade Traffic and Revenue Study - Recommendation to Approve the Funding of and Actions Re: Work Order

Recommendation:

HRTAC Staff recommends that the Finance Committee (i) endorse the proposed Investment Grade Traffic and Revenue Study Work Order for the Hampton Roads Express Lanes Network that is being placed by the VDOT Office of P3 and (ii) recommend to the Commission that the Commission 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. Thus, an additional work order will be 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 Finance Committee endorses the proposed Investment Grade Traffic and Revenue Study Work Order for the Hampton Roads Express Lanes Network that is being placed by the VDOT Office of P3 and authorizes the Finance Committee Chair to communicate such endorsement to the Commission and to recommend to the Commission that the Commission authorize and approve the funding of such Work Order and the actions taken by the Executive Director in support thereof.

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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:

Financial:	Alvarez & Marsal:	<input type="checkbox"/>	Business Management:	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 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 Task3. 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 <i>Financial</i> Consultant (Individual’s Name/Firm)			
Expert <i>Business</i> 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

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Task Specialist Jiji Kottommannil, Mark Feldman, Evan Bigos, Tara Rima, Yonnel Gardes, Sandeep Aysola, David Aron, Yogesh Patel; CDM Smith	1,114	\$240	\$267,360
Technical Writer Tyler Grzegorzczuk, 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
Direct Expenses			
Traffic Counts (Placeholder)			\$50,000
Travel			\$12,376
Moody's and Woods and Poole Economic Data			\$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 #
Purchase Order #:	Task Order Project Manager Faizan Habib	AS-58 form approved? Yes	

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.

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Purchase Order #:	Task Order Project Manager Faizan Habib	AS-58 form approved? Yes	

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

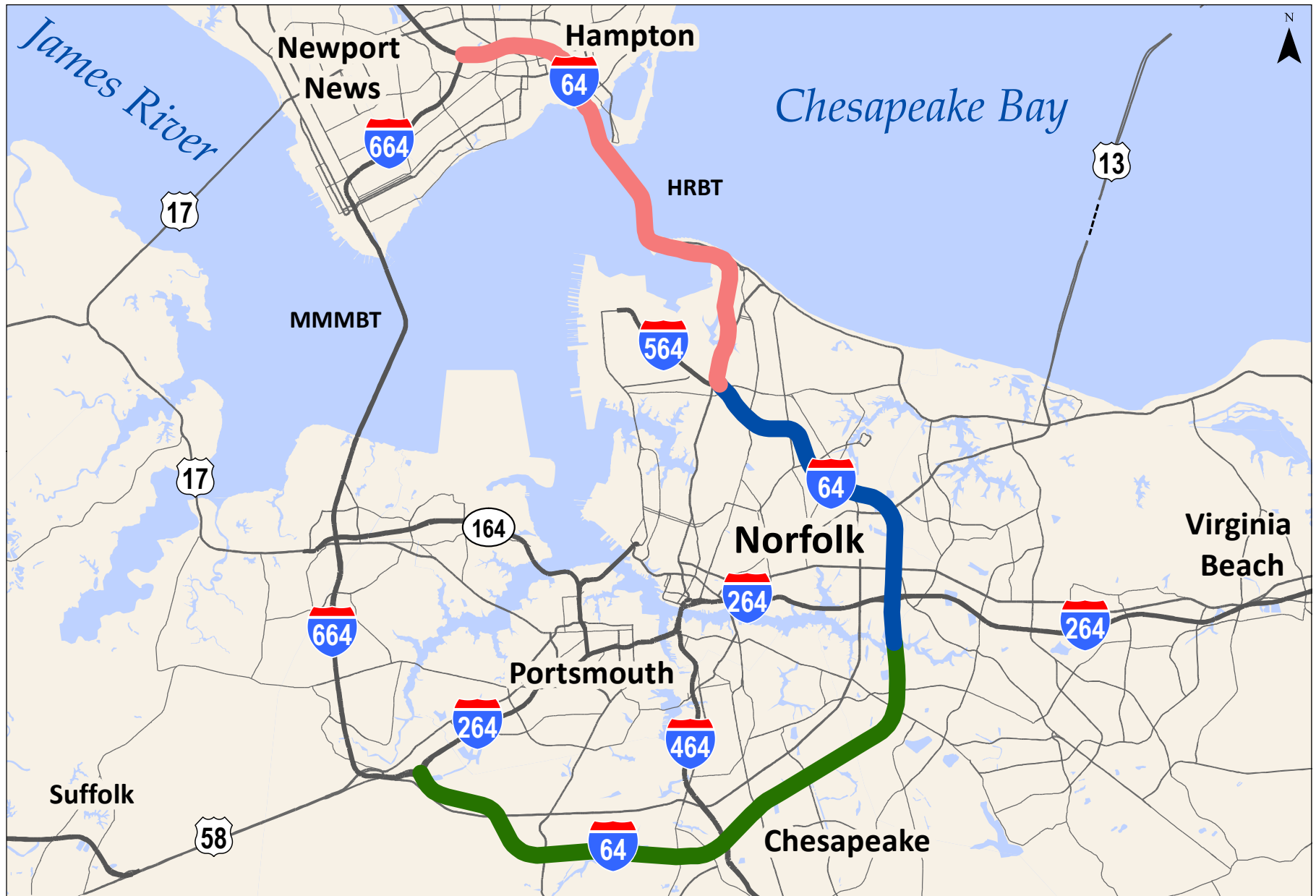
Provided by: _____ Date: _____
 (Manuch Amir/Client Service Manager)
 (CDM Smith)

Requested by: _____ Date: _____

 Program Manager, VDOT P3 Office

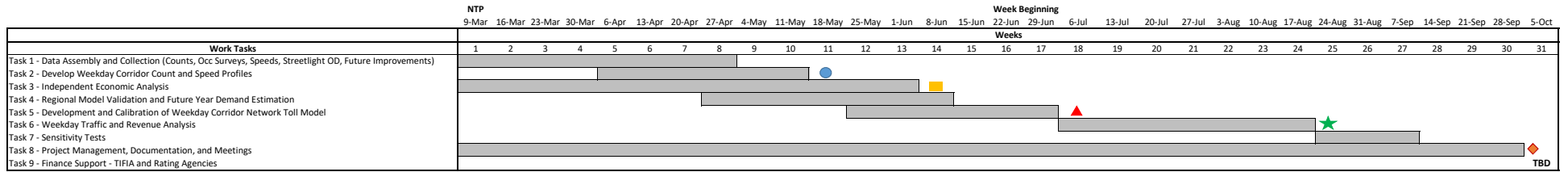
Certified by: _____ Date: _____
 Jacqueline H. Cromwell
 Contract Administrator, VDOT P3 Office

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



C:\Users\grzegorzcyktr\Desktop\FofFaizan\Potential Regional Hot Network Base.mxd \2-05-20

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



Task Completion / Deliverables
 ● Corridor Traffic and Speed Profiles
 ■ Independent Economist Report
 ▲ Model Calibration
 ★ T&R Estimates Delivered
 ◆ Draft Traffic and Revenue Report
 NTP = Notice to Proceed
 TBD = To be Determined

Agenda Item 6F
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: March 12, 2020

Re: FY2021 HRTAC Administrative and Project Development Budget and Request for a Public Hearing

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission endorse the Proposed HRTAC FY2021 Administrative and Project Development Budget reflected in the enclosed Budget (the "Proposed HRTAC FY2021 Administrative and Project Development Budget") and authorize the Finance Committee to hold a public hearing regarding the proposed budget.

Background:

Each year, HRTAC develops, adopts, and tracks its annual operating budget to provide for the Administrative and Project Development activities of the Commission. For FY2021, the HRTAC Staff has developed the Proposed HRTAC FY2021 Administrative and Project Development Budget for the Finance Committee's review and input. The Draft HRTAC FY2021 Administrative and Project Development Budget is based on Staff review of prior expenditure flows and anticipated additional needs of the Commission for the upcoming business year. The proposed budget of \$7,279,172 includes the addition of one full time accounting position, a two percent cost of living increase for full time employees, and increases in Bond Issuance, legal, and health care.

Fiscal Impact:

There is a \$7,729,172 fiscal impact of in relation to this Action Item.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed HRTAC FY2021 Administrative and Project Development Budget and authorizes the Finance Committee Chair to recommend the draft budget to the Commission and request that the Commission authorize the Finance Committee to conduct a public hearing on the Proposed HRTAC FY2021 Administrative and Project Development Budget.





Proposed FY2021 Administrative and Project Development Budget

CATEGORY	FY2021 Proposed Budget	FY2021 Proposed Administrative	FY2021 Proposed Project Development
REVENUES			
HRTF Revenues, Interest, Investment Income	7,279,172	1,859,172	5,420,000
TOTAL REVENUE	\$ 7,279,172	\$ 1,859,172	\$ 5,420,000
EXPENDITURES			
PERSONNEL*			
HRTAC Staff/Fringes/Leave Reserve	\$ 665,212	\$ 665,212	\$ -
HRTPO/HRPDC Support Staff*	123,000	123,000	-
SUBTOTAL PERSONNEL	788,212	788,212	-
PROFESSIONAL SERVICES			
Audit	244,000	244,000	-
Trustee	10,000	10,000	-
Bank Fees & Investment Services	355,000	355,000	-
Legal	1,025,000	375,000	650,000
Financial Advisors	595,000	-	595,000
Insurance - D&O/Liability	5,000	5,000	-
Recruiting	2,000	2,000	-
Bond Issuance Expense/TIFIA/T&R Study	4,170,000	-	4,170,000
SUBTOTAL PROFESSIONAL SERVICES	6,406,000	991,000	5,415,000
TECHNOLOGY/COMMUNICATION*			
IT/Communications	7,500	7,500	-
LAN system/ Cloud	10,000	10,000	-
Website Consultant	2,000	2,000	-
SUBTOTAL TECHNOLOGY/COMMUNICATION	19,500	19,500	-
ADMINISTRATIVE *			
Public Notices/Advertising	1,000	1,000	-
Office Space	24,745	24,745	-
Office Supplies*	5,000	4,000	1,000
Furniture	2,000	2,000	-
Printing/Copying*	6,000	2,000	4,000
Dues/Subscriptions/Computer Licenses	3,000	3,000	-
Travel	8,000	8,000	-
Meeting Expenses*	7,750	7,750	-
Telephone*	2,465	2,465	-
Postage*	500	500	-
Professional Development	5,000	5,000	-
SUBTOTAL ADMINISTRATIVE	65,460	60,460	5,000
TOTAL EXPENDITURES	\$ 7,279,172	\$ 1,859,172	\$ 5,420,000

*Includes items to be reimbursed to HRPDC/HRTPO





Hampton Roads Transportation Accountability Commission

Market Update

Presented By:

Nelson Bush, Managing Director
Gray Lepley, Portfolio Strategist

March 12, 2020

PFM Asset Management LLC

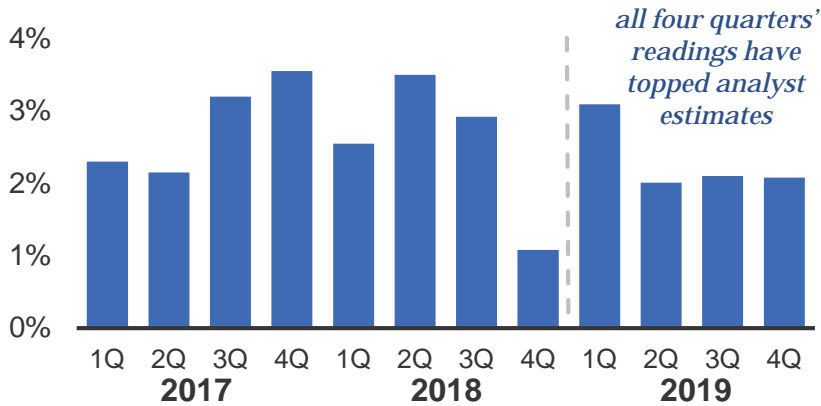
4350 North Fairfax Drive,
Suite 580
Arlington, VA 22203

703.741.0175
pfm.com

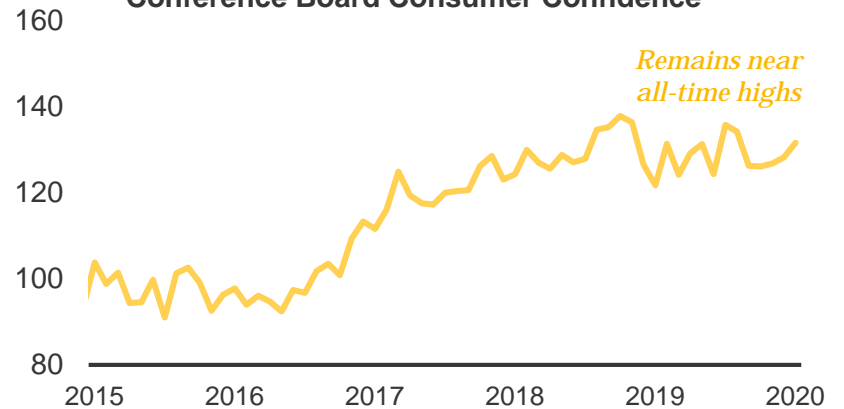


U.S. Economy Heads into 2020 with Steady Growth

U.S. GDP Growth

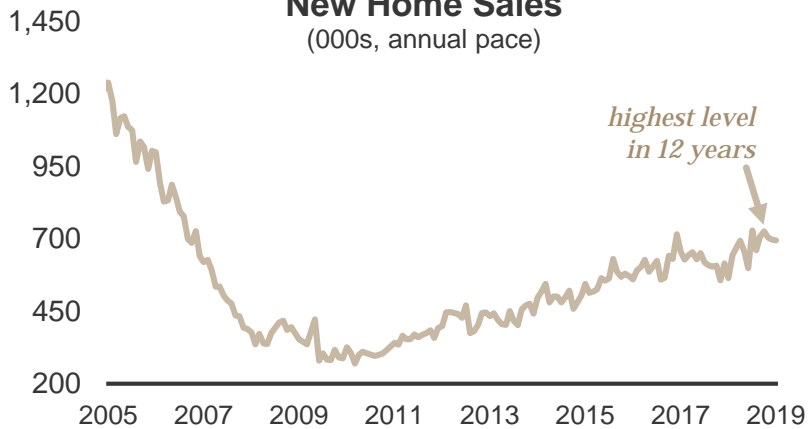


Conference Board Consumer Confidence

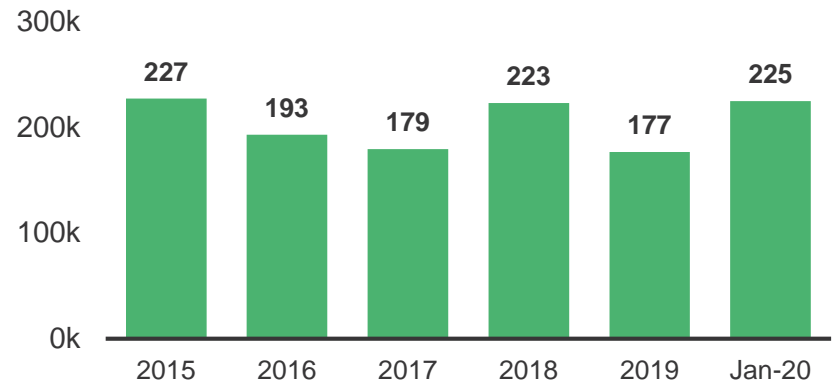


New Home Sales

(000s, annual pace)



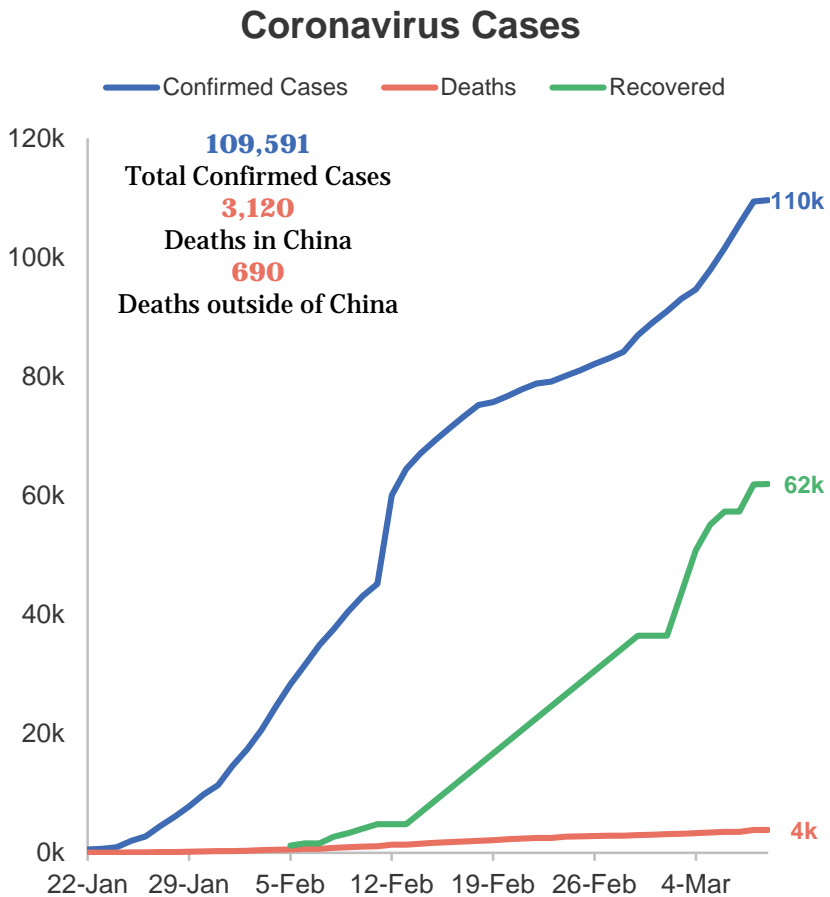
Average Monthly Job Growth



Source: Bloomberg, data available as of 1/31/2020.



Coronavirus Outbreak Spans Worldwide



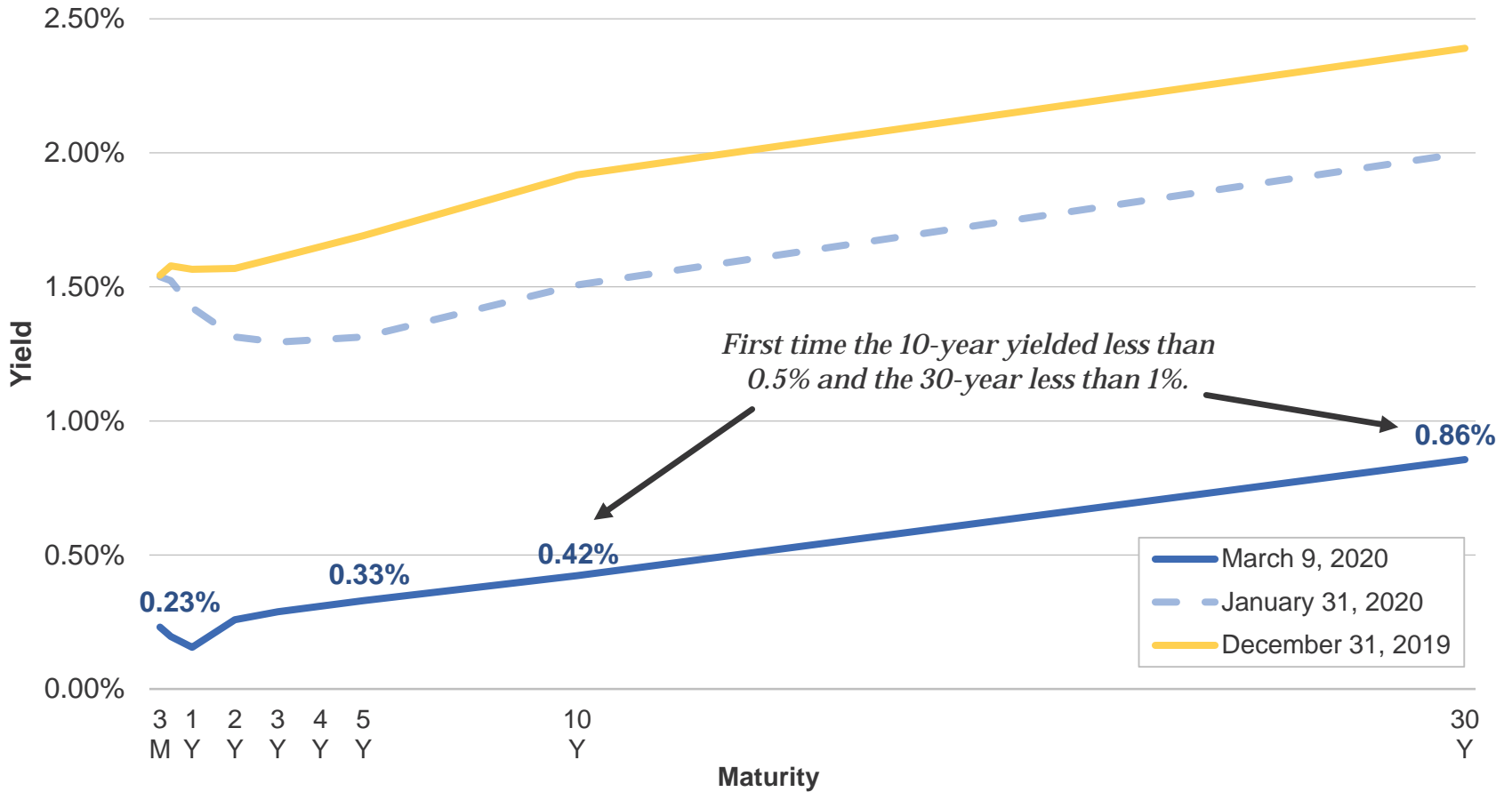
Rank*	Country	# Cases	# Deaths
1	United States	566	22
2	China	80,739	3,120
3	Japan	502	7
4	Germany	1,151	
5	India	43	
6	United Kingdom	280	3
7	France	1,209	19
8	Italy	7,375	366
10	Canada	67	
12	South Korea	7,478	53
13	Spain	1,036	26
14	Australia	93	3
15	Mexico	7	
20	Switzerland	374	2
25	Iran	7,161	237

Source: Bloomberg, data available as of 3/09/2020. *By size of economy, estimates by IMF for 2019. Data as of 3/3/2020.



Longer Maturity Yields Drop to Historic Lows

U.S. Treasury Yield Curve

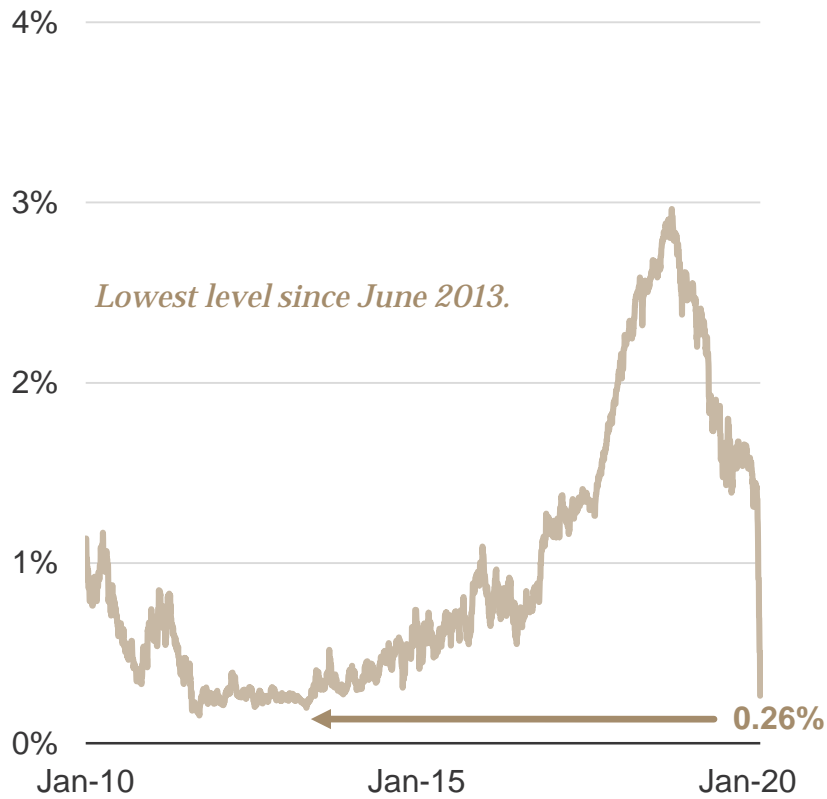


Source: Bloomberg, as of 3/9/2020.

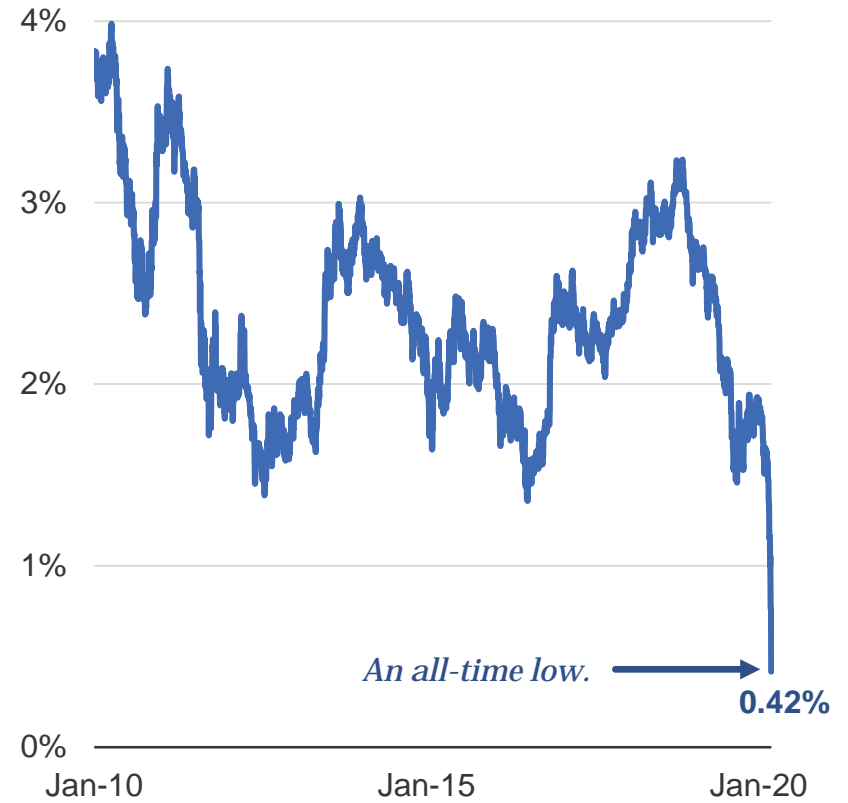


Rate Declines Accelerate

2-Year Treasury Yield



10-Year Treasury Yield



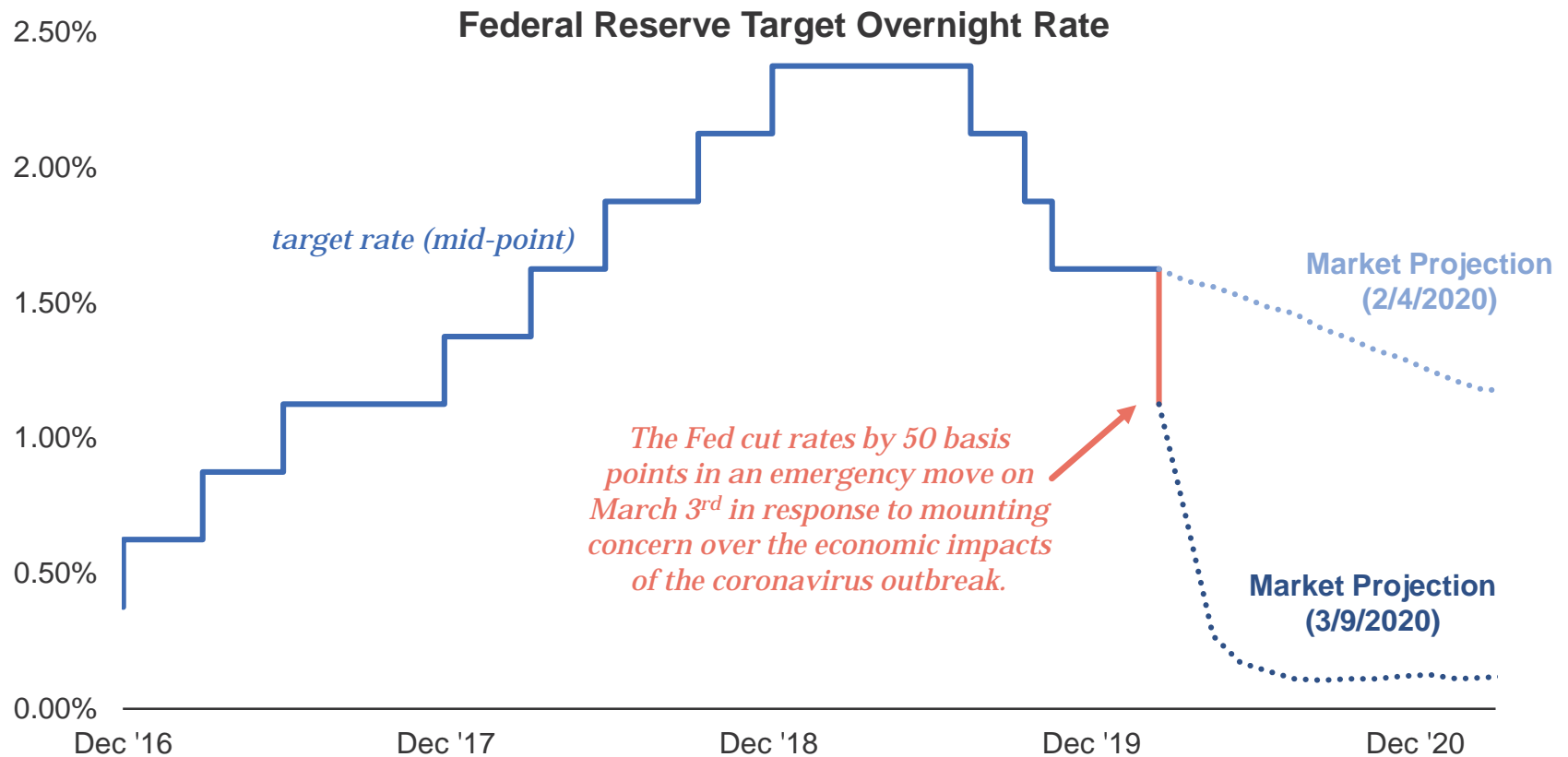
Source: Bloomberg, as of 3/9/2020.



Fed Delivers Emergency Rate Cut, Markets Expect More

“A rate cut will not reduce the rate of infection. It won’t fix a broken supply chain... But we do believe that our action will provide a meaningful boost to the economy.”

– Fed Chair Jerome Powell; March 3, 2020

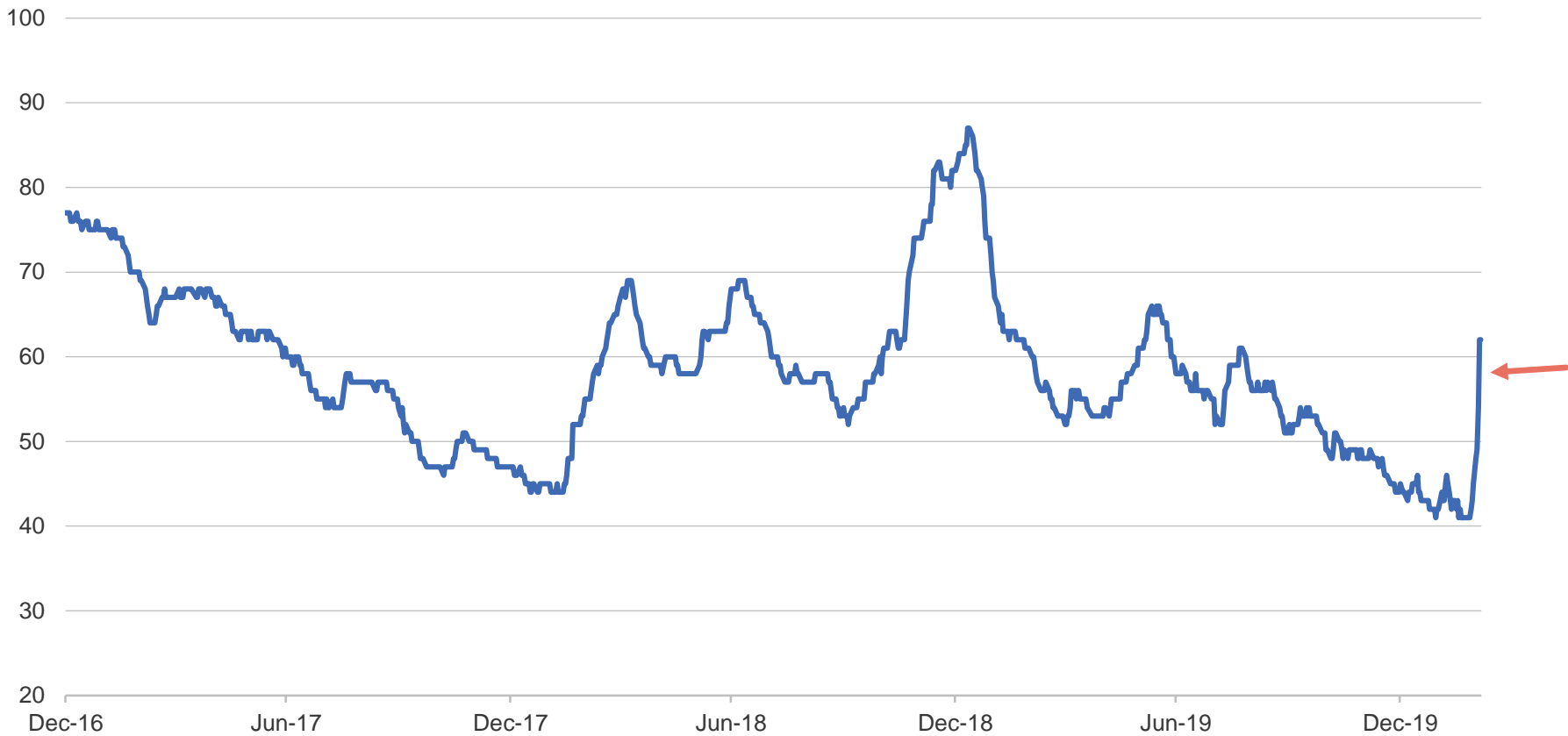


Source: Bloomberg. Market Projection as of 3/9/2020.



Corporate Spreads Have Widened Significantly

Corporate Notes (1-5 yr A-AAA) Yield Spreads

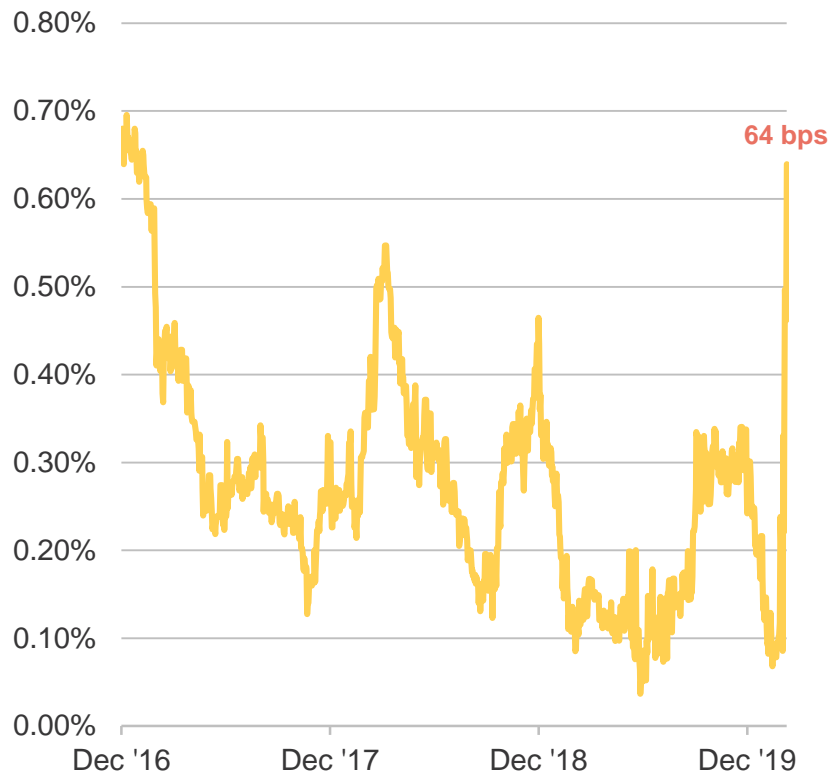


Source: ICE BofAML 1-5 year Indices via Bloomberg, as of March 9, 2020.

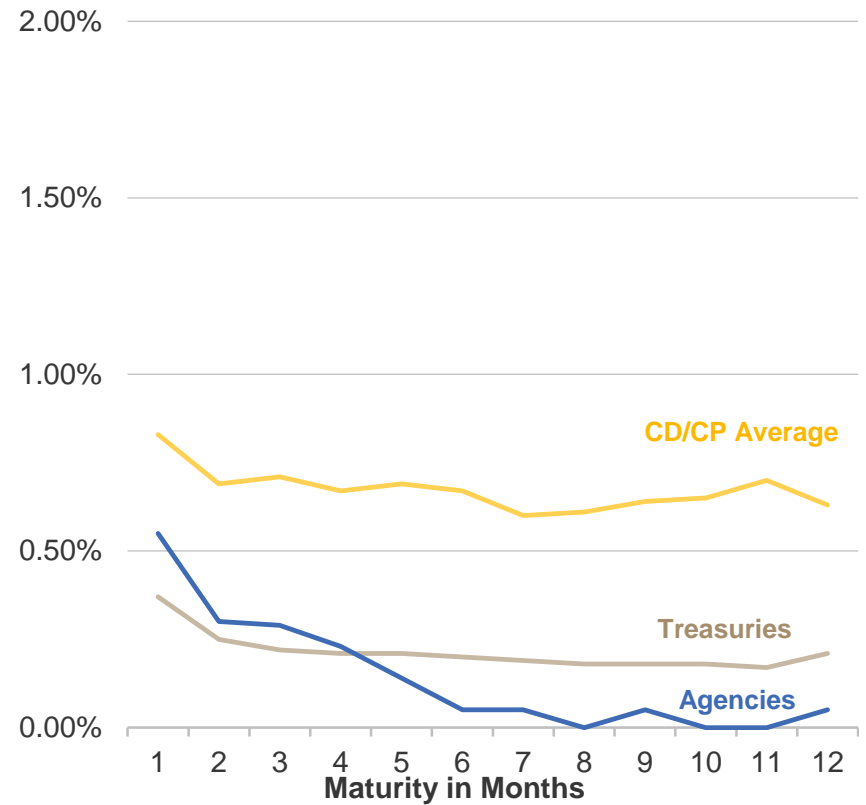


Short-Term Credit Spreads Spike to Their Highest Levels in Three Years

Yield Spread on 6-month Commercial Paper over T-Bill



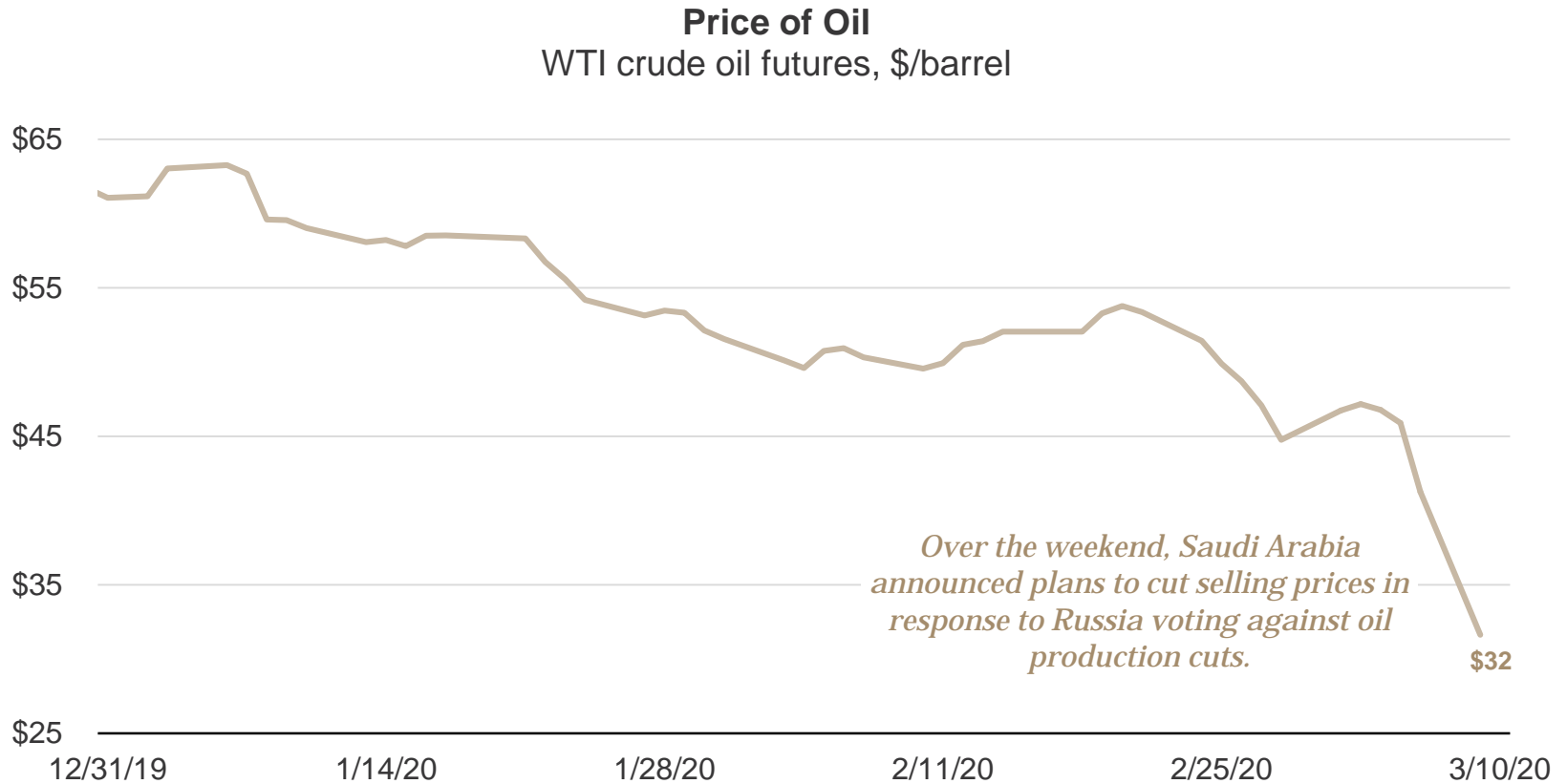
Money Market Yield Curves



Source (left): Bloomberg, as of 03/09/2020. Source (right): PFM Trading Desk, as of 03/09/2020. 6-mo CP yield spread based on A1/P1 rated CP index.



Energy Prices Collapse Adds to Market Turmoil

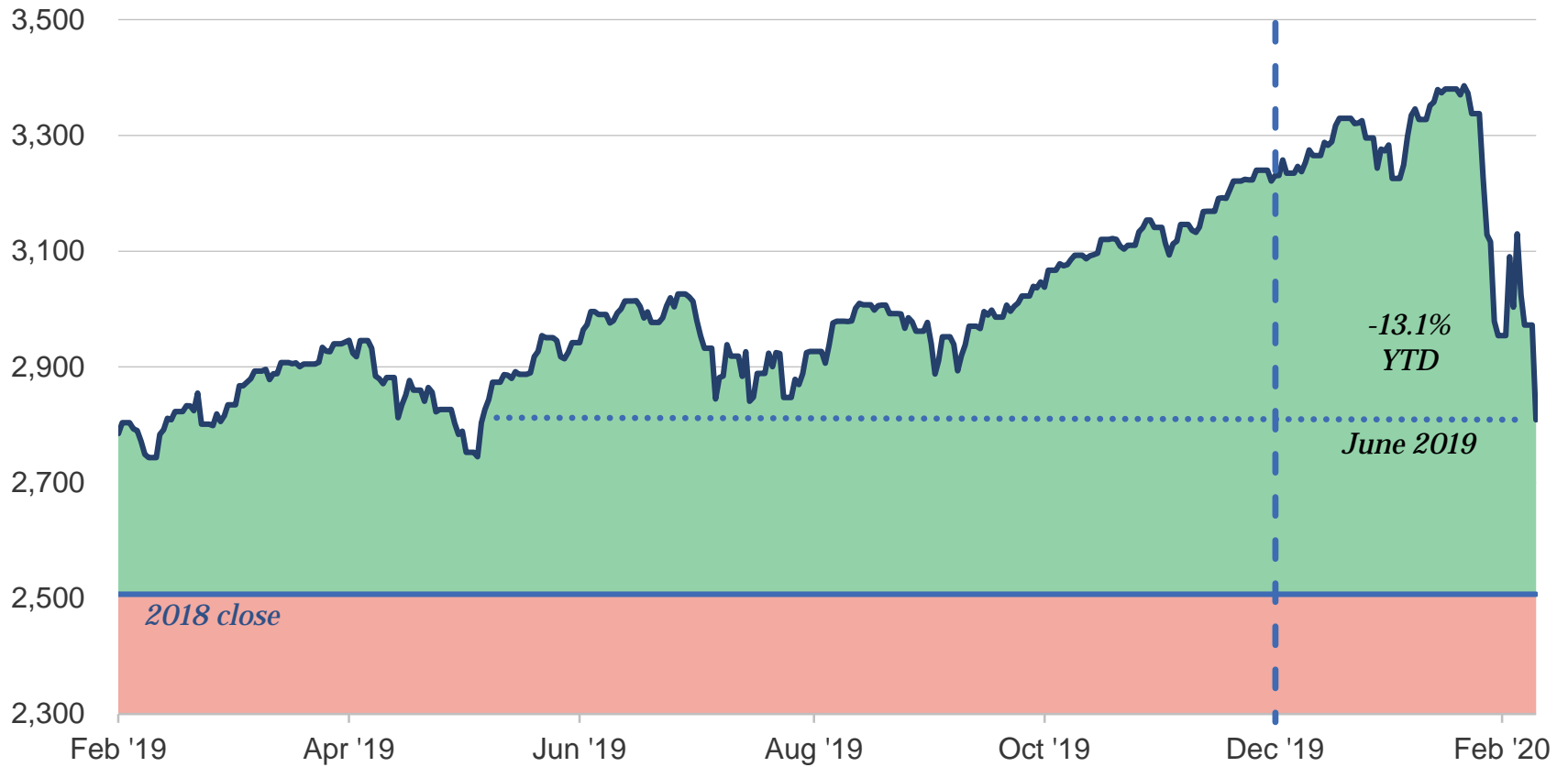


Source: Bloomberg, as of 3/9/2020. *Source: WHO, CDC, ECHC, NHC, NIH, as of 3/9/2020.



Stock Market Sell-off Continues

S&P Price Change



Source: Bloomberg, as of 3/9/2020.



Important Disclosures

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