

AGENDA

Hampton Roads Transportation Accountability Commission

Finance Committee Meeting *In Person Meeting*

March 15, 2022
9:00 a.m.

1. **Call to Order and Roll Call**
2. **Approval of Agenda**
3. **Public Comment Period**
 - *Limit 5 minutes per individual*
4. **Consent Items**
 - *Recommended Action: Approval*
 - A. **Minutes of the June 10, 2021 Finance Committee Meeting (Attachment 4A)**
5. **Action Items**
 - *Recommended Action: Discussion/Endorsement/Recommendation*
 - A. **Custodial Banking Services (Attachment 5A)** - Executive Director Page and General Counselor Inglima – Recommended Action: Endorsement and Recommendation to the Commission for Approval
 - B. **HRBT Right-of-Way Acquisition (Attachment 5B)** - Executive Director Page and General Counselor Inglima – Recommended Action: Endorsement and Recommendation to the Commission for Approval
 - C. **HREL Segment 1 Standard Project Agreement - Bifurcation/Replacement with Segment 1A and Segment 1B Standard Project Agreements (Attachment 5C)** - Executive Director Page and General Counselor Inglima – Recommended Action: Endorsement and Recommendation to the Commission for Approval
 - D. **HRTAC FY2023 Administrative and Project Development Budget (Attachment 5D)** – Executive Director Page – Recommended Action: Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve
 - E. **HREL Plan of Finance Update - Adjusted Cost Estimates, Updated Traffic and Revenue Analysis, Funding Analysis and Determination of Revenue Assumptions (Attachment 5E)** - Executive Director Page and David Miller, PFM Financial Advisors – Recommended Action: Endorsement and Recommendation to the Commission for Approval

- F. **HRTF/Toll Debt Management Plan Update (Attachment 5F)** - Executive Director Page and David Miller, PFM Financial Advisors – Recommended Action: Endorsement and Recommendation to the Commission for Approval
- G. **FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects (Attachment 5G)** - Executive Director Page and Liang Shan, PFM Financial Advisors – Recommended Action: Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve
- H. **FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects (Attachment 5H)** - Executive Director Page and Liang Shan, PFM Financial Advisors - Recommended Action: Endorsement and Recommendation to the Commission to Conduct a Public Hearing and Approve
- I. **Authorization to Issue Up to \$501,000,000 of Additional Bond Anticipation Notes to Refund and Extend HRTF Series 2019A Bond Anticipation Notes (BANs) – Resolution 2022-01 (Attachment 5I)** - Executive Director Page, Bond Counselor Ballou, General Counselor Inglima, and David Miller, PFM Financial Advisors – Recommended Action: Endorsement and Recommendation to the Commission for Approval
- J. **Authorization to Defease and Redeem up to \$486,000,000 of Series 2018A Bonds from Available Funds and Related Actions – Resolution 2022-02 (Attachment 5J)** - Executive Director Page, Bond Counselor Ballou, General Counselor Inglima and David Miller, PFM Financial Advisors - Recommended Action: Discuss Alternatives, Endorsement, and Recommend Action to the Commission for Approval
- K. **Authorization to Issue Up to \$590,000,000 of HRTF Series 2022A Senior Lien Bonds (to fund certain HRBT Project Costs) – Resolution 2022-03 (Attachment 5K)** - Executive Director Page, Bond Counselor Ballou, General Counselor Inglima, and David Miller, Liang Shan PFM Financial Advisors - Recommended Action: Endorsement and Recommendation to the Commission for Approval

6. Discussion Items

- Recommended Action: Discussion and Direction

- A. **HRTF and HRRTF 2045 Long Range Plan of Finance Update for the Region’s High Priority Projects and the Hampton Roads Regional Transit Fund (Attachment 6A)** - Executive Director Page and David Miller, Liang Shan, PFM Financial Advisors – Recommended Action: Discussion and Direction to Staff and Financial Advisors

7. Information Items

- A. **HRTAC Monthly Financial Report – (Attachment 7A)** – Executive Director Page

8. Adjournment

Agenda Item 4A
Consent Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: June 10, 2021 Meeting Minutes

Recommendation:

The Finance Committee is asked to approve the June 10, 2021 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 June 10, 2021.



**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the June 10, 2021 Finance Committee Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee Meeting was called to order at 9:00 a.m. by conference call due to COVID-19, with the following in attendance by telephone:

HRTAC Members in Attendance:

Supervisor Michael Hipple, JC, Chair
Supervisor William McCarty, IW

Supervisor Thomas G. Shepperd, YK
Senator Monty Mason, VGA

HRTAC Executive Director:

Kevin Page

Other Participants:

Eric Ballou, Kaufman and Canoles
Mike Garber, PB Mares
Tom Inglima, Willcox & Savage

David Miller, PFM
Liang Shan, PFM

HRTAC Voting Members Absent:

Mayor McKinley Price, NN

Others Recorded Attending:

Matthew Bernstein, Kristen Krug, Ronald Marino, Chris McNichol, Sabaa Modi (Citi); Sheila Wilson (HRPDC); Lynn Coen, Jennifer Hodnett (HRTAC);

Declaration re: Purpose of Meeting, Call to Order and Roll Call

HRTAC General Counsel, Thomas Inglima, proceeded to read the following declaration for the Members:

In light of the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Committee to assemble in a single location, so the meeting will be held electronically, by telephone, pursuant to the 2021 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Commission and the Committee and the discharge of their lawful purposes, duties, and responsibilities. The public is welcome to use the number provided to attend the meeting electronically. The Commission will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3707.1 of the Code of Virginia.

A roll call vote of all Members was taken in order to confirm a quorum:

Chair Michael Hipple: Present
Supervisor William McCarty: Present
Mayor McKinley Price: No Response

Supervisor Thomas Shepperd: Present
Senator Monty Mason: Present

The quorum was confirmed by Mr. Inglima.

Approval of Agenda

HRTAC Executive Director, Kevin Page, requested that Agenda Items 5D and 5E, Master Tolling Agreement Amendment and HRELN Toll Integration (System Integrator) Standard Project Agreement, respectively, be removed from the Agenda. He indicated that subsequent information from the Virginia Department of Transportation (VDOT) had been received late and would need to be reviewed before Items 5D and 5E could be considered for approval. Additionally, Mr. Page requested that Agenda Item 6, HRTAC FY2021 Financial Audit Kick-Off Discussion, be moved ahead of the Consent Items, considering the brief informational item was only for discussion and didn't require that any action be taken by the Committee.

Senator Monty Mason Moved to adopt the Agenda as presented with the removal of Agenda Items 5D and 5E and the advancement of Agenda Item 6, before Agenda Item 5; Seconded by Supervisor William McCarty. A roll call vote of the voting Members was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No one from the public requested to make a public comment.

Consent Items

- A. Minutes of the March 16, 2021 Finance Committee Meeting
- B. HRTAC Federal Programs Procedures and HRTAC Accounting Manual
- C. HRTAC FY2022 Administrative and Project Development Budget
- D. HRTAC FY2022-FY2027 Plan of Finance Update – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects and the Hampton Roads Regional Transit Fund
- E. HRTAC 2045 Long Range Plan of Finance Update for the Region's High Priority Projects and the Hampton Roads Regional Transit Fund
- F. Trustee Services for Toll Roads System Revenue Bonds

Senator Monty Mason Moved to approve the Consent Agenda Items; Seconded by Supervisor William McCarty. A roll call vote of the voting Members was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

Discussion Item

A. HRTAC FY2021 Financial Audit Kick-Off Discussion

Mr. Michael Garber, PB Mares, stated that his staff was onsite with HRTAC the week prior to begin their fiscal year 2021 audit. He noted that there had been no material findings and that he didn't perceive there being any material findings from the remaining auditing work to come.

He reviewed the timeline of the audit, noting the final field work beginning the week of August 16, and welcomed discussion and questions from Committee Members in regard to any areas of concern.

No comments from Members were made.

Action Items

A. HRBT and HRELN Funding Plan of Finance and Debt Management Plan Update

Mr. David Miller, PFM, noted that no significant changes had been made to the financial plans for the Hampton Roads Bridge Tunnel (HRBT) and Hampton Roads Express Lanes Network (HRELN) that were previously presented to the Commission in March 2021 but that the Committee was being asked to consider updates to the Debt Management Plan today to incorporate the latest HRBT and HRELN funding plans.

Mr. Miller reminded the Committee Members of the current Debt Management Plan that was prepared by HRTAC staff in May 2020 and approved by the Commission in June 2020, which Plan included a stress test revenue scenario. Mr. Miller highlighted that the Commission was thereafter presented with an updated Plan of Finance and Debt Management Plan in March 2021, which reflected collections on the HRTF, the Department of Taxation's projections on the effects of COVID-19 on revenue, and refinements to the HRELN costs based on an Investment Grade Traffic and Revenue Study. Mr. Miller noted that the Commission had not yet taken any formal action to endorse or adopt the updated Plan of Finance and Debt Management Plan initially presented in March 2021.

Mr. Miller next reviewed HRTAC's debt financings. Mr. Miller identified previously issued or executed debt financings and outlined the new sources of debt financings to be issued or executed, including Bond Anticipation Notes (BANs) and a related subordinate TIFIA loan. Mr. Miller explained that consistent with HRTAC's past practice, the BANs would be used as interim construction funding to lower the overall cost of financing even further. He

highlighted that the first toll-backed debt, as opposed to HRTF-backed debt, for the HRBT project was on the Agenda for approval and noted the anticipation of additional HRTF revenue bonds and an additional toll-backed TIFIA loan for the HRELN.

Mr. Miller summarized the HRBT funding plan, noting that the construction costs and source of funds had not changed since March 2021 and that the only change was to the reserves that were being established for the toll revenue enterprise and financing. Mr. Miller explained that a Toll Revenue Stabilization Fund would be established for credit enhancement purposes and supported by HRTF revenues that could be used for debt service. He stated that he did not anticipate HRTAC needing to use these funds, but considering the rating agency and TIFIA revenue stress tests, HRTAC offered the Toll Revenue Stabilization Fund as a method of credit enhancement. The fund would carry a balance not to exceed \$15 million per year.

Mr. Miller reviewed the HRELN funding plan, stating that there were no changes to what was presented in March 2021 but that HRTAC was still waiting on confirmation from VDOT as to funding for tolling integration.

Mr. Miller briefly explained the HRTF revenue projection. He noted that the 2020 data was based on actual collections and the six-year projections were based on the Department of Taxation's updated forecast for FY2021 – FY 2028 reflecting COVID-19 impact and recovery assumptions.

Mr. Miller reviewed the HRTF revenue current performance, noting its strength and ability to support the debt issuance and coverage ratios built into the Debt Management Plan. He highlighted illustrations of the HRTF Revenue Supported Debt and Toll Revenue Supported Debt supporting not only the debt issuance but also strong credit ratings.

Mr. Miller explained that HRTAC staff was seeking the Committee's endorsement and recommendation to the Commission for approval of the Debt Management Plan Update to incorporate the latest HRBT and HRELN funding plans.

Senator Mason questioned the delay of approval from VDOT for the anticipated \$26 million in tolling integration funding and asked if that should be a concern for HRTAC.

Mr. Page explained that there would be an additional tolling integration cost of about \$26 million to develop the HRELN and that such funds needed to be approved and distributed by the Commonwealth Transportation Board. He indicated that communications were still ongoing with the Commonwealth and moving in the right direction but that out of caution, the Agenda items tied to those funding commitments were removed. He clarified that the \$26 million does not impact HRTAC moving forward with the completion of financing for the HRBT.

Mr. Inglima clarified that the VDOT commitment was not a grant. The funds were a loan from the toll facility revolving account and would be repaid by the toll revenue waterfall under HRTAC's toll indenture.

Senator Monty Mason Moved that the Finance Committee recommends that the Commission approve the Proposed HRTAC Hampton Roads Bridge Tunnel and Hampton Roads Express Lanes Network Plan of Finance and Debt Management Plan Update and authorizes the Finance Committee Chair to recommend approval of the Proposed HRTAC Hampton Roads Bridge Tunnel and Hampton Roads Express Lanes Network Plan of Finance and Debt Management Plan Update to the Commission; Seconded by Supervisor William McCarty. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

B. 2021 HRTF Backed TIFIA Loan and Associated Bond Anticipation Note Authorizations – Resolution 2021-05

HRTAC Bond Counsel, Eric Ballou, outlined the HRBT TIFIA financing timeline. He noted that the 2021 debt financing process began in March 2021 and had a target closing in August 2021, which financing included an approximately \$790M 2021 HRTF TIFIA Loan, a \$345M 2021 Toll TIFIA Loan and 2021 HRTF TIFIA BANs.

He explained that the 2021 HRTF TIFIA Loan was similar to the 2019 HRTF TIFIA Loan with final maturity in 2060. He highlighted that the biggest difference between the two loans was that the 2021 HRTF TIFIA Loan would provide for HRTF transfers from available cash, on an as-needed basis, to enhance the creditworthiness of the Toll TIFIA Loan.

Mr. Miller described the economic benefit of issuing BANs. He reminded the Committee that this type of issuance had previously been approved in connection with the 2019 TIFIA Loan, which resulted in \$23 million in savings. He explained that the BANs were advantageous considering the short-term tax exempt interest rate that the BANs offer, which are lower than the TIFIA loan interest rate and would result in cost savings for HRTAC in the estimated amount of \$36 million. Mr. Miller reiterated that this strategy is only deployed when there is an economic benefit.

Committee Members voiced their appreciation for the work of HRTAC staff and consultants in regards to the TIFIA program and financing.

Mr. Ballou reviewed the parameters of HRTAC Resolution 2021-05 with Committee Members. The parameters included the expected uses of the TIFIA loan and BANs financing and the documents that would be used in connection therewith, the maximum principal amount of the TIFIA loan and the interest rate, the maximum principal amount of the BANs and the interest rate, the authority of the Executive Director and officers of the

Commission to execute and finalize the financing documentation, and the limited amount of HRTF support for the toll revenue financing.

Supervisor William McCarty Moved that the Finance Committee endorses Resolution 2021-05 and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the Commission at its June 17, 2021 Annual Organizational Meeting; Seconded by Senator Monty Mason. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

C. 2021 Toll Backed TIFIA Loan Authorization – Resolution 2021-06

Mr. Ballou reviewed the 2021 Toll TIFIA Loan Agreement with the Committee. He noted that the terms of the Loan were consistent with the Project Agreement for Funding and Administration (PAFA), the Master Agreement for Development and Tolling of the Hampton Roads Express Lanes Network (MTA) and industry standards to obtain minimum investment grade credit ratings.

He indicated the Loan amount would be \$345 million with final maturity at no later than 40 years, as outlined in the Resolution.

Mr. Ballou next explained the toll revenue flow of funds.

Mr. Miller clarified that while there would be some initial reserve deposits from the HRTF to the toll enterprise, toll revenues were expected to be sufficient and no further HRTF transfers were anticipated. In fact, HRTAC staff and consultants expect that all of the initial reserve deposits from the HRTF would be returned over the course of 20 or 25 years as toll revenues were available to replace them. Mr. Miller indicated that including additional HRTF funds in the flow of funds was fairly common.

Mr. Page highlighted that the transfers from the HRTF were already included in the six-year program.

Mr. Ballou outlined the parameters of Resolution 2021-06 with the Committee Members. He explained that the three documents referenced in Resolution 2021-06 were the Toll Master Indenture, the First Supplemental Indenture and the Toll TIFIA Loan Agreement. Mr. Ballou stated that the original principal amount of the Toll TIFIA Loan was not to exceed \$345 million, the interest rate was not to exceed 3.25% and the final maturity date was not later than 40 years. Resolution 2021-06 covers the HRTF transfers discussed, authority to execute and deliver the loan documents, and the ratification of U.S. Bank National Association as the toll trustee.

Supervisor William McCarty Moved that the Finance Committee endorses Resolution 2021-06 and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the Commission at its June 17, 2021 Annual Organizational Meeting; Seconded by Senator Monty Mason. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

D. Master Tolling Agreement Amendment

Agenda Item 5D, Maser Tolling Agreement Amendment, was removed from the Agenda to allow time to consider additional information received from VDOT.

E. HRELN Toll Integration (System Integrator) Standard Project Agreement

Agenda Item 5E, HRELN Toll Integration (System Integrator) Standard Project Agreement, was removed from the Agenda to allow time to consider additional information received from VDOT.

F. Project Agreement for Funding and Administration for the Hampton Roads Bridge Tunnel Project Amendment

Executive Director Page reminded the Committee Members of the PAFA that HRTAC had entered into with VDOT in 2019, which established the terms and conditions of the relationship between the parties relating to the funding of the HRBT Project. The PAFA includes a contingency for certain unanticipated additional costs. In evaluating the relationship of the parties, it was determined that the additional costs of the tolling infrastructure construction should be addressed and that a portion of the contingency under the PAFA should be used for such purpose.

Mr. Page stated that HRTAC and VDOT collaborated to create an amendment to the PAFA, which outlined the costs associated with the expenses related to the toll collection facilities. He highlighted that HRTAC's maximum financial commitment to support the HRBT project would not be increased by this amendment.

Mr. Inglima clarified that VDOT had requested that the amendment clarify that if after all the funds from the contingency are used, HRTAC still has not reached its maximum financial commitment, that HRTAC would provide additional funding until it reaches its maximum financial commitment. At the time the Commission originally approved the PAFA, it approved a \$3.562 billion maximum financial commitment. The actual budget reflected in the PAFA was for \$3.553 billion, so the amendment would clarify that although

a portion of the funds are being released from the contingency, if the Commission hasn't reached its maximum financial commitment, the Commission would provide the \$8.5 million difference for any additional costs that might be needed.

Committee Members asked for further clarification.

Mr. Inglima further explained that because VDOT had agreed to lower the amount of the contingency built into the HRBT project budget, VDOT was requesting that the \$8.5 million amount remain available, if needed.

Mr. Page clarified the full amount is budgeted in the six year program, however, only \$3.5B is allocated.

Supervisor William McCarty Moved that the Finance Committee endorses the Amendment to the Project Agreement for Funding and Administration for the Hampton Roads Bridge Tunnel Project and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the Commission at its June 17, 2021 Annual Organizational Meeting; Seconded by Senator Monty Mason. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

G. HRELN Segment 3 (Tolling Infrastructure) Standard Project Agreement

Executive Director Page reminded the Committee of the MTA, which is the blueprint for the relationship between HRTAC and VDOT as to how the HRELN is to be funded, constructed and operated. Mr. Page explained that the MTA identifies projects and establishes a pathway for project financing, development, construction and operation through the use of standard project agreements. In accordance with the MTA, HRTAC staff and counsel have developed with VDOT the HRELN Segment 3 (Tolling Infrastructure) Project Agreement to support the development and installation of the tolling infrastructure for Segment 3 of the HRELN, which includes the HRBT. He stated that the funding source was the released contingency funds previously discussed in connection with the PAFA amendment.

Mr. Page described the tolling infrastructure costs and indicated that the development and installation would be performed by a vendor contracted by VDOT.

Supervisor William McCarty Moved that the Finance Committee endorses the HRELN Segment 3 (Tolling Infrastructure) Standard Project Agreement and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the

Commission at its June 17, 2021 Annual Organizational Meeting; Seconded by Senator Monty Mason. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

H. 2019A TIFIA Loan Refinancing Authorization – Resolution 2021-07

Mr. Page reminded the Commission of the TIFIA loan HRTAC had secured in 2019 and noted that the Build America Bureau had presented HRTAC with an opportunity to refinance or reset the interest rate of the 2019 TIFIA Loan. He indicated that this was an opportunity for the Commission to save money, provided that the market rates continue below those of the 2019 TIFIA Loan.

Mr. Miller explained that Resolution 2021-07 would authorize HRTAC to refinance the 2019 TIFIA Loan as part of the 2021 Loan, or simply reset the 2019 Loan interest rate to a lower level. He noted that while a refinancing and rate reset were essentially the same thing, TIFIA saw them as separate. Mr. Miller further explained some of the minor updates that would be made to an amended and restated 2019 TIFIA loan agreement. He noted that Resolution 2021-07 allowed for either a refinancing or rate reset and confirmed that the most advantageous option would be implemented.

He further stated that this would position HRTAC to take advantage of market movements and draw on the 2019 TIFIA Loan to pay off the 2019 BANs. HRTAC could see a costs savings ranging between \$6.2 million and \$18.7 million, depending on the loan rate being lowered by between 5 basis points and 15 basis points, respectively.

Mr. Inglima reviewed Resolution 2021-07 with Committee Members and stated that Resolution 2021-07 included parameters consistent with what Mr. Miller described and would not be done unless the interest rate was at least 5 basis points below the currently stated interest rate.

Supervisor William McCarty Moved that the Finance Committee endorses Resolution 2021-07 for the proposed 2019 TIFIA Loan Refinancing Authorization and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the Commission at its June 17, 2021 Annual Organizational Meeting; Seconded by Senator Monty Mason. A roll call vote was taken:

Chair Michael Hipple: Yes
Supervisor William McCarty: Yes
Supervisor Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

Information Item

A. HRTAC Monthly Financial Report

Mr. Page reviewed the HRTAC Monthly Financial Report with the Committee.

Adjournment

With no further business to come before the Finance Committee the meeting adjourned at 10:26 a.m.

Michael Hipple
HRTAC Finance Committee Chair

Agenda Item 5A
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HRTAC Security Custody Services

Recommendation:

Security Custody Services RFP Evaluation Committee Spokesperson, Danetta Jankosky, recommends that the Finance Committee approve the recommendation of the Custody Services RFP Evaluation Committee and authorize the Finance Committee Chair to communicate the action of the Finance Committee to recommend Commission approval and authorization of the HRTAC Chair to execute the prepared Security Custody Services Agreement with the final offeror to be announced at the meeting.

Background:

During FY2018, HRTAC employed banking services for the custody of funds for investment of Hampton Roads Transportation Funds (HRTF) for a period with extension options that ends April 18, 2022. HRTAC issued a Request for Proposal for Security Custody Services (HRTAC-RFP-2022-01). To evaluate the proposals and make recommendation to the Board, an Ad-Hoc RFP Evaluation Committee was established that included the Commission's Senior Accounting Manager, Bond Fund Manager and the PFM Investment Advisor. The Security Custody Services RFP Evaluation Committee met on January 28, 2022 to review two (2) proposals received and decided that interviews were not necessary and finalizes its recommendation to the Board for consideration and approval. The first-choice party has been engaged in negotiations of a suitable agreement for the Commission to consider. The Finance Committee and subsequently the Commission will be fully briefed at the meeting on the results of the recommendation of the Security Custody Services RFP Evaluation Committee.

Fiscal Impact:

There is a fiscal impact in relation to this Action Item that is already included in the Commission's Approved FY2022 Administrative and Project Development Budget.

Suggested Motion:

Motion is the Finance Committee approves the recommendation of the Security Custody Services RFP Evaluation Committee and authorizes the Finance Committee Chair to communicate the action of the Finance Committee to recommend Commission approval and



authorization of the HRTAC Chair to execute the prepared Security Custody Services Agreement with the final offeror to be announced at the meeting.

Agenda Item 5B
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HRBT Right-of-Way Acquisition

Recommendation:

Staff Recommends that the Commission provide written consent to VDOT's request for the Design-Builder's acquisition and then removal of an approximately 333 square foot portion of a pier and approximately seven wood pilings that are currently located by permit on Commonwealth of Virginia land within Willoughby Bay necessary for the HRBT Project.

Background:

The Project Agreement for Funding and Administration ("PAFA") for the HRBT Expansion Project requires that VDOT seek the Commission's prior written consent before the Design Builder may proceed with the acquisition of Additional Right-of-Way for the project. As construction has progressed, the Design-Builder's acquisition and then removal of an approximately 333 square foot portion of a pier and approximately seven wood pilings that are currently located by permit on Commonwealth of Virginia land within Willoughby Bay has been determined as necessary for the HRBT Project. Before the Commissioner of Highways authorizes the Design Builder to acquire the pier section, the HRBT Project Director submitted a letter to the Commission dated January 27, 2022, requesting the Commission's written consent for the Design-Builder's acquisition and then removal of an approximately 333 square foot portion of a pier and approximately seven wood pilings that are currently located by permit on Commonwealth of Virginia land within Willoughby Bay.

The current owners and the Design-Builder have reached an impasse and VDOT and the Design-Builder have started the process of filing condemnation which will be completed in the immediate future. The Design-Builder will be depositing \$25,000 with the City of Norfolk Circuit Court, which is based on an independent appraisal of the estimated impact of the proposed acquisition that was completed for the project. However, the final amount will be determined in future court proceedings within the City of Norfolk court system.

The Project Agreement for Funding and Administration (PAFA) requires that VDOT (the "Department") seek Commission approval to proceed with the acquisition of additional right-of-way (Exhibit 13 [Limitation on Actions Under Comprehensive Agreement] Section



I.A [Actions Requiring Prior Written Consent of Commission]). The Executive Director recommends that the Commission provide written consent to the Department so that the Design Builder may proceed with the acquisition of the pier and pilings lying on Virginia land and constructed under permit with the Commonwealth of Virginia as described herein.

Fiscal Impact:

The cost of the Additional Right-of-Way temporary construction easement will initially be paid by the Design Builder of the HRBT Project and invoiced to the project through the current schedule of values payment process. There will be no additional fiscal impact to the project.

Suggested Motion:

Motion: is that the Finance Committee Endorses and Recommends that the Commission: i. Approve the Department’s January 27, 2022 request for written consent to file a “Certificate of Take” under the eminent domain statutes in order for the Design Builder to acquire and then remove a portion of a pier and pilings that are currently located by permit on Commonwealth of Virginia land within Willoughby Bay; and, ii. Authorizes the Finance Committee Chair to communicate the action of the Finance Committee to recommend Commission approval and authorization of the HRTAC Chair to transmit such written consent to the Commissioner of Highways.





COMMONWEALTH of VIRGINIA

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

Stephen C. Brich, P.E.
Commissioner

January 27, 2021

VDOT-HRTAC-0095

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

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

Subject: HRCF Acquisition of Additional Right of Way, Request for Approval

Dear Mr. Page:

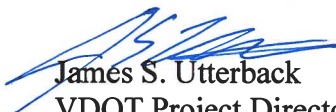
The Department's September 21, 2021 letter, VDOT-HRTAC-0083, requested the Commission's written consent for the Design-Builder's acquisition and then removal of an approximately 333 sq.ft. portion of a pier and approximately 7 wood pilings that are currently located on Commonwealth of Virginia land within Willoughby Bay by permit. The pier is currently owned by Albert Williams, Richard Williams, Eugene Williams and Mary Williams on the adjacent parcel (Tax Map 1531080781).

The current owners and the Design-Builder have reached an impasse and have started the process of filing condemnation which will be completed in the immediate future. The Design-Builder will be depositing \$25,000 with the City of Norfolk Circuit Court, which is based on an independent appraisal of the estimated impact of the proposed acquisition that was completed for the project. However, the final amount will be determined in future court proceedings within the City of Norfolk Court System.

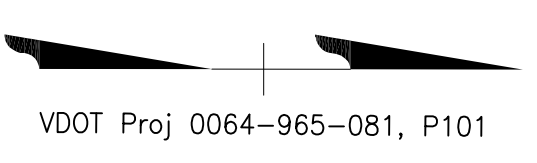
The Project Agreement For Funding and Administration (PAFA) requires that the Department seek Commission approval to proceed with the acquisition of additional right of way (Exhibit 13 [Limitation on Actions Under Comprehensive Agreement] Section 1.A [Actions Requiring Prior Written Consent of Commission]). In recognition of that constraint, the Department requests written Commission consent for the Department's approval of the Design-Builder's acquisition of this additional Right of Way.

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

Sincerely,

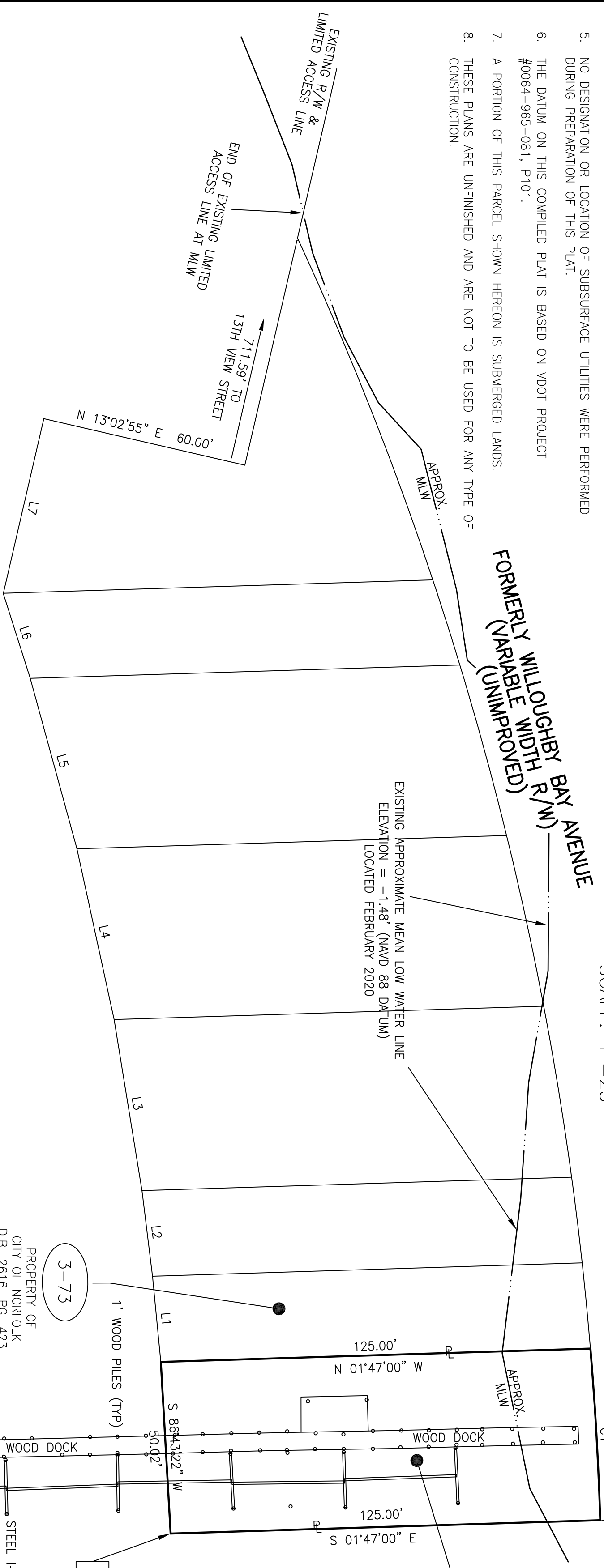
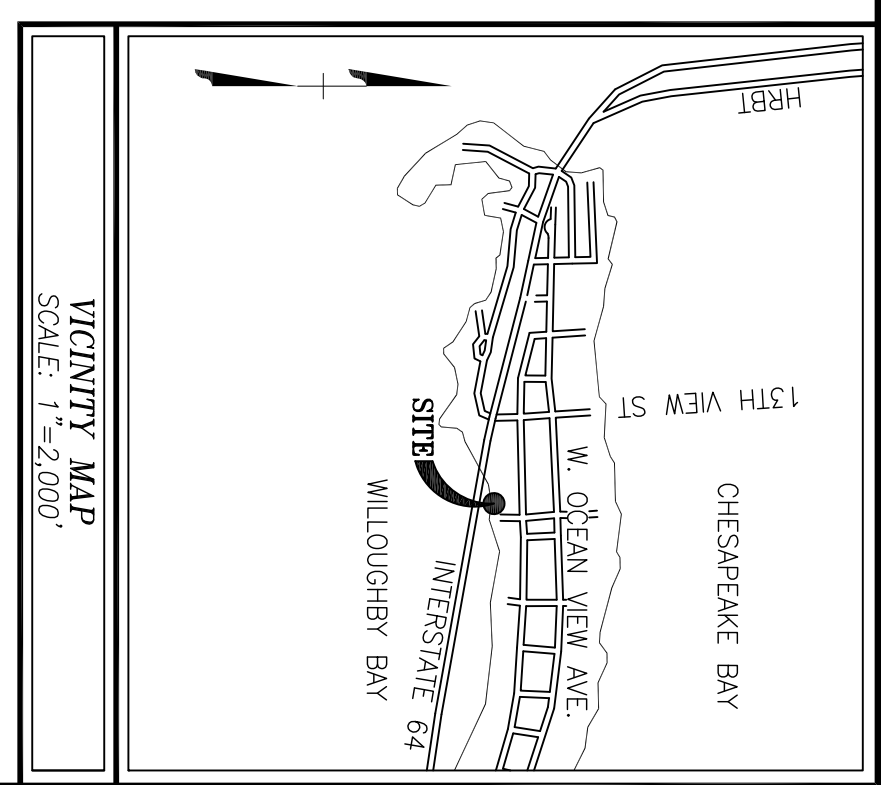

James S. Utterback
VDOT Project Director
HRBT Expansion Project

Att: Willoughby Bay Plat



- NOTES:
1. STEPHEN A. PEARCE, CERTIFY THAT THIS PLAT MEETS THE MINIMUM PLAT STANDARDS OF THE VA DPOR'S APELSCIDLA REGULATIONS.
 2. THIS COMPILED PLAT WAS PREPARED TO SHOW THE ACQUISITION AREA (HATCHED AREA) AND EXISTING PHYSICAL DOCK FEATURES (LOCATED MAY 2020) AND DOES NOT CONSTITUTE A BOUNDARY SURVEY OF THE PROPERTY HEREON.
 3. PROPERTY LINE AND RIGHT-OF-WAY INFORMATION IS BASED ON AVAILABLE PLATS, VDOT PLANS (PROJECT #0064-122-101 R/W 201), DEEDS OF RECORD AND ACTUAL FIELD MEASUREMENTS. THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.
 4. THIS COMPILED PLAT WAS PERFORMED WITH THE BENEFIT OF A TITLE REPORT BY KEY TITLE DATED 07/13/2021.
 5. NO DESIGNATION OR LOCATION OF SUBSURFACE UTILITIES WERE PERFORMED DURING PREPARATION OF THIS PLAT.
 6. THE DATUM ON THIS COMPILED PLAT IS BASED ON VDOT PROJECT #0064-965-081, P101.
 7. A PORTION OF THIS PARCEL SHOWN HEREON IS SUBMERGED LANDS.
 8. THESE PLANS ARE UNFINISHED AND ARE NOT TO BE USED FOR ANY TYPE OF CONSTRUCTION.

COMPILED PLAT SHOWING
 AREA OF ACQUISITION
 BEING ACQUIRED FROM
**ALBERT N. WILLIAMS, AS TO A 1/3 INTEREST,
 RICHARD D. WILLIAMS, AS TO A 1/3 INTEREST,
 EUGENE T. WILLIAMS, AND MARY W. WILLIAMS,
 TRUSTEES OF THE WILLIAMS TRUST DATED
 9-5-2008, AS TO A 1/3 INTEREST.**
 NORFOLK, VIRGINIA
 BY THE COMMONWEALTH OF VIRGINIA, GRANTEE
 AS PART OF VDOT PROJECT
 0064-M06-032 UPC 115008
 SCALE: 1"=25'

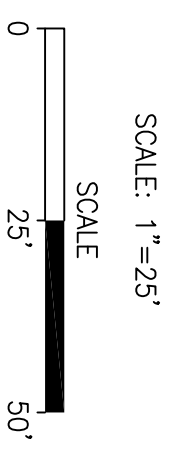
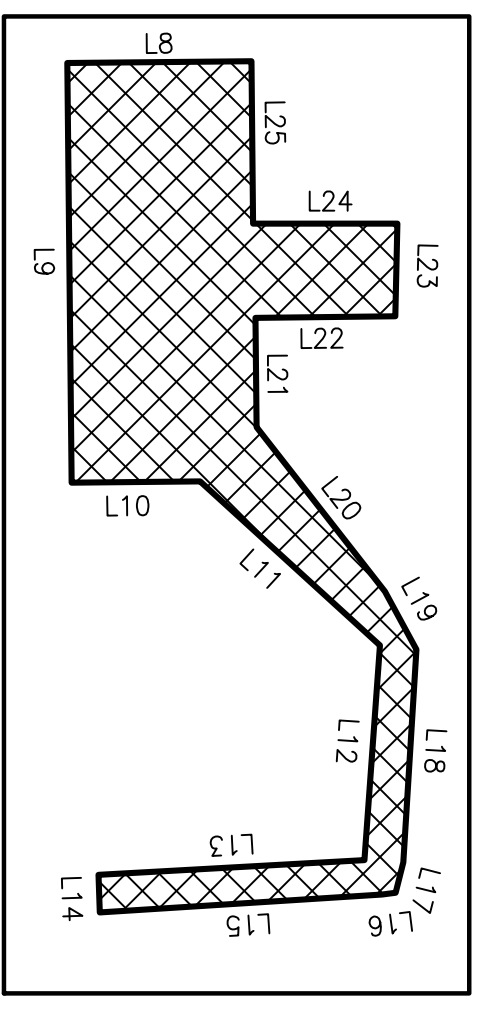


CURVE TABLE

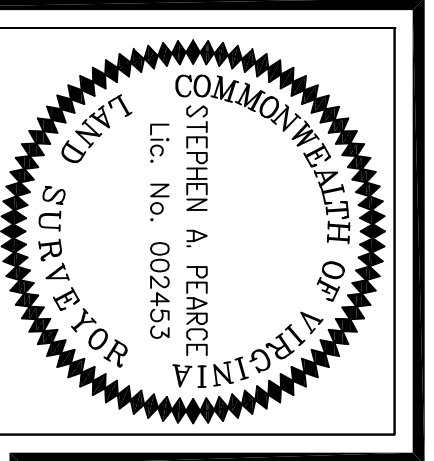
CURVE/RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH	TANGENT
C1	962.15'	50.02'	N 86°43'22" E	50.02'	25.02'

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 84°29'15" W	25.05'
L2	S 82°59'38" W	25.10'
L3	S 80°44'41" W	50.43'
L4	S 77°43'44" W	50.85'
L5	S 74°41'00" W	51.43'
L6	S 72°22'41" W	25.89'
L7	N 76°57'17" W	52.25'
L8	N 00°34'45" W	9.59'
L9	S 89°25'15" W	21.86'
L10	S 00°34'45" E	6.69'
L11	S 47°20'55" W	12.68'
L12	N 85°53'21" W	11.22'
L13	N 03°09'09" W	13.87'
L14	S 88°05'59" W	1.96'
L15	S 03°38'48" E	14.74'
L16	S 07°18'06" E	0.70'
L17	S 75°44'02" E	1.63'
L18	S 86°27'52" E	11.11'
L19	N 61°24'05" E	3.44'
L20	N 52°01'52" E	10.85'
L21	N 89°21'07" E	5.70'
L22	S 00°38'53" E	7.28'
L23	S 88°43'26" E	4.87'
L24	N 00°03'26" E	7.51'
L25	N 89°25'15" E	8.46'



REVISED: 12-20-2021 PER COMMENTS
 08-05-2021 UPDATED PER TITLE REPORT
 01-28-2021 PER COMMENTS
 12-21-2020 PER COMMENTS



AREA TABLE

PARCEL #	EXISTING PARCEL AREA	AREA OF ACQUISITION	RESIDUAL AREA
004	6,261 SQ. FT. 0.144 ACRES	333 SQ. FT. 0.008 ACRES	6,261 SQ. FT. 0.144 ACRES

WOOD PILES INCLUDED AS PART OF ACQUISITION

PROPERTY OF
 CITY OF NORFOLK
 D.B. 2616, PG. 423
 ACCT.# 48097600
 GPIN 1531080456
 BLK L, LOT 44
 NO ASSESSED AC.

ALBERT N. WILLIAMS,
 AS TO A 1/3 INTEREST,
 RICHARD D. WILLIAMS,
 AS TO A 1/3 INTEREST,
 EUGENE T. WILLIAMS,
 AND MARY W. WILLIAMS,
 TRUSTEES OF THE
 WILLIAMS TRUST DATED
 9-5-2008, AS TO A
 1/3 INTEREST.

INSTR. #160020133
 ACCT # 47677850
 GPIN 1531080781
 BLK L, LOTS 45 & 46
 BLK 33, LOT 20
 NO ASSESSED AC.

Prepared By: Precision Measurements, Inc.
 December 11, 2020

PRECISION MEASUREMENTS, INC.
 SURVEYORS • GPS • 3-D SCANNING • GIS • DRONE
 VIRGINIA BEACH—RICHMOND—NEWPORT NEWS—CHANTILLI, VIRGINIA
 629 PHOENIX DRIVE, SUITE 100
 VIRGINIA BEACH, VIRGINIA 23452
 TEL: (757) 568-0945

Agenda Item 5C
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

RE: HREL Segment 1 Standard Project Agreement - Bifurcation/Replacement with Segment 1A and Segment 1B Standard Project Agreements
Recommendation:

The Finance Committee is being asked to endorse and recommend that the Commission approve the bifurcation of the Hampton Roads Express Lanes ('HREL') Segment 1 Standard Project Agreement executed on December 16, 2021, and replace it with Segment 1A and Segment 1B Standard Project Agreements.

Background:

The Master Agreement for Development and Tolling of the Hampton Roads Express Lanes Network (a.k.a the 'Master Tolling Agreement') executed by and among VDOT, the Commonwealth Transportation Board, and HRTAC provides for the development of segments of the Hampton Roads Express Lanes Network ('HRELN'). The HRELN is included in the Approved FY2022-FY2027 HRTAC Six Year Improvement Plan allowing for project specific elements to be added over time. Working with VDOT, the early phases of the development of HRELN project segment readiness was matured through the Commission's funding of pre-preliminary engineering ("Phase 1 Preliminary Engineering"). At the December 16, 2021 Commission meeting, the Commission authorized the Chair to finalize and execute the agreements for Preliminary Engineering and Right-of-Way for construction will be conducted for the full scope of the project that will be Segments 4A (Jefferson to the I-664 interchange), 4B (Mercury Boulevard to LaSalle), 4C (LaSalle to Settlers Landing), and Segment 1 (I-564 Interchange to the I-264 Interchange). The conditions to the authorization were met and the project agreements were fully executed on December 16, 2021. Further refinement of the development steps of the HRELN has resulted in the identification of need to bifurcate Segment 1 into two distinct Segments, Segment 1A (Direct Connection express lanes between the existing reversible express lanes at I-564 and the beginning of the HRBT project express lanes) and Segment 1B (Median shoulder lanes along the reversible lanes to provide bi-directional express lanes travel I-564 Interchange to the I-264 Interchange). To achieve the bifurcation of the Segment 1 work, replacement of the executed December 16, 2021 Segment 1 project agreement with two new Standard Project Agreements is required.



Fiscal Impact:

There is a combined fiscal impact to the Hampton Roads Transportation Fund of \$19,124,792.00 associated with this Action Item (assuming all work is carried out). The combined Segment 1A and Segment 1B project elements were included in the project costs for the Hampton Roads Express Lanes Network covered by the Approved FY2022-FY2027 HRTAC Six Year Improvement Plan.

Suggested Motion:

Motion is that the Finance Committee Endorses and Recommends that the Commission: i. Adjust the Approved FY2022-FY2027 HRTAC Six Year Improvement Plan for the Hampton Roads Express Lanes Network to reflect the specific Segment 1A and Segment 1B projects; ii. Approve the Standard Project Agreements for Funding and Administration with respect to the Hampton Roads Express Lanes Network – Segment 1A and Segment 1B, Preliminary Engineering and Right-of-Way for Construction work; and, iii. Authorizes the Finance Committee Chair to Communicate the Finance Committee’s Endorsement and Recommendation to the Commission at its next meeting.

**Standard Project Agreement for Funding and Administration
between
Hampton Roads Transportation Accountability Commission
and
Virginia Department of Transportation

(Hampton Roads Express Lanes Network Project Elements)**

HRTAC Project Title: Segment 1A (Full Build Potential Scope) Project

HRTAC Project Number: UPC 119637 (Advanced Activity UPC 117840 linked)

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this ____ day of _____, 2022, as between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT").

WITNESSETH

WHEREAS, Chapter 766 of the 2013 Acts of Assembly established the Hampton Roads Transportation Fund (the "HRTF"), and provides that moneys deposited in the HRTF are to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, Chapter 678 of the 2014 Acts of Assembly (now codified in Section 33.2-2600 *et seq.* of the Code of Virginia, as amended) (the "HRTAC Act") created HRTAC as a political subdivision of the Commonwealth of Virginia, and moved the responsibility to determine the projects that will be funded by the HRTF from the Hampton Roads Transportation Planning Organization to HRTAC;

WHEREAS, under Sections 33.2-2606 and 33.2-2607 of the Code of Virginia, HRTAC is also authorized to issue bonds and other evidences of debt, and to impose and collect certain tolls;

WHEREAS, under Chapter 703 of the 2020 Acts of Assembly (H1438)(the "HREL Tolling Legislation"), HRTAC is also authorized to impose and collect tolls in designated high-occupancy toll lanes on certain portions of Interstate 64;

WHEREAS, HRTAC is required to use all moneys that it receives, whether from the HRTF, bond proceeds, collections from any tolls imposed by HRTAC or otherwise (collectively, "HRTAC-Controlled Moneys"), for the benefit of those counties and cities that are embraced by HRTAC and in accordance with applicable law;

WHEREAS, VDOT is the Virginia state agency responsible for building, maintaining and operating the interstate, primary, and secondary state highway systems ("VDOT Highways");

WHEREAS, in light of (i) VDOT's responsibilities with respect to VDOT Highways and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, and (ii) the determinations of VDOT and HRTAC to coordinate their efforts with respect to, among other things, the development, tolling, financing, procurement and delivery of the Hampton Roads Express Lanes Network Project (the "HREL Project"), VDOT and HRTAC entered into a Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network dated August 18, 2020 (such agreement as thereafter amended and modified from time to time, the "Master Agreement");

WHEREAS, the Master Agreement contemplates that HRTAC may from time to time enter into Standard Project Agreements for Funding and Administration pursuant to which VDOT will procure all goods and services necessary to design and construct elements of the HREL Project;

WHEREAS, pursuant to the Master Agreement, the parties are prepared to have VDOT proceed with the services described on Appendix A in respect of the project set forth and described on Appendix A to this Agreement (the "Project");

WHEREAS, notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties intend, subject to the terms set forth in Appendix B, to address the Preliminary Engineering, Right of Way and construction phases of the Project in this single SPA;

WHEREAS, HRTAC has determined that the Project would benefit the cities and counties that are embraced by HRTAC, it otherwise satisfies the requirements of the HRTAC Act, and it is consistent with the HREL Tolling Legislation;

WHEREAS, VDOT agrees to administer and/or develop the Project in accordance with the budget (the "Project Budget") and cashflow and construction schedule (the "Project Schedule") set forth and described on Appendix B to this Agreement (this Agreement and its appendices may be amended from time to time by mutual agreement of the parties to address mutually agreed changes relating to, among other things, Project scope, design, funding and regulatory approvals);

WHEREAS, HRTAC desires to provide funding for the administration and/or development of the Project out of HRTAC-Controlled Moneys, subject to the terms, conditions and limitations set forth herein;

WHEREAS, the Commonwealth Transportation Board ("CTB") has the authority, pursuant to Section 33.2-214 of the Code of Virginia, to cause VDOT to enter into this Agreement and has authorized the Commissioner of Highways to enter into agreements with HRTAC for project administration and development purposes, and Section 33.2-2608 of the Code of Virginia authorizes HRTAC to enter into this Agreement;

WHEREAS, the CTB, by resolution passed on January 14, 2015, resolved that any agreement between VDOT and HRTAC for project services shall provide that

overruns or other additional project costs shall be prorated between HRTAC and VDOT so that each party bears a proportionate share of the additional costs based on each party's percentage responsibility of the project budget;

WHEREAS, HRTAC and VDOT entered into that certain Standard Project Agreement for Funding and Administration for Segment 1 (Full Build Potential Scope) Project (UPC 119637 (Advanced Activity UPC 117840 linked)) dated as of December 16, 2021 (the "Prior Segment 1 SPA"), which the parties desire to replace with this Agreement together with that certain Standard Project Agreement for Funding and Administration for Segment 1B (Full Build Potential Scope) Project (UPC T26347 (Advanced Activity UPC 117840 linked)) of even date herewith (the "Segment 1B SPA");

WHEREAS, HRTAC's governing body and the CTB have each authorized that their respective designee(s) execute this Agreement on their respective behalf(s) as evidenced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

The Prior Segment 1 SPA is superseded and replaced by this Agreement and the Segment 1B SPA. To the extent the parties have previously taken any actions pursuant to the Prior Segment 1 SPA, such actions shall be deemed to have been taken under the terms of this Agreement or the Segment 1B SPA, as applicable, based on whether the work with respect to which such action was taken is covered by Appendix A to this Agreement or Appendix A to the Segment 1B SPA.

A. VDOT's Obligations

VDOT shall:

1. Complete or perform or cause to be completed or performed all work relating to the Project, as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with (i) any and all applicable federal, state, and local laws and regulations, and (ii) all terms and conditions of the Master Agreement and this Agreement, including, without limitation, the Project Budget and Project Schedule reflected in Appendix B, which Project Budget and Project Schedule (A) VDOT represents have been prepared in good faith, in accordance with the practices and procedures that VDOT uses for projects where the state or VDOT bears the cost of the project (including, without limitation, the practices used to price and budget services that may be internally sourced, such as Construction Engineering Inspection/CEI), and (B) the parties acknowledge may be amended pursuant to Section A.8 below or as follows:

- (a) In the event that VDOT determines, after receipt of proposals or bids for any work related to the Project, that the cost of the contract for said work will result in a significant reduction in costs associated with a portion of the Project Budget reflected in Appendix B that is allocated to work covered by the contract, then VDOT shall notify HRTAC's Executive Director of the significant reduction in costs. For purposes of this Section A.1(a), HRTAC and VDOT agree that a "significant reduction in costs" shall mean a reduction in costs that has the effect of reducing, in Appendix B, (x) the costs for the particular portion of the Project Budget allocated to work covered by the contract by more than 20 percent or (y) the entire Project Budget either by more than 10 percent or \$10,000,000, whichever applies. In the event there is a significant reduction in costs, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the effect of the reduction (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state or federal contributions, then the commitment of each funding source would be reduced by its proportionate share of the reduction in costs, which proportionate share will be based on the funding source's proportionate responsibility for the total budgeted costs before the reduction was realized; but if the subject costs were to be paid solely by one party (for example, the costs summarized on Appendix B hereto as the "Bridge IIJA Costs" for which VDOT is solely responsible), then only the responsible party's funding commitment would be reduced) (for the avoidance of doubt, the amount by which a commitment is reduced shall be considered deobligated from the Project).
- (b) In the event that any federal or state funding not previously available for the Project becomes available for any portion of the Project Budget reflected in Appendix B, then VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the benefit of the additional funding (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state contributions, but federal funding subsequently becomes available, then the respective commitments of HRTAC and the state would be reduced by each party's proportionate share of the additional funds, which proportionate share will be based on the party's proportionate responsibility for the total budgeted cost before the additional funding became available).
- (c) In the event that application is made for federal or state funding or loans not previously available for the Project, then VDOT will, to the extent within its reasonable control, provide reasonable support to such application and, if any such funding or loans are awarded or otherwise become available, take action to satisfy conditions and

comply with requirements of such funding or loans, in each case as may be reasonably requested by HRTAC.

2. Without limiting the foregoing, VDOT shall:
 - (a) Select contractors, contract with contractors, and administer and enforce contracts all in a manner that is consistent in all material respects with the policies, procedures and practices that VDOT uses where the state or VDOT bears the cost of a project; for example, VDOT shall use its customary policies, procedures and practices relating to requesting bids/proposals, negotiating/finalizing terms and conditions of contracts (using, where applicable, standard terms/forms), and monitoring and enforcing performance of contracts;
 - (b) Not enter into any contract to perform the work related to the Project if (i) the cost of that contract would exceed the portion of the Project Budget reflected in Appendix B that is allocated to the work covered by that contract, (ii) the cost of that contract, when aggregated with the cost of all other contracts relating to the Project that have been, or are expected to be, entered into would exceed the Project Budget reflected in Appendix B, or (iii) the schedule in the contract for performing and paying for the work related to the Project would be materially different (whether accelerated or delayed) from the Project Schedule set forth in Appendix B; in addition, if the bids or proposals received for any portion of the Project are not qualitatively consistent with VDOT's standards for that work or quantitatively within VDOT's projections for that work, each as determined by VDOT in its good faith judgment, VDOT shall (i) undertake a new procurement, or (ii) recommend alternative measures to HRTAC, and seek HRTAC's advice and consent regarding pursuit of those alternative measures. If HRTAC grants its written consent to a modification to the Project Budget and/or Project Schedule in order to permit VDOT to enter into a contract to perform the work, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to reflect the modified Project Budget and Project Schedule.
 - (c) Involve HRTAC in any procurement consistent with the terms of the Master Agreement.
3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels (or that otherwise are applicable to the work under the Project) all design and engineering, all environmental work, and all right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions, as is required by this Agreement or that may be necessary for completion of the

Project pursuant to the terms of this Agreement. If VDOT determines that a delay will more likely than not prevent the completion of a material phase of the Project (e.g., PE or ROW acquisition), or the entire Project, in accordance with the Project Schedule, VDOT shall notify HRTAC in writing and provide HRTAC with such information as HRTAC may reasonably request, including information pertaining to potential corrective measures and remedies against the contractor (if VDOT and HRTAC mutually develop a model notice for such purposes, VDOT's notice will follow the format of the model).

4. Not use any funds provided by HRTAC, including the funds specified on Appendix B, to pay any Project cost if, as applicable, the HRTAC Act or HREL Tolling Legislation does not permit such Project cost to be paid with HRTAC funds.
5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which HRTAC will provide funding for such multiple funding phases (as scheduled on Appendix B), HRTAC may not have sufficient cash flows to permit accelerated funding to VDOT and to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to HRTAC's Executive Director explaining VDOT's reasons why HRTAC should authorize acceleration to the next funding phase. (As used in this Agreement, "Executive Director" shall mean HRTAC's Chairman if at any applicable time, HRTAC has not engaged a dedicated, full-time Executive Director.) HRTAC's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and HRTAC's current and projected cash flow position and make a recommendation to HRTAC whether to authorize VDOT's requested accelerated funding. The foregoing shall not prohibit VDOT from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from HRTAC for having advance funded a future phase of the Project; however, VDOT further recognizes that HRTAC's reimbursement to VDOT for having advance funded a phase of the Project will be dependent upon HRTAC's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which the reimbursement of any such advanced funding is otherwise consistent with the terms of this Agreement, including Appendix B.
6. (a) Permit (and assist) HRTAC's Executive Director to periodically update HRTAC's cash flow estimates for the Project with the objective toward keeping those estimates accurate throughout the performance of the Project. VDOT shall provide all available information reasonably required by HRTAC so as to ensure and facilitate accurate cash flow estimates and accurate updates to

those cash flow estimates throughout the performance of the Project as described in Appendix B.

- (b) Provide HRTAC's Executive Director with the monthly reports described on Appendix D.
- 7. Provide to HRTAC's Executive Director requests for payment consistent with Appendix C (and the most recently approved HRTAC cash flow estimates) that include (a) HRTAC's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by HRTAC, and (b) certifications that all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by HRTAC, VDOT can expect to receive payment within twenty (20) days upon receipt by HRTAC. Approved payments may be made by means of electronic transfer of funds from HRTAC to or for the account of VDOT.
- 8. (a) Promptly notify HRTAC's Executive Director if VDOT determines that any additional, unbudgeted costs may be incurred to perform and complete the Project ("Additional Costs"), which notice shall include a description of the Additional Costs, an explanation of how they arose and the assumptions in the initial budget regarding those costs, and a detailed estimate of the Additional Costs. VDOT shall make recommendations regarding any curative actions that may be available relating to such Additional Costs, including any potential modification or reduction that may be made to the Project scope or design, or any other action, in order to stay within the initial budget for the Project. If the Additional Costs can be absorbed in the Project Budget by modifying or reducing the scope or design of the Project (or avoided by cancelling the Project or any portion thereof), HRTAC may, in its sole discretion, elect to (i) authorize VDOT to proceed with such modifications or reductions, (ii) authorize the Additional Costs (or if a combination of (i) and (ii) is feasible, HRTAC may elect such combination), or (iii) elect to cancel the Project or a portion thereof; provided, however, in any case, the respective obligations of VDOT and HRTAC, as modified by the elected alternative, shall be set forth in an amendment to this Agreement (VDOT and HRTAC shall work in good faith to finalize and execute such amendment). If the Additional Costs cannot be absorbed in the initial budget by modifying or reducing the scope or design of the Project (and HRTAC elects option (ii) above), then, subject to Section F below, such Additional Costs shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget (except

that Additional Costs relating to the IJJA Work shall be VDOT's sole responsibility). In the event that HRTAC elects to cancel the Project (or any portion thereof) pursuant to this Section A.8(a)(iii), (A) all compensation due and owing to any and all contractors for work on the Project that has been completed at the time of cancellation, shall be paid in accord with Appendix B, and (B) subject to Section F, all reasonable costs associated with the cancellation due and owing to said contractors pursuant to the terms of the contracts with the contractors, which terms shall be consistent with VDOT's standard contract terms relating to contract cancellation and termination, (the "Breakage Compensation"), shall be paid with HRTAC-Controlled Moneys, unless VDOT and HRTAC mutually determine that cancellation of the Project is necessary or warranted, in which case, the Breakage Compensation shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget.

- (b) VDOT shall not include in any contract with a contractor working on the Project any term, condition or remedy in respect of Additional Costs that is more favorable to the contractor than the terms, conditions or remedies VDOT includes in standard contracts where the state or VDOT bears the cost of the project.
- (c) The Additional Costs may include costs incurred by VDOT as a result of contractor claims relating to the Project made pursuant to the VDOT Roads and Bridge Specifications and §§ 33.2-1101 through 33.2-1105 of the Code, as amended. VDOT shall promptly notify HRTAC if any such claims are made or VDOT receives a notice of intent to file a claim or other written communication from a contractor relating to a claim or contractual dispute that could result in increased contract costs, and whether in each such case the claimed amount is expected to become, or result in, Additional Costs (and the estimate thereof) or is expected to have a material adverse effect on the contingency reserves established as part of the Project Budget (and the estimated effect thereon). VDOT shall be responsible to handle all such claims and notices of intent, but VDOT may not settle any claim or notice of intent to file a claim and thereafter submit it as an Additional Cost pursuant to Section A.8(a) unless the settlement has been approved by HRTAC. Funding for the settlement will be prorated based on the respective proportionate share of the HRTAC-Controlled Moneys and state and federal funds in the Project Budget. Should the claim not be settled, any final judgment from a court of competent jurisdiction shall be paid in accordance with the proration rule set forth in the preceding sentence.

- (d) Notwithstanding anything to the contrary set forth herein, if any additional cost (including, without limitation, any additional cost relating to a contractor claim described in Section A.8(c) above) arises out of or results from VDOT's negligence, breach of contract, willful misconduct or violation of law ("VDOT Fault"), HRTAC shall not be responsible for such additional costs. Any notice provided by VDOT to HRTAC pursuant to Section A.8(c) above shall be accompanied by a certification from VDOT that it has determined in good faith that any Additional Costs do not arise out of or result from VDOT Fault.
9. Release or return any unexpended funds to HRTAC no later than 90 days after final payment has been made in respect of the Project.
 10. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations.
 11. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
 12. Reimburse HRTAC (or such other entity as may have provided funds) for all funds provided by HRTAC (or on behalf of HRTAC) and, to the extent applicable and permitted by law, with interest earned at the rate earned by HRTAC, (a) that VDOT misapplied, used or requisitioned in contravention of the HRTAC Act or any other applicable law, or any term or condition of this Agreement or (b) the expenditure of which arose out of VDOT Fault.
 13. Be solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors (and, without limiting the foregoing, shall ensure that such engagements, commitments and agreements contain all terms that, pursuant to the Master Agreement or this Agreement, are required to be included therein). VDOT shall ensure that VDOT's contractors maintain surety bonds and insurance in amounts and with coverages that VDOT requires under its Road and Bridge Specifications for all work to be performed for the Project, and name HRTAC and its members, officers, employees and, if applicable, any HRTAC lender and any bond trustee, as additional insureds on any such insurance policy, and present HRTAC with satisfactory evidence thereof before any work on the Project commences.
 14. If in connection with the work VDOT engages outside legal counsel approved by the Attorney General (as opposed to utilizing the services of

the Office of the Attorney General), VDOT will give HRTAC notice of the engagement so as to ensure that no conflict of interest may arise from any such representation (VDOT also shall ensure that such engagements are consistent with the practices and terms that VDOT uses where it is solely responsible for project costs).

15. Subject to and consistent with the requirements of Section E of this Agreement, upon final payment to all contractors for the Project, if the Project is or is part of a VDOT Highway, VDOT will use the Project (a) for its intended purposes for the duration of the Project's useful life, and (b) in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project (which duty and obligation excludes the Tolling O&M Duties, as defined in the Master Agreement, except as otherwise provided in the Master Agreement or in any other contract between VDOT and HRTAC under which VDOT is responsible to perform such duties as a contractor to HRTAC) after its completion (including responsibility to correct any defects or to cause any defects to be corrected)(and, without limiting the foregoing, shall perform its operations and maintenance obligations in accordance with the terms of the Master Agreement), and, except as and to the extent provided under the Master Agreement (with respect to Tolling O&M Duties), under no circumstances will HRTAC have any responsibility or obligation to operate and/or maintain the Project (or correct defects with respect to the Project).
16. Comply with all applicable federal, state and local laws and regulations, including without limitation requirements of the Virginia Public Procurement Act.
17. Recognize that VDOT or its contractors are solely responsible for obtaining, and shall obtain, all permits, permissions and approvals necessary to construct and/or operate the Project, including, but not limited to, obtaining all required VDOT and local land use permits, zoning approvals, environmental permits, and regulatory approvals.
18. Recognize that if the Project is being funded, in whole or in part, with federal and/or state funds (in addition to HRTAC-Controlled Moneys), that VDOT shall (a) take any and all necessary actions to satisfy any conditions to such additional federal and/or state funding (provided that such actions are within the control of VDOT) and to enforce any commitments made in connection therewith, (b) comply with all applicable federal and Commonwealth funding requirements within the control or purview of VDOT, and (c) include in its contracts with contractors provisions that permit such contracts to be terminated, without penalty, if the funding is rescinded or otherwise becomes unavailable (for

clarification, a provision shall not be deemed to include a penalty solely as a result of terms that require payment of compensation due and owing at the time of cancellation and reasonable costs associated with cancellation provided that such costs are consistent with costs paid pursuant to VDOT's standard contract terms relating to contract cancellation and termination). VDOT acknowledges and agrees that if funding from such an additional federal or state source is rescinded or otherwise becomes unavailable HRTAC (i) shall not be responsible for any amount in excess of its commitment set forth on Appendix B, and (ii) may (A) replace said reduced funding with HRTAC Controlled-Moneys or (B) may request VDOT to immediately suspend or discontinue all work relating to the Project, provided if HRTAC requests suspension HRTAC shall be responsible for the costs reasonably incurred in connection with such suspension (excluding any costs relating to the suspension of the IIJA Work). Should HRTAC not replace the reduced funding or request VDOT to suspend or discontinue work, VDOT may reduce the Project scope or take any other actions needed to reduce the Project costs to the Project Budget.

19. Provide a certification to HRTAC no later than 90 days after final payment for the Project that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.
20. Notify HRTAC if VDOT determines that a delay will more likely than not prevent the timely completion of a material phase of the Project, including information regarding potential corrective measures and remedies against the contractor.
21. With respect to modifications to any agreement with a contractor, concede to HRTAC any resulting savings, if HRTAC-Controlled Moneys are funding 100% of the applicable work, or if the cost savings relate to work funded with HRTAC-Controlled Moneys and state and/or federal funds, concede such savings to such parties *pro rata*, based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget for such work.
22. Include in any agreement with a contractor an assessment of liquidated damages in accordance with the Master Agreement if either substantial completion or final acceptance is not achieved by the applicable deadline. Unless otherwise agreed by the parties acting reasonably, any liquidated damages (as well as other damages paid by a contractor, insurance proceeds, or recoveries from third parties) received by VDOT in respect of the Project shall be administered in accordance with the terms of the Master Agreement.
23. Terminate any agreement with a contractor upon the written request of HRTAC if (a) VDOT has failed to exercise the right to terminate such

agreement for cause, but only (i) if such failure is reasonably expected to have a material adverse effect on HRTAC and (ii) following consultation between HRTAC and VDOT regarding the reasons, if any, for VDOT's failure to exercise such right; or (b) HRTAC determines in good faith that HRTAC has suffered a material adverse change in its ability to satisfy its obligations under this Agreement and it is in HRTAC's best interests for VDOT to terminate the contractor's agreement for convenience.

24. , Notwithstanding anything to the contrary set forth in this Agreement, be solely responsible for all costs and expenses, whether budgeted or not, arising from or relating to the IIJA Work (as defined in Appendix A), including, without limitation, all preliminary engineering, construction, CEI and administrative costs, which costs are summarized on Appendix B hereto as the "Bridge IIJA Costs," and for all undertakings, compensation to contractors, work orders, claims, and liabilities arising from or relating thereto (the "Bridge IIJA Liabilities"). To ensure that VDOT remains solely responsible for the Bridge IIJA Costs and Bridge IIJA Liabilities (and that such costs and liabilities are not charged to HRTAC and that no HRTAC-Controlled Moneys are used for such costs or liabilities), VDOT shall maintain books and records that segregate the IIJA Work and separately account for the Bridge IIJA Costs and the Bridge IIJA Liabilities.

B. HRTAC's Obligations

HRTAC shall:

1. Subject to the limitations as to amounts set forth in Appendix B (and subject to Section F of this Agreement), provide to VDOT the funding authorized by HRTAC for the Project, on a reimbursement basis as set forth in this Agreement and as specified in Appendix B to this Agreement or the most updated amendment thereto, as approved by HRTAC.
2. Assign a person to serve as a Program Coordinator for the Project, who will be responsible for review of the Project on behalf of HRTAC for purposes of ensuring it is being completed in compliance with this Agreement and all HRTAC requirements. (In the absence of an assigned person, HRTAC's Executive Director shall serve as the Program Coordinator.) HRTAC's Program Coordinator will be responsible for overseeing, managing, reviewing, and processing, in consultation with HRTAC's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. HRTAC's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the scope of the Project as set forth on Appendix A or to the Project Budget and Project Schedule as set forth on Appendix B.

3. Route to HRTAC's assigned Program Coordinator all VDOT payment requisitions and the summaries of actual costs submitted to HRTAC for the Project. After submission to HRTAC, HRTAC's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. HRTAC's Program Coordinator will then make a recommendation to the HRTAC's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is, in HRTAC's reasonable judgment, deemed insufficient, within twenty (20) days from receipt, HRTAC's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed in order to authorize the payment request. Payment will be withheld until all deficiencies identified by HRTAC have been corrected to HRTAC's reasonable satisfaction. Under no circumstances will HRTAC authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the HRTAC Act or this Agreement.
4. Route all of VDOT's accelerated or supplemental requests for funding from HRTAC under Sections A.5 and A.8, respectively, of this Agreement to HRTAC's Executive Director. HRTAC's Executive Director will initially review those requests and all supporting documentation with HRTAC's CFO. After such initial review, HRTAC's Executive Director will make a recommendation to HRTAC's Finance Committee for its independent consideration and review. HRTAC's Finance Committee will thereafter make a recommendation on any such request to HRTAC for final determination by HRTAC.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail (i) review of VDOT's financial records for the Project, (ii) on-Project site inspections and (iii) review of a contractor's books and records in relation to the Project to the extent VDOT has access thereto.
6. Acknowledge that if, as a result of HRTAC's review of any payment requisition or of any HRTAC compliance review, HRTAC staff determines that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, HRTAC staff will promptly advise HRTAC's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to HRTAC's initial findings. HRTAC's staff will review VDOT's response and make a recommendation to HRTAC's Finance Committee. HRTAC's Finance

Committee will thereafter conduct its own review of all submissions and make a recommendation to HRTAC. If HRTAC makes a final determination that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, the parties should engage in dispute resolution as provided in Section D of this Agreement. Pending final resolution of the matter, HRTAC will withhold further funding on the Project. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Upon making final payment to VDOT for the Project, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans, if any, developed pursuant to or in association with the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
8. Be the sole determinant of the amount and source of HRTAC funds to be provided and allocated to the Project and the amounts of any HRTAC funds to be provided in excess of the amounts specified in Appendix B.
9. Have no obligation to pay or reimburse VDOT for any cost (including, without limitation, compensation paid or payable to any contractor) arising out of VDOT Fault.

C. Term

1. This Agreement shall (i) be effective upon adoption and execution by both parties and (ii) unless terminated earlier in accordance with its terms, expire ninety (90) days after the date on which VDOT makes final payment to Project contractor(s) and all contractor claims have been resolved or are barred.
2. VDOT may terminate this Agreement, for cause, in the event of a material breach by HRTAC of this Agreement. If so terminated, HRTAC shall pay for all Project costs incurred in accordance with the terms of this Agreement through the date of termination and all reasonable costs incurred by VDOT to terminate all Project-related contracts. The Virginia General Assembly's failure to appropriate funds to HRTAC as described in Section F of this Agreement and/or repeal or amendment of the legislation establishing the HRTF or HRTAC's powers shall not be considered material breaches of this Agreement by HRTAC if such failure to appropriate or such repeal or amendment eliminates funds in the HRTF to be used for the Project or renders HRTAC without legal authority to provide funding for the Project. Before initiating any proceedings to terminate under this Section, VDOT shall give HRTAC sixty (60) days written notice of any claimed material breach of this Agreement and the

reasons for termination; thereby allowing HRTAC an opportunity to investigate and cure any such alleged breach.

3. HRTAC may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to HRTAC all funds HRTAC provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by HRTAC. Before initiating any proceedings to terminate under this Section, HRTAC shall give VDOT sixty (60) days' written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing VDOT an opportunity to investigate and cure any such alleged breach. Prior to termination, if VDOT has substantially completed the Project or a portion that is severable (meaning it is subject to independent use), VDOT may request that HRTAC excuse VDOT from refunding funds paid in respect of the substantially completed Project or portion, and HRTAC may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds HRTAC provided to VDOT for the substantially completed Project or portion thereof. No such request to be excused from refunding will be allowed (a) where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law, or (b) without the prior written consent of any lender to HRTAC, if the terms of HRTAC's loan agreement with such lender require such consent.
4. Upon (a) expiration or earlier termination of this Agreement and (b) payment of all eligible expenses as set forth in Section C.3 above, VDOT will release or return to HRTAC all unexpended HRTAC funds and, to the extent permitted by law, with interest earned at the rate earned by HRTAC, no later than sixty (60) days after the date of such expiration or earlier termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer promptly in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. HRTAC's Executive Director and the Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to HRTAC and to the Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law or in equity, including all judicial remedies. The foregoing dispute resolution method shall not bar either party's right to seek equitable relief on an emergency basis. Neither party will seek or accept an award of attorneys' fees or costs incurred in connection with resolution of a dispute.

E. HRTAC's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by HRTAC under this Agreement ("Assets") for the designated transportation purposes of the Project, in accordance with applicable law throughout the useful life of each such Asset, and in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If VDOT intends to sell, convey, or dispose any Asset funded with HRTAC funds or intends to use any Asset for a purpose inconsistent with this Agreement or the Master Agreement, VDOT shall notify HRTAC's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, HRTAC's Executive Director shall notify HRTAC of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Asset(s) so as to ensure compliance with all applicable requirements and terms of the HRTAC Act and the Master Agreement (without limiting the foregoing, VDOT acknowledges that (i) under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission and holds a license to, among other things, use the tolling infrastructure and system, and (ii) under the HREL Tolling Legislation, HRTAC is vested with the right to impose and collect tolls on the portion of the HREL Project facility that has been designated by the CTB for use as high-occupancy toll lanes). All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to HRTAC and the Commissioner for their respective approval.

F. Appropriations Requirements

1. Nothing herein shall require or obligate HRTAC to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body for the Project.
2. The parties acknowledge that all funding provided by HRTAC pursuant to the HRTAC Act is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the HRTF pursuant to applicable provisions of the Code of Virginia and any other moneys that the General Assembly appropriates for deposit into the HRTF are subject to appropriation by the General Assembly and (ii) HRTAC's obligations under this Agreement are subject to such moneys being appropriated to the HRTF by the General Assembly.
3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and

allocated by the Commonwealth Transportation Board and otherwise legally available to VDOT for HRTAC projects.

4. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to HRTAC that such additional funds have been allocated and authorized by the CTB and/or appropriated by the Virginia General Assembly as may be applicable or have been obtained through another independent, lawful source.

G. Representations and Warranties

1. VDOT hereby represents and warrants to HRTAC as of the date of this Agreement as follows:
 - (a) VDOT is an agency of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
 - (b) VDOT has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of VDOT has been duly authorized to execute and deliver it on behalf of VDOT;
 - (c) the execution and delivery by VDOT of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where such violation will have a material adverse effect on the ability of VDOT to perform its obligations under this Agreement;
 - (d) this Agreement has been duly authorized, executed, and delivered by VDOT and constitutes a valid and legally binding obligation of VDOT, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however*, that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
 - (e) there is no action, suit, proceeding, investigation, or litigation pending and served on VDOT which challenges VDOT's authority

to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the VDOT official executing this Agreement, and VDOT has disclosed to HRTAC any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which VDOT is aware.

2. HRTAC hereby represents and warrants to VDOT as of the date of this Agreement as follows:
 - (a) HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
 - (b) HRTAC has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of HRTAC has been duly authorized to execute and deliver it on behalf of HRTAC;
 - (c) the execution and delivery by HRTAC of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where such violation will have a material adverse effect on the ability of HRTAC to perform its obligations under this Agreement;
 - (d) this Agreement has been duly authorized, executed, and delivered by HRTAC and constitutes a valid and legally binding obligation of HRTAC, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however*, that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
 - (e) there is no action, suit, proceeding, investigation, or litigation pending and served on HRTAC which challenges HRTAC's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the HRTAC official executing this Agreement, and HRTAC has disclosed to VDOT any pending and unserved or threatened action,

suit, proceeding, investigation, or litigation with respect to such matters of which HRTAC is aware.

H. Tax Covenants for Bond-Funded Projects

VDOT shall comply in all material respects with the Tax Covenants for Bond-Funded Projects set forth in Appendix F (*Tax Covenants for Bond-Funded Projects*).

I. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

1) to: HRTAC, to the attention of its Executive Director and Chairman;
723 Woodlake Drive
Chesapeake, VA 23320

2) to: VDOT, to the attention of:
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

J. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

K. Modification or Amendment

(a) This Agreement may not be modified or amended, except pursuant a written agreement that is duly authorized, executed and delivered by both parties.

(b) If HRTAC is able to obtain a source of funding for the Project that would reduce or replace the amount of HRTAC-Controlled Moneys expended on the Project, VDOT and HRTAC will work in good faith to amend this Agreement so it takes into account that other funding.

(c) VDOT and HRTAC will work in good faith to adopt such amendments to this Agreement as VDOT and HRTAC may mutually agree are necessary and desirable in connection with any bond financing.

L. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, member, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

M. No Agency

VDOT represents that it is not acting as a partner or agent of HRTAC; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

N. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

O. Incorporation of Recitals and Appendices

The recitals and Appendices to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that the recitals are true and correct.

P. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

Q. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

R. Survival

The following provisions shall survive the expiration or earlier termination of this Agreement: Sections A.4, A.9, A.12, A.15, A.17, A.19, A.22, B.5 and B.7, and Sections C through R.

[Signature page follows]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Hampton Roads Transportation Accountability Commission

By: _____

Name: _____

Title: _____

Date: _____

Virginia Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

HAMPTON ROADS EXPRESS LANES NETWORK PROJECT ELEMENTS

SEGMENT 1A (FULL BUILD POTENTIAL SCOPE) PROJECT – UPC 119637

Scope: The work associated with this Standard Project Agreement for the Segment 1A (Full Build Potential Scope) Project is to perform the Preliminary Engineering activities, for which advanced preliminary engineering work was completed under a Standard Project Agreement for Funding and Administration – Segment 1 Preliminary Engineering (Phase 1 PE – UPC 117840) dated April 1, 2021 (the “Phase 1 SPA”), and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 1A of the Hampton Roads Express Lane Network and to complete the services required to complete the construction of Segment 1A. The Segment 1A project, which is approximately 2 miles in length, is located on I-64 in the City of Norfolk from approximately 0.15 miles east of Patrol Road bridge (end WB full roadway section for HRBT Widening project) to approximately 0.661 miles east of Tidewater Drive. The purpose is to convert the inside shoulder along I-64 to a part time high occupancy toll (HOT) managed lane. The existing EB and WB general purpose lanes will remain as is with three lanes in each direction. There will be widening in spot locations to maintain a minimum shoulder width in both directions. The EB and WB Tidewater Drive bridges will be rehabilitated and widened. Additional right of way will be required in spot locations (approximately 3 parcels). This project will have minimal utility relocations. The interstate in this corridor currently has 3 general purpose lanes in each direction. The proposed design includes three general purpose lanes and one part time HOT shoulder that would be open in the opposite direction of the reversible HOT lanes in this corridor. Professional engineering contractor(s) engaged by VDOT and/or their sub-contractors will provide design and engineering support services required to award the project to a design build team.

In connection with the foregoing, VDOT desires to concurrently procure from the contractor(s) the bridge maintenance work described on Annex I to this Appendix A (which is incorporated herein by this reference as if set out in full) (the “IJA Work”).

ANNEX I to APPENDIX A

[VDOT to insert description of Segment IA IJJA Work]

APPENDIX B

HAMPTON ROADS EXPRESS LANES NETWORK ELEMENTS

SEGMENT 1A (FULL BUILD POTENTIAL SCOPE) PROJECT – UPC 119637

PROJECT BUDGET AND PROJECT SCHEDULE

Project Budget: SEGMENT 1A (FULL BUILD POTENTIAL SCOPE) PROJECT:

HRTAC Costs (UPC 119637):

*Preliminary Engineering (PE)	\$4,900,000
Right of Way (RW)	\$500,000
Construction (CN)	\$139,000,000
<hr/>	
Total HRTAC Cost	\$144,400,000

Bridge IIJA Costs (UPC TBD):

PE/CN Total	\$11,900,000
<hr/>	
Total IIJA Cost	\$11,900,000

*\$5,621,500 was previously approved for Phase 1 advanced preliminary engineering for Segment 1 pursuant to the Phase 1 SPA. The parties agree that preliminary engineering costs incurred by VDOT with respect to Segment 1 prior to the date of this Agreement shall be eligible for reimbursement from HRTAC up to \$2,496,726. The sums set forth herein will be available for the Segment 1A (Full Build Potential Scope) Project.

The work associated with this Agreement for Segment 1A is to perform the Preliminary Engineering activities, for which advanced preliminary engineering work was completed under the Phase 1 SPA, develop the RFQ and RFP plans, **and complete the Right of Way (RW) activities and construction of Segment 1A of the Hampton Roads Express Lane Network as defined in the [Appendix A](#).**

These tasks contemplated under this Agreement include but are not limited to the following:

NEPA Categorical Exclusion investigation and documentation, cost estimate & schedule refinements, HREL Network communication plan, public information meetings with localities and others as requested, finalize RFP plans and contract requirements, acquire RW, obtain permits, RFP level plan development and advertisement RFP level plan development, complete two phase best value Design-Build contractor procurement processes necessary to award construction **review design submittals from the selected contractor, review RFIs and construction submittals, construction engineering and**

inspection, support construction activities and complete construction of this Segment as defined in the Appendix A.

Project Schedule: Segment 1A (FULL BUILD POTENTIAL SCOPE) Project (all dates are estimates):

- **Preliminary Engineering (PE):**
 - PE Start (Adv Act): September 22, 2020 (Advanced Activity UPC 117840)
 - PE Start (Full Build Potential Scope): May 2, 2022
 - PE End: October 18, 2022
- **Right of Way (RW):**
 - RW Start: October 18, 2022
 - RW End: October 19, 2022
- **Construction (CN):**
 - CN Start: October 19, 2022
 - CN End: December 19, 2025

Project Cash Flow Schedule: See Annex I to this Appendix B (which is incorporated herein by this reference as if set out in full).

ANNEX I to APPENDIX B

[VDOT to insert Project Budget & Cash Flow detail (Project Costs & Funding Source; Fiscal Year Annual Project Cash Flow; and Fiscal Year Estimated Project Cash Flow Tables)]

APPENDIX C

FORM OF PAYMENT REQUISITION

HRTAC Project Title and Number: Hampton Roads Express Lanes Network Elements, Segment 1A
(FULL BUILD POTENTIAL SCOPE) Project - UPC 119637

Project Scope/Services Description: The work associated with this Standard Project Agreement for Segment 1A is to perform the Preliminary Engineering activities, for which advanced preliminary engineering work was completed under the Phase 1 PE agreement (UPC 117840) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 1A of the Hampton Roads Express Lane Network.

Draw Request Number: _____

Date: _____, 20__

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

Attention _____, Program Coordinator:

This requisition is submitted in connection with the Standard Project Agreement for Funding and Administration for the project services noted above and dated _____, 20__ (the "Agreement") between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT"). VDOT hereby requests \$_____ of HRTAC funds, to pay the costs of the project services described and set forth in Appendices A and B of the Agreement ("Project Services") and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of VDOT's costs of the Project Services, (ii) VDOT is responsible for payment to vendors/contractors, (iii) VDOT is not in breach or default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in another Appendix to the Agreement, (iv) the representations and warranties made by VDOT in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of VDOT, no condition exists under the Agreement that would allow HRTAC to withhold the requested advance.

VIRGINIA DEPARTMENT OF TRANSPORTATION

By: _____
Name: _____
Title: _____

Recommended For Payment

By: _____
Name: _____
Title: HRTAC Program Coordinator

DETAILED PAYGO REQUEST

Draw Request Number: _____
 HRTAC Project Number: UPC 119637

Request Date: _____
 Project Title: HRELN Segment 1A

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$4,900,000			\$ -
Design Work/ Engineering	\$4,900,000	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Work	\$500,000	-	-	\$ -
Construction	\$139,000,000	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$144,400,000	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by HRTAC
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
3. Column C- Please list the invoice number as it appears on the Invoice
4. Column D- Please list the appropriate Cost Category based on the Project Category breakout above

5. Column E- Please enter the dollar amount listed on the invoice.

6. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

REPORTS TO BE PROVIDED BY VDOT

1) Monthly Project Expenditure Report which lists, by category of expense (*e.g.*, engineering, ROW, utility relocations, construction), (a) information regarding expenditures to date against the budget, both monthly and for the life of the project, and a statement of the percent completed; and (b) such other information as VDOT customarily provides with monthly expenditure reports.

2) Monthly Project Report which provides (a) an overview of progress on major project tasks; (b) information regarding the budget (such as, the baseline planned forecast, any approved changes thereto, the monthly expenditures, the cumulative expenditures, and the cumulative forecasted expenditures); (c) future key tasks; and (d) significant issues.

APPENDIX E

OFFICIAL AUTHORIZING DOCUMENTS

APPENDIX F

TAX COVENANTS FOR BOND-FUNDED PROJECTS

1. (A) VDOT (the Department) shall not permit the "Proceeds" of any "Commission Bonds" or any "Financed Property" to be used in any manner that would result in either: (1) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the "Code;" (2) 5% or more of such Proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code; (3) 5% or more of such Proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; or (4) more than an aggregate of \$15,000,000 of Proceeds of any single Commission Bond issue being considered as having been used in any trade or business, any output facility or to make or finance loans as described in (1), (2) or (3) above; **provided, however,** that if HRTAC (the Commission) and the Department receive an opinion of nationally recognized bond counsel concluding that such use or action will not affect the exclusion of interest on the Commission Bonds from gross income of the holders thereof for federal tax purposes under existing law, the Department need not comply with such restrictions.

(B) Notwithstanding the foregoing, the Department and the Commission agree that the provisions herein shall not apply to Proceeds of Commission Bonds derived from "qualified bonds" (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) the Commission may from time to time issue. In the event any such "qualified bonds" are issued by the Commission, the Department agrees that it will not permit Proceeds of Commission Bond derived from such "qualified bonds" to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder). The provisions of this subparagraph (B) shall not negate any provision in the Agreement or other agreement between the Commission and the Department that requires mutual consent of the parties or Commission approval of a concession arrangement in respect of the Project.

2. the Department agrees not to requisition or spend the proceeds of any the Commission Bond for any cost of the Project not constituting a "Capital Expenditure."

3. Except as may be described in writing to the Commission, the Department neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Department is receiving or may receive Proceeds of Commission Bonds.

4. The Department acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by the Commission to the contractors/vendors, or (ii) the Department remits payment to the contractors/vendors within five banking days after the date on which the Commission advances the amount of the requisition. The Commission may request the detailed information in order to compute the rebate liability to the U.S. Treasury on the Commission's bonds or other debt financing pursuant to Section 148 of the Code. In addition, the Department shall provide the Commission with any further

information reasonably requested by the Commission from time to time concerning the matters described in this Appendix F.

5. The following terms have the meanings assigned to them below whenever they are used in this Appendix F.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Code” means the Internal Revenue Code of 1986, as amended.

“Financed Property” means any property financed in whole or in part by any allocation of Commission Bond Proceeds.

“Commission Bond” means any Commission bond or other debt instrument that is a “tax-exempt bond” or a “tax-advantaged bond” (as defined in Treasury Regulations Section 1.150-1(a)).

“Proceeds” means the sale proceeds of any Commission Bond, together with the investment earnings on such proceeds, to the extent allocated to the Project.

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: FY2023 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 FY2023 Administrative and Project Development Budget reflected in the enclosed Budget (the “Proposed HRTAC FY2023 Administrative and Project Development Budget”) and authorize the Executive Director 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 FY2023, the HRTAC Staff has developed the Proposed HRTAC FY2023 Administrative and Project Development Budget for the Finance Committee’s review and input. The Draft HRTAC FY2023 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 \$7,393,839 includes the addition of one full time accounting position and a five percent cost of living increase for all full-time employees. Pursuant to § 33.2-2605 of the Code of Virginia, the budgeted General Administrative expenses will be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund on an approximately pro rata basis.

Fiscal Impact:

There is a \$7,393,839 fiscal impact in relation to this Action Item.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed HRTAC FY2023 Administrative and Project Development Budget and authorizes the Finance Committee Chair to recommend the proposed budget to the Commission and request that the Commission authorize the Executive Director to conduct a public hearing on the Proposed HRTAC FY2023 Administrative and Project Development Budget.





Proposed FY2023 Administrative and Project Development Budget

CATEGORY	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023	FY2023
	Proposed HRTAC Budget**	Proposed HRTF General Administrative **	Proposed HRRTF General Administrative **	Proposed HRTF Direct Administrative	Proposed HRRTF Direct Administrative	Proposed HRTF Program/Project Development	Proposed HRRTF Program/Project Development
REVENUES							
HRTF Revenues	\$ 7,140,611	\$ 1,374,611	\$ -	\$ 653,000	\$ -	\$ 5,113,000	\$ -
HRRTF Revenues	253,228	-	223,228	-	-	-	30,000
TOTAL REVENUE	\$ 7,393,839	\$ 1,374,611	\$ 223,228	\$ 653,000	\$ -	\$ 5,113,000	\$ 30,000
EXPENDITURES							
PERSONNEL*							
HRTAC Staff/Fringes/Leave Reserve	\$ 765,054	\$ 658,171	\$ 106,883	\$ -	\$ -	\$ -	\$ -
HRTPO/HRPDC Support Staff*	241,685	207,920	33,765	-	-	-	-
SUBTOTAL PERSONNEL	1,006,739	866,092	140,647	-	-	-	-
PROFESSIONAL SERVICES							
Audit	128,000	51,618	8,382	68,000	-	-	-
Rating Agency Annual Fees	100,000	-	-	100,000	-	-	-
Trustee	30,000	-	-	30,000	-	-	-
TIFIA Annual Fees	100,000	-	-	100,000	-	-	-
Bank Fees & Investment Services	355,000	-	-	355,000	-	-	-
Legal	1,270,000	344,118	55,882	-	-	850,000	20,000
Financial Advisors	500,000	-	-	-	-	490,000	10,000
Consulting Engineer	400,000	-	-	-	-	400,000	-
Insurance - D&O/Liability	10,000	8,603	1,397	-	-	-	-
Recruiting	2,000	1,721	279	-	-	-	-
Debt Program/T&R Study	3,368,000	-	-	-	-	3,368,000	-
SUBTOTAL PROFESSIONAL SERVICES	6,263,000	406,059	65,941	653,000	-	5,108,000	30,000
TECHNOLOGY/COMMUNICATION*							
IT/Communications	15,000	12,904	2,096	-	-	-	-
LAN system/Computer Equipment/Cloud	10,000	8,603	1,397	-	-	-	-
Website Consultant	2,000	1,721	279	-	-	-	-
SUBTOTAL TECHNOLOGY/COMMUNICATION	27,000	23,228	3,772	-	-	-	-
ADMINISTRATIVE *							
Public Notices/Advertising	4,000	3,441	559	-	-	-	-
Office Space	20,000	17,206	2,794	-	-	-	-
Office Supplies*	9,000	6,882	1,118	-	-	1,000	-
Furniture	3,000	2,581	419	-	-	-	-
Printing/Copying*	6,000	1,721	279	-	-	4,000	-
Dues/Subscriptions/Computer Licenses	3,000	2,581	419	-	-	-	-
Travel	8,000	6,882	1,118	-	-	-	-
Meeting Expenses*	18,500	15,915	2,585	-	-	-	-
Telephone*	5,000	4,301	699	-	-	-	-
Postage*	1,000	860	140	-	-	-	-
General Consulting Services*	10,000	8,603	1,397	-	-	-	-
Secured Document Storage	4,600	3,957	643	-	-	-	-
Professional Development	5,000	4,301	699	-	-	-	-
SUBTOTAL ADMINISTRATIVE	97,100	79,233	12,867	-	-	5,000	-
TOTAL EXPENDITURES	\$ 7,393,839	\$ 1,374,611	\$ 223,228	\$ 653,000	\$ -	\$ 5,113,000	\$ 30,000

*Includes items to be reimbursed to HRPDC/HRTPO

** Pursuant to § 33.2-2605 of the Code of Virginia, Administrative expenses shall be paid from the Hampton Roads Transportation Fund and the Hampton Roads Regional Transit Fund on an approximately pro rata basis.

Fund	Estimated FY2023 Revenues Provided by VDOT \$M	% of Tax Revenue by Fund	Administrative Costs Shared	Direct Administrative	Program Development Costs	Approved Budget Costs by Fund
HRRTF	39.9	13.97%	223,227.51	-	30,000.00	253,227.51
HRTF	245.7	86.03%	1,374,611.49	653,000.00	5,113,000.00	7,140,611.49
Total	285.6	100.00%	1,597,839.00	653,000.00	5,143,000.00	7,393,839.00





Finance Committee Meeting Agenda Items E-K and 6A

March 15, 2022

Agenda Item E:

HRELN Plan of Finance Update

Hampton Roads Express Lanes Network – Phased Delivery

HRELN is a continuous network of Express Lanes in each traffic direction on I-64 from the Jefferson Avenue interchange in Newport News to the I-64, I-264 and Bowers Hill interchange in Chesapeake. Divided into four segments, it will be delivered in two phases:

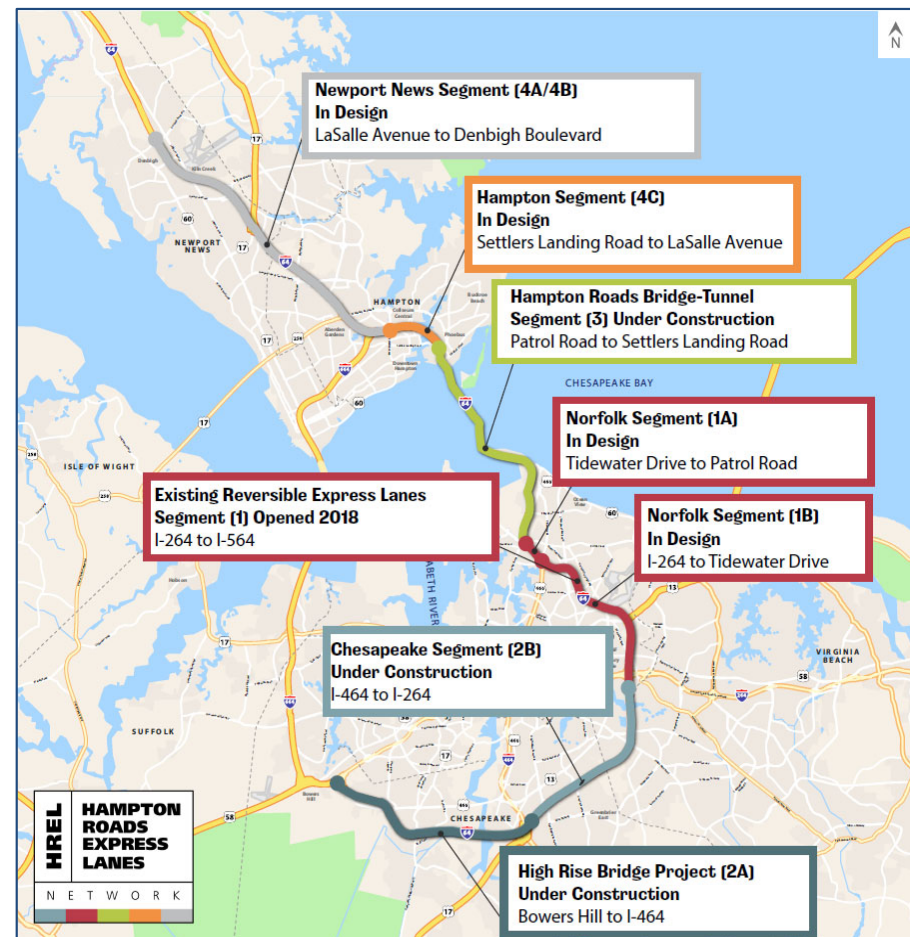
Phase I (Under Construction)

- **Segment 2** – under construction and fully funded (one Express Lane in each direction, completion by end of 2022)
- **Segment 3 (HRBT Expansion Project)** – additional capacity with the construction of new tunnels and lanes, completion scheduled for 2025

Phase II (In Design)

Operational by the end of 2025

- **Segment 1A**
 - Project Award – November 2022
 - Construction Begin – May 2023, End – December 2025
- **Segment 1B**
 - Project Award – August 2023
 - Construction Begin – February 2024, End – November 2026
- **Segment 4A/4B**
 - Project Award – September 2023
 - Construction Begin – October 2023, End – December 2025
- **Segment 4C**
 - Project Award – July 2022
 - Construction Begin – January 2023, End – December 2025



Updated HRELN Cost Estimate and Schedule

- The new estimate is \$1,117M, which includes a proposed \$940M HRTAC obligation (up from \$806M previous estimate including \$28M toll integration), \$124M IJA Bridge funds, \$24M VDOT IOEP funds, and up to, on a last dollar in basis, \$28M VDOT TFRA funds for toll integration (CTB allocation applies).
- The proposed \$940M HRTAC obligation reflects a \$162M increase from the 2021 estimate.**
- Based on the schedule, Notice to Proceed for Segments 4C and 1A is on the very near horizon – June and November of 2022, respectively.

HRTAC Obligation			Current Delivery Schedule		
	2021 Budget	2022 Budget		1A	1B (Tentative)
<i>Segment 1A and 1B</i>					
PE	\$15,085,537	\$13,900,000	RFQ Advertisement	1/20/2022	9/1/2022
RW	\$9,660,755	\$1,000,000	RFP Advertisement	4/27/2022	12/16/2022
CN	\$167,380,693	\$342,000,000	NTP	11/19/2022	8/19/2023
Total	\$192,126,985	\$356,900,000	FCD	12/31/2025	11/1/2026
<i>Segment 4A/4B</i>			<i>Segment 4A/4B</i>		
PE	\$15,968,945	\$14,791,063	CN Advertisement	5/9/2023	
RW	\$2,369,034	\$2,200,000	NTP	9/5/2023	
CN	\$137,884,377	\$139,229,121	FCD	12/29/2025	
Total	\$156,222,356	\$156,220,184			
<i>Segment 4C</i>			<i>Segment 4C</i>		
PE	\$20,000,000	\$20,000,000	RFQ Advertisement	4/30/2021	
RW	\$9,625,000	\$9,625,000	RFP Advertisement	11/10/2021	
CN	\$400,129,878	\$397,423,878	NTP	6/21/2022	
Total	\$429,754,878	\$427,048,878	FCD	12/19/2025	
Grand Total	\$778,104,219	\$940,169,062			
HRTAC Increase		\$162,064,843			

\$93.1M General Assembly Appropriation for HRELN

- The appropriation of \$93.1 million in the 2021-2022 Appropriation Act closed the identified funding shortfall for HRELN in the 2021 funding plan.
- The Appropriation language required T&R modeling of summer weekend traffic volumes to determine if the funding shortfall could be closed.

3. Up to \$93,100,000 shall be transferred to Item 447 for improvements to the Interstate 64 Corridor as follows: (i) to provide any amounts necessary to complete the funding plan for the Hampton Roads Express Lanes as identified in the Master Agreement for Development and Tolling of the Hampton Roads Express Lanes Network executed pursuant to Chapter 703 of the 2020 Acts of Assembly, and (ii) any remaining amounts to improve Interstate 64 between exit 205 and exit 234 as determined by the Commonwealth Transportation Board;

F. For amounts available pursuant to subsection B.3. of this item, the Board shall not distribute any funds for the Hampton Roads Express Lanes Network until updated traffic and revenue modeling considering summer weekend traffic volumes is completed and the amount necessary to complete the funding plan, if any, is determined by the Hampton Roads Transportation Accountability Commission in coordination with the Board. In the event that funds are available to improve the Interstate 64 corridor between exit 205 and exit 234, the Board shall coordinate with the Central Virginia Transportation Authority to determine whether there is an opportunity to partner with the Authority on such improvements.

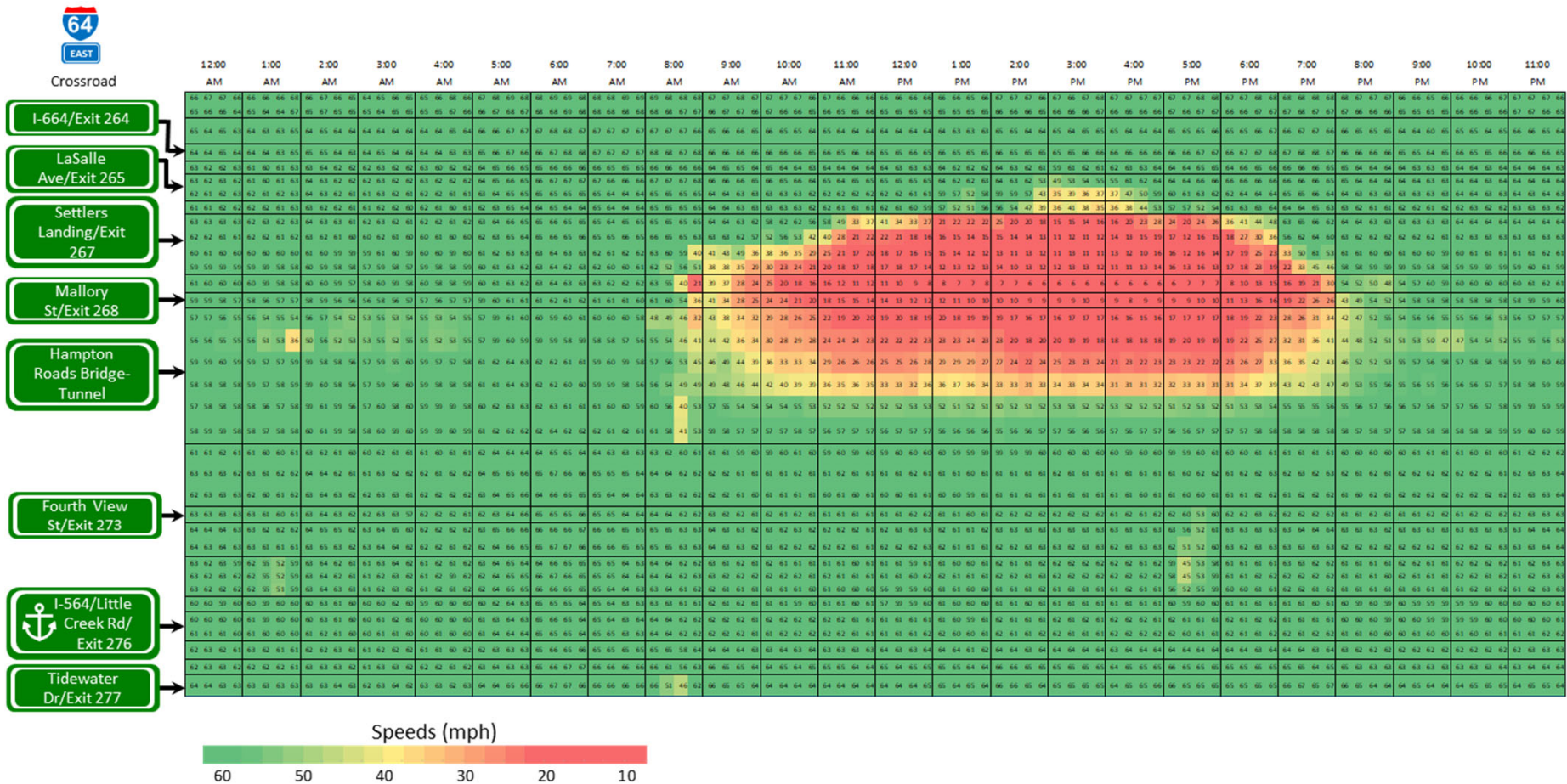
2021 T&R Study Contemplated by the Appropriation Act Language

- Collaborative Study coordinated between VDOT and HRTAC to further examine summer peak weekend traffic & revenue
- Case 2 is a refinement to the investment grade 2020 T&R Study
 - Refined the “annualization” factor applied in the 2020 Study
 - Weekend survey conducted
- Three sensitivity cases are also provided (Case 2.1, 3 and 4):
 - Case 3 and 4 are to identify any HOV policy changes that may need to occur during summer weekends in the future due to high HOV usage.

Case	Description	Require Tolling Policy Change
2020 Study		
Case 1	HOV2+ free all time	no
2021 Study		
Case 2	HOV2+ free all time	no
Case 2.1	HOV2+ free all time, larger Flex E-ZPass Share	no
Case 3	HOV3+ free on summer weekends, HOV2+ free otherwise	yes
Case 4	All Pay on summer weekends, HOV2+ Free Otherwise	yes

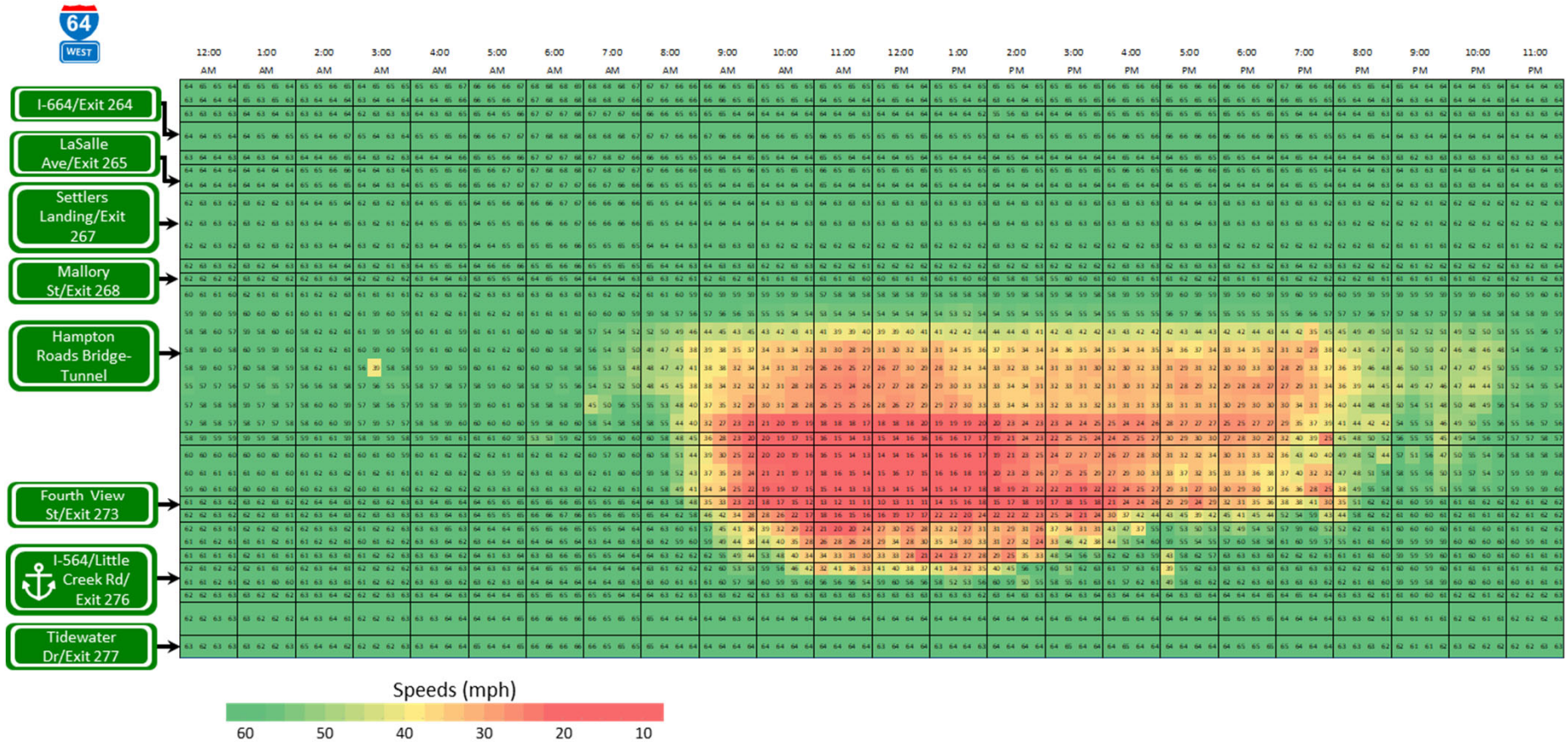
Eastbound Average Summer Saturday Congestion

- Severe eastbound congestion between 9AM and 8PM
- Extending back from HRBT to east of LaSalle Interchange



Westbound Average Summer Saturday Congestion

- Severe westbound congestion between 9AM and 8PM
- Extending back from HRBT to I-564 interchange



2021 T&R Study - Result

- The 2021 Study with refined weekend study indicates minor – moderate revenue increases over the original 2020 Study.
- Case 2 is a refinement of the original 2020 Study and does not require any tolling policy change – approximately 4-5% higher gross revenue estimate
 - Case 2.1 assumes a more conservative E-ZPass Flex share which resulted in minimally lower revenue
- Case 3 and 4 generate 7-11% toll revenue increases, but would require a HOV tolling policy change.

Full HRELN Gross Revenues (in \$000)

Year	2020 Study	2021 Study				2021 Study vs. 2020 Study			
	Case 1	Case 2	Case 2.1	Case 3	4	Case 2	Case 2.1	Case 3	Case 4
2025	\$11,110	\$11,135	\$10,878	\$11,414	\$11,455	0.2%	-2.1%	2.7%	3.1%
2030	\$50,677	\$52,688	\$51,263	\$54,403	\$54,583	4.0%	1.2%	7.4%	7.7%
2035	\$64,019	\$67,100	\$65,149	\$69,512	\$69,770	4.8%	1.8%	8.6%	9.0%
2040	\$80,257	\$84,225	\$81,625	\$87,464	\$87,789	4.9%	1.7%	9.0%	9.4%
2045	\$100,659	\$105,770	\$102,380	\$110,096	\$110,482	5.1%	1.7%	9.4%	9.8%
2050	\$126,552	\$132,707	\$128,413	\$138,928	\$139,441	4.9%	1.5%	9.8%	10.2%
2055	\$159,331	\$166,691	\$161,350	\$175,636	\$176,330	4.6%	1.3%	10.2%	10.7%
2060	\$200,880	\$209,717	\$203,157	\$222,472	\$223,409	4.4%	1.1%	10.7%	11.2%

Conclusion after the 2021 T&R Study: Continuing Need for full \$93.1 Million Appropriation

- Defining factors justify the full need for the \$93.1 million appropriation
 - The 2021 Coordinated T&R study added ~\$5 million additional toll funding capacity after factoring in credit rating methodology and rising interest rates
 - The additional toll revenue forecast resulting from the enhanced summer weekend study is not enough to close the \$93.1 million HRELN funding gap identified in 2021
 - Importantly, the updated cost estimate adds an additional \$162 million to the HRTAC funding obligation approved in 2021

Agenda Item F:

HRTF/Toll Debt Management Plan Update

HRTAC's Debt Financings: To Date and Planned

HRTAC Project	HRTAC Debt Funding
<p>Six Initial Projects</p> <p><i>Draw TIFIA to pay off the BANs</i></p>	<p>HRTF Senior Lien 2018A Bonds</p> <p>HRTF Intermediate Lien 2019A Notes (2019A BANs)</p> <p>HRTF Subordinate Lien 2021 Successor TIFIA Loan ("2021 Successor HRTF Loan")</p>
<p>HRBT</p> <p><i>Draw TIFIA to pay off the BANs</i></p>	<p>HRTF Senior Lien 2020A Bonds</p> <p>HRTF Senior Lien 2021A Notes ("2021A BANs")</p> <p>HRTF Subordinate Lien 2021 TIFIA Loan ("2021 HRTF Loan")</p> <p>Toll Revenue Senior Lien 2021 TIFIA Loan ("2021 Toll Loan")</p>
<p>HRELN</p>	<p>Additional HRTF Bonds and TIFIA Loan</p> <p>Additional Toll Revenue TIFIA Loan</p>

HRTF Revenue Performance and Forecast

- HRTF revenues, particularly sales tax, have been performing well, both in FY 2021 and in recent months.

Additional Sales and Use Tax					
Month of Sales	FY 2020	FY 2021	FY 2022	YoY 2021/2020	YoY 2022/2021
July	\$12,954,223	\$13,212,686	\$13,730,101	2.0%	3.9%
August	13,109,642	13,328,767	14,021,121	1.7%	5.2%
September	12,051,627	13,371,704	16,003,232	11.0%	19.7%
October	12,148,914	13,363,765	15,945,662	10.0%	19.3%
November	12,507,667	13,410,040	15,214,446	7.2%	13.5%
December	14,608,830	16,229,201	16,758,962	11.1%	3.3%
January	10,537,969	12,023,827		14.1%	
February	10,013,105	11,563,378		15.5%	
March	11,294,866	15,899,424		40.8%	
April	10,513,497	15,306,564		45.6%	
May ⁽¹⁾	17,813,127	22,071,645		23.9%	
June	8,632,239	11,824,489		37.0%	
Total	\$146,185,708	\$171,605,490	\$91,673,524		

Additional Motor Vehicle Fuel Tax					
Month of Sales	FY 2020	FY 2021	FY 2022	YoY 2021/2020	YoY 2022/2021
July	\$5,342,744	\$4,947,480	\$5,237,330	-7.4%	5.9%
August	5,354,805	4,849,437	5,458,598	-9.4%	12.6%
September	5,047,483	4,969,314	5,079,849	-1.5%	2.2%
October	5,125,012	4,776,324	4,985,494	-6.8%	4.4%
November	4,749,138	4,247,129	4,723,160	-10.6%	11.2%
December	4,995,007	4,653,578		-6.8%	
January	4,504,735	4,297,822		-4.6%	
February	4,267,340	3,669,674		-14.0%	
March	4,529,544	5,018,004		10.8%	
April	4,050,540	4,831,568		19.3%	
May	3,134,001	5,227,947		66.8%	
June	3,927,379	4,517,324		15.0%	
Total	\$55,027,728	\$56,005,601	\$25,484,432		

- In the most recent forecast update by the Department of Tax (December 2021):
 - Sales tax amounts were revised up and fuels tax amounts were revised down
 - Including the FY 2021 actual results, HRTF revenues through FY 2026 are projected to be \$195 million higher than estimated in December 2020.

	Previous Forecast			Actual and Current Forecast			Difference		
	Sales Tax	Fuels Tax	Total	Sales Tax	Fuels Tax	Total	Sales Tax	Fuels Tax	Total
FY 2021	\$139.1	\$58.6	\$197.7	\$171.6 (act.)	\$56.0 (act.)	\$227.6	\$32.5	-\$2.6	\$29.9
FY 2022	\$142.8	\$60.4	\$203.2	\$173.9	\$56.3	\$230.2	\$31.1	-\$4.1	\$27.0
FY 2023	\$146.8	\$62.2	\$209.0	\$186.8	\$58.9	\$245.7	\$40.0	-\$3.3	\$36.7
FY 2024	\$150.2	\$63.5	\$213.7	\$192.2	\$59.7	\$251.9	\$42.0	-\$3.8	\$38.2
FY 2025	\$157.8	\$64.3	\$222.1	\$197.0	\$60.2	\$257.2	\$39.2	-\$4.1	\$35.1
FY 2026	\$165.4	\$65.5	\$230.9	\$198.2	\$60.7	\$258.9	\$32.8	-\$4.8	\$28.0
Total	\$902.1	\$374.5	\$1,276.6	\$1,119.7	\$351.8	\$1,471.5	\$217.6	-\$22.7	\$194.9

March 2022 HRELN Funding Plan Update

- In the proposed 2022 updated HRELN Funding Plan, the \$162 million increase in HRTAC's obligation is assumed to be covered by:
 - \$5 million additional toll loan proceeds and
 - \$157 million HRTF paygo funding
 - Previously planned additional HRTF debt of ~\$300 million is split into senior lien revenue bonds and an additional TIFIA loan

	Total	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
HRELN								
Costs								
Costs - HRTAC Obligation	940,169,062	11,455,040	26,538,244	154,892,181	270,845,532	281,012,879	170,050,186	25,375,000
Costs - Other Sources	176,854,954		1,399,005	5,985,009	43,684,723	60,224,127	49,424,811	16,137,279
Total Costs	1,117,024,016	11,455,040	27,937,249	160,877,190	314,530,255	341,237,006	219,474,997	41,512,279
HRTAC Funding Obligation								
State Appropriation	93,100,000			93,100,000				
HRTF Paygo	276,425,870	11,455,040	26,538,244	18,614,531	13,379,990	187,946,083		18,491,982
HRTF Senior 2023A Bonds	191,424,287			43,177,650	148,246,637			
HRTF 2023 TIFIA Loan	109,218,905				109,218,905			
Toll 2023 TIFIA Loan	270,000,000					93,066,796	170,050,186	6,883,018
Total	940,169,062	11,455,040	26,538,244	154,892,181	270,845,532	281,012,879	170,050,186	25,375,000
Other Funding Source								
Bridge - IJJA Funding	124,444,514		1,056,504	5,137,510	37,114,723	41,055,540	31,192,737	8,887,500
VDOT IOEP	24,400,000		342,501	847,499	6,570,000	7,170,000	6,795,000	2,675,000
VDOT TFRA - Toll Integration	28,010,440					11,998,587	11,437,074	4,574,779
Total	176,854,954		1,399,005	5,985,009	43,684,723	60,224,127	49,424,811	16,137,279

Discussion

- Due to the imminent, planned date of the NTP of Segment 4C (see slide #4), HRTAC is constraining the funding plan for the HRELN Phase 2 primarily with additional HRTF funds.
- However, it is recommended that HRTAC continue to identify alternative non-HRTAC funds to supplement HRTF funds.

Agenda Item G:

FY2023-FY2028 Six Year Operating and Capital Program –
Highway Regional High Priority Projects

- Project Costs and Funding
- HRTF Cash Flow
- Toll Revenue Cash Flow

Agenda Item H:

FY2023-FY2028 Six Year Operating and Capital Program –
Transit Regional High Priority Projects

- Project Costs and Funding
- HRRTF Cash Flow

Highway Regional Priority Projects (in \$MM)

Highway Regional Priority Projects Costs and Expenses

	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total	HRTAC HRTF Paygo	HRTAC HRTF Debt	HRTAC Toll Debt	VDOT & Other
Admin & Project Development Costs	\$25	\$7	\$8	\$8	\$8	\$7	\$7	\$69	\$69			
I-64 Peninsula Widening	\$531							\$531	\$2	\$309		\$221
I-64/I-264 Interchange Improvement	\$362							\$362	\$10	\$280		\$72
I-64 Southside/High Rise Bridge	\$527							\$527	\$1	\$431		\$95
Project Development	\$46							\$46	\$46			
HRBT	\$2,284	\$546	\$532	\$381	\$20			\$3,762	\$1,595	\$1,622	\$345	\$200
HRELN	\$77	\$123	\$315	\$341	\$219	\$42		\$1,117	\$276	\$301	\$270	\$270
Total	\$3,852	\$676	\$854	\$730	\$248	\$48	\$7	\$6,415	\$1,999	\$2,942	\$615	\$858

Funding Sources

	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
VDOT & Other	\$428	\$61	\$154	\$150	\$49	\$16		\$858
HRTAC HRTF Paygo	\$783	\$571	\$409	\$196	\$8	\$25	\$7	\$1,999
HRTAC HRTF Debt	\$2,642	\$43	\$257					\$2,942
HRTAC Toll Debt			\$34	\$384	\$190	\$7		\$615
Total	\$3,852	\$676	\$854	\$730	\$248	\$48	\$7	\$6,415

*HRELN VDOT Other Funding assumes: \$93.1M state appropriation, \$124M IJIA Bridge funds, \$24M VDOT IOEP funds, and up to, on a last dollar in basis, \$28M VDOT TFRA funds for toll integration (CTB allocation applies)

HRTF Cash Flow

	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Revenues								
HRTF Tax Revenues:								
Sales Tax	\$1,268,731,211	\$186,800,000	\$192,200,000	\$197,000,000	\$198,200,000	\$199,200,000	\$200,000,000	\$2,442,131,211
Fuels Tax	\$410,992,465	\$58,900,000	\$59,700,000	\$60,200,000	\$60,700,000	\$61,700,000	\$63,100,000	\$775,292,465
Total	\$1,679,723,676	\$245,700,000	\$251,900,000	\$257,200,000	\$258,900,000	\$260,900,000	\$263,100,000	\$3,217,423,676
Investment Revenues:								
Interest Income	\$2,358,847	\$4,631,563	\$3,076,139	\$1,755,847	\$1,286,241	\$2,314,314	\$2,360,870	\$17,783,821
Investment Income	\$60,840,417	\$12,844,458	\$9,334,185	\$4,451,023	\$3,758,114	\$4,905,259	\$6,074,006	\$102,207,462
Total	\$63,199,264	\$17,476,021	\$12,410,324	\$6,206,870	\$5,044,355	\$7,219,573	\$8,434,876	\$119,991,283
Total Revenues	\$1,742,922,940	\$263,176,021	\$264,310,324	\$263,406,870	\$263,944,355	\$268,119,573	\$271,534,876	\$3,337,414,959
Payments								
HRTF Debt Payments:	\$181,726,013	\$56,287,088	\$62,900,025	\$79,701,608	\$80,217,917	\$112,734,722	\$113,346,653	\$686,914,026
HRTF Admin & Proj. Dev. Budget	\$24,789,106	\$7,140,611	\$7,515,494	\$7,910,057	\$8,325,335	\$6,618,702	\$6,966,184	\$69,265,489
HRTF Operating Reserve Fund Deposit (Release)	\$7,854,673	\$412,370	\$434,020	\$456,806	-\$1,877,296	\$382,230	\$402,297	\$8,065,099
Total	\$32,643,779	\$7,552,982	\$7,949,513	\$8,366,863	\$6,448,039	\$7,000,932	\$7,368,481	\$77,330,588
Paygo Allocation to Highway Projects	\$758,161,890	\$564,278,258	\$401,054,704	\$187,946,083		\$18,491,982		\$1,929,932,917
Paygo Payments to Financing Costs:								
Toll TIFIA DSRF - Initial Deposit							\$38,092,956	\$38,092,956
Tolling M&R Reserve - Initial Deposit					\$9,000,000			\$9,000,000
Toll Revenue Stabilization Fund							\$10,000,000	\$10,000,000
HRTF TIFIA DSRF - Initial Deposit	\$26,834,750				\$37,168,571			\$64,003,321
Total	\$26,834,750				\$46,168,571		\$48,092,956	\$121,096,277
Total Payments	\$991,511,759	\$628,118,327	\$471,904,242	\$276,014,554	\$132,834,526	\$138,227,636	\$168,808,090	\$2,815,273,808
HRTF Cash Unobligated								
Annual Deposit (Draws)		-\$364,942,306	-\$207,593,918	-\$12,607,684	\$131,109,829	\$129,891,937	\$102,726,786	\$522,141,150
Carry Over from Prior Year		\$743,556,508	\$378,614,202	\$171,020,283	\$158,412,599	\$289,522,428	\$419,414,365	
Ending Balance	\$743,556,508	\$378,614,202	\$171,020,283	\$158,412,599	\$289,522,428	\$419,414,365	\$522,141,150	

*Negative annual deposits indicate drawing on previous year's cash available balance

** Paygo Allocation to Highway Projects does not include admin and project development cost payments

Toll Revenue Cash Flow

	Prior Years	FY 2025	FY 2026	FY 2027	FY 2028	Total
Revenues						
Gross Revenues		\$11,134,939	\$29,929,650	\$42,591,281	\$47,395,565	\$131,051,434
Investment Earnings				\$254,460	\$511,790	\$766,250
Total Revenues		\$11,134,939	\$29,929,650	\$42,845,741	\$47,907,355	\$131,817,685
Payments						
Tolling O&M Expenditure		\$202,656	\$13,632,153	\$15,937,751	\$16,863,792	\$46,636,352
Tolling O&M Reserve Deposit				\$576,400	\$231,510	\$807,910
Debt Service Fund - Mandatory					\$18,020,527	\$18,020,527
Debt Service Fund - Scheduled					\$18,020,527	\$18,020,527
TIFIA DSRF Deposit						
Tolling M&R Reserve			\$13,037,998	\$26,331,590	\$12,791,526	\$52,161,113
Total Payments		\$202,656	\$26,670,150	\$42,845,741	\$47,907,355	\$117,625,902
Toll Revenues Unobligated						
Annual Deposit(Draws)		\$10,932,284	\$3,259,499			\$14,191,783
Carry Over from Prior Year			\$10,932,284	\$14,191,783	\$14,191,783	
Ending Balance		\$10,932,284	\$14,191,783	\$14,191,783	\$14,191,783	

Transit Regional Priority Projects (in \$MM)

Transit Regional Priority Projects Costs and Expenses								
	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Admin & Project Development Costs	\$0.40	\$0.25	\$0.27	\$0.28	\$0.30	\$0.31	\$0.33	\$2.13
Transit Bus Expansion Project (Group A&B)	\$9.31	\$4.38						\$13.69
Bus Shelter	\$3.27							\$3.27
Regional Transit System Technology	\$0.60							\$0.60
Net Center Replacement	\$0.06							\$0.06
New Bus Operating Facility - Southside	\$1.00							\$1.00
Robert Hall Transfer Center Replacement	\$0.10							\$0.10
Evelyn T. Butts Project	\$0.10							\$0.10
RTS Operations and Maintenance	\$5.73	\$18.67	\$28.98	\$36.44	\$37.72	\$38.77	\$39.72	\$206.03
RTS Development and Support Services	\$4.95							\$4.95
New Bus Operating Division	\$6.71	\$0.60	\$2.49	\$2.49	\$2.49			\$14.78
Bus Stop Amenity Program RTS Network	\$5.33							\$5.33
Paratransit Fleet		\$0.47						\$0.47
Non-Revenue Fleet		\$0.95						\$0.95
Total	\$37.54	\$25.32	\$31.74	\$39.21	\$40.50	\$39.08	\$40.05	\$253.44

Funding Sources								
	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
HRTAC HRRTF	\$37.54	\$25.32	\$31.74	\$39.21	\$40.50	\$39.08	\$40.05	\$253.44

*Include a funding application presented to HRTAC for FY 2023 funds and projected Operation and Maintenance costs in future years

HRRTF Cash Flow

	Prior Years	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Revenues								
Grantor's Tax	\$15,755,462	\$8,200,000	\$8,200,000	\$8,200,000	\$8,200,000	\$8,200,000	\$8,200,000	\$64,955,462
Transient Occupancy Tax	\$12,671,691	\$11,700,000	\$12,300,000	\$12,900,000	\$13,000,000	\$13,000,000	\$13,000,000	\$88,571,691
Recordation Tax Transfer	\$40,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$160,000,000
Total	\$68,427,153	\$39,900,000	\$40,500,000	\$41,100,000	\$41,200,000	\$41,200,000	\$41,200,000	\$313,527,153
HRRTF Investment Revenues:								
HRRTF Interest Income	\$82,644	\$584,210	\$1,096,183	\$724,791	\$298,821	\$389,534	\$329,724	\$3,505,907
HRRTF Investment Income		\$1,620,158	\$3,326,238	\$1,837,326	\$873,090	\$825,629	\$848,308	\$9,330,748
Total	\$82,644	\$2,204,368	\$4,422,421	\$2,562,118	\$1,171,911	\$1,215,162	\$1,178,031	\$12,836,654
Total Revenues	\$68,509,797	\$42,104,368	\$44,922,421	\$43,662,118	\$42,371,911	\$42,415,162	\$42,378,031	\$326,363,807
Payments								
HRRTF Admin & Proj. Dev. Budget	\$399,166	\$253,228	\$266,522	\$280,514	\$295,241	\$310,742	\$327,055	\$2,132,468
Paygo Allocation for Transit Projects	\$37,142,096	\$25,062,529	\$31,469,945	\$38,933,980	\$40,205,183	\$38,772,910	\$39,721,432	\$251,308,075
Deallocated Funding Returned								
Total Payments	\$37,541,262	\$25,315,757	\$31,736,467	\$39,214,494	\$40,500,424	\$39,083,652	\$40,048,487	\$253,440,543
HRRTF Cash Unobligated								
Annual Deposit (Draws)	\$30,885,891	\$16,788,611	\$13,185,954	\$4,447,623	\$1,871,486	\$3,331,511	\$2,329,544	\$72,923,264
Carry Over from Prior Year		\$30,968,535	\$47,757,146	\$60,943,100	\$65,390,723	\$67,262,209	\$70,593,720	
Ending Balance	\$30,885,891	\$47,757,146	\$60,943,100	\$65,390,723	\$67,262,209	\$70,593,720	\$72,923,264	

Agenda Item I:

Authorization to Issue Up to \$501,000,000 of Additional Bond Anticipation Notes (BANs) to Refund and Extend HRTF Series 2019A BANs

- Financing Overview and Analysis
- Resolution and Documentation Approval

2019A BANs and 2021 Successor HRTF TIFIA Loan

- \$414.3M 2019A BANs are due 7/1/2022.
- The existing plan is to draw the 2021 Successor HRTF TIFIA Loan (“the TIFIA Loan”) on 7/1/2022 to retire the 2019A BANs.
 - The executed TIFIA Loan amount is \$501M.
 - The existing plan is to use the TIFIA Loan to repay the 2019A BANs and create \$86.4M funding (via reimbursement for previous spending) that could be used for HRBT and/or HRELN.
- Now, the Six Initial Projects’ Substantial Completion (“SC”) is estimated to occur on 12/31/2022*.
 - The draw of the TIFIA Loan can be pushed back to one year after the SC up to 12/31/2023.
 - This creates an opportunity to extend the BANs’ final maturity, from 7/1/2022 up to 12/31/2023.
 - To be conservative, assume 2019A BAN’s final maturity is extended to 10/1/2023
- In addition, extending the BANs and deferring the TIFIA Loan draw to post construction reduces certain administrative burdens under the TIFIA Loan Agreement

**VDOT continues to monitor the schedule.*

2022A BANs Description

- The 2019A BANs can be defeased as soon as 4/3/2022 and be replaced by roll-over BANs (“2022A BANs”).
- The economic benefit analysis considers and compares long-term TIFIA payments and any HRTF cash needed for the 2022A BANs’ interest payments.
- The analysis assumes:
 - 2022A BANs issued on the Intermediate Lien (May use Senior Lien)
 - Final maturity on 10/1/2023 (TBD)
 - Market conditions as of March 7, 2022 (subject to change)
 - 4.0% coupon; 1.3% yield

2022A BANs Sources and Uses

Sources	
Principal	414,345,000
Premium	14,891,164
Sub-Total	429,236,164
Additional HRTF Needed	10,419,536
Total	439,655,700
Uses	
2019A BAN Payoff	416,474,273
Interest Through Final Maturity	22,420,668
Issuance Costs	760,759
Total	439,655,700

TIFIA Loan Sources and Uses

Sources	
Loan Amount	500,789,463
Uses	
2022A BANs Payoff	414,345,000
Project Fund	86,444,463
Total	500,789,463

Savings Analysis – Preliminary Results

- Without the roll over, \$2.1M HRTF is needed to pay 2019A interest for its remaining term.
- With the roll over, \$10.4M HRTF is needed to cover 2022A interest payment and 2019A's escrow.
- However, the loan agreement payments are reduced by \$16.7M, which produces overall economic savings.
- Unlike most refunding opportunities, due to the 7-1-2022 maturity of the 2019A BANs, the rollover is a “take it or lose it” opportunity.

\$8.4M gross savings and \$3.2M PV savings

Fiscal Year	No Roll Over			Roll Over			Annual Savings
	HRTF Needed	TIFIA Payments	Project Funding	TIFIA Debt Service	HRTF Needed	Project Funding	
2022	(2,129,273)		86,444,463		(10,419,536)	86,444,463	(8,290,263)
2023							
2024							
2025		(12,056,583)		(11,780,598)			275,985
2026		(12,570,142)		(12,282,401)			287,741
2027		(13,064,267)		(12,765,216)			299,052
2028		(13,639,527)		(13,327,307)			312,220
2029		(14,187,765)		(13,862,995)			324,770
2030		(14,807,314)		(14,468,362)			338,952
2031		(15,390,622)		(15,038,318)			352,304
2032		(16,033,314)		(15,666,298)			367,016
2033		(16,677,368)		(16,295,609)			381,759
2034		(17,363,630)		(16,966,162)			397,468
2035		(18,080,662)		(17,666,781)			413,881
2036		(18,861,765)		(18,430,004)			431,761
2037		(19,598,894)		(19,150,259)			448,635
2038		(20,413,564)		(19,946,280)			467,283
2039		(21,279,116)		(20,792,020)			487,097
2040		(22,125,517)		(21,619,045)			506,471
2041		(23,047,293)		(22,519,721)			527,572
2042		(23,960,156)		(23,411,688)			548,468
2043		(24,967,897)		(24,396,361)			571,536
2044		(25,960,972)		(25,366,704)			594,268
2045		(27,031,931)		(26,413,148)			618,783
2046		(28,124,894)		(27,481,092)			643,802
2047		(29,269,791)		(28,599,781)			670,010
2048		(30,471,687)		(29,774,165)			697,522
2049		(31,722,018)		(30,995,874)			726,143
2050		(33,011,825)		(32,256,157)			755,668
2051		(34,332,558)		(33,546,657)			785,901
2052		(35,735,970)		(34,917,944)			818,026
2053		(37,175,784)		(36,324,800)			850,985
2054		(38,689,058)		(37,803,433)			885,625
2055		(40,253,314)		(39,331,882)			921,432
Total	(2,129,273)	(729,905,198)	86,444,463	(713,197,062)		86,444,463	8,417,873

Agenda Item I:

2022A BANs Resolution and Financing Documents

- Given evolving market conditions, the HRTAC finance team suggests providing some flexibility on timing, size, and structure of the Series 2022A BANs, within certain parameters.
- Approves and authorizes financing documentation including:
 - HRTF Master and 8th Supplemental Indenture
 - Official Statement (preliminary and final)
 - Other: bond purchase agreement and escrow agreement
- Authorizes the Executive Director to select a bidding agent
- Bond parameters:
 - Maximum par amount - \$501,000,000
 - Maximum term – 24 months
 - Different liens permitted
 - Maximum interest rate – produce minimum \$100,000 present value savings net of issuance costs vs. status quo
- Underwriter selection – delegated to the Executive Director, with the advice of the Financial Advisor, to select from the current underwriting pool

Agenda Item J:

Authorization to Utilize Up to \$625,000,000 HRTF Available Cash to Defeas and Redeem up to \$486,000,000 of Series 2018A Bonds from Available Funds

Agenda Item K:

Authorization to Issue Up to \$590,000,000 of HRTF Series 2022B Senior Lien Bonds

- Financing Overview and Analysis
- Resolution and Documentation Approval

Summary of the 2018A Bonds

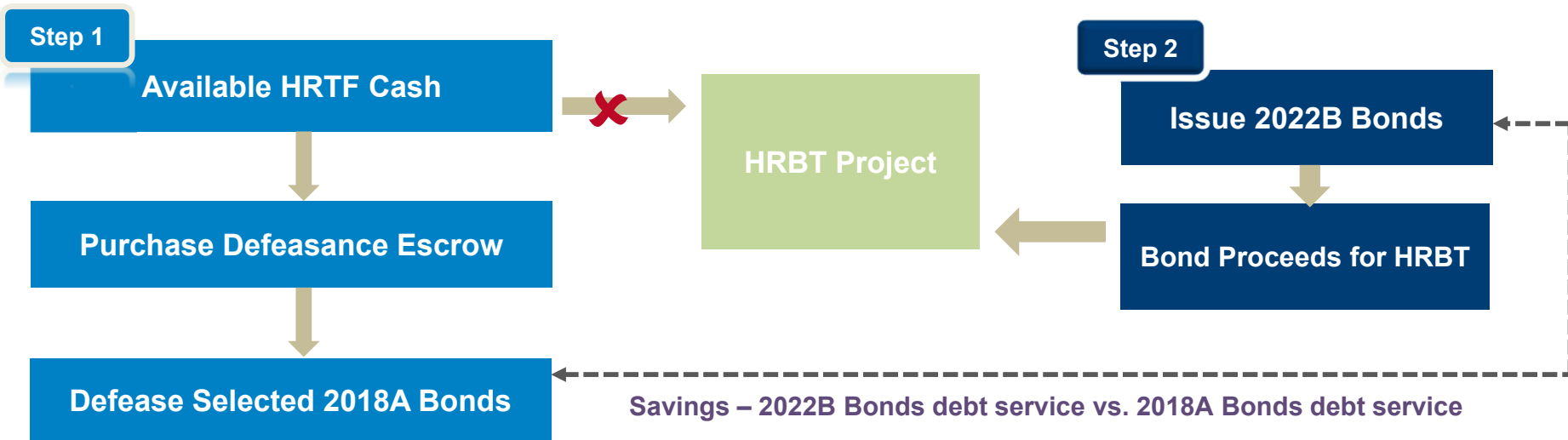
- Senior Lien Revenue Bonds, Series 2018A were issued in February 2018
 - Original & outstanding par amount: \$500,000,000
 - Callable on 1/1/2028
 - Amortization schedule:

	Serial Bonds	2042 Term Bond	2048 Term Bond	2052 Term Bond	2057 Term Bond	Total
Par Amount	\$93,040,000	\$40,510,000	\$87,105,000	\$108,530,000	\$170,815,000	\$500,000,000
Coupon	5.00%	5.00%	5.00%	5.00%	5.50%	
Maturity Year	2025 - 2038	2039 - 2042	2043 - 2048	2049 - 2052	2053 – 2057	

- Strategies to reduce debt service have been considered given the low interest rate environment, including a taxable advance refunding.
- PFM recommends a two-step cash optimization strategy as described on the following pages.

Cash Optimization – Two Step Strategy

- The current HRBT funding plan includes \$1.68 billion HRTF paygo for construction.
- As of March 1, 2022, the HRTF cash balance is \$1.39 billion. During the HRBT and HRELN construction period, the balance remains above \$190M net of all programmed HRTF obligations (debt service and project payments).
- The existing cash balance, projected HRTF cash flow, and future paygo spending allows for a re-allocation of cash balances to implement a two-step cash optimization strategy:



- 1 Step 1: Cash that would have been contributed toward HRTAC Projects is instead used to establish an escrow to defease selected higher interest rate 2018A Bonds.
- 2 Step 2: HRBT project costs are instead provided through the issuance of new money bonds at lower yields, thus lowering overall debt service.

Cash Optimization – Preliminary Result and Considerations

- Assumptions:
 - Utilize \$500M HRTF cash to purchase a defeasance escrow
 - Selected 2018A Bonds to defease: \$414M
 - Market conditions as of March 7, 2022
- This resulted in \$70M pv savings

Gross Savings	\$116,533,278
PV Savings	\$70,188,182
PV Savings/Refunded Par	16.97%
Negative Arb	
Value	\$22,224,231
Negative Arb/Refunded Par	4.16%

- Considerations:
 - The two steps must be independent, and a minimum separation period is required between Step 1 and 2, and this creates an interest rate risk.
 - After Step 1, borrowing rates would have to rise by more than 155 bps to frustrate achieving the pv savings.
 - However, HRTAC does not need to execute Step 2 immediately and can wait for an improved market.
 - Current cash flow and project expenditure schedule indicate that Step 2 can be deferred as far as Spring 2024.

Agenda Item J:

2018A Bonds Defeasance Resolution and Related Documents

- Series 2018A Bonds present most efficient use of available funds
- Authorizes the Executive Director to select and determine amounts and timing
- Authorizes the Executive Director to select a bidding agent
- Authority under the Resolution terminates 12/31/2022
- Defeasance parameter:
 - Maximum amount of defeased 2018A Bonds par amount: \$486,000,000
 - Maximum amount of available HRTF cash to be utilized: \$625,000,000
- Approves and authorizes financing documentation including:
 - Escrow agreement
 - EMMA notices

Agenda Item K:

Series 2022B Bonds Resolution and Financing Documents

- Given evolving market conditions, the HRTAC finance team suggests providing some flexibility on timing, size, and structure of the Series 2022B Bonds, within certain parameters
- Authorizes the Executive Director to select and determine amounts and timing
- Authority under the Resolution terminates 12/31/2022
- Approves and authorizes financing documentation including:
 - HRTF Master and 9th Supplemental Indenture
 - Official Statement (preliminary and final)
 - Other: bond purchase agreement
- Bond parameters:
 - Maximum par amount - \$590,000,000
 - Maximum term – 40 years
 - Different liens permitted (likely Senior Lien)
 - Maximum interest rate – 5% True Interest Cost
 - Minimum sales price (excluding original issue discount) – 95%
- Underwriter selection – delegated to the Executive Director, with the advice of the Financial Advisor, to select from the current underwriting pool

Agenda Item 6A:

HRTAC 2045 Long Range Plan of Finance Update

- Highway Regional Priority Projects
- Transit Regional Priority Projects

2045 LRTP – Highway Regional Priority Projects (\$MM)

Existing Approved 2045 LRTP

	Six Initial Projects	HRBT	HRELN	I-64/I-464 Loop Ramps	I-64/I-264 Interchange: Phase IIIA	I-264/Independence Boulevard Interchange	I-664 Widening (including Bowers Hill Interchange)	I-64/Denbigh Boulevard Interchange Project	I-264 Widening	VA-164 Widening	VA-168 Bypass
Inflated Costs (MM)	\$1,420	\$3,762	\$806	\$339	\$510	\$207	\$771	\$219	\$669	\$493	\$355
Fiscally Constrained Construction End Year	2022	2026	2026	2029	2031	2033	2038	2040	2045	2045	2045

Total YOE Cost	\$9,550
Funded by HRTF Debt	\$2,888
Funded by Toll Debt	\$602
Funded by HRTAC Pay-Go	\$4,382
Funded by VDOT and Other Pay-Go*	\$1,678

* Assume

[1] \$588M existing VDOT and other local funding for the Six Initial Projects and HRBT

[2] plus \$93M General Assembly Appropriation for the HRELN Project (to be committed)

[3] plus \$28M VDOT TFRA funding for tolling integration costs

[4] plus \$971M SMART SCALE available for new projects after HRELN provided by HRTPO

2045 LRTP Update (Working Draft) – Not Fiscally Constrained (For Discussion only)

	Six Initial Projects	HRBT	HRELN	I-264/Independence Boulevard Interchange & I-264 Widening	Bowers Hill Interchange	I-664 Widening to Colledge Blvd	I-64/I-464 Loop Ramps	I-64/I-264 Interchange: Phase IIIA	I-64/Denbigh Boulevard Interchange Project	VA-164 Widening	VA-168 Bypass
Inflated Costs (MM)	\$1,420	\$3,762	\$1,117	\$876	\$771	\$1,529	\$339	\$510	\$219	\$493	\$355
Construction End Year	2023	2026	2027	2032	2033	2034	2036	2038	2040	2045	2045

*Preliminary estimate provided by VDOT, subject to change

2045 LRTP – Transit Regional Priority Projects (\$MM)

	HRRTF Supported Projects
O&M Costs ¹	\$876
Capital Costs ^{2,3}	\$167
Fiscally Constrained Construction End Year	2045

Total FV Cost	\$1,043
Funded by HRRTF Debt	\$0
Funded by HRRTF Pay-Go	\$1,043

1. Assume annual O&M costs after FY 2028 same as the FY 2028 estimate provided by HRT
2. Assume HRRTF annual revenue grows by 0.5% after the FY 2028 estimate provided by the Department of Tax
3. Assume capital project costs are aggregate HRRTF revenues net of O&M costs

HRTAAC

Hampton Roads Transportation Accountability Commission



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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HREL Plan of Finance Update - Adjusted Cost Estimates, Updated Traffic and Revenue Analysis, Funding Analysis and Determination of Revenue Assumptions

Recommendation:

The Executive Director recommends that the Commission approve the Proposed HRTAC HREL Plan of Finance Update - Adjusted Cost Estimates, Updated Traffic and Revenue Analysis, Funding Analysis and Determination of Revenue Assumptions as reflected in the enclosed presentation.

Background:

As Commission staff, financial advisors, and VDOT continue to further refine project readiness, cost estimation, and financing options, an update to the Hampton Roads Express Lanes (HREL) Plan of Finance is warranted. The proposed update reflects current HRTF revenue projections provided by the Commonwealth, current projections of toll revenues as provided from the Traffic and Revenue Study conducted by CDM Smith (which study was coordinated by VDOT and HRTAC and included an updated traffic and revenue modeling considering summer weekend traffic volumes), current tolling costs projections provided by HNTB consulting services, and updated project cost estimates provided by VDOT under the Pre-Preliminary Engineering Work funded by the Commission. On March 7, 2022, HRTAC and VDOT executive staff, along with respective project and financing teams, met to further coordinate their efforts and to discuss the information gleaned from the updated traffic and revenue study, the current cost estimates and revenue assumptions, the assumptions of the updated HREL funding plan, and the next steps, including the recommendation that the Commission approve an updated HREL funding plan based on the foregoing information and including the full \$93.1m funding authorized by the Appropriation Act as a necessary funding component.. A copy of the Commission's March 3, 2022 letter to the Commissioner, which helped coordinate the HRTAC and VDOT efforts, is enclosed for reference. HRTAC's financial advisors will provide details to the proposed update at the Finance Committee meeting. A copy of the presentation detailing the proposed update is enclosed for reference.

Fiscal Impact:

The 2021-2022 Traffic and Revenue Study (with updated traffic and revenue modeling considering summer weekend traffic volumes) did not result in sufficient revenues (\$5M additional toll funding capacity) to close the \$93.1M 2021 funding gap. Importantly, the



updated 2022 estimated total project costs increased the HRTAC-funded costs by \$162M more than the HRTAC-funded costs supported by HRTAC's funding plan for the HREL which was approved in 2021. To provide fiscal constraint to the HREL project, the Proposed HREL Plan of Finance Update includes use of the \$93.1M in state Appropriation Act provided funding, assumes, on a last dollar in basis, up to \$28M in VDOT TFRA funding to support tolling integration, includes an additional \$5M in anticipated toll revenues, and includes an additional \$157M in anticipated HRTF funding to support the Hampton Roads Express Lanes Network projects.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission approve the Proposed HRTAC Hampton Roads Express Lanes Plan of Finance Update, including the determination therein regarding the need for \$93.1M in state Appropriation Act provided funding, and authorizes the Finance Committee Chair to recommend to the Commission at its next meeting that it approve such Plan of Finance Update and determination.

March 3, 2022

Mr. Stephen C. Brich, P.E., Commissioner
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219

RE: Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network dated August 18, 2020 (the "MTA") – Evolution of the Project Budget and Funding Plan for the HREL Project (capitalized terms not defined when used have the meanings given in the MTA)

Dear Commissioner Brich:

Thank you for inviting us to meet with you on March 7th. We greatly appreciate VDOT's support with respect to the development of the HREL Project. To ensure that the VDOT and HRTAC teams have the most up-to-date information available and may discuss it collaboratively and coordinate next steps, below I've listed the principal documents and the version that we believe is most recent/now operative:

- The project budget as of January 25, 2022, which was prepared by VDOT (and set forth in an excel workbook) and delivered by District Engineer, Chris Hall to me via email dated January 25, 2022;
- The T&R Study, updated to include the summer weekend volumes, transmitted by the consultant to VDOT and HRTAC; base case on January 21, 2022, HOV3+ and All Pay on February 15, 2022, and Higher Flex E-ZPass share on February 17, 2022, and research was conducted and data was prepared by CDM Smith;
- The Tolling O&M Cost Study transmitted to HRTAC by VDOT on February 2, 2022, which was prepared by HNTB;
- HRTAC's funding plan for the HREL Project, as included in the overall funding model, which was updated March 3, 2022, and delivered by David Miller (PFM) to Mr. Faizan Habib via email dated March 3, 2022.

Please let me know if you believe you have a more recent version of any of the first three items or need an additional copy.

As you know, when the Budget Bill for FY 2022 was adopted, the estimated costs of the HREL were approximately \$806 million and HRTAC's funding plan was completed by the \$93.1 million appropriation from the General Assembly. At this juncture, considering the new and updated information (including the increased construction costs), the full \$93.1 million appropriation and \$28,010,440 TFRA funding of tolling integration costs remains necessary to complete the funding plan.

At the Commission's next meeting, March 17, 2022, we intend to provide the Commission with this information and ask that it confirm this determination and take appropriate actions toward approving the updated funding plan.

We look forward to seeing you in Richmond on Monday.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin B. Page". The signature is fluid and cursive, with a large initial "K" and "P".

Kevin B. Page
Executive Director

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HRTF/Toll Debt Management Plan Update

Recommendation:

The Executive Director recommends that the Commission approve the Proposed HRTF/Toll Debt Management Plan Update as reflected in the enclosed presentation.

Background:

As Commission staff, financial advisors, and VDOT continue to further refine project readiness and financing options, an update to the approved HRTF/Toll Debt Management Plan is warranted. The proposed update reflects current HRTF revenue projections provided by the Commonwealth, current toll revenues and tolling costs projections, and updated project cost estimates. HRTAC's financial advisors will provide details to the proposed update at the Finance Committee meeting. A copy of the presentation detailing the proposed update is enclosed for reference.

Fiscal Impact:

The fiscal impact to the Hampton Roads Transportation Fund in relation to the HRTAC Proposed HRTF/Toll Debt Management Plan Update will be included in the FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission approve Proposed HRTAC HRTF/Toll Debt Management Plan Update and authorizes the Finance Committee Chair to recommend approval of the Proposed HRTAC HRTF/Toll Debt Management Plan Update to the Commission.

Agenda Item 5G
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects

Recommendation:

The Finance Committee is requesting that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects, 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 FY2022, HRTAC Staff developed a Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects as an update to the Commission’s adopted Financial Plan. 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 FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects updates the amounts included with respect to 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 FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects to receive public comments for consideration in the Commission’s action, which action is expected to be taken not later than at its June 16, 2022 Annual Organizational meeting.



Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. Once adopted, the proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects updates the funding plan for the Commission to provide \$6,415 million (a \$164M increase to the Approved FY2022-FY2027 Plan of Finance Update to support the Hampton Roads Express Lanes Network) for highway regional high priority congestion relief projects FY2014 through FY2028.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Highway Regional High Priority Projects as an update to the HRTAC-adopted 2022-2027 Financial Plan and authorizes the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize the Executive Director to conduct a public hearing and report back public comments for consideration in the Commission’s action which action is expected to be taken not later than at its June 16, 2022 Annual Organizational meeting.

Agenda Item 5H
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects

Recommendation:

The Finance Committee is requesting that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects, as an update to the HRTAC-adopted Financial Plan to include certain modifications for the Region’s High Priority Transit Projects and additional revenues based on new or updated information.

Background:

During FY2022, HRTAC Staff developed a Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects as an update to the Commission’s adopted Financial Plan. This effort to update the Financial Plan included HRTAC Staff, employing financial consultant services, general counsel, and Hampton Roads Transit 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 FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects includes the FY2023 funding request made by Hampton Roads Transit and the related continued support of the operations and maintenance of eligible regional transit services. This update will guide the Commission and inform others through advancing project construction readiness, operations, and planning. The Commission will need to conduct a public hearing on the Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects to receive public comments for consideration in the Commission’s action, which action is expected to be taken not later than at its June 16, 2022 Annual Organizational meeting.



Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing. Once adopted, the proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects updates the funding plan for the Commission to provide \$253.44 million (a \$36.04M increase to the Approved FY2022-FY2027 Plan of Finance Update) for transit regional high priority projects FY2021 through FY2028.

Suggested Motion:

Motion: The Finance Committee endorses the Proposed FY2023-FY2028 Plan of Finance Update – Six Year Operating and Capital Program of Projects – Transit Regional High Priority Projects as an update to the HRTAC-adopted 2022-2027 Financial Plan and authorizes the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize the Executive Director to conduct a public hearing and report back public comments for consideration in the Commission’s action, which action is expected to be taken not later than at its June 16, 2021 Annual Organizational meeting.

Agenda Item 5I
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: Authorization to Issue Up to \$501,000,000 of Additional Bond Anticipation Notes to Refund and Extend HRTF Series 2019A Bond Anticipation Notes (BANs) – Resolution 2022-01

Recommendation:

The HRTAC Executive Director, financial advisors, and bond counsel recommend that the Commission approve Resolution 2022-01 for the proposed issuance of up to \$501,000,000 HRTF [Senior][Intermediate] Lien Bond Anticipation Notes, Series 2022A.

Background:

The Commission has previously approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief in the localities comprising Planning District 23. In particular, in February, 2018, the Commission issued \$500 million of Senior Lien Revenue Bonds, Series 2018A under its HRTF Master Indenture, to provide funding in part for the initial six debt-funded projects. The Commission continued the funding of these projects in December, 2019 with the issuance under the Master Indenture of its first round of TIFIA financing, the \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) (the “Series 2019 TIFIA Obligation”). At the time of the 2019 TIFIA financing, fiscally advantageous market conditions enabled the Commission to issue bond anticipation notes (“BANs”) and utilize the proceeds thereof to pay certain costs on an interim basis, with TIFIA funding being used to repay the principal amount of the BANs upon project completion. The Commission therefore issued its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “Series 2019A BANs”), for such purpose. In September, 2021, the Commission again took advantage of favorable market conditions to modify the Series 2019 TIFIA Obligation and lower its rate (the modified and successor TIFIA obligation is referred to as the “Series 2019/2021 Successor TIFIA Obligation”).

Under the TIFIA program and the Series 2019/2021 Successor TIFIA Obligation, the Commission has one year from the expected date of substantial completion of the projects financed thereunder to make an initial draw on the 2019/2021 Successor TIFIA Obligation. The Commission may realize a financial benefit to “roll over” the Series 2019A BANs to continue the interim financing of the initial six projects before such draw, provided same can be done on a basis that is fiscally advantageous to the Commission.



Based on current market conditions, HRTAC Staff recommends moving forward with the issuance of a series of bond anticipation notes in order to extend/"roll-over" the Series 2019A BANs (such obligations are the "Series 2022A BANs"), with the Series 2022A BANs to be issued under the Commission's existing HRTF master indenture. HRTAC Resolution 2022-01 would authorize the Commission's staff, counsel and financial advisor to proceed with such issuance, and finalize the documents and agreements required for same, with the assistance of the underwriters to be determined by the Executive Director and at a lien level also to be determined by the Executive Director, all subject to parameters in the Resolution, including that the Series 2022A BANs must produce at least \$100,000 present value savings versus had they not been issued, and must have a final maturity date not later than 24 months from the date of their issuance.

Fiscal Impact:

Given the parameters set in the Resolution, the Commission will achieve at least \$100,000 present value savings of debt service payments.

Suggested Motion:

Motion: The Finance Committee endorses Resolution 2022-01 and authorizes the Finance Committee Chair to communicate the Finance Committee's endorsement to the Commission at its March 17, 2022 Special Meeting.



HRTAC RESOLUTION 2022-01

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

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

WHEREAS, the Commission has previously reviewed and approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23 (“Projects”), and funding for eligible costs for such Projects includes the Series 2019A Notes and the 2019/2021 Successor TIFIA Obligation as further described below;

WHEREAS, the Commission has issued its Senior Lien Revenue Bonds, Series 2018A in the principal amount of \$500,000,000, pursuant to a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture of Trust dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) to pay, together with other available funds, the costs of the following Projects: Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phase I and II), and I-64 Southside Widening & High Rise Bridge (Phase I) (the “Initial Financed Projects”);

WHEREAS, the Commission has also issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) pursuant to the Master Indenture as supplemented by a Second Supplemental Series Indenture of Trust dated as of December 1, 2019, which 2019 TIFIA obligation was modified and refinanced (the “2019/2021 Successor TIFIA Obligation”) pursuant to the provisions of the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2021, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “Series 2019A Notes”), pursuant to the Master Indenture and a Third Supplemental Series Indenture of Trust dated as of December 15, 2019, each between the Commission and the Trustee, for the further funding of the Initial Financed Projects;

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

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

WHEREAS, obligations issued under the Master Indenture are payable from and secured by the revenues and funds in the Hampton Roads Transportation Fund (as defined in the HRTAC Act) (the “HRTF Bonds”) and the proceeds of such HRTF Bonds are to be used to finance and refinance the costs of Projects;

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

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

WHEREAS, the Executive Director of the Commission (the “Executive Director”), together with PFM Financial Advisors, LLC, as municipal securities financial advisor (the “Financial Advisor”), and Kaufman & Canoles, a Professional Corporation, as bond counsel (“Bond Counsel”), have provided presentations to the Commission’s Finance Committee and to the Commission describing a plan of finance to issue a series of HRTF Bonds, comprising bond anticipation notes, under and pursuant to the Master Indenture, in one or more series, to provide funding to refund the Series 2019A Notes as described above, to fund any required reserves for such obligations, and to pay certain costs associated with the issuance of such obligations;

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

WHEREAS, in furtherance of the foregoing, the Executive Director and the Finance Committee have recommended that the Commission proceed with the issuance of the Series

2022A Extension Notes, and with the authorization, execution and delivery of certain financing documents, drafts of which have been presented by the Commission’s Financial Advisor and Bond Counsel to the Finance Committee and to the Commission, including the following (collectively, the “Note Documents”):

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

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

(c) A Preliminary Official Statement furnishing information to prospective purchasers of the Series 2022A Extension Notes regarding the Commission, the Series 2022A Extension Notes and the security therefor (the “Preliminary Official Statement”); and

(d) A Continuing Disclosure Undertaking of the Commission, in accordance with Securities Exchange Commission Rule 15c2-12, as amended (the “Municipal Securities Rule”), to periodically provide certain updated disclosures to the municipal securities market regarding the Commission, the Series 2022A Extension Notes and the security therefor;

and

WHEREAS, the Commission has determined that it would be in the best interests of the Commission to authorize the Executive Director to finalize the terms of the Series 2022A Extension Notes, and the Note Documents with the assistance of the Financial Advisor, Bond Counsel and the Commission’s general counsel, and to cause the execution and delivery thereof, subject to the limitations and parameters hereinafter provided in this Resolution.

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

1. The Commission authorizes and approves the issuance of the Series 2022A Extension Notes, in one or more series and from time to time, under the Master Indenture.

2. The Commission authorizes and directs the Executive Director to develop, negotiate and finalize, with the advice of the Financial Advisor, Bond Counsel and the Commission’s general counsel, the structure, terms and conditions of the Series 2022A Extension Notes, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, redemption and prepayment provisions (if any), lien status (which shall be either senior lien or intermediate lien), sales prices, and principal amount, subject to the following parameters:

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

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

4. The Note Documents are approved; the Chair or Vice Chair of the Commission, either of whom may act (the “HRTAC Representative”), is authorized to execute and deliver the Note Documents on the Commission’s behalf, with such changes, insertions or omissions (not inconsistent with the parameters in Sections 2 and 3 above) as may be finalized by the Executive Director in accordance with the terms of this Resolution with the advice of the Financial Advisor, Bond Counsel and the Commission’s general counsel. Such authorization and approval shall be evidenced conclusively by the execution and delivery of the finalized Note Documents by the HRTAC Representative.

5. The Commission hereby authorizes the Executive Director, with the advice of the Financial Advisor, to appoint one or more underwriters from time to time from the Commission’s current underwriting pool, including one or more senior and/or co-managers, to serve as the underwriters with respect to the Series 2022A Extension Notes, and authorizes the sale of the Series 2022A Extension Notes to any or all of such underwriters appointed by the Executive Director for the issuance of the Series 2022A Extension Notes, and in connection therewith, the Commission hereby authorizes and directs the Executive Director to execute and deliver a bond purchase agreement with such underwriters in a form substantially similar to those bond purchase agreements previously approved by the Commission.

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

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2022A Extension Notes, provided that the HRTAC Representative or the Executive Director, either of whom may act, is authorized to “deem final” such Preliminary Official Statement as of the date of its distribution, subject to the omission of final pricing information as permitted by the Municipal Securities Rule. Such officials are each individually further authorized to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement, specifying the terms of the Series 2022A Extension Notes, together with any other information required by law to reflect the terms of the sale of the Series 2022A Extension Notes, the details thereof and the security therefor, as may be necessary or appropriate to complete it as a final Official Statement with respect to the Series 2022A Extension Notes. The HRTAC Representative or the Executive Director, any of whom may act, is authorized to review, and certify as to the accuracy of, the information set forth in the Official Statement describing the Commission, the Series 2022A Extension Notes or the security therefor. Such officials are each further authorized to execute the final Official Statement and deliver the same to the underwriters, and such execution and delivery shall constitute conclusive evidence that such Official Statement has been deemed a “final official statement” (as defined in the Municipal Securities Rule).

7. After the Series 2022A Extension Notes are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have final Series 2022A Extension Notes prepared in accordance with the terms of the Master Indenture and the Eighth Series Supplement and to execute the Series 2022A Extension Notes by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2022A Extension Notes by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2022A Extension Notes to the underwriters upon receipt of the purchase price therefor.

8. The HRTAC Representative and the Executive Director, either of whom may act, is authorized and directed to execute, deliver and file all certificates and documents, and take all further action, as he or she may consider necessary or appropriate in accordance with the terms of this Resolution in connection with the issuance and sale of the Series 2022A Extension Notes, including, without limitation, and with the advice of Bond Counsel, (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Series 2022A Extension Notes to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the “Tax Code”), (b) making any elections that such officials deem desirable including but not limited to regarding payments of rebate to the United States, and (c) filing Internal Revenue Service Form 8038-G.

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

10. The Executive Director is authorized to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") in connection with the investment of any proceeds of the Series 2022A Extension Notes that are to spent on costs of the Initial Financed Projects, if the Executive Director determines, with the advice of the PFM Asset Management LLC, as investment advisor, that the utilization of SNAP is in the best interest of the Commission. The Commission acknowledges that the Treasury Board of the Commonwealth is not, and shall not be, in any way liable to the Commission in connection with SNAP, except as otherwise provided in the standard form SNAP Contract utilized by state and local governmental entities within the Commonwealth.

11. The Executive Director and the Commission's staff are further authorized to take such actions as may be necessary or appropriate to provide for the deposit and investment of funds to carry out the Commission's purposes in accordance with the Commission's adopted budget, the Master Indenture and the HRTAC Act, both prior to and following the issuance of the Series 2022A Extension Notes, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Series 2022A Extension Notes, the establishment and replenishment of reserves, and the deposit and investment of the proceeds of the Series 2022A Extension Notes and Commission revenues in the various funds and accounts established by the Master Indenture and the Eighth Series Supplement or any supplemental indenture. Any of such Series Supplement or supplemental indenture may have a different and additional numbered supplemental designation if necessary, desirable or in connection with the issuance of the Series 2022A Extension Notes.

12. Each HRTAC Representative and the Executive Director is authorized to execute and deliver on the Commission's behalf such other instruments, documents or certificates, including an escrow agreement in connection with the refunding and payment of the Series 2019A Notes, and to do and perform such further things and acts, as he or she shall deem necessary or appropriate to carry out in accordance with the terms of this Resolution the transactions authorized by this Resolution or contemplated by the Master Indenture or any supplement thereto. Any of the foregoing previously done or performed by any officer or authorized representative of the Commission is in all respects approved, ratified and confirmed.

13. This Resolution shall take effect immediately.

The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on March __, 2022.

Chair, Hampton Roads Transportation
Accountability Commission

Vice-Chair, Hampton Roads Transportation
Accountability Commission

EIGHTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

between

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

and

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

Dated as of _____, 2022

relating to

\$ _____

**Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund**

**[Senior Lien] [Intermediate Lien] Bond Anticipation Notes
Series 2022A**

TABLE OF CONTENTS

[To be updated.]

**ARTICLE I
SERIES SUPPLEMENT**

Section 1.1 Series Supplement..... 2
Section 1.2 Definitions..... 3
Section 1.3 Representations of HRTAC 5

**ARTICLE II
AUTHORIZATION AND DETAILS OF 2022A NOTES**

Section 2.1 Authorization of 2022A Notes..... 5
Section 2.2 Details of 2022A Notes..... 6
Section 2.3 Book Entry Provisions for the 2022A Notes 6
Section 2.4 Form of 2022A Notes 8
Section 2.5 Authentication of 2022A Notes 8

**ARTICLE III
[RESERVED]**

**ARTICLE IV
ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS**

Section 4.1 Establishment of Funds and Accounts for the 2022A Notes 9
Section 4.2 Application of Sale Proceeds of the 2022A Notes..... 9

**ARTICLE V
APPLICATION OF CERTAIN FUNDS**

Section 5.1 Cost of Issuance Fund..... 10
Section 5.2 Project Fund..... 10
Section 5.3 Escrow Fund 10
Section 5.4 Note Debt Service Fund..... 11
Section 5.5 Rebate Fund 11

**ARTICLE VI
SPECIAL COVENANTS**

Section 6.1 Security for the 2022A Notes 12
Section 6.2 Covenant to Requisition Under TIFIA Loan Agreement and to Take Further
Actions in the Event Such Moneys are Insufficient..... 12
Section 6.3 Tax Regulatory Agreement..... 12

**ARTICLE VII
MISCELLANEOUS**

Section 7.1 Successors and Assigns..... 13

Section 7.2	Severability	13
Section 7.3	Governing Law	13
Section 7.4	Counterparts	13
Section 7.5	Parties Interested.....	13

EXHIBIT A	DESCRIPTION OF 2022A NOTES PROJECT	
EXHIBIT B	FORM OF 2022A NOTE	
EXHIBIT C-1	FORM OF 2022A NOTES COST OF ISSUANCE FUND REQUISITION	
EXHIBIT C-2	FORM OF 2022A NOTES PROJECT FUND REQUISITION	
EXHIBIT D	CERTIFICATE OF FINANCIAL ADVISOR	

EIGHTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

This **EIGHTH SUPPLEMENTAL SERIES INDENTURE OF TRUST** (this “Eighth Series Supplement”) is made as of _____, 2022 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 has issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) pursuant to the Master Indenture, as supplemented by a Second Supplemental

Series Indenture of Trust dated as of December 1, 2019, which 2019 TIFIA obligation was modified and refinanced (the “2019/2021 Successor TIFIA Obligation”) pursuant to the provisions of the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2022, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “2019A Notes”), pursuant to the Master Indenture and a Third Supplemental Series Indenture of Trust dated as of December 15, 2019, between the Commission and the Trustee (the “Third Series Supplement”), for the funding of the Projects described in Exhibit A hereto (the “Initial Financed Projects”);

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

WHEREAS, HRTAC now desires to issue, sell, and deliver a Series of [Senior] [Intermediate] Lien Obligations under the Master Indenture in the original aggregate principal amount of \$ _____ (as further described in Section 2.1(a) below, the “2022A Notes”);

WHEREAS, HRTAC will use the proceeds of the 2022A Notes to: (a) refund the Series 2019A Notes and rollover their current term for an additional term to extend ____ months to continue the interim financing to pay, or to reimburse for, portions of the costs of the construction and acquisition of the Initial Financed Projects (the “2022A Notes Project”), [(b) fund any required reserves for the 2022A Notes,] and (c) finance certain costs of issuance of the 2022A Notes;

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 Eighth Series Supplement; and

WHEREAS, all things necessary to make the 2022A Notes valid and binding limited obligations of HRTAC, when authenticated and issued as provided in this Eighth Series Supplement, and to constitute this Eighth Series Supplement a valid and binding Series Supplement securing the payment of the principal of and premium, if any, and interest on the 2022A Notes, 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 2022A Notes, as follows:

ARTICLE I SERIES SUPPLEMENT

Section 1.1 Series Supplement This Eighth Series Supplement is a Series Supplement that 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 2022A Notes, except as otherwise expressly stated in this Eighth Series Supplement.

Section 1.2 Definitions. All capitalized words and terms used in this Eighth 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 Eighth Series Supplement unless the context clearly requires otherwise:

“2019A Notes” means HRTAC’s \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A, issued pursuant to the Master Indenture and the Third Series Supplement.

“2019/2021 Successor TIFIA Obligation” means HRTAC’s \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A), issued pursuant to the Master Indenture and a Second Supplemental Series Indenture of Trust dated as of December 1, 2019, as modified and refinanced pursuant to the provisions of the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2021.

“2022A Notes Cost of Issuance Fund” means the Cost of Issuance Fund Related to the 2022A Notes established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Eighth Series Supplement.

“2022A Notes Debt Service Fund” means the Debt Service Fund Related to the 2022A Notes established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Eighth Series Supplement.

“2022A Notes” means the Series of [Senior Lien] [Intermediate Lien] Obligations authorized to be issued under Section 2.1(a) of this Eighth Series Supplement.

“2022A Notes Escrow Fund” means the Escrow Fund Related to the 2022A Notes established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Eighth Series Supplement.

“2022A Notes Principal Payment Date” means _____ 1, 202__.

“2022A Notes Project” shall have the meaning set forth in the recitals of this Eighth Series Supplement.

“2022A Notes Project Fund” means the Project Fund Related to the 2022A Notes established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Eighth Series Supplement.

“2022A Notes Rebate Fund” means the Rebate Fund Related to the 2022A Notes established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Eighth Series Supplement.

“2022A Notes 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 2022A Notes.

“Closing Date” means the date of the issuance, authentication and delivery of the 2022A Notes.

“Dated Date” means the Closing Date.

“DTC” shall have the meaning set forth in Section 2.3 of this Eighth Series Supplement.

“Eighth Series Supplement” means this Eighth Supplemental Series Indenture of Trust dated as of _____, 2022, between HRTAC and the Trustee, being a Series Supplement with respect to the Series 2022A Notes pursuant to the provisions of the Master Indenture.

“Escrow Agent” shall mean Wilmington Trust, National Association, in its capacity as such under the Escrow Agreement.

“Escrow Agreement” shall mean that certain Escrow Deposit Agreement dated _____, 2022, between the Trustee, as Escrow Agent and HRTAC, pursuant to which the Escrow Agent shall be irrevocably directed to redeem the 2019A Notes as provided therein.

“Initial Financed Projects” means the Projects described in Exhibit A hereto.

“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.

“Rebate Requirement” means, collectively, the requirements applicable to tax-exempt bonds under Section 148(f)(2) and (3) of the Tax Code.

“Third Series Supplement” means the Third Supplemental Series Indenture of Trust dated as of December 15, 2019, between the Commission and the Trustee.

“TIFIA 2021 HRBT Loan Agreement” means the TIFIA Loan Agreement (HRTF Revenues) (TIFIA – 20211008A), dated September 21, 2021, 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.

“**TIFIA 2021 Successor Loan Agreement**” means the TIFIA Loan Agreement (HRTAC Project) (TIFIA – 20211010A), dated September 21, 2021, 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 2022A Notes, to execute this Eighth 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 Eighth Series Supplement has been taken, and (iii) the 2022A Notes in the hands of the Owners thereof are and will be valid and enforceable limited obligations of HRTAC.

ARTICLE II AUTHORIZATION AND DETAILS OF 2022A NOTES

Section 2.1 Authorization of 2022A Notes. (a) There is authorized to be issued pursuant to the Master Indenture a Series of [Senior] [Intermediate] Lien Obligations in the aggregate principal amount of \$ _____, to be called the “Hampton Roads Transportation Fund [Senior Lien] [Intermediate Lien] Bond Anticipation Notes, Series 2022A.”

(b) The proceeds of the 2022A Notes shall be used to finance and refinance the 2022A Notes Project.

(c) The 2022A Notes are being issued to pay the costs of 2022A Notes Project and in anticipation of the proceeds to be received by HRTAC from disbursements requested by HRTAC under and in accordance with the terms of the TIFIA 2021 Successor Loan Agreement (which disbursements thereby increase the principal amount of the 2019/2021 Successor TIFIA Obligation issued by HRTAC as evidence of its obligation to repay the loan under the TIFIA 2021 Successor Loan Agreement).

(d) The 2022A Notes are secured as provided in Article VI of this Eighth Series Supplement.

(e) Interest on the 2022A Notes through _____, 2023 shall be payable from amounts on deposit in the 2022A Capitalized Interest Subaccount (established in Article IV hereof) for so long as there are sufficient amounts therein or otherwise and thereafter as described in Article V of this Eighth Series Supplement. Principal due on the 2022A Notes on the 2022A Notes Principal Payment Date shall be payable from amounts available in the Funds and Accounts as described in Article V of this Eighth Series Supplement, from the proceeds of disbursements under the TIFIA 2021 Successor Loan Agreement (if any), and otherwise as provided in Section 6.2 hereof.

Section 2.2 Details of 2022A Notes. (a) The 2022A Notes 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 _____ 1, 202_, at the annual rate of [___ percent (___%)], and shall mature on the 2022A Notes Principal Payment Date.

(b) Each 2022A Note shall bear interest (i) from the Dated Date, if such 2022A Note is authenticated before _____ 1, 2022, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 2022A Note is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 2022A Note shall bear interest from the date to which interest has been paid. Interest on the 2022A Notes shall be computed on the basis of a year of 360 days and twelve 30-day months.

(c) Interest on the 2022A Notes 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 2022A Note owns at least \$1,000,000 in aggregate principal amount of 2022A Notes, 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 2022A Notes shall be payable to the Owners thereof upon the surrender of the 2022A Notes at the Trustee's corporate trust office in Richmond, Virginia.

(d) Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is Owner of all of the 2022A Notes, principal of and premium, if any, and interest on the 2022A Notes shall be payable as provided in the Letter of Representations.

(e) The principal of and premium, if any, and interest on the 2022A Notes shall be payable in lawful money of the United States of America.

(f) If the principal of any 2022A Note is not paid when due (whether at maturity or otherwise), then the overdue principal shall continue to bear interest until paid at the rate set forth in such 2022A Note.

Section 2.3 Book Entry Provisions for the 2022A Notes. (a) The 2022A Notes 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 2022A Note for the original principal amount of each maturity of the 2022A Notes will be registered to Cede & Co. Beneficial owners of the 2022A Notes will not receive physical delivery of the 2022A Notes. Individual purchases of the 2022A Notes 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 2022A Notes are held in book-entry format, payments of principal of and premium, if any, and interest on the 2022A Notes 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 2022A Notes 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 2022A Notes to the beneficial owners of the 2022A Notes is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 2022A Notes shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 2022A Notes, 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 2022A Notes 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 2022A Notes, (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 Eighth Series Supplement to be given to Owners of the 2022A Notes, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 2022A Notes, 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 2022A Notes, references in the Master Indenture or this Eighth Series Supplement to the Owners or registered owners of the 2022A Notes shall mean Cede & Co. and not the beneficial owners of the 2022A Notes. Any notice to or consent requested of Owners of 2022A Notes under the Master Indenture or this Eighth Series Supplement shall be given to or requested of Cede & Co.

(b) Replacement Notes (the “Replacement Notes”) will be registered in the name of and be issued directly to beneficial owners of the 2022A Notes rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 2022A Notes; 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 2022A Notes to discontinue the book-entry system of transfer.

(c) Upon the occurrence of an event described in subsection (b)(1) or (2) above (but the Trustee and HRTAC have no duty or 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 Notes (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 Eighth Series Supplement) to which the Participants are entitled for delivery to the beneficial owners of the 2022A Notes. The Trustee shall be entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Notes. The Owners of the Replacement Notes shall be entitled to the lien and benefits of the Master Indenture and this Eighth Series Supplement.

Section 2.4 Form of 2022A Notes. Each of the 2022A Notes shall be substantially in the form attached as Exhibit B to this Eighth Series Supplement, with such appropriate variations, omissions and insertions as permitted or required by the Master Indenture or this Eighth Series Supplement. There may be endorsed on any of the 2022A Notes 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 2022A Notes. (a) Each 2022A Note shall bear a certificate of authentication, substantially as set forth in the form of the 2022A Note attached as Exhibit B, duly executed by the Trustee. The Trustee shall authenticate each 2022A Note 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 2022A Notes. Only such authenticated 2022A Notes shall be entitled to any right or benefit under the Master Indenture or this Eighth Series Supplement, and such certificate on any 2022A Note shall be conclusive evidence that the 2022A Note has been duly issued under and is secured by the provisions of the Master Indenture and this Eighth Series Supplement.

(b) The Trustee shall authenticate and deliver the 2022A Notes 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 with respect to the issuance of the 2022A Notes as [Senior Lien] [Intermediate] Obligations showing compliance with the provisions of Section 8.4 of the Second Supplemental Indenture of Trust dated as of December 1, 2019, between HRTAC and the Trustee; Section 8.4 of the Fifth Supplemental Indenture of Trust dated as of September 1, 2021, between HRTAC and the Trustee; Section 8.4 of the Seventh Supplemental Indenture of Trust dated as of September 21, 2021, between HRTAC and the Trustee; Section 17(a) of the TIFIA 2021 Successor Loan Agreement; and Section 16(a) of the TIFIA 2021 HRBT Loan Agreement.

In connection with the foregoing, HRTAC specifies that the principal amount of the 2022A Notes, due and payable on _____, 2023, is expected to be payable from anticipated draws under the TIFIA 2021 Successor Loan Agreement, which do not constitute HRTAC Revenues; therefore, such principal amount constitutes an "Excluded Principal Payment" as defined in the Master Indenture. Any disbursements under the TIFIA 2021 Successor Loan

Agreement received by or on behalf of HRTAC shall not constitute or comprise HRTAC Revenues.

**ARTICLE III
[RESERVED]**

**ARTICLE IV
ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS**

Section 4.1 Establishment of Funds and Accounts for the 2022A Notes. (a) In accordance with Section 7.1 of the Master Indenture, the following Funds are hereby established for the 2022A Notes:

- (i) the 2022A Notes Cost of Issuance Fund;
- (ii) the 2022A Notes Escrow Fund;
- (iii) [the 2022A Notes Project Fund];
- (iv) the 2022A Notes Debt Service Fund, and within the 2022A Notes Debt Service Fund there is established the 2022A Interest Account, the 2022A Principal Account, and the 2022A Capitalized Interest Subaccount; and
- (v) the 2022A Notes 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 7.1(b) of the Master Indenture, HRTAC has determined not to establish a debt service reserve fund securing the 2022A Notes, and the Owners of the Series 2022A Notes are not entitled to the benefits of any debt service reserve fund or account established for the benefit of any other Series of Bonds.

Section 4.2 Application of Sale Proceeds of the 2022A Notes. On the Closing Date, the Trustee shall apply the total amount received from the underwriters of the 2022A Notes in payment therefor (\$ _____, which is the principal amount of \$ _____, plus original issue premium of \$ _____, less underwriting discount of \$ _____), as follows:

- (1) \$ _____ shall be delivered to the Trustee to be deposited in the 2022A Notes Cost of Issuance Fund;
- (2) \$ _____ shall be delivered to the Trustee to be deposited in the 2022A Notes Escrow Fund;

(3) [\$ _____ shall be delivered to the Trustee to be deposited in the 2022A Notes Project Fund;] and

(4) \$ _____ shall be delivered to the Trustee to be deposited in the 2022A Capitalized Interest Subaccount.

Section 4.3 Transfer of Proceeds from 2019A Funds and Accounts. On _____, the Trustee shall transfer [\$ _____ in the various funds and accounts established under Section 4.1 of the Third Series Supplement to be deposited in the 2022A Notes Escrow Fund and the 2022A Project Fund [*specify amounts and funds as appropriate.*]

ARTICLE V APPLICATION OF CERTAIN FUNDS

Section 5.1 Cost of Issuance Fund. (a) The Trustee shall disburse the amounts in the 2022A Notes Cost of Issuance Fund to pay the issuance and financing costs of the 2022A Notes. Disbursements from the 2022A Notes 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 2022A Notes 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 2022A Notes shall be transferred to the 2022A Notes Project Fund and applied as set forth in Section 5.2 below pursuant to an Officer's Certificate.

Section 5.2 Project Fund. (a) The Trustee will disburse the amounts in the 2022A Notes Project Fund to the payment or reimbursement of the costs of the Initial Financed Projects. Disbursements from the 2022A Notes 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 2022A Notes Project Fund will not be necessary to pay the costs of the Initial Financed Projects, the Trustee shall then apply any remaining balance at the direction of an HRTAC Representative and with the consent of the TIFIA Lender, as defined in the TIFIA 2021 Successor Loan Agreement, 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 2022A Notes.]

Section 5.3 Escrow Fund. (a) On the date of issuance of the Series 2022A Notes, the Trustee will disburse the amounts in the 2022A Notes Escrow Fund to the Escrow Agent to

be held under the Escrow Agreement and applied to the defeasance and payment of the 2019A Notes in accordance with the Escrow Agreement.

(b) If the Trustee receives an Officer's Certificate stating that certain amounts in the 2022A Notes Escrow Fund will not be necessary to defease and pay the 2019A Notes, the Trustee shall then apply any remaining balance at the direction of an HRTAC Representative and with the consent of the TIFIA Lender, as defined in the TIFIA 2021 Successor Loan Agreement, 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 2022A Notes.]

Section 5.4 Note Debt Service Fund. (a) On or before each Interest Payment Date to and including _____ 1, 2023, the Trustee shall transfer the interest payment due on the 2022A Notes from the 2022A Capitalized Interest Subaccount to the 2022A Interest Account. In the event (i) the amounts transferred pursuant to the preceding sentence are insufficient to pay the interest on the 2022A Notes in full on an Interest Payment Date, and (ii) amounts in the 2022A Capitalized Interest Subaccount are exhausted, HRTAC shall transfer HRTAC Revenues into the 2022A Interest Account in accordance with the provisions of Section 8.1(b) of the Master Indenture.

Thereafter, monthly transfers by HRTAC to the Trustee into the 2022A Interest Account under Section 8.1(b) of the Master Indenture shall be in an amount not less than one-sixth of the interest due on the 2022A Notes on the next ensuing Interest Payment Date, in accordance with the provisions of Section 8.1(b) of the Master Indenture.

If, on the 2022A Notes Principal Payment Date, any moneys remain in the 2022A Capitalized Interest Subaccount after the transfers required by the preceding paragraph, the remainder shall be applied to the payment of principal on the 2022A Notes in the event there are insufficient other moneys to make such payment in full, or to pay costs of the 2022A Notes Project pursuant to written direction to the Trustee from an HRTAC Representative.

(b) On or before the 2022A Notes Principal Payment Date, HRTAC shall transfer to the Trustee for deposit into the Series 2022A Notes Principal Account such amount as may be specified in an Officer's Certificate from the proceeds of disbursements under the TIFIA 2021 Successor Loan Agreement. In the event the amounts transferred in the preceding sentence are insufficient to pay the principal on the 2022A Notes in full, HRTAC shall deposit HRTAC Revenues into the Series 2022A Notes Principal Account in accordance with the provisions of Section 8.1(b) of the Master Indenture until the 2022A Notes have been paid in full or from other funds that are available for such purpose pursuant to Section 6.2 herein.

(c) For purposes of this section, HRTAC shall be entitled to a credit immediately before each Interest Payment Date for interest earned on monies deposited in the 2022A Interest Account.

Section 5.5 Rebate Fund. The Trustee shall invest and apply amounts on deposit in the 2022A Notes Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the Master Indenture.

**ARTICLE VI
SPECIAL COVENANTS**

Section 6.1 Security for the 2022A Notes

(a) The 2022A Notes shall be issued pursuant to the Master Indenture and this Eighth Series Supplement as [Senior Lien] [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] [Intermediate Lien] Obligations of HRTAC issued pursuant to Article V of the Master Indenture, without preference, priority or distinction of any [Senior Lien] [Intermediate Lien] Obligations over any other [Senior Lien] [Intermediate Lien] Obligations, and (b) secured with respect to certain Funds, Accounts and Subaccounts in accordance with the provisions of this Eighth 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 2022A Notes Project Fund and in the 2022A Notes Debt Service Fund, including the 2022A Capitalized Interest Subaccount, are pledged to secure the 2022A Notes.

(b) HRTAC has designated the principal amount of the Series 2022A Notes as an “Excluded Principal Payment” under the Master Indenture due to the use of anticipated draws under the TIFIA 2021 Successor Loan Agreement for payment of the principal amount of the Series 2022A Notes. HRTAC may provide in an Officer’s Certificate instructions to the Trustee for the transfer and deposit of such disbursements, if any, into the 2022A Principal Account of the 2022A Notes Debt Service Fund as provided in Section 5.3(b) of this Eighth Supplemental Indenture.

Section 6.2 Covenant to Requisition Under TIFIA Loan Agreement and to Take Further Actions in the Event Such Moneys are Insufficient.

HRTAC hereby covenants to take all actions necessary to ensure that it will submit a timely requisition by the last business day of the month that precedes the 2022A Notes Principal Payment Date by two months such that sufficient monies under the TIFIA 2021 Successor Loan Agreement may be disbursed to pay the 2022A Notes in full on the 2022A Notes Principal Payment Date. In the event the amounts received under the TIFIA 2021 Successor Loan Agreement are insufficient to pay the principal on the 2022A Notes in full on the 2022A Notes Principal Payment Date, HRTAC hereby agrees to use its best efforts to find an alternative financing solution, which could include the issuance of rollover bond anticipation notes and/or other Bonds secured by HRTAC Revenues under the Master Indenture.

Section 6.3 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 2022A Notes 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 2022A Notes or any other funds of HRTAC or take or omit to take any action that would

cause the 2022A Notes 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 2022A Notes.

(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 2022A Notes except in accordance with the 2022A Notes Tax Regulatory Agreement and (ii) insofar as the 2022A Notes Tax Regulatory Agreement imposes duties and responsibilities on HRTAC, the 2022A Notes 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 2022A Notes Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2022A Notes 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 2022A Notes 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.

ARTICLE VII MISCELLANEOUS

Section 7.1 Successors and Assigns. This Eighth 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 Eighth 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 Eighth Series Supplement will be governed by and construed under the applicable laws of the Commonwealth.

Section 7.4 Counterparts. This Eighth 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 Eighth 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 2022A Notes, any right, remedy or claim under or by reason of this Eighth Series Supplement, this Eighth Series Supplement being intended for the sole and exclusive benefit of HRTAC, the Trustee and the Owners of the 2022A Notes.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Trustee have caused this Eighth 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: _____

Chair

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

By: _____

Joy Holloway
Vice President

EXHIBIT A

THE INITIAL FINANCED PROJECTS

All or a portion of the following projects:

1. Interstate 64 Peninsula Widening (Segments I, II and III)
2. I-64 / I-264 Interchange Improvements (Phase I and II)
3. I-64 Southside Widening & High Rise Bridge (Phase I)

EXHIBIT B
FORM OF 2022A NOTE

REGISTERED
RA-_____

CUSIP

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR LIEN] [INTERMEDIATE LIEN] BOND ANTICIPATION NOTE
SERIES 2022A

INTEREST RATE	MATURITY DATE	DATED DATE/EFFECTIVE DATE
_____ %	[July] 1, 202_	_____ __, 2022

REGISTERED OWNER: CEDE & CO

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS (\$_____)

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 Note (defined herein) 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 Note (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 Note semiannually on each [January] 1 and [July] 1, commencing _____ 1, 202_, 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 Note 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 amended and supplemented by the First Supplemental Series Indenture of Trust dated as of February 1, 2018, the Second Supplemental Series Indenture of Trust dated as of December 1, 2019, the Third Supplemental Series Indenture of Trust dated as of December 15, 2019, the Fourth Supplemental Series Indenture of Trust dated as of October 1, 2020, the Fifth Supplemental Series Indenture of Trust dated as of September 1, 2021, the Sixth Supplemental Series Indenture of Trust dated as of September 15, 2021, the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2021, and the Eighth Supplemental Series Indenture of Trust dated as _____ __, 2022 (the “Eighth

Supplemental Indenture”). Unless otherwise defined, each capitalized term used in this Note has the meaning given it in the Indenture.

Interest is payable (i) from the dated date set forth above (the “Dated Date”), if this Note is authenticated before _____ 1, 202_ , or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which this Note is authenticated (unless payment of interest on this Note is in default, in which case this Note shall bear interest from the date to which interest has been paid). Interest on this Note 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 Note 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 Note owns at least \$1,000,000 in aggregate principal amount of Notes (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 Note 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 Notes, the principal of and premium, if any, and interest on this Note shall be payable pursuant to the additional requirements provided under the Letter of Representations.

If the date of maturity of the principal of this Note or the date fixed for the payment of interest on this Note shall not be a Business Day, 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.

This Note 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 Notes issued simultaneously herewith and the other Outstanding [Senior Lien] [Intermediate Lien] Obligations now or hereafter to be issued under the Indenture. **THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THIS NOTE 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 NOTE 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 Note is one of an issue of \$ _____ Hampton Roads Transportation Fund [Senior Lien] [Intermediate Lien] Bond Anticipation Notes, Series 2022A (the “Notes”), of like date and tenor, except as to number, denomination, rate of interest, 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 [March 15], 2022, and the Indenture, to provide proceeds to be used, along with other available funds, to pay the issuance and financing costs of the Notes, to pay the costs of the construction and acquisition of the transportation facilities and projects described in Exhibit A to the Eighth Series Supplement,

and to pay certain capitalized interest on the Notes. The Notes are issued as and constitute [Senior Lien] [Intermediate Lien] Obligations 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 Notes, the rights, duties and obligations of HRTAC and the Trustee, the rights of the Owners of the Notes and the terms upon which the Notes 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 Notes 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 Notes for certain purposes on the terms provided in the Indenture.

The Owner of this Note 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 Notes are issuable as registered bonds in denominations of \$5,000 and integral multiples of \$5,000. Upon surrender for transfer or exchange of this Note 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 Note or Notes 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, or payment, this Note 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 Note 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 Note have happened, exist and have been performed.

This Note 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 Note and inserted the date of authentication.

IN WITNESS WHEREOF, the Hampton Roads Transportation Accountability Commission has caused this Note to be signed by the manual or facsimile signature of its Chair, to be attested by the manual or facsimile signature of its Executive Director and this Note to be dated the Effective Date set forth above.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

Chair

ATTEST:

By: _____
Kevin B. Page
Executive Director

* * * * *

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the above-mentioned Indenture.

Authentication Date: _____, 2022

**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 Note and all rights under it, and irrevocably constitutes and appoints
_____, attorney, to transfer this Note 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 Note.)

EXHIBIT C-1

**FORM OF
2022A NOTES COST OF ISSUANCE FUND REQUISITION**

Wilmington Trust, National Association, as Trustee

Requisition No. _____

Attn: _____

Dated: _____

Re: Direction to Make Disbursements from the 2022A Notes Cost of Issuance Fund for the HRTAC Hampton Roads Transportation Fund [Senior Lien] [Intermediate Lien] Bond Anticipation Notes

Pursuant to Section 5.1 of the Eighth Supplemental Series Indenture of Trust dated as of _____, 2022 (the "Eighth 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 2022A Notes Cost of Issuance Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the Eighth 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 Eighth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT C-2

**FORM OF
2022A NOTES PROJECT FUND REQUISITION**

Wilmington Trust, National Association, as Trustee

Requisition No. _____

Dated: _____

Attn: _____

Re: Direction to Make Disbursements from the 2022A Notes Project Fund for the HRTAC Hampton Roads Transportation Fund [Senior Lien] [Intermediate Lien] Bond Anticipation Notes

Pursuant to Section 5.2 of the Eighth Series Supplement of Trust dated as of _____, 2022 (the "Eighth 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 2022A Notes Project Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the Eighth 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:

Name and Address

Amount

[Use an additional page if necessary.]

2. The total amount to be disbursed is \$ _____.
3. The project for which the obligation(s) to be paid was/were incurred: _____.
4. The undersigned is a "HRTAC Representative" within the meaning of the Eighth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

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 2022A Notes (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] Lien Bond Anticipation Notes
Series 2022A**

Dated: Date of Delivery

Due: [July] 1, 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 notes (the "Series 2022A Notes"). Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Series 2022A Notes, a prospective investor should read this Official Statement in its entirety.

Security/Payment

The Series 2022A Notes 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 2022A Notes are on parity in payment and the pledge of such funds with all other Senior Bonds and are senior to all Intermediate Lien Obligations and Subordinate Obligations, each as defined herein, as described in "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES." 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 at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index. The availability of these tax revenues for deposit in the HRTF is 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 such funds to HRTAC for inclusion in the HRTAC Revenues. HRTAC has no taxing powers. The Series 2022A Notes 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 2022A Notes. It is anticipated that the Series 2022A Notes will be paid at their maturity from a disbursement made to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement (defined herein). See "INTRODUCTION—Security and Sources of Payment" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES."

Issued Pursuant to

The Series 2022A Notes will be issued pursuant to a Master Indenture of Trust dated as of February 1, 2018, and an Eighth Supplemental Series Indenture of Trust to be dated as of _____, 2022. The Commission approved the Series 2022A Notes in a resolution dated [March 17], 2022.

Purpose

The proceeds of the Series 2022A Notes, along with other available funds, will be used to provide funding to refund the Series 2019A Notes (defined herein) [and roll their current term for an additional term to extend ___ months] to continue the interim financing to pay, or to reimburse for, portions of the costs of the construction and acquisition of the Initial Financed Projects (defined herein), and to pay costs of issuance of the Series 2022A Notes. See "DESCRIPTION OF THE SERIES 2022A NOTES—Estimated Sources and Uses of Funds."

Interest Rates/Yields

See inside cover.

Interest Payment Dates

[January 1] and [July] 1, commencing _____ 1, 202_.

Redemption Terms

The Series 2022A Notes are not subject to redemption prior to maturity.

Denominations

\$5,000 or integral multiples thereof.

Closing/Delivery Date

_____, 2022.*

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.

[Underwriters]

Official Statement Date: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to changes, completion and amendment without notice. The Series 2022A Notes 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 2022A Notes 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] LIEN BOND ANTICIPATION NOTES
SERIES 2022A

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

* Preliminary, subject to change.

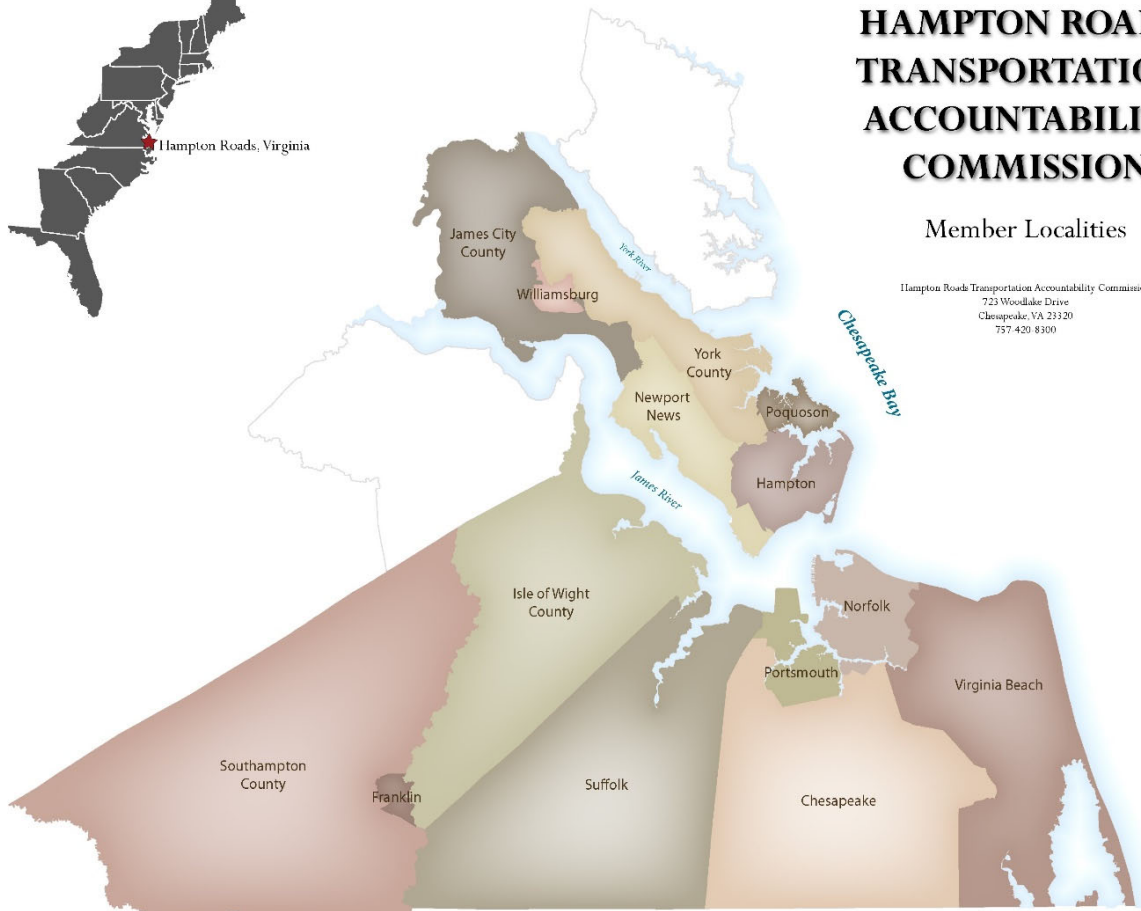
† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders, and neither HRTAC nor the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2022A Notes.



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

[Donnie R. Tuck, Chair, *City of Hampton*
Dr. Richard W. “Rick” West, Vice Chair, *City of Chesapeake*]

Kenneth C. Alexander, <i>City of Norfolk</i>	William M. McCarty, <i>Isle of Wight County</i>
Christopher D. Cornwell, Sr., <i>Southampton County</i>	Michael P. Mullin, <i>Virginia House of Delegates</i>
Robert M. Dyer, <i>City of Virginia Beach</i>	Douglas G. Pons, <i>City of Williamsburg</i>
Michael J. Hipple, <i>James City County</i>	Dr. McKinley L. Price, <i>City of Newport News</i>
Gordon C. Helsel, <i>City of Poquoson</i>	Frank M. Rabil, <i>City of Franklin</i>
Clinton L. Jenkins, <i>Virginia House of Delegates</i>	Shannon E. Glover, <i>City of Portsmouth</i>
Michael P. Mullin, <i>Virginia House of Delegates</i>	Thomas G. Shepperd, <i>York County</i>
L. Louise Lucas, <i>Virginia Senate</i>	Michael D. Duman, <i>City of Suffolk</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
Frederick T. Stant III, Member	Commonwealth Transportation Board
Stephen A. Edwards, Executive Director	Virginia Port Authority

HRTAC SENIOR STAFF

Kevin B. Page, Executive Director

GENERAL COUNSEL

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The Series 2022A Notes will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth, the Series 2022A Notes 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 2022A Notes 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 2022A Notes. 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 2022A NOTES,**” “**DESCRIPTION OF THE SERIES 2022A NOTES – 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 2022A Notes, including transactions to (i) overallot in arranging the sales of the Series 2022A Notes, and (ii) make purchases and sales of Series 2022A Notes, 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.

TABLE OF CONTENTS
[To Be Updated]

	<u>Page</u>
INTRODUCTION	1
Hampton Roads Transportation Accountability Commission.....	1
Master Indenture Structure and Outstanding HRTF Obligations.....	3
Purpose of the Series 2022A Notes	4
Security and Sources of Payment	5
Validation	6
HAMPTON ROADS TRANSPORTATION FUND	7
General	7
Subject-to-Appropriation.....	7
HRTF Revenues	8
Additional Sales and Use Tax.....	9
Additional Motor Vehicle Fuels Tax	10
Legislative Discretion Regarding HRTF Revenues.....	11
Historical HRTF Revenues.....	11
PLAN OF [REFUNDING]	12
DESCRIPTION OF THE SERIES 2022A NOTES	13
General	13
Estimated Sources and Uses of Funds	13
Redemption	14
Book-Entry System.....	14
ESTIMATED DEBT SERVICE REQUIREMENTS	14
Estimated Debt Service Requirements on the Series 2022A Notes	15
SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES	15
Limited Obligations.....	15
Pledges Under the Master Indenture.....	16
Outstanding Bonds	17
Additional Bonds.....	18
Debt Service Reserve.....	19
Flow of Funds.....	20
SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT	23
Disbursement Conditions.....	24
Repayment Terms.....	25
Prepayment of the 2021 Successor TIFIA Loan.....	26
TIFIA Debt Service Reserve.....	27
Representations, Warranties and Covenants	27
Events of Default Under the Successor 2019/2021 TIFIA Loan Agreement.....	29
Remedies	30
2021 HRTF TIFIA LOAN AGREEMENT AND	31
THE HRBT EXPANSION PROJECT.....	31
HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION.....	34
Hampton Roads Region.....	34
Commission Members.....	34
HRTAC Executive Director	36
HRTAC Annual Budget	36
DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS	36
HRTPO’s Long-Range Transportation Plan	36
HRTAC Six-Year Funding Plan	40
Statewide Transportation Plan	40
VDOT Agreements.....	41
Collaborative Planning Process	44
HRTAC Debt Management Plan	45
FORWARD-LOOKING STATEMENTS	47
PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE.....	47
COVID-19 PANDEMIC.....	51
INVESTMENT CONSIDERATIONS.....	53
The Series 2022A Notes are Limited Obligations	53
COVID-19	54
Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues	54

Risk of Future Legislative or Court Decisions Affecting Tax-Exempt Obligations	56
No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement	57
No Assurance of Funds Under 2021 HRTF TIFIA Loan Agreement	57
HRTF Transfers To Support Toll Financing.....	57
Forward-Looking Statements and Forecasts.....	58
Enforceability of Rights and Remedies, including Bankruptcy Ramifications	58
Market Liquidity.....	59
Economic Conditions Affecting the HRTF	59
Risk Arising from Operating and Maintenance Burdens on Commonwealth.....	60
Impact of Federal Budget Restraints and Federal Tax Policy.....	60
Hurricanes, Flooding, Sea-Level Rise and Other Natural Risks.....	60
Reduced Fuel Prices and Fuel Usage May Reduce Additional Motor Vehicle Fuels Tax Revenues.....	61
Increased E-Commerce Activity May Reduce Retail Sales and Use Tax Revenues.....	61
General Assembly May Enact Exemptions to and Holidays from Sales and Use Tax.....	61
Tax Revenues Could be Eroded by Changes to Planning District 23	62
No Right to Accelerate Debt Service.....	62
No Mortgage or Other Liens.....	62
Limitation on Remedies.....	62
No Redemption of Bonds in the Event of Taxability.....	63
CERTAIN LEGAL MATTERS.....	63
TAX MATTERS	63
Opinion of Bond Counsel.....	63
Original Issue Premium	64
[Original Issue Discount.....	64
Other Tax Matters.....	65
Future Events and Legislative and Regulatory Actions	65
LITIGATION	66
RATINGS.....	66
FINANCIAL STATEMENTS	66
FINANCIAL ADVISOR	66
RELATIONSHIP OF PARTIES.....	66
UNDERWRITING	67
CONTINUING DISCLOSURE.....	67
APPROVAL OF PRELIMINARY OFFICIAL STATEMENT	68
APPENDIX A: Definitions and Summaries of the Master Indenture and the 2022A Series Supplement	A-1
APPENDIX B: Financial Statements of HRTAC for the Fiscal Year Ended June 30, 2021	B-1
APPENDIX C: Form of Continuing Disclosure Undertaking	C-1
APPENDIX D: Demographic, Economic and Financial Information Regarding Planning District 23 and the Hampton Roads MSA.....	D-1
APPENDIX E: HRTAC Revenues and Expenses.....	E-1
APPENDIX F: Form of Bond Counsel Opinion.....	F-1
APPENDIX G: Book-Entry Only System	G-1
APPENDIX H Successor 2019/2021 TIFIA Loan Agreement.....	H-1

OFFICIAL STATEMENT

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

\$ _____^{*}
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR] LIEN BOND ANTICIPATION NOTES
SERIES 2022A

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] Lien Bond Anticipation Notes, Series 2022A (the “Series 2022A Notes”).

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 2022A 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 the Hampton Roads Transportation Planning

^{*} Preliminary, subject to change.

Organization (“HRTPO”), the federally-mandated metropolitan planning organization for transportation in the Hampton Roads region, is also not exactly the same as the composition of Planning District 23. For example, both the HRPDC and the HRTPO include Gloucester County which is not a Member Locality of HRTAC.

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, which is now at a rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index (collectively, the “HRTF Revenues”). See “HAMPTON ROADS TRANSPORTATION FUND—HRTF Revenues.”

Funds in the HRTF were originally to be directed by the HRTPO. However, pursuant to statutory changes set forth in Chapter 545, 2014 Va. Acts of Assembly (“Chapter 545”), enacted on April 3, 2014, HRTAC replaced HRTPO as the entity controlling 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 2022” 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 include in its budget any funds 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. To date, all of HRTAC’s projects funded with HRTF Revenues have been 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 and a Project Agreement for Funding and Administration (“PAFA”) with respect to the HRBT Expansion Project as described below in “HRBT EXPANSION PROJECT.” Under the PAFA and all Standard Project Agreements to date, VDOT has agreed to provide administration of project construction as well as project operation and maintenance. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”

The 2020 Virginia General Assembly, pursuant to Chapter 703, 2020 Va. Acts of Assembly (“Chapter 703”) and effective July 1, 2020, granted additional and specific tolling authority to HRTAC with respect to high-occupancy toll lanes designated by the Commonwealth Transportation Board (“CTB”) on Interstate-64 from Jefferson Avenue in Newport News to the interchange of Interstate 64, Interstate 264 and Interstate 664 at Bowers Hill in Chesapeake, which lanes, contiguous and in each traffic direction, are known as the “Hampton Roads Express Lanes Network” (the “Express Lanes Network”). Segment 3 of the Express Lanes Network will run through the HRBT. The funding plan for the HRBT Expansion Project (as described below) anticipates that not less than \$345,000,000 of the funding for such project will be derived through toll-backed financing supported by the Express Lanes Network. **Although toll revenues are a source of funding for the HRBT Expansion Project as described below, toll revenues do not serve as a source of funding for the Initial Financed Projects funded by the Series 2019A Notes]. Toll revenues are entirely distinct and separate from the HRTF Revenues, and toll revenues will not be pledged to or secure payment of the Series 2022A Notes.** Conversely, certain limited transfers of HRTF Revenues described below in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Transfers of HRTF Revenues from General Fund,” will be made to support the toll-backed financing.

The 2020 Virginia General Assembly, pursuant to Chapters 1241 and 1281, 2020 Va. Acts of Assembly and effective July 1, 2020, also created the Hampton Roads Regional Transit Program and Fund (the “Hampton Roads Regional Transit Fund”) to develop, maintain, and improve a regional network of transit routes and related infrastructure in Planning District 23. The program is funded by an additional (i) regional grantor’s tax at a rate of \$0.06 per \$100 of the consideration for the conveyance, and (ii) effective May 1, 2021, regional transient occupancy tax at a rate of one percent of the charge for the occupancy, both imposed in a transportation district in Hampton Roads as specified in the Virginia Code. The legislation also dedicates \$20 million of revenues from existing statewide recordation taxes to fund the program. Participating localities may not reduce funds appropriated for public transportation to levels less than those appropriated on July 1, 2019. **HRTAC manages the Hampton Roads Regional Transit Fund, but it is entirely distinct and segregated from the HRTF and will not be pledged to or secure payment of the Series 2022A Notes.**

Master Indenture Structure and Outstanding HRTF Obligations

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 and amended (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.

Series 2018A Bonds. 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”).

Series 2019A TIFIA Bond/2021 Successor TIFIA Bond. On December 10, 2019, the Commission issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) (the “Original 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”), which Original 2019 TIFIA Bond the Commission modified and refinanced through its issuance on September 21, 2021 of its \$500,789,463 TIFIA Successor Series 2021 Bond (TIFIA – 20211010A) (the “2021 Successor TIFIA Bond”), having substantially similar terms to the Original 2019 TIFIA Bond with a reduced interest rate.

Series 2019A Notes. On December 17, 2019, the Commission issued its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “Series 2019A Notes”), 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”). The Series 2022A Notes will refund and roll the term of the Series 2019A Notes for an additional term to extend ___ months.

Series 2020A Bonds. On October 22, 2020, the Commission issued its \$614,615,000 Senior Lien Revenue Bonds, Series 2020A (the “Series 2020A Bonds”), payable and secured on parity with all Senior Bonds issued or to be issued by the Commission under the Master Indenture.

Series 2021A Bond. On September 21, 2021, the Commission issued its \$817,990,000 TIFIA Series 2021 Bond (TIFIA – 20211008A) (the “2021 TIFIA Bond”), payable and secured on parity with all Subordinate Obligations issued or to be issued by the Commission under the Master Indenture.

Series 2021A Notes. On September 23, 2021, the Commission issued its \$817,990,000 Senior Lien Bond Anticipation Notes, Series 2021A (the “Series 2021A Notes”), payable and secured on parity with all Senior Bonds issued or to be issued by the Commission under the Master Indenture. HRTAC anticipates that the Series 2021A Notes will be repaid at their maturity with the proceeds of the 2021 TIFIA Bond.

Series 2022A Notes. On [March 17], 2022, the Commission adopted a resolution authorizing the issuance of the Series 2022A Notes in a principal amount not to exceed \$_____ pursuant to the Master Indenture and an Eighth Supplemental Series Indenture of Trust to be dated as of _____, 2022 (the “2022A Series Supplement”), between the Commission and the Trustee. The issuance of the Series 2022A Notes is fully authorized by the provisions of the HRTAC Act, the Master Indenture and the 2022A Series Supplement. HRTAC anticipates that the Series 2022A Notes will be repaid at their maturity with the proceeds of the 2021 Successor TIFIA Bond. For additional information, see “DESCRIPTION OF THE SERIES 2022A NOTES” and “SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT.”

[The Series 2022A Notes will be paid and secured as senior lien obligations under the Master Indenture and on a parity basis as to payment and security with the Series 2018A Bonds, the Series 2020A Bonds, the Series 2021A Notes, and all Senior Bonds that may be issued in the future (“Senior Lien Obligations”), and senior as to payment and security to all Intermediate Lien Obligations and Subordinate Obligations.]

The Series 2022A Notes, 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 2022A Notes

HRTAC will use the proceeds of the Series 2022A Notes, along with other available funds, to provide funding to refund the Series 2019A Notes [and roll their current term for an additional term to extend ___ months] to continue the interim financing to pay, or to reimburse for, portions of the costs of the construction and acquisition of the Interstate 64 Peninsula Widening Project in Newport News, York County and James City County (Segments I, II, and III), the I-64 /I-264 Interchange Improvements Project in Norfolk and Virginia Beach (Phase I and II), and the I-64 Southside Widening and High Rise Bridge Project in Chesapeake (Phase I) (collectively, the “Initial Financed Projects”), all as initially financed by the Series 2019A Notes, in anticipation of a draw under the Successor 2019/2021 TIFIA Loan Agreement, and to pay costs of issuance of the Series 2022A Notes. See “DESCRIPTION OF THE SERIES 2022A

NOTES—Estimated Sources and Uses of Funds.” In particular, HRTAC will use the proceeds of the Series 2022A Notes in furtherance of its “FY 2022-2027 Six-Year Operating and Capital Plan of Finance Update for the Region’s High Priority Projects,” which was approved on [June 17, 2021] (the “Six-Year Funding Plan”). See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—HRTAC Six-Year Funding Plan.”

TIFIA Background. On May 4, 2018 HRTAC submitted a letter of interest to 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”), expressing its desire to receive funding under the Transportation Infrastructure Finance and Innovation Act (“TIFIA”). Pursuant to an application for TIFIA credit assistance dated August 12, 2019, HRTAC requested that USDOT make a direct loan payable from HRTF Revenues on a subordinate basis to HRTAC (the “2019 TIFIA Loan”) to be used to pay or reimburse a portion of the eligible costs of the Initial Financed Projects. USDOT determined that such application was complete on September 12, 2019 and subsequently approved the 2019 TIFIA Loan on November 12, 2019. Pursuant to the terms of a TIFIA Loan Agreement dated December 10, 2019 (the “2019 TIFIA Loan Agreement”), between the USDOT and the HRTAC, HRTAC issued the Original 2019 TIFIA Bond in the amount of \$500,789,463 as a Subordinate Obligation to evidence the 2019 TIFIA Loan.

Pursuant to an application for TIFIA credit assistance dated June 23, 2021, HRTAC requested that USDOT make a direct loan to modify and refinance the 2019 TIFIA Loan (the “2021 Successor TIFIA Loan”) and the Original 2019 TIFIA Bond. On September 21, 2021, USDOT and HRTAC entered into the Successor 2019/2021 TIFIA Loan Agreement (the “Successor 2019/2021 TIFIA Loan Agreement”), relating to the 2021 Successor TIFIA Loan, and USDOT and HRTAC also entered in a Termination and Release Agreement – TIFIA Loan Agreement HRTAC Project (TIFIA – 20201001A) (the “Termination Agreement”), thereby terminating the 2019 TIFIA Loan Agreement, cancelling the 2019 TIFIA Loan, and cancelling, terminating, and discharging the Original 2019 TIFIA Bond. To evidence its obligations under the Successor 2019/2021 TIFIA Loan Agreement upon the closing thereof, HRTAC issued the 2021 Successor TIFIA Bond, having substantially similar terms to the Original 2019 TIFIA Bond with a reduced interest rate, pursuant to the Master Indenture and the Seventh Supplemental Series Indenture of Trust dated September 21, 2021.

The 2021 Successor TIFIA Bond is a subordinate lien obligation under the Master Indenture, constituting Bonds that are specifically subordinate as to payment and security to the Senior Bonds and the Intermediate Lien Obligations. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES.” The 2019 TIFIA Loan Agreement was, and the Successor 2019/2021 TIFIA Loan Agreement is, implemented under the provision of the TIFIA statute that allows for a waiver of TIFIA’s non-subordination or “springing lien” requirement. See “SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT.”

HRTAC is utilizing the proceeds of toll-backed debt as part of the funding plan for the HRBT Expansion Project[, but such funding will not be utilized for the Initial Financed Projects]. The TIFIA Lender is also expected to provide the funding for such toll-backed debt, as described below.

Security and Sources of Payment

The Series 2022A Notes are limited obligations of HRTAC that are payable solely from the funds appropriated by the General Assembly and pledged under the Master Indenture for such purpose, consisting of the HRTAC Revenues (as defined below). [The Series 2022A Notes are on a parity basis in payment and security with the Series 2018A Bonds, the Series 2020A Bonds, the Series 2021A Notes, and any other

Senior Bonds that may be issued by HRTAC in the future. The Series 2022A Notes will be payable and secured senior to (i) the Series 2019A Notes and any other Intermediate Lien Obligations that HRTAC may issue in the future, and (ii) the Original 2019 TIFIA Bond or the 2021 Successor TIFIA Bond (as applicable), the 2021 TIFIA Bond, and any other Subordinate Obligations that HRTAC may issue in the future.]

The Series 2022A Notes 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 2022A Notes 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 2022A Notes. HRTAC has no taxing powers.

The Series 2022A Notes are not secured by any mortgage or lien on any transportation facilities of HRTAC or VDOT. In the event of a failure to make any payment on the Series 2022A Notes when due, the Trustee and the owners of the Series 2022A Notes shall have no right to take possession of any transportation facilities or to exclude HRTAC or VDOT from possession of any transportation facilities. Additionally, in the event of non-payment, the Trustee and the owners of the Series 2022A Notes will have no right to accelerate payment on the Series 2022A Notes.

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 that may be designated as HRTAC Revenues pursuant to a Supplemental Indenture. The Master Indenture does not permit toll revenues to be pledged to payment of the Bonds issued thereunder (including the Series 2022A Notes). The continued availability of tax revenues for the HRTF is subject to annual appropriation by the General Assembly of the Commonwealth. See “HAMPTON ROADS TRANSPORTATION FUND.”

It is anticipated that the Series 2022A Notes will be paid at their maturity from a disbursement made to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement. In the event that disbursements received under the Successor 2019/2021 TIFIA Loan Agreement are insufficient to pay the principal on the 2022A Notes in full on their maturity date or HRTAC does not meet the conditions for disbursement of moneys under the Successor 2019/2021 TIFIA Loan Agreement or is otherwise unable to effect draws thereunder, HRTAC will use its best efforts to find an alternative refinancing solution, which could include the issuance of rollover bond anticipation notes and/or other Bonds secured by HRTAC Revenues under the Master Indenture. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES.”

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 to obtain validation of any further Bonds and is not seeking any such validation of the Series 2022A Notes.

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 and PAFA (hereinafter defined), 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 non-reverting 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.

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 non-reverting 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 (the “Sunset Provisions”). Accordingly, the appropriation or transfer by the General Assembly of “any” Chapter 766 revenue providing additional revenue for non-transportation related purposes, whether or not related to HRTF revenues, would activate the Sunset Provisions.

The General Assembly has in the past enacted other transportation legislation containing similar sunset provisions, and has from time to time made appropriations of portions of such additional revenue for non-transportation-related purposes which would have activated the applicable sunset provision had the General Assembly not also enacted a savings clause to override such provisions (a “Savings Clause”). The current appropriations act does not appropriate or transfer any of the additional transportation revenues generated by Chapter 766 for any non-transportation-related purpose.

No assurance can be given that the General Assembly will not activate Sunset Provisions in future appropriation acts, and no assurance can be given that, if any Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it. 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 each gallon of fuel sold by a distributor to a retail dealer for retail sale in any of the Member Localities, which is at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index (the “Additional Motor Vehicle Fuels Tax”). Prior to July 1, 2020, the Additional Motor Vehicle Fuels Tax was calculated based on 2.1% of the average statewide wholesale price per gallon, subject, beginning July 1, 2018, to a floor of 6.7 cents per gallon. Effective July 1, 2020, in conjunction with transportation reform legislation that enacted statewide changes to the Commonwealth’s method of funding transportation, the Additional Motor Vehicle Fuels Tax was changed to a per gallon rate, subject to an annual adjustment in accordance with the consumer price index, and the floor rate was eliminated. On July 1, 2021 the tax rate

was adjusted in accordance with the authorizing legislation to 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel) for Fiscal Year 2022.

For alternative fuels other than liquid alternative fuels, the Commissioner of the Virginia Department of Motor Vehicles (“DMV”) shall determine an equivalent tax rate based on gasoline gallon equivalency. The Additional Motor Vehicle Fuels Tax is imposed at the time of sale by the distributor to the retail dealer and collected by the distributor. The Additional Motor Vehicle Fuels Tax shall be a debt from the retail dealer to the distributor until paid and shall be recoverable at law in the same manner as other debts. At present, the DMV Commissioner has not determined an equivalent tax rate for alternative fuels, and alternative fuels are not a component of 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 MOA, 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.

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 and is in addition to the statewide motor vehicle fuels tax, used by the Commonwealth for other purposes. Prior to July 1, 2020, the statewide motor vehicle fuels tax was 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. Legislation enacted by the 2020 Virginia General Assembly converted the then-existing tax rate, which equated to a rate of \$0.162 per gallon, to a cents-per-gallon rate of \$0.262 per gallon of gasoline, which rate is phased in by increasing the rate by \$0.05 per gallon each year over two years and then indexed to changes in the Consumer Price Index.

HRTAC does not receive any revenue from the statewide motor vehicle fuels tax, but instead receives the proceeds of the Additional Motor Vehicle Fuels Tax imposed on sales of fuel by distributors at wholesale to retail dealers for retail sales in the Member Localities, at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index. Unlike the change in the statewide motor vehicle fuels tax, the change in the Additional Motor Vehicle Fuels Tax was effective July 1, 2020 with no phase-in period.

Legislative Discretion Regarding HRTF Revenues

There is no assurance that the taxes comprising the HRTF Revenues will remain in effect or will continue at the current levels. The General Assembly is under no obligation to continue to impose the taxes that comprise the HRTF Revenues or appropriate the HRTF Revenues to pay debt service. See “INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative Actions or Administrative Actions Affecting Revenues” herein.

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities which are payable from various sources. HRTAC makes no representation that the General Assembly will not make HRTF Revenues available as a source of payment for other transportation programs, including revenue bonds issued for other programs, or otherwise materially modify or amend the legislation creating the HRTF, Additional Sales and Use Tax or the Additional Motor Vehicle Fuels Tax.

Additionally, Board can provide no assurance that the General Assembly will not appropriate or transfer HRTF Revenues for non-transportation purposes activating the Sunset Provisions which if not cured would result in the termination of the Additional Sales and Use Tax or the Additional Motor Vehicle Fuels Tax. “See “INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues,” herein.

Historical HRTF Revenues

The following Table I shows historical receipts from the two HRTF Revenue sources. Aggregate HRTF Revenues in Fiscal Years 2019, 2020 and 2021 were approximately \$225.7 million, \$201.2 million, and \$227.5 million respectively. See also “Table VIII: HRTF Revenues on a Monthly Basis” for the HRTF Revenues on a monthly basis and see also “Table 1: HRTF Revenues” in Appendix E for the presentation of Additional Sales and Use Tax and Additional Motor Vehicle Fuels Tax by jurisdiction, including the presentation of such information on a monthly basis.

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Table I
Historical Hampton Roads Transportation Fund Revenues (in Millions)^{(1), (2)}

<u>Source</u>	<u>FY</u> <u>2015</u>	<u>FY</u> <u>2016</u>	<u>FY</u> <u>2017</u>	<u>FY</u> <u>2018</u>	<u>FY</u> <u>2019⁽⁵⁾</u>	<u>FY</u> <u>2020⁽¹⁾</u>	<u>FY</u> <u>2021⁽¹⁾</u>	<u>FY</u> <u>2022⁽⁶⁾</u>
Additional Sales and Use Tax ⁽³⁾	\$130.0	\$126.5	\$131.5	\$136.5	\$144.6	\$146.2	\$171.6	
Additional Motor Vehicle Fuels Tax ⁽⁴⁾	<u>40.9</u>	<u>26.7</u>	<u>25.0</u>	<u>32.7</u>	<u>81.1(4)</u>	<u>55.0</u>	<u>55.9</u>	
TOTAL:	<u>\$170.9</u>	<u>\$153.2</u>	<u>\$156.5</u>	<u>\$169.2</u>	<u>\$225.7</u>	<u>\$201.2</u>	<u>\$227.5</u>	

Source: HRTAC.

- (1) At the end of Fiscal Year 2020, the Commission changed its accounting policy for recognizing revenue in order to match the Virginia Department of Transportation’s income, and thus accrued two months of Sales and Use tax and three months of Motor Fuels tax as receivables and revenue for the Fiscal Year ended June 30, 2020. This was a change from prior years where the Commission accrued one month of each of such taxes. This change in accounting and revenue recognition was made due to additional information provided by the agencies that collect and remit the taxes on behalf of the Commission. Accordingly, Fiscal Years 2014 – 2018 reflect 12 months of each of the two revenue sources, but Fiscal Year 2019 reflects a total of 13 months of Sales and Use tax (with the amount of the Sales and Use tax for the 13th month being \$5.21 m.) and 14 months of Fuels Tax (with the amount of the Fuels Tax for such months being \$9.42 m.), while Fiscal Year 2020 reverts to 12 months of each. The Commission did not undertake a formal restatement of its financial statements for fiscal years prior to Fiscal Year 2020.
- (2) The Commission’s fiscal year ends on June 30.
- (3) Accelerated Retail Sales and Use Tax paid in June commencing in Fiscal Year 2015.
- (4) 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. Effective July 1, 2020, the General Assembly changed the tax rate to 7.6 cents per gallon on gasoline and gasohol (and 7.7 cents per gallon on diesel). Beginning on July 1, 2021 the tax rate was adjusted in accordance with the authorizing legislation to 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel).
- (5) Included \$11 million special audit assessment adjustments resulting from vendor audit settlements.
- (6) Unaudited Fiscal Year 2022 HRTF Revenues information from July 1, 2021 through [November 30, 2021].

Note: Table I reflects use of the accrual method of accounting and FY 2019 amounts differ than those set forth in Table VIII due to the inclusion of more than 12 months of revenues described in Footnote (1).

PLAN OF [REFUNDING]

[The proceeds of the Series 2022A Notes will be used, along with other available funds, to refund the Series 2019A Notes [and roll their current term for an additional term to extend ___ months] and to pay costs of issuance of the Series 2022A Notes. The Series 2019A Notes mature on July 1, 2022, currently have an outstanding principal amount of \$_____, bear interest at an annual rate of 5.000%, and have a CUSIP number of 40934T AU7.* The proceeds of the Series 2019A Notes were used, along with other available funds, to finance the costs of the Initial Financed Projects, to fund a portion of capitalized interest on the Series 2019A Notes, and to pay costs of issuance of the Series 2019A Notes.

Upon delivery of the Series 2022A Notes, a portion of the net proceeds thereof, together with other available funds of HRTAC, including any remaining proceeds of the Series 2019A Notes, will be deposited in an escrow fund (the “Escrow Fund”) with Wilmington Trust, National Association, as escrow agent (in such capacity, the “Escrow Agent”), under an Escrow Agreement between HRTAC and the Escrow Agent,

* See the † footnote on the inside front cover regarding the use of CUSIP numbers in this Official Statement.

to refund the Series 2019A Notes. The Escrow Agent will hold the moneys deposited in the Escrow Fund in cash or invested, at the direction of the HRTAC, in direct obligations of the United States of America maturing in amounts and bearing interest at rates sufficient, without reinvestment, (1) to pay when due the interest on the Series 2019A Notes through the first day on which they may be redeemed, and (2) to pay the principal of and accrued interest on the Series 2019A Notes to their stated redemption dates. The Escrow Fund, including interest earnings on the securities deposited therein, is pledged solely for the benefit of the holders of the Series 2019A Notes. See “DESCRIPTION OF THE SERIES 2022A NOTES – Estimated Sources and Uses of Funds.”]

DESCRIPTION OF THE SERIES 2022A NOTES

General

The Series 2022A Notes will be issued as fully registered bonds in book-entry form. The Series 2022A Notes 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 _____ 1, 202_, at the rate and will mature on the date and in the amount set forth on the inside front cover of this Official Statement. Interest on the Series 2022A Notes 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 2022A Notes 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 2022A Notes 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 2022A NOTES—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 2022A Notes and the application of the proceeds on the date of delivery of the Series 2022A Notes:

Sources:

Principal Amount of Series 2022A Notes	\$ _____
Original Issue Premium	_____
[Series 2019A Notes Proceeds]	_____
Total Sources:	\$ <u>_____</u>

Uses:

Deposit to Project Fund	\$ _____
Deposit to Escrow Fund	_____
Deposit to Capitalized Interest Subaccount	_____
Issuance Expenses*	_____
Total Uses:	\$ <u>_____</u>

* Includes Underwriter’s discount, legal fees, financial advisor fees, etc. See “UNDERWRITING.”

Redemption*

The Series 2022A Notes are not subject to redemption prior to maturity.

Book-Entry System

DTC will act as securities depository for the Series 2022A Notes. The Series 2022A Notes 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 2022A Notes and will be deposited with DTC.

So long as Cede & Co. is the registered owner of the Series 2022A Notes, as nominee of DTC, references in this Official Statement to the Owners of the Series 2022A Notes shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only owner of the Series 2022A Notes for all purposes under the Master Indenture and the 2022A 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 2022A Notes; (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 Noteholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Noteholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following Table II sets forth for each fiscal year the estimated principal and interest payments on the Series 2022A Notes, as of the date of issuance of the Series 2022A Notes. ***Table II should be reviewed in conjunction with Table VII herein, which includes projected debt service requirements for HRTAC's Senior Bonds, including the Series 2022A Notes (which are expected to be retired on _____, 20__ by a draw upon the 2021 Successor TIFIA Bond), the Series 2021A Notes (which are expected to be retired on July 1, 2026 by a draw upon the 2021 TIFIA Bond), the Series 2020A Bonds, and the Series 2018A Bonds, HRTAC's Intermediate Obligations, and HRTAC's Subordinate Obligations including the 2021 TIFIA Bond and the 2021 Successor TIFIA Bond.***

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* Preliminary, subject to change.

Table II
Estimated Debt Service Requirements on the Series 2022A Notes

<u>Payment Date</u>	<u>Principal</u> ⁽¹⁾	<u>Interest</u>	<u>Total</u>
	\$	\$	\$

Total	\$	\$	\$
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- (1) HRTAC expects to pay the principal installment on _____, 202_, the maturity date of the Series 2022A Notes, from expected disbursements under the Successor 2019/2021 TIFIA Loan Agreement. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES—Payment of Interest and Principal.
- (2) Capitalized interest will be funded at closing for interest payments through to _____, 202_.

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES

Limited Obligations

The Series 2022A Notes are limited obligations of HRTAC and are payable solely as [Senior] 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. It is anticipated that the Series 2022A Notes will be paid at their maturity of _____, 202_ from a disbursement made to HRTAC under the 2019/2021 Successor HRTF TIFIA Loan Agreement, and the issuance of the Series 2022A Notes is contingent upon HRTAC closing the 2021 HRTF TIFIA Loan.

The realization of amounts to be derived upon the enforcement of the Series 2022A Notes 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 2022A Notes 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 2022A Notes 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 2022A Notes 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 2022A Notes. The Commission has no taxing powers.

Pledges Under the Master Indenture

Senior Lien Obligations. The Series 2022A Notes are being issued as Senior Lien Obligations and are the fourth Series of Senior Lien Obligations issued by HRTAC under the Master Indenture. The Series 2022A Notes are payable as to principal and interest from, and secured by, a pledge of HRTAC Revenues that is on parity with the payment of principal of and interest on all Senior Bonds, including the Series 2018A Bonds, the Series 2020A Bonds, and the Series 2021A Notes, and senior to all Intermediate Lien Obligations, including the Series 2019A Notes, which are to be refunded by the Series 2022A Notes, and all Subordinate Obligations, including the 2021 Successor TIFIA Bond or the 2021 TIFIA Bond as applicable.

Indenture Accounts. With respect to the Series 2022A Notes, the 2022A Series Supplement establishes solely for the benefit of the Owners of the Series 2022A Notes, the Series 2022A Capitalized Interest Subaccount, the Series 2022A Interest Account, the Series 2022A Principal Account, the Series 2022A Costs of Issuance Fund and the Series 2022A Project Fund, which are pledged exclusively to secure the obligations of HRTAC to the Owners of the Series 2022A Notes. The Series 2022A Rebate Account is created exclusively to make certain payments, if any, to maintain the federal tax-exempt status of the Series 2022A Notes, and is not pledged to the repayment of the Series 2022A Notes.

Payment of Interest and Principal. On the date of issuance of the Series 2022A Notes, \$ _____ will be deposited into the Series 2022A Capitalized Interest Subaccount to pay interest on the Series 2022A Notes through _____, 202_. Interest to be paid on the Series 2022A Notes, if the Series 2022A Capitalized Interest Subaccount has insufficient 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 2022A NOTES—Flow of Funds."

It is anticipated that the Series 2022A Notes will be paid at their maturity from a disbursement made to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement, and the issuance of the Series 2022A Notes is contingent upon HRTAC closing the 2021 HRTF TIFIA Loan. In the event that disbursements received under the Successor 2019/2021 TIFIA Loan Agreement are insufficient to pay the principal on the 2022A Notes in full on their maturity date or HRTAC does not meet the conditions for disbursement of moneys under the Successor 2019/2021 TIFIA Loan Agreement or is otherwise unable to effect draws thereunder, HRTAC will use its best efforts to find an alternative refinancing solution, which

could include the issuance of rollover bond anticipation notes and/or other Bonds secured by HRTAC Revenues under the Master Indenture; otherwise the Series 2022A Notes shall be paid from HRTAC Revenues.

Under the Successor 2019/2021 TIFIA Loan Agreement, the TIFIA Lender agreed to extend the 2021 Successor TIFIA Loan to HRTAC in an aggregate principal amount not to exceed \$500,789,463, and HRTAC has delivered to the TIFIA Lender the 2021 Successor TIFIA Bond as a Subordinate Obligation to evidence HRTAC's obligation to repay the 2021 Successor TIFIA Loan. The outstanding principal amount of the 2021 Successor TIFIA Bond will increase in an amount equal to the advances made by the TIFIA Lender to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement. HRTAC expects to make a single requisition under the 2021 Successor TIFIA Loan on or before _____, 202_, 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 2022A Notes at their maturity.

As more particularly described under "SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT," there are numerous conditions that must be satisfied by HRTAC in connection with the requisitioning of moneys under the Successor 2019/2021 TIFIA Loan Agreement, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the Successor 2019/2021 TIFIA Loan Agreement or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. See "SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT – Disbursement Conditions," and "INVESTMENT CONSIDERATIONS—No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement." HRTAC has agreed in the 2022A Series Supplement to take all actions necessary to ensure that it can requisition sufficient moneys under the Successor 2019/2021 TIFIA Loan Agreement to pay the principal of the Series 2022A Notes on their maturity date.

No Mortgage, Lien or Acceleration. The Series 2022A Notes 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 2022A Notes when due, neither the Trustee nor the owners of the Series 2022A Notes 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 2022A Notes.

No Toll Revenues. The Series 2022A Notes are not supported by toll revenues or secured by a pledge of any toll revenues. The Master Indenture does not permit toll revenues to be pledged to the payment of the Bonds. Although the funding plan for the HRBT Expansion Project anticipates that not less than \$345,000,000, of the funding for such project will be derived through toll-backed financing from the Express Lanes Network, such revenues are a source of project funding that is entirely distinct and separate from the HRTF Revenues and are not included under the Master Indenture waterfall. Conversely, certain limited transfers of HRTF Revenues, described below in "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds -- Transfers of HRTF Revenues from General Fund to Support Toll Revenue Bonds," will support the toll-backed debt.

Outstanding Bonds

[As of the date of this Official Statement, the aggregate outstanding principal amount of the Series 2018A Bonds is \$500,000,000, the aggregate outstanding principal amount of the Series 2019A Notes is

\$414,345,000, the aggregate outstanding principal amount of the Series 2020A Bonds is \$614,615,000, and the aggregate outstanding principal amount of the Series 2021A Notes is \$_____. No amount is presently outstanding under the 2021 Successor TIFIA Bond, but HRTAC expects to make a single requisition under the Successor 2019/2021 TIFIA Loan Agreement on or before _____, 202_ (subject to satisfaction of the conditions described in the section “SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT”), and to apply such amount to reimburse itself for eligible project costs, including payment of principal on the Series 2022A Notes. No amount is presently outstanding under the 2021 TIFIA Bond, but HRTAC expects to make a single requisition under the 2021 HRTF TIFIA Loan Agreement on or before _____, 202_ , and to apply such amount to reimburse itself for eligible project costs, including payment of principal on the Series 2021A Notes.

Other than the Series 2018A Bonds, the Series 2019A Notes, the Series 2020A Bonds, or the 2021 Successor TIFIA Bond (the proceeds will be advanced when needed to pay the Series 2022A Notes at their maturity), the 2021A Notes, or the 2021 TIFIA Bond (the proceeds of which are not expected to be advanced until needed to pay the Series 2021A Notes at their maturity, as further described below in “2021 HRTF TIFIA LOAN AGREEMENT”), on the date of issuance of the Series 2022A Notes there will be no other obligations outstanding that are secured by or payable from HRTAC Revenues except the limited transfers of HRTF Revenues described below in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Transfers of HRTF Revenues from General Fund.]

Additional Bonds

Authority to Issue Additional Bonds. Under the Master Indenture, the Commission may issue additional Bonds, including (i) Senior Bonds that are on a parity as to the pledge of HRTAC Revenues with the Series 2022A Notes, (ii) Intermediate Lien Obligations that are subordinate as to the pledge of HRTAC Revenues with the Series 2022A Notes 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 2022A Notes and all other Senior 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 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 Lien Obligations. See “THE MASTER INDENTURE—Issuance of Bonds—Parity of Bonds” in Appendix A.

Conditions to the Issuance of 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 (excluding any Excluded Interest Payments and Excluded Principal Payments to the extent permitted by the Master Indenture) 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.

Conditions to the Issuance of 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 Series Supplement pursuant to which the Series 2019A Notes were issued

provides that HRTAC must 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 2019A Notes: (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 and 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.

Conditions to the Issuance of 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.

Both the 2021 HRTF TIFIA Loan Agreement and the Successor 2019/2021 TIFIA Loan Agreement require that HRTAC satisfy certain conditions with respect to the issuance of permitted indebtedness thereunder. See "SUCCESSOR 2019/2021 HRTF TIFIA LOAN AGREEMENT – Representations, Warranties and Covenants - Permitted Indebtedness" and "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 2022A Notes. It is expected that the payment of principal of and interest on the 2021 Successor TIFIA Bond will be secured by a debt service reserve account funded in an amount equal to the requirement therefor established in the Successor 2019/2021 HRTF TIFIA Loan Agreement. See "SUCCESSOR 2019/2021 HRTF TIFIA LOAN AGREEMENT – TIFIA Debt Service Reserve." Such debt service reserve account will be combined with the similar debt service reserve account that secures the 2021 TIFIA Bond. No debt service reserve fund or account was established for the Series 2021A Notes, the Series 2020A Bonds, the Series 2019 Notes, or the Series 2018A Bonds.

As provided in the Master Indenture, HRTAC may provide that any Senior Lien Debt Service Reserve Fund be held collectively or with respect to all or multiple Series of Senior Lien Obligations, and determine that a Series of Senior Lien Obligations shall not participate in or be secured by a Senior Lien Debt Service Reserve Fund. The 2022A Notes are not participating in or secured by a Senior 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 2022A Series Supplement and the Series Supplement relating to the 2021 Successor TIFIA Bond. 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; and

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

Pursuant to the 2022A Series Supplement, each monthly transfer into the 2022A 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 2022A Notes on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2022A Notes 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 2022A SERIES SUPPLEMENT—Bond Debt Service Fund” in Appendix A.

A schematic diagram of the Flow of Funds is presented on page ____.

Application of Amounts in the General Fund. 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 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; (ii) to provide certain transfers of HRTF Revenues from the General Fund for limited support of the TIFIA Series 2021 Toll Bond; (iii) to pay any credit provider in respect of a bond credit facility or DSRF credit facility any excess interest, fees, fines or other penalties owed as a result of a default on any applicable credit or DSRF facility; (iv) to the payment of expenditures for capital improvements with respect to any project; (v) for deposit into the TIFIA Revenue Sharing Account, the amount, if any, as may be required under the Series Supplement relating to the 2021 TIFIA Bond, the Series Supplement relating to the 2021 Successor TIFIA Bond and the applicable provisions of any Series Supplement in an amount equal to “excess revenues” for such month; and (vi) to the payment of any other lawful purpose approved by resolution of the Commission. See “THE MASTER INDENTURE—Revenue Fund and Flow of Funds” in Appendix A. The Commission generally funds PayGo project costs from the General Fund and also expects to fund the debt service reserve account established for the 2021 Successor TIFIA Bond and the 2021 TIFIA Bond from available amounts in the General Fund as well as to make the HRTF Transfers as described in the following paragraphs.

Transfers of HRTF Revenues from the General Fund to Support Toll Revenue Bonds. As stated above, the Master Indenture provides that HRTAC may use amounts in the General Fund for any lawful purpose approved by resolution of HRTAC, including expenditures for capital improvements. In establishing the financial framework for the Express Lanes Network, the Commission entered into a Master Indenture of Trust between the Commission and U.S. Bank National Association, as trustee, dated as of September 1, 2021 (the “Master Toll Indenture”) and a First Supplemental Indenture of Trust, dated as of September 1, 2021 (the “First Supplemental Toll Indenture”) and together with the Master Toll Indenture, the “Toll Indenture”). The Master Toll Indenture provides for the collection, custody, application and use of toll revenues of the Express Lanes Network (the “Express Lanes Toll Revenues”) to finance the Express Lanes Network and facilities related thereto, including a portion of the HRBT Expansion Project. The Commission has negotiated the terms of the 2021 Toll TIFIA Loan Agreement (the “2021 Toll TIFIA Loan Agreement”) between the Commission and the TIFIA Lender, pursuant to which the TIFIA Lender has agreed to extend a secured loan to the Commission to finance a portion of the costs of the HRBT Expansion Project. To evidence the obligation of the Commission to repay the loan under the 2021 Toll TIFIA Loan Agreement, the Commission issued an obligation under the Master Toll Indenture in an initial principal amount of up to \$345,000,000 (the “TIFIA Series 2021 Toll Bond”).

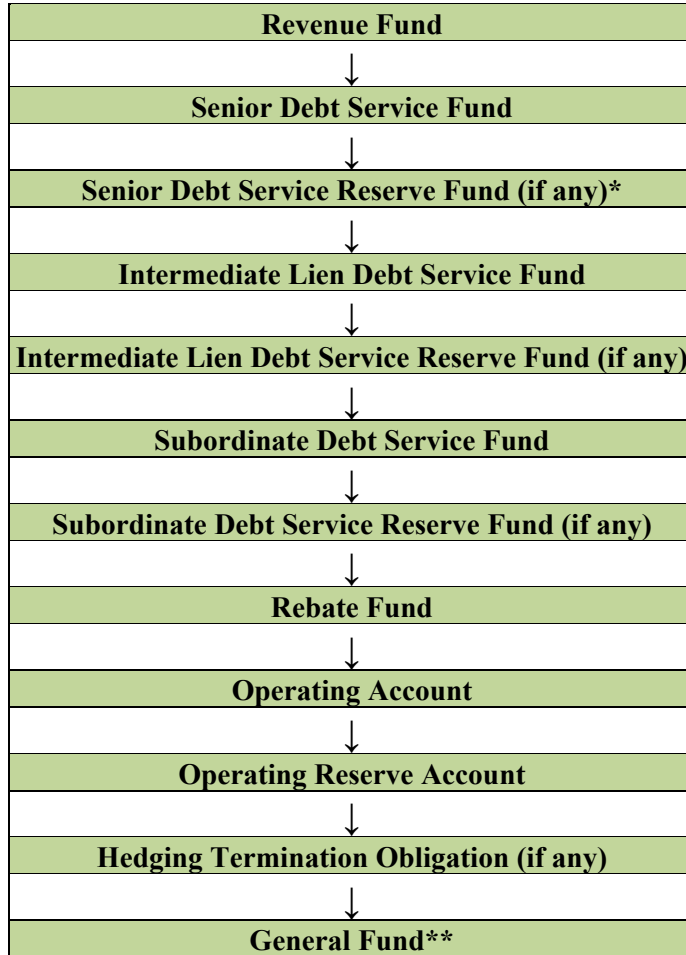
The Commission has agreed, in the Series Supplement relating to the 2021 TIFIA Bond, to provide certain transfers of HRTF Revenues from the General Fund for limited support of the TIFIA Series 2021 Toll Bond, subject to the availability of HRTF Revenues in the General Fund for such purpose. These include the following (together, the “HRTF Transfers”):

- An amount equal to the TIFIA Loan Reserve Account Reserve Requirement (approximately \$20.2 million, based on current estimates) for transfer and deposit to the debt service reserve account established under the First Supplemental Toll Indenture, to occur at the earlier of the (i) 3rd anniversary substantial completion date of the HRBT Expansion Project, or (ii) if such a date is not an interest payment date, the interest payment date immediately preceding the 3rd anniversary of the substantial completion date of the HRBT Expansion Project (collectively, the “TIFIA Toll Debt Service Commencement Date”);
- \$10,000,000, as the initial deposit to a revenue stabilization fund to provide for debt service payments on and debt service reserve account replenishment for the TIFIA Series 2021 Toll Bond, such initial deposit to occur at the TIFIA Toll Debt Service Commencement Date; and commencing with the Fiscal Year beginning July 1, 2027 (preliminary, subject to change), and continuing in each year through the maturity of the TIFIA Series 2021 Toll Bond, to the extent that amounts on deposit in such fund are less than \$10,000,000, an amount sufficient to restore the balance therein to \$10,000,000, subject to an annual transfer cap of \$10,000,000 during any Fiscal Year;
- For deposit to the major maintenance and renewal fund established under the Master Toll Indenture, the amount of \$5,000,000, to occur no later than the later of the (i) substantial completion date of the HRBT Expansion Project, or (ii) the date on which the Commission makes the first draw under the TIFIA Series 2021 Toll Bond; and commencing with the Fiscal Year beginning July 1, 2025 (preliminary, subject to change), and continuing in each year through the maturity of the TIFIA Series 2021 Toll Bond, to the extent that amounts on deposit in such fund are less than the amount required to be maintained in the major maintenance and renewal fund, based on the life cycle costs of the Express Lanes Network, an amount sufficient to restore the amount on deposit in the such fund to the required amount, provided, however, that the aggregate amount of all HRTF Transfers made while the TIFIA Series 2021 Toll Bond is outstanding for deposit to such major maintenance and renewal fund shall not exceed a cumulative cap equal to the total of expected major maintenance and renewal fund expenditures to the final maturity of any toll obligations issued under the Master Toll Indenture.

The Master Toll Indenture specifies that HRTF Transfers may only be used to pay for costs legally permitted for the use of HRTF amounts. The Commission agrees to manage the use of HRTF Revenues in the General Fund so as to provide for the availability of sufficient amounts in the General Fund to make the foregoing HRTF Transfers as and when required, subject to the availability of HRTF Revenues and to its commitments to provide funding for the HRBT Expansion Project.

[Remainder of page intentionally left blank;
schematic diagram of Flow of Funds follows on next page]

FLOW OF FUNDS DIAGRAM



* No Debt Service Reserve Fund will be established or maintained for the Series 2022A Notes.

** See “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds -- Application of Amounts in the General Fund and Transfers of HRTF Revenues from the General Fund to Support Toll Revenue Bonds” herein for a description of the use of funds in the General Fund.

SUCCESSOR 2019/2021 TIFIA LOAN AGREEMENT

Pursuant to the terms of the 2019 TIFIA Loan Agreement, HRTAC issued the Original 2019 TIFIA Bond in the amount of \$500,789,463 as a Subordinate Lien Obligation under the Master Indenture to evidence the 2019 TIFIA Loan. On September 21, 2021, USDOT and HRTAC entered into the Successor 2019/2021 TIFIA Loan Agreement, relating to the 2021 Successor TIFIA Loan, and USDOT and HRTAC also entered the Termination Agreement, thereby terminating the 2019 TIFIA Loan Agreement, cancelling the 2019 TIFIA Loan, and cancelling, terminating, and discharging the Original 2019 TIFIA Bond. To evidence its obligations under the Successor 2019/2021 TIFIA Loan Agreement upon the closing thereof, HRTAC issued the 2021 Successor TIFIA Bond, having substantially similar terms to the Original 2019

TIFIA Bond with a reduced interest rate, pursuant to the Master Indenture and the Seventh Supplemental Series Indenture of Trust dated September 21, 2021.

HRTAC expects to make a single requisition under the Successor 2019/2021 TIFIA Loan Agreement on or before _____, 202_, within one year after substantial completion of the Initial Financed Projects, and apply the amount requisitioned under the Successor 2019/2021 TIFIA Loan Agreement to reimburse itself for eligible project costs, including the use of a portion of such funds to pay principal on the Series 2022A Notes at their maturity date of _____, 202_.

See Appendix H – “Successor 2019/2021 TIFIA Loan Agreement” for a summary of certain provisions of the Successor 2019/2021 TIFIA Loan Agreement. The Successor 2019/2021 TIFIA Loan Agreement has been filed with the MSRB through its EMMA system and may be accessed over the internet at <https://www.emma.msrb.org>. Certain provisions of the Successor 2019/2021 HRTF TIFIA Loan Agreement relating to conditions precedent to requisitioning moneys and events of default are summarized below.

Disbursement Conditions

Disbursement under the 2021 Successor TIFIA Loan are subject to numerous conditions precedent. In addition to the delivery of customary certificates as to representations and warranties, no defaults and other corporate matters, the following conditions, among others, also apply to the TIFIA Lender’s obligation to fund a requisition request:

- delivery to the TIFIA Lender of updated Financial Plans and copies of the previously undelivered applicable project contracts and amendments and modifications, if any, thereto;
- all governmental approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Initial Financed Projects are in full force and effect;
- all applicable insurance policies shall be in full force and effect and all permits and governmental approvals necessary to complete construction of the Initial Financed Projects shall have been obtained;
- no event of default under the Successor 2019/2021 TIFIA Loan Agreement, the Master Indenture or other material contracts, or event which with the giving of notice or the passage of time or both under such documents would result in an event of default shall have occurred and be continuing; and
- since the date HRTAC submitted the application for the 2021 Successor TIFIA Loan to the TIFIA Lender there shall not have occurred a Material Adverse Effect (as defined in the Successor 2019/2021 TIFIA Loan Agreement).

The TIFIA Lender shall be entitled to withhold approval of the disbursement of 2021 Successor TIFIA Loan proceeds if:

- an event of default or an event that, with the giving of notice of the passage of time or both, would constitute an event of default, under the Successor 2019/2021 TIFIA Loan Agreement shall have occurred and be continuing; or

- HRTAC:
 - knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated by the Successor 2019/2021 TIFIA Loan Agreement; or
 - fails to ensure VDOT's construction of the Initial Financed Projects in a manner consistent with the governmental and other approvals therefor or in accordance with the highest standards of VDOT's industry, where such failure prevents or materially impairs the project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by VDOT with applicable federal or local law pertaining to the Initial Financed Projects, or with the terms and conditions of the Successor 2019/2021 TIFIA Loan Agreement; or
 - fails to observe or comply with any applicable federal or local law, or any term or condition of the Successor 2019/2021 TIFIA Loan Agreement; or
 - fails to satisfy disbursement conditions or conditions precedent to all disbursements set out in the Successor 2019/2021 TIFIA Loan Agreement; or
 - fails to deliver documentation satisfactory to the TIFIA Lender evidencing eligible project costs claimed for disbursement at the times and in the manner specified by the Successor 2019/2021 TIFIA Loan Agreement; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing eligible project costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

See additional discussion of the conditions to closing and delivery of, as well as disbursements under, the 2021 Successor TIFIA Loan below under "INVESTMENT CONSIDERATIONS—No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement."

Repayment Terms

No payment of the principal of or interest on the 2021 Successor TIFIA Loan is required to be made during the capitalized interest period, which will be the period from the drawdown of the 2021 Successor TIFIA Loan to the date that HRTAC commences repayment of the 2021 Successor 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 2021 Successor TIFIA Loan shall be capitalized and added to the outstanding 2021 Successor 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 2021 Successor 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 Successor 2019/2021 TIFIA Loan Agreement or under any of the other 2021 Successor 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, HRTAC shall commence paying

TIFIA Debt Service in the amount of interest on and principal of the 2021 Successor TIFIA Loan equal to the amount set forth in the Successor 2019/2021 TIFIA Loan Agreement, as the same may be revised as provided in the Successor 2019/2021 TIFIA Loan Agreement, which payments shall be made in accordance with the terms of the Successor 2019/2021 TIFIA Loan Agreement. A projected amortization of the 2021 Successor TIFIA Bond is set forth under Table VII – Projected HRTF Bonds’ Debt Service and Debt Service Coverage Ratio in “PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE RATIO.”

Prepayment of the 2021 Successor TIFIA Loan

HRTAC will be required to mandatorily prepay all or a portion of the 2021 Successor 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 Successor 2019/2021 TIFIA Loan Agreement occurring while the Revenue Sharing Trigger Event remains in effect, from “Excess Revenues” (as described below) on deposit in the Revenue Sharing Account. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds” above. Prepayment of the 2021 Successor 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 Successor 2019/2021 TIFIA Loan Agreement is outstanding and (a) 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds – Application of Amounts in the General Fund” herein (in that order). 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 and until such time as the Revenue Sharing Trigger Event ends, an amount in each month equal to 50% of the HRTAC Revenues remaining each month after the transfers described in paragraphs months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds – Application of Amounts in the General Fund” herein (in that order) have occurred. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds – Application of Amounts in the General Fund” above.

Upon any voluntary prepayment of any Bonds, other than any voluntary prepayment of any such Bonds made with the proceeds of Additional Bonds issued on the same lien level, in accordance with the requirements of the Successor 2019/2021 TIFIA Loan Agreement the 2021 Successor TIFIA Bond shall be repaid pro rata with such voluntary prepayment of such other Bonds.

In addition, HRTAC will have the right to prepay the 2021 Successor 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 a minimum principal amount of \$1,000,000), at any time or from

time-to-time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the 2021 Successor 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 2021 Successor 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 2021 Successor 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 2021 TIFIA Bond and the 2021 Successor TIFIA Bond will be secured by a pooled Subordinate Debt Service Reserve Fund. On or prior to the later of the substantial completion date of the projects financed by the 2021 Successor TIFIA Bond or the date of the final disbursement under the Successor 2019/2021 TIFIA Loan Agreement, HRTAC shall cause the deposit of available HRTAC Revenues or HRTF Transfers in such Subordinate Debt Service Reserve Fund in an amount sufficient to cause the balance therein to equal the combined “TIFIA Subordinate Debt Service Reserve Required Balance.” Such amount is the lesser of (x) ten percent (10%) of the maximum stated principal of the 2021 HRTF TIFIA Loan and the 2021 Successor TIFIA Loan, (y) one hundred percent (100%) of the combined TIFIA maximum annual debt service, or (z) one hundred and twenty-five percent (125%) of the average annual combined TIFIA debt service. If there are TIFIA loans in addition to the 2021 HRTF TIFIA Loan and the 2021 Successor TIFIA Loan that are secured by HRTAC Revenues on a Subordinate Lien basis outstanding at any time, then such amounts will be calculated using the summation of all TIFIA Loans as if there were one TIFIA Loan.

Representations, Warranties and Covenants

Pursuant to the terms of the Successor 2019/2021 TIFIA Loan Agreement, HRTAC will provide certain customary representations, warranties and covenants as of (i) the date of execution and delivery of the Successor 2019/2021 TIFIA Loan Agreement, and (ii) each date on which a disbursement of the 2021 Successor TIFIA Loan is requested or made, including, but not limited to:

Compliance with Laws. Pursuant to the Successor 2019/2021 TIFIA Loan Agreement, HRTAC represents and warrants that the execution and delivery by HRTAC of the Successor 2019/2021 TIFIA Loan Agreement and other related documents to which HRTAC is a party, and compliance with the terms thereof will not, in any material respect, conflict with or constitute a violation or breach of or default of any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument. VDOT has oversight responsibility for ensuring compliance with all applicable provisions of federal transportation law for project oversight activities.

Permitted Indebtedness. Under the Successor 2019/2021 TIFIA Loan Agreement, HRTAC may issue certain permitted debt and additional obligations (“Additional Obligations”), as follows, provided, however, that no event of default under the Indenture or the 2021 Successor TIFIA Loan Agreement has occurred and is continuing. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A Notes – Additional Bonds” and “THE MASTER INDENTURE—Issuance of Bonds—Intermediate Lien Obligations” and “—Subordinate Obligations” in Appendix A:

(1) if the proceeds of the Additional Obligations will be used to refinance Senior Bonds, Intermediate Lien Obligations, or Subordinate Obligations and are issued on the same lien level as the proposed refunded obligations, (i) such Additional Obligations must receive a rating from a nationally recognized rating agency of equivalent to the lesser of the rating on the obligations being refinanced with the proceeds of the Additional Obligations as of the applicable effective date or the most recent rating of such obligations provided under the Successor 2019/2021 TIFIA Loan Agreement, (ii) the net proceeds thereof (after deducting any amounts required to be deposited to satisfy the respective debt service reserve requirement or required to pay costs of issuance) must not exceed the principal amount of the respective obligations outstanding and being refinanced, (iii) the respective lien level debt service, after the incurrence of such Additional Obligations, in each year of the remaining term of the 2021 Successor TIFIA Loan, must be projected to be less than the respective lien level debt service projected for each such year in the Successor 2019/2021 TIFIA Loan Agreement's base case projections, and (iv) the stated maturity of such Additional Obligations shall not exceed the stated maturity for the obligations being refinanced with the proceeds of the Additional Obligations; and

(2) if the proceeds thereof will be used for any reason not described in the foregoing clause (1) above, the issuance of the Additional Obligations shall not result in a downgrade of any Subordinate Lien Obligations issued to the TIFIA Lender and HRTAC shall provide the TIFIA Lender a certificate in a form reasonably acceptable to the TIFIA Lender (including the calculations supporting such certificate), certifying that (i) the activity or project to which such Additional Obligation proceeds will be applied could not reasonably be expected to result in a material adverse effect under the Successor 2019/2021 TIFIA Loan Agreement; (ii) HRTAC has satisfied the requirements for issuing the Additional Obligations in accordance with the applicable provisions of the Indenture or Series Supplement existing as of the applicable effective date, including, specifically, that during any twelve consecutive months of the eighteen months preceding the issuance of the Additional Obligations, (A) the HRTAC Revenues were not less than (1) 2.00 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Senior Bonds then outstanding plus, if such Additional Obligations are Senior Bonds, such Additional Obligations, and (2) 1.50 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Senior Bonds and Intermediate Lien Obligations then outstanding plus, if such Additional Obligations are Intermediate Lien Obligations, such Additional Obligations, and (B) the total debt service coverage ratio, including debt service for the Additional Obligations to be issued, for each calculation period under the Successor 2019/2021 TIFIA Loan Agreement is projected to be not less than 1.35 to 1.00 while any Subordinate Obligations issued to the TIFIA Lender remain outstanding.

Additional Covenants. The following briefly summarizes additional covenants of HRTAC (which covenants may be qualified by materiality and other exceptions).

- (1) Maintenance by HRTAC of legal structure;
- (2) No indebtedness, other than Permitted Indebtedness;
- (3) Securing and maintaining the liens on HRTAC Revenues;
- (4) No swap or hedging transactions other than as expressly permitted;
- (5) Ensure that VDOT has complied under the Standard Project Agreements with respect to the Initial Financed Projects; and

- (6) Ensure maintenance by VDOT of all required insurance.

Events of Default Under the Successor 2019/2021 TIFIA Loan Agreement

The following events are expected to constitute events of default under the Successor 2019/2021 TIFIA Loan Agreement:

- (1) Failure to pay any of the principal amount of or interest due and payable on the 2021 Successor TIFIA Loan or to make any required mandatory prepayment thereunder;
- (2) A failure by HRTAC to observe or perform any covenant, agreement or obligation of HRTAC, respectively, under the Successor 2019/2021 TIFIA Loan Agreement or any other 2021 Successor TIFIA Loan Document (which includes the 2021 HRTF TIFIA Loan Agreement) (other than in the case of any payment default or any development default), and such failure shall not be cured within 30 days after HRTAC's knowledge thereof or receipt by HRTAC from the TIFIA Lender of written notice thereof provided, however, that if such failure is capable of cure but cannot reasonably be cured within such 30-day period, then no event of default shall be deemed to have occurred or be continuing under this provision if and so long as within such 30-day period HRTAC shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, provided such failure is cured within 180 days of the first occurrence of such failure;
- (3) A development default shall occur;
- (4) Any of the representations, warranties or certifications of HRTAC made in or delivered pursuant to the Successor 2019/2021 TIFIA Loan Agreement, the 2021 Successor TIFIA Bond and the 2021 HRTF TIFIA Loan Agreement (or in any certificates delivered by HRTAC in connection with such documents) shall prove to have been false or misleading in any material respect when made, subject to certain conditions;
- (5) Any acceleration shall occur of the maturity of any Senior Lien Obligations, Intermediate Lien Obligations, or Subordinate Obligations, or any such Senior Lien Obligations, Intermediate Lien Obligations, or Subordinate Obligations shall not be paid in full upon the final maturity thereof;
- (6) One or more judgments (A) for the payment of money in an aggregate amount in excess of \$5,000,000 (inflated annually by CPI) that are payable from HRTAC Revenues and are not or have not been otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage), or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be rendered against HRTAC, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of HRTAC to enforce any such judgment;
- (7) HRTAC shall fail to maintain its existence as a body politic and a political subdivision created and existing under the laws of the Commonwealth or the HRTAC Act shall be repealed or amended in a manner that could reasonably be expected to result in failure of HRTAC to maintain its existence, unless at or prior to the time HRTAC ceases to exist in such form or the repeal or amendment of the HRTAC Act becomes effective a successor public agency or governing body has been created by the Commonwealth pursuant to a valid and unchallenged Commonwealth law and has succeeded to the assets of HRTAC and has assumed all of the obligations of HRTAC under the TIFIA Loan Documents, the Indenture or the Toll Indenture, including the payment of all Secured Obligations;

- (8) A Bankruptcy Related Event, as defined in the Successor 2019/2021 TIFIA Loan Agreement, shall occur with respect to HRTAC, VDOT, or certain principal project parties;
- (9) HRTAC or VDOT shall abandon the Initial Financed Projects;
- (10) (A) Any Successor 2019/2021 TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or HRTAC contests in any manner the validity or enforceability of any 2021 Successor TIFIA Loan Document to which it is a party or denies it has any further liability under any 2021 Successor TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any 2021 Successor TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby; and
- (11) Operation of a material portion of the Initial Financed Projects shall cease for a continuous period of not less than one hundred eighty (180) days, subject to certain exceptions.

Remedies

Upon the occurrence of a development default under the Successor 2019/2021 TIFIA Loan Agreement, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the 2021 Successor TIFIA Loan may immediately be deemed suspended, subject to cure by HRTAC.

Upon the occurrence of any bankruptcy related event of default with respect to HRTAC, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the 2021 Successor TIFIA Loan shall automatically be deemed terminated, and, to the extent permitted under the Indenture, the outstanding 2021 Successor TIFIA Loan balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents, shall automatically become immediately due and payable;

Upon the occurrence of any other event of default under the Successor 2019/2021 TIFIA Loan Agreement, the TIFIA Lender, by written notice to HRTAC, may (A) suspend or terminate all of its obligations thereunder with respect to the disbursement of any undisbursed amounts of the 2021 Successor TIFIA Loan, and (B) to the extent permitted under the Indenture, declare the unpaid principal amount of the 2021 Successor TIFIA Bond to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the Successor 2019/2021 TIFIA Loan Agreement, the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents.

Whenever any Event of Default thereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid thereunder or under the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents, and may prosecute any such judgment or final decree against HRTAC and collect in the manner provided by law out of the trust estate the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by HRTAC

under the Successor 2019/2021 TIFIA Loan Agreement, the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of HRTAC under the Successor 2019/2021 TIFIA Loan Agreement, the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents.

Whenever any Event of Default under the Successor 2019/2021 TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender may suspend or debar HRTAC from further participation in any federal government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

No action taken pursuant to the 2021 Successor TIFIA Loan Agreement shall relieve HRTAC from its obligations pursuant to the Successor 2019/2021 TIFIA Loan Agreement, the 2021 Successor TIFIA Bond or the other 2021 Successor TIFIA Loan documents, all of which shall survive any such action.

2021 HRTF TIFIA LOAN AGREEMENT AND THE HRBT EXPANSION PROJECT

Pursuant to the TIFIA Loan Agreement (HRTF Revenues) dated September 21, 2021, between USDOT and HRTAC (the “2021 HRTF TIFIA Loan Agreement”), the TIFIA Lender committed to extend a direct loan payable from HRTF Revenues on a subordinate basis to HRTAC in a principal amount not to exceed \$817,990,000 (the “2021 HRTF TIFIA Loan”) to be used to pay or reimburse a portion of the eligible costs of the HRBT Expansion Project.

HRBT Expansion Project

The “HRBT Expansion Project” is intended to address severe traffic congestion at the existing Hampton Roads Bridge Tunnel (“HRBT”) by increasing capacity and upgrading approximately ten miles of Interstate 64 (“I-64”) between the Settlers Landing Road interchange in Hampton, Virginia and the vicinity of the Interstate 64/Interstate 564 (“I-564”) interchange in Norfolk, Virginia. For over three decades, public and area leaders have consistently identified persistent and significant traffic congestion and delays at the HRBT, with vehicles routinely queuing in both directions, as an important issue for the Hampton Roads region. Over 90,000 vehicles use the existing HRBT daily, seasonally exceeding 100,000 vehicles per day, which represents about half of all traffic crossing the James River/Hampton Roads water body between South Hampton Roads and the lower “Peninsula” formed by the James and York Rivers. HRBT is part of the Hampton Roads Beltway, an approximate 55-mile loop of I-64 and I-664, encircling the metropolitan area. Likewise, the HRBT is an important regional transportation link for residential, commercial, industrial, and military mobility.

The 3.5-mile long HRBT was originally placed in service in 1957, replacing a 30+ minute ferry ride with a seven-minute drive over a two-lane facility. HRBT was the first bridge-tunnel water crossing ever constructed utilizing artificial “portal” islands. The portal islands anchor the ends of the 7,479-foot tunnel and serve as the transition to the trestle bridges that connect the islands to the mainland. The HRBT was expanded to four lanes in 1976 and was incorporated into the interstate system as part of I-64. The 1976 expansion included the construction of new parallel trestle bridges and expansion of the portal islands to accommodate a new parallel tunnel. Both of the current HRBT tunnels, as well as all ten existing traffic tunnels in the region, were constructed using an immersed tube tunnel method that required extensive dredging followed by a fill covering. The four-lane configuration has remained constant since the HRBT expansion in 1976.

The HRBT Expansion Project will widen I-64 for approximately ten miles to create an eight lane bridge tunnel facility with six consistent lanes. The expanded facility will include four general purpose lanes, two new High Occupancy Toll (HOT) lanes and two new drivable (hard-running) shoulders to be used as HOT lanes during certain times of the day. It is anticipated that the HOT lanes will be incorporated into the Express Lanes Network. I-64 is currently six lanes from the I-64/I-664 interchange to a point between the Settlers Landing Road interchange and the Mallory Street interchange in Hampton, which represents the western project limit. The eastern project limit is near Little Creek Road at the vicinity of the I-64/I-564 interchange in Norfolk. The HRBT Expansion Project will include the construction of two new two-lane tunnels, expansion of the existing portal islands, and full replacement of the existing trestle bridges at the HRBT. Various other bridges within the project limits will be replaced and/or expanded. The two new parallel tunnels will be constructed using a tunnel boring machine. When complete, four subaqueous tunnels will connect to the two expanded portal islands.

The HRBT Expansion Project received limited Notice to Proceed from VDOT in April 2019 and, following a scope validation process, full Notice to Proceed in September, 2020 upon receipt of final permits from the applicable permitting agencies. It is estimated that the HRBT Expansion Project will reach substantial completion in September 2025 and full completion in November 2025.

Projects of the scope, size and complexity of the HRBT Expansion Project are at times subject to delay including for reasons outside for HRTAC's or VDOT's control such as the COVID-19 pandemic. The project budget does take into account the possibility of construction delay. However, currently there have been no significant delays in the HRBT Expansion Project construction schedule and the construction schedule has generally remained on time since receipt of the limited Notice to Proceed in April 2019.

The project budget for the HRBT Expansion Project is approximately \$3.862 billion, including project administration, right of way, incentive awards and contingency. Of this amount, HRTAC's funding responsibility is approximately \$3.753 billion, \$200 million of which is expected to be provided by the allocation of Commonwealth SMART SCALE funds committed by VDOT. Substantially all of HRTAC's funding obligations for the HRBT Expansion Project are set forth in the below-described Project Agreement for Funding and Administration or "PAFA." The remaining funding obligations, related to procuring and installing certain tolling equipment and integrating the toll system for the Express Lanes Network, are expected to be approximately \$63 million and will be set forth in one or more Standard Project Agreements between HRTAC and VDOT.

Description of PAFA

Under the PAFA, HRTAC's maximum financial commitment for the HRBT Expansion Project is \$3.562 billion, as described above and in "DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—VDOT Agreements." This amount, with the inclusion of \$200 million SMART SCALE funding, funds the main project scope and includes an additional \$8.5 million that has been programmed for the project. The PAFA identifies separate budgets for certain HRTAC-funded portions and VDOT-funded portions (the south trestle portion), with each budget including scheduled contract costs (payable to the Project's design-builder), percentage share of administration costs, and contingency. HRTAC pays in accordance with a schedule that is designed to align with HRTAC available funds (assumed bond proceeds plus amounts available in the General Fund for PayGo purposes as described below). See "DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—VDOT Agreements."

The PAFA includes an option relating to certain additional bridge repair work. While VDOT has exercised this option, such additional work doesn't increase HRTAC's financial commitment under the PAFA. VDOT may seek reimbursement for certain elements of the work, currently estimated by VDOT to

cost approximately \$32.2 million, but only in certain circumstances and then only to the extent there are funds available to HRTAC from the budget due to cost savings or, when the HRBT Expansion Project is completed, from unspent project contingency.

The project contingency is designed to establish a reserve for potential additional costs, consistent with VDOT practice. Although the agreement for the design and construction of the HRBT Expansion Project is a fixed price contract, the design-builder may seek additional compensation if (i) certain differing conditions are encountered, or (ii) other compensation events occur, such as impacts to the work caused by VDOT delays, changes to permit requirements, interference with the work, changes in law, or discovery of unknown hazardous conditions. Separate contingencies exist for the (a) HRTAC-funded main Project scope, and (b) VDOT-funded south trestles.

The PAFA establishes protocols for addressing when VDOT must obtain HRTAC approval for change orders or claim settlements, which protocols are designed to balance (i) VDOT's need to efficiently and effectively manage the project with (ii) HRTAC's desire to monitor and control expenditures out of reserves. The HRBT Expansion Project is through the scope validation period, and hence VDOT has discretion to approve change orders without HRTAC approval, provided that the amount does not exceed \$20 million (or \$50 million cumulatively per project year) or cause the remaining HRTAC-funded contingency reserve to fall below certain specific thresholds tied to the remaining construction activities.

On a quarterly basis (or monthly if the remaining contingency reserve is below the then-applicable minimum), VDOT must evaluate whether the costs to complete the HRBT Expansion Project could reasonably be expected to exceed the remaining contingency reserve. If VDOT determines additional funding may be necessary, VDOT and HRTAC would consider solutions in the following order: reducing project scope, collaborating to identify other funding sources, or terminating the HRBT Expansion Project.

HRTF TIFIA Loan Disbursement

HRTAC expects to make a single requisition under the 2021 HRTF TIFIA Loan on or before July 1, 2026, within one year after substantial completion of the HRBT Expansion Project, and apply the amount requisitioned under the 2021 HRTF TIFIA Loan Agreement to reimburse itself for eligible project costs, including for the HRBT Expansion Project. Such reimbursement will include an amount to pay principal on the Series 2021A Notes at their maturity. The proceeds of the 2021 HRTF TIFIA Loan may be disbursed to HRTAC for the payment, reimbursement or refinancing of certain costs of the projects that are eligible to be financed with proceeds of the 2021 HRTF TIFIA Loan pursuant to federal law; provided, that total disbursements under the 2021 HRTF TIFIA Loan cannot exceed 33% of all such eligible costs of the HRBT Financed Costs, which include the costs of the HRBT Expansion Project, the funding of capitalized interest on the Series 2021A Notes through July 1, 2026, and to pay costs of issuance of the Series 2021A Notes (collectively, the "HRBT Financed Costs"). 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 HRBT Financed Costs.

Upon closing of the 2021 HRTF TIFIA Loan Agreement, HRTAC issued the 2021 TIFIA Bond to the TIFIA Lender to evidence its repayment obligations under the 2021 HRTF TIFIA Loan. The interest rates on the 2021 HRTF TIFIA Loan and hence of the 2021 TIFIA Bond are fixed interest rate tranches calculated by adding one basis point (0.01%) to the rate of U.S. Treasury securities of comparable maturity on the date of execution and delivery of the 2021 HRTF TIFIA Loan Agreement as such rate was published in the United States Treasury Bureau of Public Debt's daily rate tables for State and Local Government Series investments, computed on the basis of a 365- or 366-day year, as applicable, for the actual number

of days elapsed, except that, upon the occurrence and during the continuance of a payment default, the interest rate with respect to any overdue principal amount shall bear interest at the foregoing rate plus 2.00% *per annum*.

The 2021 TIFIA Bond is a Subordinate Lien Obligation under the Master Indenture. The 2021 HRTF TIFIA Loan Agreement has been filed with the MSRB through its EMMA system and may be accessed over the internet at <https://www.emma.msrb.org>.

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 and PAFA 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 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>
Donnie R. Tuck	HRTAC Chair	City of Hampton
Richard W. West	HRTAC Vice Chair	City of Chesapeake
William M. McCarty, Sr.	Member	Isle of Wight County
Kenneth C. Alexander	Member	City of Norfolk
L. Louise Lucas	Member	Virginia Senate
Michael Duman	Member	City of Suffolk
Bobby Dyer	Member	City of Virginia Beach
Paul Freiling	Member	City of Williamsburg
Michael J. Hipple	Member	James City County
Gordon C. Helsel	Member	City of Poquoson
Clinton L. Jenkins	Member	Virginia House of Delegates
Montgomery “Monty” Mason	Member	Virginia Senate
Christopher D. Cornwell, Sr.	Member	Southampton County
Dr. McKinley Price	Member	City of Newport News
Frank Rabil	Member	City of Franklin
Shannon E. Glover	Member	City of Portsmouth
Thomas G. Shepperd	Member	York County
Michael Mullin	Member	Virginia House of Delegates
Vacant	Member	Virginia House of Delegates
<u>Non-Voting Members:</u>	<u>Title</u>	<u>Source of Appointment</u>
Frederick T. Stant III	Non-Voting Member	Commonwealth Transportation Board
Jennifer Mitchell	Non-Voting Member	Director of VDRPT
<u>Non-Voting Members:</u>	<u>Title</u>	<u>Source of Appointment</u>
John F. Malbon	Non-Voting Member	Commonwealth Transportation Board
Stephen A. Edwards	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 [7] 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 \$[9.55] billion in mega highway transportation projects and \$[552] million in transit 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

As adopted, HRTAC’s Fiscal Year 2022 administrative and operating expense budget totals \$6,746,539 and [is expected to be] funded proportionately by the HRTF and the Hampton Roads Regional Transit Fund. 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 2022A NOTES —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.

DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS

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

HRTPO’s 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 the HRTPO’s planning process by preparing and updating a fiscally constrained long-range regional transportation project funding plan for the High Priority Projects in 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 HRTAC’s 2045 Long-Range Funding Plan (“HRTAC 2045 Long Range Funding Plan”). The HRTPO’s 2045 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 Long-Range Transportation Plan. HRTPO’s 2045 LRTP includes the HRBT Expansion Project which is being funded in part by the Series 2022A Notes.

The HRTPO 2045 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 HRTAC 2045 LRTP is designed to be a “living” document, updated through an amendment process. HRTAC most recently amended its HRTAC 2045 Long Range Funding Plan on [June 17, 2021], 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. Of the total \$10.1 billion highway and transit projects included in the HRTAC 2045 Long Range Funding Plan, HRTAC’s regional high priority highway project costs included are approximately \$9.55 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 HRTPO 2045 LRTP include the Initial Financed Projects, together with the HRBT Expansion Project. HRTAC has entered into Standard Project Agreements with VDOT for the construction of the Initial Financed Projects, and all of the Initial Financed Projects are expected to be completed by Fiscal Year 2022. 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 its 2045 Long Range Funding Plan and FY 2022 – FY 2027 Six-Year Funding Plan Update, 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 HRTAC 2045 Long Range Funding Plan also identifies certain long-range HRTAC projects that are expected to be completed within the 2045 LRTP but whose completion dates and costs are subject to funding availability and other factors. The long-range HRTAC projects in the 2045 LRTP include the Express Lanes Network, the I-64/464 Loop Ramps, I-64/264 Interchange Phase IIIA, I-64 Independence Boulevard Interchange, I-664 Widening/Bowers Hill Interchange, I-64 Denbigh Boulevard Interchange, I-

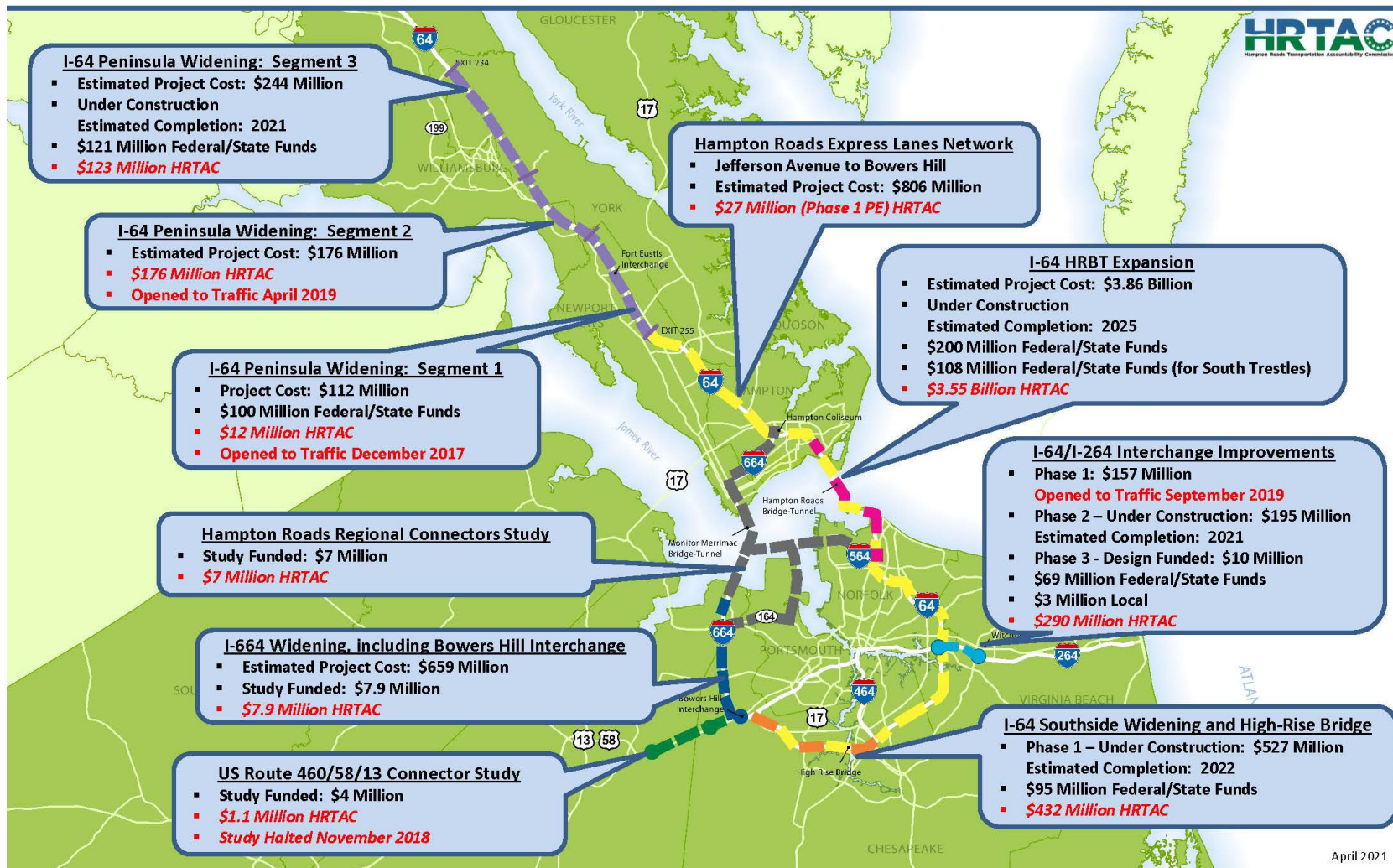
264 Widening, VA 164 Widening, and the VA 168 Bypass to be completed by 2045. See “Table VI: Future HRTAC Projects in the 2045 Long Range Funding Plan.”

Projects not included in the HRTPO 2045 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 “Patriot’s 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 Patriot’s Crossing.

The map on the following page illustrates the regional priority projects included in the 2045 LRTP and the Vision Plan, excluding the Express Lanes Network.

Hampton Roads Regional Transportation Priority Projects

\$5.22 Billion Total Value, \$4.65 Billion HRTAC Funded



April 2021

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 2022 through 2027) was adopted in June 2021, and includes the Initial Financed Projects, the HRBT Expansion Project, and the Express Lanes Network (or HREL). HRTAC continues to refine the Express Lanes Network's costs and financing plan based on updated information as the network segments advance in project readiness. The Express Lanes Network will be developed in segments, subject to the availability of funding, the development of a definitive funding plan, and the execution and delivery of one or more Standard Project Agreement(s) with VDOT.

The current Six-Year Funding Plan identifies a variety of funding sources that may be utilized by the Commission, including HRTF funds not provided by bond or loan proceeds ("PayGo"), remaining proceeds of Bonds previously issued under the Master Indenture, additional Bonds (including another TIFIA loan secured as a Subordinate Obligation under the Master Indenture), toll revenue debt proceeds, VDOT funding, and other public funds.

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 HRTPO 2045 LRTP and HRTAC 2045 Long Range Funding Plan, (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 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 committed 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 the Project Administration and Funding Agreement (“PAFA”) with VDOT for the HRBT Expansion Project, all 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 certain of the Initial Financed Projects and to the construction of 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 all roadway, bridge and tunnel structures of the Initial Financed Projects and the HRBT Expansion Project at no cost to HRTAC. HRTAC’s construction 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 construction 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. The HRTAC Act does not permit HRTAC to include in its budget any HRTF funds to independently operate and maintain funded projects or to perform any transportation service therefore. HRTAC has no control over the long-term impact of its spending on future obligations of the Commonwealth. See **“INVESTMENT CONSIDERATIONS – Risks Arising from Operating and Maintenance Burdens on Commonwealth.”**

HRTAC’s executed Standard Project Agreements and funding shares to date are described in Table III below. Upon issuance of the Series 2022A Notes, HRTAC will continue to contribute funds to the Initial Financed Projects as well as the HRBT Expansion Project, and such contributions will be made from proceeds of Bonds issued under the Master Indenture, PayGo funds from the HRTF, or toll revenue debt proceeds. See **“DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”**

Project development and delivery of each of the Hampton Roads Express Lane Network (HRELN) segments will be achieved following HRTAC’s ‘Standard Project Agreement’ (SPA) engagement process between HRTAC and VDOT. This process begins with an initial project development SPA to develop preliminary engineering, conduct environmental (NEPA) required work, identify right-of-way needs, and to prepare a project budget and schedule with contingencies. The first step is the initial project development SPA for each segment that will provide confidence of project constructability, permit ability, and budget identification. Funding and construction agreements are in place for current projects relating to the (Segment 1 (direct connectors to Segment 3), Segments 2a and 2b), and Segment 3 tolling infrastructure projects. What remains are project development and delivery agreements for HRELN Segments 4a/4b/4c (geographically west of the HRBT project limits), Segment 1 reversible segment connector lanes to Segment 3, and Segment 1 median shoulders projects along the Segment 1 reversible lanes (that are geographically east of the HRBT project limits) to allow for bi-directional traffic movement along the median shoulders of the opposite lane direction during Segment 1 reversible lanes’ periods. SPAs executed between HRTAC and VDOT for the initial project development of the next Phase of the HRELN include Segments 4a/4b, 4c, and the Segment 1 median shoulders projects. These four segments are the remaining HRELN segments to be constructed to complete the initial phases of the HRELN between West Jefferson Avenue in Newport News and Bowers Hill in Chesapeake. Once the initial project development SPAs are completed, the resulting work products for HRELN Segments 4a/4b, 4c, and Segment 1 direct connectors

to Segment 3 and median shoulders will bring project readiness to a level of confidence to provide for advancing the HRELN segments to the next steps of project delivery that include financing and construction SPAs and procurement of work for the project segments.

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

	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total ⁽¹⁾
<u>Interstate 64 Peninsula Widening (Segments 1-3)</u>							
HRTAC Funding	\$310	0	0	0	0	0	\$310
VDOT Funding	<u>221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>221</u>
Total	<u>\$531</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$531</u>
<u>I-64/I-264 Interchange Improvements (Phases I-III)</u>							
HRTAC Funding	\$290	0	0	0	0	0	\$290
VDOT Funding	60	8	0	0	0	0	68
HRTPO and Local Funding	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	<u>\$355</u>	<u>\$8</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$363</u>
<u>I-64 Southside Widening and High Rise Bridge Project (Phase I)</u>							
HRTAC Funding	\$432	0	0	0	0	0	\$432
VDOT Funding	<u>95</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95</u>
Total	<u>\$527</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$527</u>
<u>(Mega Project) Delivery of HRBT Expansion Project</u>							
HRTAC Funding ⁽²⁾	\$1,570	\$714	\$546	\$421	\$291	\$11	\$3,553
VDOT Funding ⁽³⁾	<u>15</u>	<u>39</u>	<u>39</u>	<u>126</u>	<u>90</u>	<u>0</u>	<u>309</u>
Total	<u>\$1,585</u>	<u>\$753</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$3,862</u>
<u>Project Development Including HREL</u>							
HRTAC Funding	73	0	0	0	0	0	\$73
VDOT Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$73</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$73</u>
<u>Total To-Date Standard Project Funding Agreements or Project Administration and Funding Agreement With VDOT</u>							
HRTAC Funding	\$2,675	\$714	\$546	\$421	\$291	\$11	\$4,658
VDOT Funding	391	47	39	126	90	0	693
HRTPO and Local Funding	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	<u>\$3,071</u>	<u>\$761</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$5,356</u>

Source: HRTAC, as of May, 2021. [To be updated.]

Notes:

- (1) Totals may not add up due to rounding.
- (2) Includes \$345 million TIFIA Series 2021 Toll Bond issued under the Master Toll Indenture.
- (3) Includes \$109 million in VDOT Funded HRBT South Trestle Replacement Costs in Project Administration and Funding Agreement but not included in HRTAC Six-Year Funding Plan and \$200 million in SMART SCALE funding.

The HRTAC projects in the 2045 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 HRTAC 2045 LRTP (in Millions)⁽¹⁾

<u>Project</u>	<u>Expected Completion</u>	<u>Estimated Cost</u>
Hampton Roads Express Lanes Network	2026	\$806
I-64/I-464 Loop Ramps	2029	339
I-64/I-264 Interchange: Phase IIIA	2031	510
I-264/Independence Boulevard Interchange	2033	207
I-664 Widening (including Bowers Hill Interchange)	2038	771
I-64/Denbigh Boulevard Interchange Project	2040	219
I-264 Widening	2045	669
VA-164 Widening	2045	493
VA-168 Bypass	2045	355

Source: HRTAC, 2045 Long Range Plan of Finance Update adopted June 17, 2021. [To be updated.]

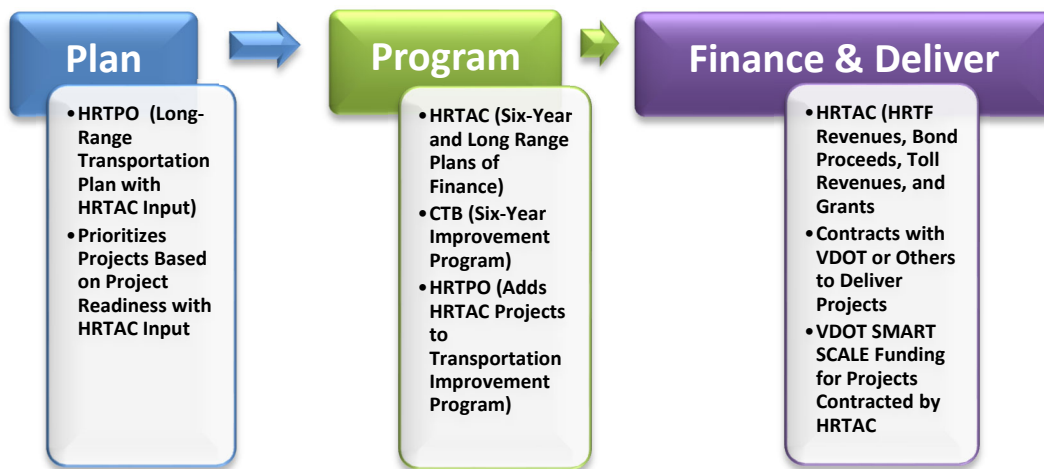
Note:

(1) Assumes \$119M funding from VDOT for the HRELN Project; also assumes future SMART SCALE funding of \$971M for other projects, as estimated by HRTPO.

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.

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- HRTPO’s 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 HRTPO’s LRTP and when HRTAC allocates funds to specific projects, they are added to HRTPO’s Transportation Improvement Program.
- 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, June 18, 2020, and June 17, 2021, the Commission’s Debt Management Plan helps guide the Commission with respect to the funding and delivery of the projects in the Commission’s Six-Year Funding Plan, currently through Fiscal Year 2027. 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 evolves over time and sets forth the following goals:

(a) Full funding of project costs through Fiscal Year 2027 identified in the current Six-Year Funding Plan including the HRBT Expansion Project and the Express Lanes Network through completion in such year. Although the Express Lanes Network is incorporated into the Six-Year Funding Plan, HRTAC’s commitments related to funding the sections of the Express Lanes Network are subject to the execution and delivery of one or more Standard Project Agreement(s) with VDOT in the future.

(b) Issuance of Bonds as construction progresses (which began in calendar year 2018 with issuance of the Series 2018A Bonds), including Bonds to reimburse PayGo expenditures, so that Bond sales can be minimized in later years during which the Commission would likely have greater expenditure requirements;

(c) Establishment and maintenance of a structure suited for subsequent Bond issuances needed for HRTAC projects in the 2045 LRTP; and

(d) Exploration of the possibility of credit assistance under additional TIFIA Loans backed by HRTAC Revenues under the Master Indenture and/or toll revenue-backed TIFIA Loans, issued under indenture(s) separate from the Master Indenture, and including the use of bond anticipation notes where appropriate.

To fund its commitments to VDOT, HRTAC currently expects to issue approximately \$___ million of debt in FY 2022, including the Series 2022A Notes, and possible additional debt thereafter to be secured by HRTAC Revenues. Such additional debt and their lien level under the Master Indenture is still to be determined. Where appropriate, HRTAC may continue to utilize bond anticipation notes in conjunction with TIFIA Loans. The 2019 TIFIA Loan Agreement was, and the Successor 2019/2021 TIFIA Loan Agreement is expected to be, implemented under the provision of the TIFIA statute that allows for a waiver of TIFIA’s non-subordination or “springing lien” requirement, and HRTAC anticipates that the 2021 HRTF TIFIA Loan also will be implemented with a waiver from that 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. The likelihood that all assumptions will prove to be accurate cannot be predicted. Assumptions and actual results are subject to change and to the occurrence of unanticipated events, such as those described under the captions “COVID-19 PANDEMIC” and “INVESTMENT CONSIDERATIONS.” 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 2022A NOTES” above.

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

Table V
Estimated HRTAC Project Costs by Funding Source (in Millions)⁽¹⁾
(Fiscal Years 2022 to 2026)

Sources	Amounts
HRTF Bonds and TIFIA Loans ⁽²⁾	\$1,061
Toll Revenue Debt and TIFIA Loans	610
HRTAC PayGo	970
VDOT Funding	421
Total	\$3,064

Source: HRTAC. [To be updated.]

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 Tables VI and VII herein.

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

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	Total
HRTF Bonds/TIFIA⁽²⁾	\$245					\$ _____
Toll Revenue Debt⁽³⁾			143	467		
Total	\$245	0	\$143	\$467		\$ _____

Source: HRTAC. [To be updated.]

Notes:

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Includes the 2022A Notes and additional Senior Lien or Intermediate Lien Bonds which may be incurred in the future.

⁽³⁾ Includes multiple Toll Revenue 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 DEBT SERVICE COVERAGE

The following Table VII presents a forward-looking presentation of HRTAC Revenues, Principal and Interest Requirements and related measures of debt service coverage through Fiscal Year 2060 in light of the actual and potential impacts of COVID-19 and the governmental and societal responses thereto. **Investors considering a purchase of the Series 2022A Notes should consider the following, as well as the information in “COVID-19 PANDEMIC.”**

The impact of the COVID-19 pandemic on Hampton Road’s economy and revenues has reduced and may continue to reduce the level of tax revenues collected and deposited into the HRTF, but HRTAC cannot predict the full amount or duration of such impact. For a more detailed discussion of the risks and the impact, see “COVID-19 PANDEMIC.” HRTAC and VDOT continue to review the impact of COVID-19 on transportation revenues, and HRTAC believes that it will be some time before it or VDOT will have a better understanding of the longer-term fiscal impact that COVID-19 will have on the taxes and revenues comprising the HRTF.

Actual future HRTAC Revenues are likely to vary from those presented below, especially in light of the uncertainty presented by the ongoing COVID-19 Pandemic. See “COVID-19 PANDEMIC.”

[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 2060, which

is the approximate maturity date of the 2021 Successor TIFIA Loan. 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, and were prepared in connection with obtaining the 2021 Successor TIFIA Loan. Anticipated issuances of future Bonds, as set forth in Table VI, are not included.]

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 **“INVESTMENT CONSIDERATIONS – 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⁾

Fiscal Year	Pledged Revenues ^{(1), (2)}			Principal and Interest Requirements ⁽³⁾				Debt Coverage		
	Additional Retail Sales and Use Tax ⁽⁴⁾	Additional Wholesale Motor Vehicle Fuels Tax ⁽⁵⁾	Total Pledged Revenues	Existing Senior Lien	Existing Intermediate Lien	Existing Subordinate Lien	[Intermediate Lien] [Senior Lien] (2022A Notes)	Senior Lien	Intermediate Lien	Subordinate Lien
			[A]	[B]	[C]	[D]	[E]	[A]/([B]+[C])	[A]/([B]+[C])	[A]/([B]+[C]+[D]+[E])
2022	\$	\$	\$	\$	\$	\$	\$			
2023										
2024										
2025										
2026										
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Notes:

- (1) Consists of HRTAC Revenues.
- (2) See “COVID-19 PANDEMIC -- Fiscal Impact of the COVID-19 Pandemic on HRTAC and HRTF Revenues.”
- (3) Does NOT include future issuances of Senior Lien, Intermediate Lien, or Subordinate Lien Bonds. HRTAC’s current anticipation is that approximately \$245 million will be needed as soon as calendar year 2022 to fund projects in the Six Year Funding Plan. See Table VI herein. The lien level of such debt has not been determined. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS – HRTAC Debt Management Plan.”
- (4) FY2022-2028 forecast provided by VA Department of Taxation, starting 2029, assumes a 2.76% annual growth rate based on a compounded annual growth calculation period comprised of historical Local Option Sale and Uses Tax from 2011 to 2013, historical HRTF Sales and Uses Tax Revenue from 2014 to 2020, and VA Department of Taxation projection from 2022 to 2028.
- (5) FY2022-2028 forecast provided by VA Department of Taxation, starting 2029, assume a 0.20% annual growth rate based on a compounded annual growth calculation period comprised of historical and projected statewide taxable fuel gallons from 2013 to 2028.

None of the Commission, the Financial Advisor or the Underwriters warrants or represents that the estimates or amounts set forth in Table VII or the August 2020 VDOT estimates 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 presentation set forth in Table VII. See **“FORWARD-LOOKING STATEMENTS”** and **“INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues,”** **“– Forward-Looking Statements and Review Presentation,”** and **“– Actual Results May Diverge From Review Presentation.**

COVID-19 PANDEMIC

[To Be Updated.]

The information in this Section supplements the information provided elsewhere in this Official Statement and the other information in this Section of the Official Statement should be read in conjunction with the information in this Official Statement. The information herein is preliminary and is subject to change without notice. The information in this Section and the effects on HRTAC and HRTF Revenues of the COVID-19 pandemic will be affected by future events, circumstances, and actions that are outside of the control of HRTAC, and HRTAC does not undertake to update or supplement the information contained in this Section for such future events or circumstances.

[The World Health Organization has declared a pandemic following the outbreak of a novel strain of coronavirus (“COVID-19”), a respiratory disease caused by a new strain of coronavirus that is currently negatively impacting most, if not all, areas of the world, including the United States and the Commonwealth. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at mitigating the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors, have also resulted in dislocations in the labor market and stress on the global and national economies.

On March 12, 2020, Governor Northam declared a state of emergency in the Commonwealth as a result of the COVID-19 pandemic (which declaration was reaffirmed and continued on May 26, 2020). Since the start of the COVID-19 pandemic, Governor Northam has imposed a series of restrictions designed to mitigate the spread of COVID-19 in the Commonwealth, including, at various times, statewide mask-wearing and social distancing guidelines, limitations on public and private in-person gatherings, the closure of certain businesses, a statewide stay at home order, and the cancellation of in-person instruction at schools. Under the auspices of the federal government’s Operation Warp Speed program, vaccines were developed to combat COVID-19. Currently, vaccinations are available for all Virginians over the age of 12. As reported by the Virginia Department of Health as of August 31, 2021, approximately 5,466,820 individuals had been vaccinated in Virginia with at least one dose of a COVID-19 vaccine in the Commonwealth.

As a result of then-increasing vaccination rates, declining COVID-19 cases, reduced hospitalization cases, and revised Federal guidelines, Governor Northam lifted most COVID-19 mitigation measures on May 28, 2021, and allowed his March 2020 declaration of a state of emergency related to the COVID-19 pandemic to expire on June 30, 2021. Consistent with the Governor’s action, jurisdictions in Planning District 23 no longer have declared states of emergency in effect. However, due to the changing nature of the COVID-19 situation, it is possible additional action from Governor Northam and the Virginia General Assembly could occur.

There is no basis to predict how long the public health crisis caused by COVID-19 will continue. Likewise, there is no basis to predict how long the current level of restrictions may remain in place or whether the Governor may determine to loosen or tighten any of the restrictions in one or more localities or regions of the Commonwealth. Additional executive orders addressing health, safety, and economic issues in Virginia may be forthcoming and HRTAC cannot predict the impact of such additional executive orders, or of further spread of the COVID-19 pandemic, on HRTAC’s financial condition and operations.

Fiscal Impact of the COVID-19 Pandemic on HRTAC and HRTF Revenues.

The unpredictable duration and extent of the COVID-19 pandemic and the governmental and private-sector responses to the pandemic are expected to continue to adversely affect the economy and revenues of the Commonwealth and of the Hampton Roads region, as well as the revenues deposited into the HRTF. Because HRTAC cannot predict the amount or duration of such impact, the impact of the COVID-19 pandemic also creates challenges in forecasting and budget preparation.

The following tables show historical collections of the Additional Sales and Use Tax and the Additional Motor Vehicle Fuels Tax on a monthly basis. To date, the Additional Motor Vehicle Fuels Tax has been affected by the COVID-19 pandemic more than the Additional Sales and Use Tax. The following tables reflects point of sale cash collections and FY 2019 amounts differs from amounts set forth in Table I which utilizes the accrual method of accounting.

**Table VIII
HRTF Revenues on a Monthly Basis**

Additional Sales and Use Tax (millions)

Month of Sales	FY 2019	FY 2020	FY 2021	2020 vs. 2019	2021 vs. 2020
July	\$12.0	\$13.0	\$13.2	8.3%	1.5%
August	12.1	13.1	13.3	8.3	1.5
September	11.1	12.1	13.4	9.0	10.7
October	11.3	12.1	13.4	7.1	10.7
November	11.3	12.5	13.4	10.6	7.2
December	13.7	14.6	16.2	6.6	11.0
January	9.8	10.5	12.0	7.1	14.3
February	9.5	10.0	11.6	5.3	16.0
March	11.8	11.3	15.9	-4.2	40.7
April	12.2	10.5	15.3	-13.9	45.7
May ⁽¹⁾	19.2	17.8	22.1	8.2 ⁽²⁾	24.2
June	5.2	8.6	11.8	8.2 ⁽²⁾	37.2
Total	\$139.2	\$146.2	\$171.6		

⁽¹⁾ May includes actual sales in May and 90% of sales in June of the prior fiscal year for certain vendors subject to the Commonwealth’s accelerated sales tax rules.

⁽²⁾ Calculated based on May and June combined in FY 2019 and FY 2020 to exclude the impact of accelerated payment change described in Note (1).

Additional Motor Vehicle Fuels Tax (millions)

Month of Sales	FY 2019	FY 2020	FY 2021	2020 vs. 2019	2021 vs. 2020
July	\$4.9	\$5.3	\$4.9	9.31%	(7.4)%
August	5.0	5.4	4.8	7.49	(-9.4)
September	16.9 ¹	5.0	5.0	(15.3)	(-1.5)
October	6.2	5.1	4.8	(17.6)	(-6.8)
November	4.0	4.7	4.2	20.2	(-10.6)
December	7.2	5.0	4.7	(30.8)	(-6.8)
January	5.2	4.5	4.3	(12.8)	(-4.6)
February	4.6	4.3	3.7	(7.9)	(-14.0)
March	4.9	4.5	5.0	(7.5)	10.8
April	5.8	4.1	4.8	(29.7)	19.3
May	4.5	3.1	5.2	(31.1)	64.7
June	4.9	3.9	4.5	(19.4)	15.4
Total	\$74.0	\$55.0	\$55.9		

⁽¹⁾ Includes \$11 million special collection (non-recurring) received in September 2018, but excluded for year over year calculations.

HRTAC has been actively monitoring and will continue to actively monitor the impact that the COVID-19 pandemic is having and may have on HRTAC’s financial condition and operations, especially the economically sensitive components of HRTF Revenues. The COVID-19 pandemic is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus, (ii) the severity of the disease, (iii) the duration of the outbreak, (iv) existing actions that have been taken and new actions that may be taken in the future, by governmental authorities to contain or mitigate the outbreak, (v) the acceptance of and effectiveness (especially against any new variants of the virus) of vaccines, (vi) the impact of the outbreak on the local, national, or global economy), (vii) temporary and permanent changes to consumer’s spending and driving habits and (viii) the impact of the outbreak and actions taken in response to the outbreak on HRTAC’s revenues, expenses, and financial condition. Hence, HRTAC is unable to estimate the full effects of the COVID-19 pandemic on its future financial condition and operations in light of these and other uncertainties, along with the continued evolution of the COVID-19 pandemic.

INVESTMENT CONSIDERATIONS

The Series 2022A Notes are Limited Obligations

The Series 2022A Notes are limited obligations of HRTAC that are payable solely from the funds pledged under the Master Indenture for such purpose. The Series 2022A Notes 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 2022A Notes 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 2022A Notes. The

Series 2022A Notes are not secured by a pledge of any toll revenues or any other revenues generated by HRTAC projects.

COVID-19

The current COVID-19 pandemic has adversely impacted the HRTF revenues and may continue to adversely impact such revenues in future years. For a more detailed discussion of the risks and the impact, see “COVID-19 PANDEMIC.”

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

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 “I-81 Corridor”) and Central Virginia (Planning District 15). 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, including but not limited to, the COVID-19 pandemic and its impacts on economic and societal activities, the burdens of long-term operating and

maintenance expense, and other factors. 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. The General Assembly enacted a similar provision in 2020 Acts of Assembly, Chapter 1230 (“Chapter 1230”), in connection with the statewide restructuring of the Commonwealth’s transportation funding arrangements and which legislation changed the Additional Motor Vehicles Fuels Tax from its previous tax rate to the current consumer price index adjusted rate of 7.7 cents per gallon on gasoline and gasohol and 7.8 cents for diesel fuels.

No assurance can be given that the General Assembly will not take action in the future that could activate the sunset provisions of Chapter 766 or Chapter 1230, 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(s). 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 Successor 2019/2021 TIFIA Loan Agreement and the 2021 HRTF TIFIA Loan Agreement each provide that, following a Revenue Sharing Trigger Event, prepayment of the 2021 Successor TIFIA Loan and 2021 HRTF 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 as of any date on which Subordinate Obligations issued to the TIFIA Lender are Outstanding, and both of the following exist: (a) HRTAC or VDOT, on behalf of the 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022A NOTES – Flow of Funds – Application of Amounts in the General Fund” herein (in that order). If a Revenue Sharing Trigger Event occurs and obligations to TIFIA become due earlier in time than otherwise required by the Successor 2019/2021 TIFIA Loan Agreement or the 2021 HRTF 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 the CTB does not cause VDOT to satisfy its obligations under its Standard Project Agreements or PAFA 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 2022A Notes.

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 2022A Notes.

Commonwealth of Virginia Official Policy to Promote the Use of Motor Vehicles That Utilize Alternative Fuels. Virginia Code Section 67-102 (entitled “Commonwealth Energy Policy”) makes it the official policy of the Commonwealth to “[p]romote the use of motor vehicles that utilize alternate fuels.” Hence, the Virginia General Assembly has made it the official policy of the Commonwealth to promote the use of motor vehicles that do not generate motor fuels taxes, including Additional Motor Vehicle Fuels Taxes. This could negatively impact the long-term viability of the Additional Motor Vehicles Fuel Sales Taxes.

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 2022A Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2022A Notes will not have an adverse effect on the tax status of the interest on the Series 2022A Notes or the market value or marketability of the Series 2022A Notes. 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 2022A Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, investors in the Series 2022A Notes 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 2022A Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2022A Notes may be affected and the ability of holders to sell their Series 2022A Notes in the secondary market may be reduced. The Series 2022A Notes are not subject to special mandatory redemption, and the interest rates on the Series 2022A Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2022A Notes.

No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement

It is anticipated that the Series 2022A Notes will be paid at their maturity from a disbursement made to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement. There are numerous conditions that must be satisfied by HRTAC in connection with the requisitioning of moneys under the Successor 2019/2021 TIFIA Loan Agreement, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. There can be no assurances that all such conditions to disbursement will be satisfied and thus no assurances that such funds will be available under the Successor 2019/2021 TIFIA Loan Agreement for HRTAC to reimburse itself for eligible project costs or to pay the Series 2022A Notes. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the Successor 2019/2021 TIFIA Loan Agreement or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. If HRTAC does not meet the conditions for disbursement of moneys under the Successor 2019/2021 TIFIA Loan Agreement, the Series 2022A Notes will need to be paid from the HRTAC Revenues, subject to the prior application of such funds to pay scheduled debt service on Senior Bonds, or from proceeds of Additional Bonds issued under the Master Indenture. No assurance can be given that HRTAC will be able to pay such debt service from the HRTAC Revenues, or access the credit markets for the issuance of Additional Bonds, in the event it cannot requisition moneys under the Successor 2019/2021 TIFIA Loan Agreement.

No Assurance of Funds Under 2021 HRTF TIFIA Loan Agreement

Similarly, it is anticipated that the Series 2021A Notes will be paid at their maturity from a disbursement made to HRTAC under the 2021 HRTF TIFIA Loan Agreement. There are numerous conditions that must be satisfied by HRTAC to execute the 2021 HRTF TIFIA Loan Agreement and in connection with the requisitioning of moneys under the 2021 HRTF TIFIA Loan Agreement, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. There can be no assurances that all such conditions to disbursement will be satisfied and thus no assurances that such funds will be available under the 2021 HRTF TIFIA Loan Agreement for HRTAC to reimburse itself for eligible project costs or to pay the Series 2021A Notes. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the 2021 HRTF TIFIA Loan Agreement or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. If HRTAC does not meet the conditions for disbursement of moneys under the 2021 HRTF TIFIA Loan Agreement, the Series 2021A Notes will need to be paid from the HRTAC Revenues. No assurance can be given that HRTAC will be able to pay such debt service from the HRTAC Revenues, or access the credit markets for the issuance of Additional Bonds, in the event it cannot requisition moneys under the 2021 HRTF TIFIA Loan Agreement.

HRTF Transfers To Support Toll Financing

As described above, HRTF Revenues, to the extent available in the General Fund, are to be used to provide support for the TIFIA Series 2021 Toll Bond issued under the Master Toll Indenture. Should toll revenues under the Express Lanes Network produce less net toll revenue than is expected, HRTF Transfers may be required under the terms of the Master Toll Indenture and the TIFIA Series Supplement. Although such HRTF Transfers are to be made from available amounts in the General Fund, to the extent of any such HRTF Transfers, there would be a corresponding decrease in amounts in the General Fund that otherwise would be available to make up deficiencies in the Debt Service Funds established under the Indenture or that would be used to make PayGo project expenditures.

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 2022A Notes 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 2022A Notes may be materially and adversely affected.

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 2022A Notes 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 2022A Notes, 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 ("Chapter 9") 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 2022A Notes 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 2022A Notes. Should the Commission become the debtor in a bankruptcy case, the holders of the Series 2022A Notes 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 2022A Notes from such “Special Revenues.” In any case, there could be delays or reductions in payments on the Series 2022A Notes 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 2022A Notes.

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 2022A Notes 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 2022A Notes constitute a new issue. No assurance can be given as to the development or liquidity of any market for the Series 2022A Notes. If an active public market does not develop, the market price and liquidity of the Series 2022A Notes 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, 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. The lasting economic effects of the COVID-19 pandemic and governmental and private sector responses that followed could have severe, negative repercussions upon HRTAC's revenue and capital sources, including market disruptions in the financial sector and potential effects on the cost and duration of its funded projects in addition to the tax base upon which the HRTF relies. There can be no assurance that negative impacts attributable to economic factors will not materially adversely affect the availability of revenues in the HRTF and impede the ability of HRTAC to receive transfers from the HRTF. See [Appendix D](#)

Risk Arising from Operating and Maintenance Burdens on Commonwealth

The HRTAC Act does not permit HRTAC to include in its budget any funds to independently operate and maintain funded projects or to perform any transportation service; therefore, HRTAC has no control over the long-term impact of its spending on future obligations of the Commonwealth. This could result in future budgetary and political conditions that are difficult to predict, but may have a material adverse impact on HRTAC, the HRTF Revenues and HRTAC's ability over the long term to support debt service payments on the Senior Bonds.

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 2022A Notes.

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 2022A Notes and could directly impact or damage Commission-funded facilities. 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.

Reduced Fuel Prices and Fuel Usage May Reduce Additional Motor Vehicle Fuels Tax Revenues

The availability of Additional Motor Vehicle Fuels Tax revenue is dependent on several economic factors. The revenues received from 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 Planning District 23 localities in which such tax is collected, the Commonwealth and the United States, economic growth or recessions, population growth, trends or changes in housing and business concentrations, income and employment levels, levels of tourism, weather conditions, fuel prices, road conditions, and the availability of alternate modes of transportation. The economic recession that commenced with the COVID-19 pandemic could have severe, negative repercussions upon Additional Motor Vehicle Fuels Tax and capital sources, including market disruptions in the financial sector and potential effects on the cost and duration of HRTF funded projects, in addition to the tax base from which the Additional Motor Vehicle Fuels Tax is derived. There can be no assurance that negative impacts attributable to economic factors will not materially adversely affect the availability of Additional Motor Vehicle Fuels Tax and impede the ability of HRTAC to make timely payments on the Series 2022A Notes.

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.

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 2022A Notes.

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 2022A Notes, 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 or Other Liens

Payment of the principal of and interest on the Series 2022A Notes is not secured by any deed of trust, mortgage or other lien on any of the Initial Financed Projects, the HRBT Expansion Project, any equipment or other tangible personal property of HRTAC or VDOT, or any property of 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 2022A Notes 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.

No Redemption of Bonds in the Event of Taxability

The Series 2022A Notes are not subject to redemption prior to maturity upon the occurrence of an event which has the effect of rendering interest on the Series 2022A Notes includable in the gross income of the owners of the Series 2022A Notes 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 2022A Notes in the event of such an occurrence.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2022A Notes 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 2022A Notes, 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 2022A Notes 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 2022A Notes, 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 2022A Notes (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 2022A Notes 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 2022A Notes.

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 2022A Notes 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 2022A Notes and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2022A Notes. Failure by the Commission to comply with such

covenants, among other things, could cause interest on the Series 2022A Notes to be included in gross income for Federal income tax purposes retroactively to their date of issue.

Original Issue Premium

Series 2022A Notes 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 2022A Notes must be reduced by the amount of premium which accrues while such Series 2022A Notes is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2022A Notes while so held. Purchasers of such Series 2022A Notes 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 2022A Notes.

[Original Issue Discount

The Series 2022A Notes that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "OID Notes"), are being sold at an original issue discount. The difference between the initial public offering prices of such OID Notes and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a OID Note is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such OID Note (including its sale, redemption or payment at maturity). Amounts received on disposition of such OID Note that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Note, on days that are determined by reference to the maturity date of such OID Note. The amount treated as original issue discount on such OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such OID Note at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such OID Note during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such OID Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such OID Note is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of OID Notes should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning an OID Note. Subsequent purchasers of OID Notes that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.]

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2022A Notes 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 2022A Notes should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 2022A Notes should consult their own tax advisors as to the status of interest on the Series 2022A Notes 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 2022A Notes, under current Service procedures, the Service will treat the Commission as the taxpayer and the owners of the Series 2022A Notes 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 2022A Notes after their issuance, including but not limited to public knowledge of an audit of the Series 2022A Notes 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, changed both corporate and individual tax rates and eliminated tax-exempt 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 2022A Notes, regulatory interpretation of the Tax Code or actions by a court involving either the Series 2022A Notes or other tax-exempt obligations will not have an adverse effect on the Series 2022A Notes’ 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 2022A Notes. 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 2022A Notes should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2022A Notes.

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 2022A Notes or the collection and application of HRTAC Revenues under the Master Indenture, or in any manner contesting or affecting the validity of the Series 2022A Notes, 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 2022A Notes.

RATINGS

Moody's Investor Service ("Moody's") and S&P Global Ratings ("S&P") have given the Series 2022A Notes the ratings of "___" and "___," respectively. The Commission requested that the Series 2022A Notes 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 2022A Notes. 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 2022A Notes.

FINANCIAL STATEMENTS

The audited financial statements of the Commission for the Fiscal Year ended June 30, 2021 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.

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 2022A Notes. 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 matters unrelated to the Series 2022A Notes or one or more of the Member Localities in matters unrelated to HRTAC. _____, counsel to

the Underwriters, from time to time represents the Trustee in transactions unrelated to the Series 2022A Notes or one or more of the Member Localities in matters unrelated to HRTAC.

UNDERWRITING

The Series 2022A Notes 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 2022A Notes at an aggregate purchase price of \$_____ (representing the sum of the \$_____ par amount of the Series 2022A Notes, [plus] [less] original issue [premium] [discount] of \$_____, less an underwriting discount of \$_____ on such Series 2022A Notes) 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 2022A Notes if any are purchased. The Underwriters may offer and sell the Series 2022A Notes to certain dealers (including dealers depositing the Series 2022A Notes 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.

[Insert underwriter distribution agreement language.]

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 2022A Notes 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 2022A Notes 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.

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 2022A Notes.

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 2022A SERIES
SUPPLEMENT**

**DEFINITIONS AND SUMMARIES OF THE MASTER INDENTURE
AND THE 2022A SERIES SUPPLEMENT**
[To Be Updated]

Set forth below are definitions of certain terms contained in the Master Indenture or the 2022A Series Supplement, followed by summaries of certain provisions of the Master Indenture and the 2022A 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 2022A 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:

“2022A Notes” means the Series of Senior Bonds authorized to be issued under the 2022A Series Supplement.

“2022A Bond Debt Service Fund” means the Bond Debt Service Fund Related to the Series 2022A Notes established pursuant to the Master Indenture and the 2022A Series Supplement.

“2022A Cost of Issuance Fund” means the Cost of Issuance Fund Related to the Series 2022A Notes established pursuant to the Master Indenture and the 2022A Series Supplement.

“2022A Project Fund” means the Project Fund Related to the Series 2022A Notes established pursuant to the Master Indenture and the 2022A Series Supplement.

“2022A Rebate Fund” means the Rebate Fund Related to the Series 2022A Notes established pursuant to the Master Indenture and the 2022A Series Supplement.

“2022A Series Supplement” or “Eighth Series Supplement” means the Eighth Supplemental Indenture of Trust dated as of _____, 2022, between HRTAC and the Trustee, being a Series Supplement with respect to the Series 2022A Notes pursuant to the provisions of the Master Indenture.

“2022A 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 2022A Notes.

“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 that 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 HRTAC Revenues -- remaining each month after the transfers described in paragraphs FIRST through TENTH under the heading “Revenue Fund and Flow of Funds – Revenue Fund” in this Appendix and paragraphs FIRST through FOURTH under the heading “Revenue Fund and Flow of Funds – General Fund” in this Appendix (in that order) 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 Successor 2019/2021 TIFIA Loan Agreement) by HRTAC upon the early termination of all or a portion of the Hedging Agreements (as defined in the Successor 2019/2021 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.

“Pledged Revenues” means the HRTAC Revenues and 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 the Master Indenture and the Series Supplements.

“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 both of the following exist: (a) HRTAC or VDOT, on behalf of the 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers described in paragraphs FIRST through TENTH under the heading “Revenue Fund and Flow of Funds – Revenue Fund” in this Appendix and paragraphs FIRST through FOURTH under the heading “Revenue Fund and Flow of Funds – General Fund” in this Appendix (in that order) .

“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 2021 Successor TIFIA Loan and any Additional TIFIA Loans (as defined in the Successor 2019/2021 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; and

ELEVENTH: 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 as follows:

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;

SECOND: To make HRTF Transfers;

THIRD: To pay any Bond Credit Provider or DSRF Credit Provider any Excess Interest owed due to a drawing on any applicable Bond Credit Facility or DSRF Credit Facility or any additional interest, fees, fines or other penalties owed as a result of a default on any applicable Bond Credit Facility or DSRF Credit Facility;

FOURTH: To the payment of expenditures for capital improvements with respect to any Project;

FIFTH: For deposit into the TIFIA Revenue Sharing Account, the amount, if any, as may be required under applicable Series Supplements, in an amount equal to Excess Revenues for such month; and

SIXTH: To any other lawful purpose approved by resolution of HRTAC.

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 2022A SERIES SUPPLEMENT

Authorization and Details of 2022A Notes

The 2022A Series Supplement authorizes the issuance pursuant to the Master Indenture of the Series 2022A Notes. The details as to principal, interest, and redemption terms are set forth in the 2022A Series Supplement and are consistent with the provisions of the Series 2022A Notes as described in the Official Statement.

Establishment of Funds

The 2022A Series Supplement creates the following funds to be held by the Trustee:

1. the 2022A Cost of Issuance Fund;
2. the 2022A Project Fund;
3. [the 2022A Escrow Fund];
4. the 2022A Bond Debt Service Fund, in which there is established the 2022A Capitalized Interest Subaccount; and
5. the 2022A Rebate Fund.

On the date of issuance of the Series 2022A Notes, the Trustee shall apply the amounts received from the underwriters of the Series 2022A Notes in payment therefor to the 2022A Cost of Issuance Fund, the 2022A Capitalized Interest Subaccount, and the 2022A Project Fund as provided in the 2022A Series Supplement.

The money and investments held in the 2022A Project Fund and in the 2022A Bond Debt Service Fund are pledged to secure the Series 2022A Notes.

Cost of Issuance Fund

HRTAC shall apply the amounts in the 2022A Cost of Issuance Fund to pay the issuance and financing costs of the Series 2022A Notes. Any amount deposited in the 2022A Cost of Issuance Fund that is not applied in accordance with the Master Indenture to pay the costs of issuance of the Series 2022A Notes 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 2022A Project Fund to the payment or reimbursement of the costs of certain projects as directed by HRTAC. Disbursements from the 2022A 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 2022A Series Supplement.

Escrow Fund

[To be updated.]

Bond Debt Service Fund

Each monthly transfer into the 2022A 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 2022A Notes on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2022A Notes 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 2022A 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 2022A Notes except in accordance with the 2022A 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 2022A Notes 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 2022A Notes or any other funds of HRTAC or take or omit to take any action that would cause the Series 2022A Notes 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 2022A Notes.

The Trustee agrees to comply with all written instructions of an HRTAC Representative given in accordance with the 2022A Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2022A 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 2022A Series Supplement.

Notwithstanding any provisions of the 2022A 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 2022A Series Supplement by incorporation or otherwise is not required or is no longer require to maintain the excludability from gross income of the interest on the Series 2022A Notes 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 2022A Series Supplement.

FINANCIAL STATEMENTS OF HRTAC FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated _____, 2022 (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] Lien Bond Anticipation Notes, Series 2022A (the “Series 2022A Notes”). 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 2022A Notes and in order to assist the original purchasers of the Series 2022A Notes 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 2022A Notes in (A) Table I: “Historical Hampton Roads Transportation Fund Revenues,” (B) Appendix E, Table 1: “HRTF Revenues,” (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[2].

(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 2022A Notes:

- (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 2022A Notes, or other material events affecting the tax status of the Series 2022A Notes;

- (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 2022A Notes;
- (j) release, substitution, or sale of property securing repayment of the Series 2022A Notes, 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 2022A Notes, 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 2022A Notes.

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 2022A Notes or the Master Indenture of Trust, and any supplement thereto, providing for the issuance of the Series 2022A Notes and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

^{*} “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.

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: _____
Donnie R. Tuck, Chair

By: _____
Kevin B. Page, Executive Director

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

APPENDIX E

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 Series 2022A Notes 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 Series 2022A Notes. The Series 2022A Notes 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 Series 2022A Note certificate will be issued for the Series 2022A Notes, 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 Series 2022A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Notes 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 Series 2022A Notes 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 Series 2022A Notes, except in the event that use of the book-entry system for the Series 2022A Notes is discontinued.

To facilitate subsequent transfers, all Series 2022A Notes 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 Series 2022A Notes 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 Series 2022A Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Notes 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 Series 2022A Notes 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 Series 2022A Notes 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 Series 2022A Notes 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 Series 2022A Notes 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, Series 2022A Note 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, Series 2022A Note 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 Series 2022A Notes; (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 Noteholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Noteholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2022A Notes, 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 Series 2022A Notes 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 Series 2022A Notes without the consent of Beneficial Owners or Noteholders.

Successor 2019/2021 TIFIA Loan Agreement

Agenda Items 5J & 5K
Action Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HRTF Cash Optimization Program – Resolutions 2022-02 and 2022-03

Recommendation:

The HRTAC Executive Director, financial advisors, and bond counsel recommend that the Commission approve Resolutions 2022-02 and 2022-03 to implement a “cash optimization” program for HRTF amounts, which involves two separate and legally unrelated actions: (i) the use of presently uncommitted HRTF cash balances to “defease” up to \$486,000,000 of the Commission’s HRTF Senior Lien Revenue Bonds, Series 2018A, and (ii) the issuance of up to \$590,000,000 HRTF Senior Lien Revenue Bonds, Series 2022B to fund further costs of the HRBT Expansion Project.

Background:

The Commission has previously approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief in the localities comprising Planning District 23. In particular, to provide the initial debt-funded component of the HRBT Expansion Project, the Commission issued its \$614,615,000 Senior Lien Revenue Bonds, Series 2020A, in October, 2020. In September, 2021, the Commission continued the funding of the HRBT Expansion Project with its \$817,990,000 TIFIA Series 2021 Bond (TIFIA – 20211008A) and the related \$817,990,000 Senior Lien Bond Anticipation Notes, Series 2021. The Commission also committed the initial toll financing of the Hampton Roads Express Lanes Network to the HRBT Expansion Project. At present, the Commission has approximately \$1.39 billion cash on hand; the projected minimum cash balance throughout FY 2026 net of all HRTF payment obligations, is \$190M (when such obligations include planned payments for the entire HRELN) or \$440M (when such obligations exclude HRELN payment obligations that are not yet under agreement).

Cash Optimization. Cash optimization involves a re-allocation of capital. Existing “pay-go” capital funds are used to defease (or pay off) outstanding debt instead of issuing refunding bonds, and new money capital project(s) are funded with a new money debt issuance instead of existing “pay-go” capital. This allows the Commission to pay off, through the establishment of a refunding (or “defeasance”) escrow, relatively higher interest cost bonds (in this case, the Commission’s Series 2018A Bonds issued to fund the initial six projects) and to continue the funding for the HRBT Expansion Project through the issuance of an additional series of HRTF new money bonds at a relatively lower interest cost. *NOTE: this structure involves risk,*



principally interest rate risk, as well as transaction execution and market access risk, because for legal reasons there will be no “nexus” between the equity defeasance and the projects to be financed, and the two transactions must be discrete and unconnected and priced separately.

Based on current market conditions, HRTAC Staff recommends moving forward with the implementation of a “cash optimization” program, as described above. Resolutions 2022-02 and 2022-03 authorize two separate and legally unrelated actions: (i) the use of presently uncommitted HRTF cash balances to “defeasance” up to \$486,000,000 of the Commission’s HRTF Senior Lien Revenue Bonds, Series 2018A (issued to fund the initial six projects), and (ii) the issuance of up to \$590,000,000 HRTF Senior Lien Revenue Bonds, Series 2022B (the “HRTF Series 2022B Bonds”) to fund further costs of the HRBT Expansion Project. Neither transaction would proceed unless the Executive Director is satisfied that there are fiscal advantages to the Commission.

Under HRTAC Resolution 2022-02, the defeasance program would be limited to the Series 2018A Bonds and could not continue past December 31, 2022.

The new money financing for the HRBT Expansion Project would be implemented through the issuance of the HRTF Series 2022B Bonds under the Commission’s existing HRTF Master Indenture. HRTAC Resolution 2022-03 would authorize the Commission’s staff, counsel and financial advisor to proceed with such issuance, and to finalize the documents and agreements required for same, with the assistance of the underwriters to be determined by the Executive Director and at a lien level also to be determined by the Executive Director, all subject to parameters in the Resolution, including that the HRTF Series 2022B Bonds must have a true interest cost, set at the time of the formal award, not exceeding 5%, must have a final maturity date not later than 40 years from the date of their issuance, and shall not be issued in a par (or principal) amount that exceeds \$590,000,000.

Fiscal Impact:

A portion of the HRTF paygo cash in the existing HRTF funding plan will effectively be replaced by the HRTF Series 2022B Bonds. The overall HRTF debt repayments are expected to decrease upon the execution of the cash optimization. *It is not without risk, as described above and in the presentation.*

Suggested Motion:

Motion: The Finance Committee endorses Resolutions 2022-02 and 2022-03 and authorizes the Finance Committee Chair to communicate the Finance Committee’s endorsement to the Commission at its March 17, 2022 Special Meeting.





HRTAC RESOLUTION 2022-02

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. As trustee under the Master Indenture, Wilmington Trust, National Association, Richmond, Virginia, is the trustee for the 2018A Bonds, and is hereby appointed as the escrow agent (the “Escrow Agent”) for the Defeased Bonds. The Commission hereby delegates to the Executive Director the authority to select a bidding agent and a verification agent, and to the extent necessary or advisable an alternative escrow agent, with respect to any Cash Defeasance Transaction.

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

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

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

The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on March __, 2022.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

EXHIBIT A

DEFEASANCE CANDIDATES

Not to exceed the aggregate of \$625,000,000 in lawfully available funds of the Hampton Roads Transportation Fund to defease:

- (i) Up to \$486,000,000 in principal amount of Hampton Roads Transportation Accountability Commission, Senior Lien Revenue Bonds, Series 2018A, dated February 18, 2018, maturing on July 1 in each of the years 2025 through 2057.

Identification of Defeased Bonds under a particular Escrow Deposit Agreement shall be determined by a Designated Financial Officer on or before December 31, 2022. The Commission will utilize not more than \$625,000,000 of lawfully available funds in the General Fund established under the Master Indenture (when added to any funds on deposit in the debt service account applicable to the subject Defeased Bonds at the time of defeasance) to effectuate a particular defeasance hereunder.

ESCROW AGREEMENT

This **ESCROW AGREEMENT** dated _____, 2022 (this “Agreement”), by and between the **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION**, a body politic and a political subdivision of the Commonwealth of Virginia (“HRTAC” or the “Commission”), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, and its successors, as escrow agent under this Agreement (the “Escrow Agent”).

WITNESSETH:

WHEREAS, HRTAC has issued its Senior Lien Revenue Bonds, Series 2018A in the principal amount of \$500,000,000 (the “Series 2018A Bonds”), pursuant to a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture of Trust dated as of February 1, 2018, between HRTAC and Wilmington Trust, National Association (the “Trustee”) to pay, together with other available funds, the costs of the following Projects: Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phase I and II), and I-64 Southside Widening & High Rise Bridge (Phase I) (the “Initial Financed Projects”); and

WHEREAS, on _____, 2022, HRTAC will transfer, or cause the transfer of lawfully available cash on hand (the “Defeasance Cash”) to the Escrow Agent, and the parties desire to provide for the application of such funds by the Escrow Agent through the optional redemption dates of the [designated][outstanding] Series 2018A Bonds [maturing on July 1, ____, ____ and ____] (the “Defeased Bonds”), on the terms and conditions and as further provided herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

Capitalized terms used in this Agreement shall have the respective meanings given to them in the preamble or recitals hereof or in this Article I, unless the context or use clearly indicates a different meaning:

“Code” means the Internal Revenue Code of 1986, as amended, including all applicable regulations and revenue rulings.

“DTC” means The Depository Trust Company, New York, New York.

“Escrow Fund” means the trust fund established under Section 2.1(a) of this Agreement.

[“Escrowed Securities” means the Government Securities described on Exhibit A attached hereto.]

[“Government Securities” means direct noncallable, nonprepayable full faith and credit obligations of the United States of America, excluding any investments in unit investment trusts and mutual funds.]

“Letter of Representations” means the Blanket Issuer Letter of Representations from HRTAC to DTC dated January 22, 2018.

“Substitute Securities” has the meaning set forth in Section 3.2(b) of this Agreement.

“Verification Report” means the report of _____, attached hereto as Exhibit B, verifying among other things certain calculations demonstrating that the initial cash balance and the principal of and premium and interest on the Escrowed Securities, when received, will be sufficient at all times, without reinvestment, to pay all principal of and accrued interest when due on the Defeased Bonds to and including their optional redemption date.

ARTICLE II ESTABLISHMENT AND INVESTMENT OF ESCROW FUND

Section 2.1 Establishment of Escrow Fund; Deposits.

(a) There is hereby established with the Escrow Agent a special, segregated and irrevocable escrow fund designated as the “HRTAC Defeasance Escrow Fund” (the “Escrow Fund”). The Escrow Agent shall hold the Escrow Fund in its custody for the benefit of the holders of the Defeased Bonds, separate and apart from other funds of HRTAC and the Escrow Agent, and such Escrow Fund and all amounts in it are irrevocably pledged to the payment of the principal of and accrued interest on the Defeased Bonds when due, to and including their optional redemption date.

(b) As of _____, 2022, HRTAC has caused the irrevocable deposit with the Escrow Agent, for deposit in the Escrow Fund, of Defeasance Cash in the sum of \$ _____ to redeem the Defeased Bonds on _____, 2022.

Section 2.2 Investment of Funds; Sufficiency.

(a) The Escrow Agent shall on _____ apply \$ _____ of the amounts in the Escrow Fund to the purchase of the Escrowed Securities described on Exhibit A attached hereto, and shall hold the balance of the Escrow Fund (in the amount of \$ _____), uninvested, as the initial cash balance of the Escrow Fund.

(b) In reliance upon the Verification Report, HRTAC represents that the Escrowed Securities deposited in the Escrow Fund, together with the initial cash balance of the Escrow Fund, are sufficient to assure that moneys will be available to make the payments described in Section 2.3 below.

Section 2.3 Payments of Principal of and Accrued Interest on the Defeased Bonds. Subject to Section 3.3, the Escrow Agent shall release the funds in the Escrow Fund and wire transfer to DTC, in accordance with the Letter of Representations, sufficient moneys to pay the

principal of and accrued interest on the Defeased Bonds when due, to and including their optional redemption date.

ARTICLE III COVENANTS OF ESCROW AGENT

Section 3.1 General Covenants. The Escrow Agent shall hold the Escrowed Securities purchased for or deposited in the Escrow Fund, and all interest, income, and profit derived therefrom and the cash balance therein, and all other uninvested cash in the Escrow Fund, as an irrevocable segregated and separate fund for the sole and exclusive benefit of the holders of the Defeased Bonds until final payment of the Defeased Bonds. The Escrow Agent shall keep the Escrow Fund wholly segregated from other funds and securities on deposit with it, shall never commingle the Escrow Fund with other funds or securities held by it, and shall never at any time use, lend, or borrow the same in any way other than as provided in this Agreement. Nothing contained in this Agreement shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Fund if it is impractical, but money of an equal amount, except to the extent represented by the Escrowed Securities and any Substitute Securities purchased or deposited pursuant to this Agreement, must always be maintained on deposit in the Escrow Fund held by the Escrow Agent in its capacity as Escrow Agent under this Agreement.

Section 3.2 Reinvestments; Substitution.

(a) Neither the maturing principal of nor interest on the Escrowed Securities shall be reinvested, and the Escrow Agent shall hold the cash balance in the Escrow Fund not invested or reinvested as provided in this Agreement.

(b) If at any time HRTAC provides the Escrow Agent: (i) any cash or Government Securities (“Substitute Securities”) for deposit in the Escrow Fund in substitution for any of the cash or Escrowed Securities then in the Escrow Fund, (ii) a report of an independent certified public accountant, a firm of independent certified public accountants or a qualified arbitrage consulting firm (a “Substitute Verification Report”) acceptable to the Escrow Agent verifying that such cash and/or Substitute Securities at their maturity, together with any remaining cash and Escrowed Securities in the Escrow Fund, will be sufficient to pay when due the principal of and interest on the Defeased Bonds on the dates required by this Agreement, and (iii) an unqualified opinion of nationally recognized bond counsel, or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds, to the effect that such substitution of Substitute Securities will not cause the interest on the Defeased Bonds to become includable in gross income for federal income tax purposes, then the Escrow Agent shall accept such cash and/or Substitute Securities and release to HRTAC such of the cash and Escrowed Securities in the Escrow Fund as are no longer necessary to provide for payment of the Defeased Bonds. HRTAC shall not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause the Defeased Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 3.3 Disclaimers. The Escrow Agent shall not be liable or responsible for (a) the accuracy of the Verification Report or any Substitute Verification Report or (b) the

sufficiency of the Escrow Fund and the earnings on it to pay the principal of and interest on the Defeased Bonds.

Section 3.4 Reserved.

Section 3.5 Collection and Application of Income. The Escrow Agent will promptly collect the principal of, premium and interest on, and income and profit from the Escrowed Securities or Substitute Securities held under this Agreement and promptly apply the same solely to the payment of the principal of and interest on the Defeased Bonds as the same become due and to the other purposes expressly stated in this Agreement. The Escrow Agent shall have no obligation to reinvest such income and profits unless requested by HRTAC or required by this Agreement.

Section 3.6 Duties Under Escrow Agreement.

(a) The Escrow Agent will have no duties or responsibilities to HRTAC or any other person in connection herewith except those specifically provided herein and will not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful misconduct in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as specifically provided in this Agreement, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between HRTAC and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement.

(b) Unless specifically provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency, or the performance or failure of performance of HRTAC with respect to arrangements or contracts with others, the Escrow Agent's sole duty under this Agreement being to safeguard the Trust Estate and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent will be obligated, in making such determination, to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent will be liable only for its own willful misconduct or gross negligence.

(c) If the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any such event or contingency, the Escrow Agent may request from HRTAC or any other person, and conclusively rely upon, such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in connection therewith the Escrow Agent may inquire of and consult with HRTAC at any time. The Escrow Agent may consult with legal counsel, and the opinion of such counsel will be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(d) The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without

limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.7 Additional Costs. The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action, or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall the Escrow Agent be deemed to have failed to take any such action, unless and until provisions satisfactory to the Escrow Agent shall have been made for the payment of, any and all costs and expenses, outlays, counsel fees, and other disbursements, including the Escrow Agent's own reasonable fees.

Section 3.8 Liability of Escrow Agent. The Escrow Agent shall have no other responsibilities to HRTAC or any other person in connection with this Agreement except as specifically provided in this Agreement. So long as the Escrow Agent applies and reinvests funds from the Escrow Fund to pay the Defeased Bonds in strict conformance with this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Defeased Bonds.

Section 3.9 Dealing in Bonds. The Escrow Agent may in good faith buy, sell, hold and deal in any of the Defeased Bonds.

Section 3.10 Statements. For so long as any amounts are in the Escrow Fund, the Escrow Agent shall submit to HRTAC monthly statements itemizing all moneys received by it and all investments and payments made by it during the preceding month, and also listing for such period the Escrowed Securities or Substitute Securities and cash balance on deposit in the Escrow Fund and all moneys received as interest on or profit from the collection of the Escrowed Securities or Substitute Securities.

Section 3.11 Notice of Defeasance. The Escrow Agent shall cause a notice of defeasance of the Defeased Bonds, substantially in the form attached hereto as Exhibit C, to be transmitted on the date specified in such form to DTC in accordance with the Letter of Representations and to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format as prescribed by the MSRB. No defect in such notice and no failure to give all or any portion of any further notice shall in any manner affect the effectiveness of such notice of defeasance.

Section 3.12 Notice of Redemption. The Escrow Agent shall cause a notice of redemption of the Defeased Bonds, substantially in the form attached hereto as Exhibit D, to be transmitted on the date specified in such form to DTC in accordance with the Letter of Representations and to the MSRB in an electronic format as prescribed by the MSRB.

Section 3.13 Insufficiency. If at any time it shall appear to the Escrow Agent that funds available in the Escrow Fund will not be sufficient to make any payment due to the holders of the Defeased Bonds, the Escrow Agent shall promptly notify HRTAC, and HRTAC agrees that it will from any funds lawfully available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

Section 3.14 Concerning the Escrow Agent. Notwithstanding any provision contained herein to the contrary, the Escrow Agent, including its officers, directors, employees and agents, shall:

(a) not be required to risk, use or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder; and

(b) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care.

ARTICLE IV COVENANTS OF HRTAC

Section 4.1 Limitation of Escrow Agent's Liability. HRTAC acknowledges that the Escrow Agent shall have no responsibility or liability whatsoever for (i) any of HRTAC's recitals in this Agreement, and (ii) any undertaking of HRTAC under this Agreement.

Section 4.2 Optional Redemption of Defeased Bonds. HRTAC irrevocably exercises its option to redeem all of the Defeased Bonds as provided in the Notice of Redemption described in Sections 3.12.

Section 4.3 No Further Direction. HRTAC acknowledges that all payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions hereof shall be made and done by the Escrow Agent without any further direction or authority of HRTAC except as provided in Section 5.1.

Section 4.4 Escrow Agent Compensation. HRTAC agrees to pay to the Escrow Agent the compensation and reimbursement to which the Escrow Agent is entitled for exercising its duties hereunder, and further agrees that the Escrow Agent shall have a lien on the assets of the Escrow Fund for payment of its fees and expenses if they are not otherwise paid and without judicial action to foreclose such lien.

ARTICLE V AMENDMENTS, IRREVOCABILITY OF AGREEMENT

Section 5.1 Amendments.

(a) Subject to Section 5.1(b) below, this Agreement may be amended or supplemented for any one or more of the following purposes: (i) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement,

(ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent, (iii) to subject to this Agreement any additional funds, securities or properties, and (iv) to sever any provision of this Agreement that has been determined to be illegal by a court of competent jurisdiction.

(b) No amendment to this Agreement shall be effective unless and until HRTAC submits to the Escrow Agent the following items:

(1) Certified copies of the proceedings of HRTAC authorizing the amendment and a copy of the document effecting the amendment signed by duly designated officers of HRTAC and the Escrow Agent.

(2) An unqualified opinion of HRTAC's bond counsel, or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds, to the effect that (A) the amendment will not cause interest on the Defeased Bonds to become includable in gross income for federal income tax purposes, and (B) the amendment does not adversely affect the legal rights of the holders of the Defeased Bonds.

(3) A substitute Verification Report of an independent certified public accountant, a firm of independent certified public accountants or a qualified arbitrage consulting firm to the effect that the amounts available or to be available in the Escrow Fund for payment of the Defeased Bonds will be sufficient to pay when due all principal of and interest on the Defeased Bonds after the effective date of the amendment.

Section 5.2 Obligations of the Escrow Agent Irrevocable. Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.3 Obligations of HRTAC Irrevocable. Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of HRTAC under this Agreement shall be irrevocable and shall not be subject to amendment by HRTAC and shall be binding on any successors of HRTAC during the term of this Agreement.

ARTICLE VI NOTICES

Section 6.1 Notices to HRTAC. All notices and communications to HRTAC shall be addressed in writing to:

Hampton Roads Transportation Accountability Commission
723 Woodlake Drive
Chesapeake, Virginia 23220
Attention: Executive Director

or at such other address as is furnished from time to time by HRTAC.

Section 6.2 Notices to Escrow Agent. All notices and communications to the Escrow Agent shall be addressed in writing to:

Wilmington Trust, National Association
3951 Westerre Parkway
Suite 300
Richmond, Virginia 23233
Mail Code MD1-RR03
Attention: Global Capital Markets, Public Finance & Agency
Phone: (804) 754-4809
E-mail: jeholloway@wilmingtontrust.com

or at such other address as is furnished from time to time by the Escrow Agent.

**ARTICLE VII
REPLACEMENT OF ESCROW AGENT,
ACTS BY ESCROW AGENT**

Section 7.1 Reliance by Escrow Agent. The Escrow Agent may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other written or oral communication that the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent or communicated by the proper person or persons.

Section 7.2 Resignation and Discharge of Escrow Agent.

(a) The Escrow Agent may resign and thereby become discharged from its duties hereunder, by written notice mailed to HRTAC by registered or certified mail. Such resignation shall take effect upon the appointment of a new Escrow Agent hereunder and acceptance of the obligations and duties herein. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed, and the Escrow Agent may, after sixty (60) days subsequent to its resignation, petition the Circuit Court of the City of Richmond, Virginia, for the appointment of a successor Escrow Agent if one has not yet been appointed.

(b) If the Escrow Agent resigns before this Agreement expires, the Escrow Agent shall rebate to HRTAC a ratable portion of any fee theretofore paid by HRTAC to the Escrow Agent for its services under this Agreement.

(c) Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**ARTICLE VIII
TERMINATION OF AGREEMENT; MISCELLANEOUS**

Section 8.1 Termination. This Agreement is irrevocable prior to its termination. Upon the final disbursement for the payment of the Defeased Bonds as provided for above, the Escrow Agent will transfer any balance remaining in the Escrow Fund to HRTAC and thereupon this Agreement shall terminate.

Section 8.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to its conflict of laws principles.

Section 8.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 8.4 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of HRTAC or the Escrow Agent, as the case may be, only to the extent permitted by law.

Section 8.5 Entire Agreement. This Agreement, together with its exhibits, constitutes the entire agreement and understanding of HRTAC and the Escrow Agent with respect to the subject matter hereof.

Section 8.6 Patriot Act. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly the Escrow Agent will require documentation from each non-individual person such as a business entity, a charity, a trust or other legal entity verifying its formation and existence as a legal entity. The Escrow Agent may also request, and each party hereto agrees that it shall provide, identifying information to sufficiently verify the identities of the individuals claiming authority to represent HRTAC.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Escrow Agent have caused this Escrow Agreement to be executed in their respective corporate names by their duly authorized representatives, all as of the date first above written.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

Its: _____

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____

Its: _____

EXHIBIT A

ESCROWED SECURITIES

TYPE	MATURITY	PAR AMOUNT	COUPON	TOTAL COST
		\$	%	\$

EXHIBIT B
VERIFICATION REPORT

[Attached]

EXHIBIT C

NOTICE OF DEFEASANCE

**HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
SENIOR LIEN REVENUE BOND
SERIES 2018A**

Dated Date: _____, 2022

Maturity Dates: _____, 20__
through _____, 20__

NOTICE IS HEREBY GIVEN, by Wilmington Trust, National Association, as trustee (the “Trustee”) under an a Master Indenture of Trust (as supplemented and amended from time to time, the “Indenture”), between the Hampton Roads Transportation Accountability Commission (“HRTAC”) and the Trustee, that [all][certain] of the above-referenced bonds [as further designated below] (the “Defeased Bonds”) have been defeased with lawfully available cash on hand of HRTAC deposited with the Trustee in its capacity as escrow agent (the “Escrow Agent”) under an Escrow Agreement dated _____, 2022, and used to purchase Defeasance Obligations (as defined in the Indenture). The principal of and premium and interest on such Defeasance Obligations, together with cash deposited with the Escrow Agent, will be sufficient to pay the entire outstanding principal of and accrued interest on the Bonds on the redemption date of _____, 20__. The maturities, principal amounts, redemption prices and CUSIP numbers of the Defeased Bonds are as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
	\$	%	

This notice is provided solely for informational purposes and is not a notice of redemption of any Defeased Bonds. There is no need for the holders of the Defeased Bonds to take any action with respect to the Defeased Bonds at the present time.

IMPORTANT: The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained herein. The provisions of the current tax laws require bondholders to submit their Taxpayer Identification Number (either their social security or employer identification number, as appropriate) with each Bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of any principal portion to the withholding of the applicable percentage of such principal portion, in accordance with the current tax laws. To avoid being subject to such withholding, bondholders should submit an IRS Form W-9, which is available from your local bank or broker and at the IRS website.

Dated: _____, 2022

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Escrow Agent**

EXHIBIT D

NOTICE OF REDEMPTION

**HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
SENIOR LIEN REVENUE BOND
SERIES 2018A**

Dated Date: [_____ - _____]

Maturity Dates: _____
through _____

NOTICE IS HEREBY GIVEN, by Wilmington Trust, National Association, as trustee (the “Trustee”) under an a Master Indenture of Trust (as supplemented and amended from time to time, the “Indenture”), between the Hampton Roads Transportation Accountability Commission (“HRTAC”) and the Trustee, that [all][certain] of the above-referenced bonds [as further designated below] (the “Bonds”) will be redeemed on _____, **20__** (the “Redemption Date”). The maturities, principal amounts, redemption prices and CUSIP numbers of the Bonds are as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
	\$	%	

This notice is given by the Trustee at the direction of HRTAC. The redemption is to be funded with lawfully available cash on hand of HRTAC deposited with the Trustee in its capacity as escrow agent (the “Escrow Agent”) under an Escrow Agreement dated _____, 2022, and used to purchase Defeasance Obligations (as defined in the Indenture). The principal of and premium and interest on such Defeasance Obligations, together with cash deposited with the Escrow Agent, will be sufficient to pay the entire outstanding principal of and accrued interest on the Bonds on the Redemption Date. Therefore, the Indenture has been released in accordance with its terms, subject to the rights, powers and privileges retained by the Trustee thereunder to effect the payment of principal of and interest on the Bonds and related matters.

On the Redemption Date interest on the Bonds will cease to accrue and all amounts due upon redemption will be payable. Bonds should be presented for cancellation on the Redemption Date at the following location:

By Hand/Overnight Mail:
Wilmington Trust, National Association

By Mail:
Wilmington Trust, National Association

IMPORTANT: The CUSIP numbers printed herein are inserted for the convenience of the holders, and no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained herein. The provisions of the current tax laws require bondholders to submit their Taxpayer Identification Number (either their social security or employer identification number, as appropriate) with each Bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of any principal portion to the withholding of the applicable percentage of such principal portion, in accordance with the current tax laws. To avoid being subject to such withholding, bondholders should submit an IRS Form W-9, which is available from your local bank or broker and at the IRS website.

Dated: [_____ - _____]

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Escrow Agent**



HRTAC RESOLUTION 2022-03

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$590,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HAMPTON ROADS TRANSPORTATION FUND SENIOR LIEN REVENUE BONDS, SERIES 2022B

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,” which are further described below);

WHEREAS, the Commission has issued its Senior Lien Revenue Bonds, Series 2018A, in the principal amount of \$500,000,000, pursuant to a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture of Trust dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) to pay, together with other available funds, the costs of the following Projects: Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phase I and II), and I-64 Southside Widening & High Rise Bridge (Phase I) (the “Initial Financed Projects”);

WHEREAS, the Commission has also issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) pursuant to the Master Indenture as supplemented by a Second Supplemental Series Indenture of Trust dated as of December 1, 2019, which TIFIA obligation was modified and refinanced pursuant to the provisions of the Seventh Supplemental Series Indenture of Trust dated as of September 21, 2021, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A, pursuant to the Master Indenture and a Third Supplemental Series Indenture of Trust dated as of December 15, 2019, each between the Commission and the Trustee, for the further funding of the Initial Financed Projects;

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

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

Series Indenture of Trust dated as of September 15, 2021, each between the Commission and the Trustee, for the further funding of the HRBT Project;

WHEREAS, obligations issued under the Master Indenture are payable from and secured by the revenues and funds in the Hampton Roads Transportation Fund (as defined in the HRTAC Act) (the “HRTF Bonds”) and the proceeds of such HRTF Bonds are to be used to finance and refinance the costs of the Projects;

WHEREAS, the Executive Director of the Commission (the “Executive Director”), together with PFM Financial Advisors, LLC, as municipal securities financial advisor (the “Financial Advisor”), and Kaufman & Canoles, a Professional Corporation, as bond counsel (“Bond Counsel”), have provided presentations to the Commission’s Finance Committee and to the Commission describing a plan of finance to issue HRTF Bonds under and pursuant to the Master Indenture, in one or more series, to provide further funding for the HRBT Project and to pay certain costs associated with the issuance of such HRTF Bonds (collectively, the “Series 2022B 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 2022B 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 Ninth Supplemental Series Indenture of Trust between the Commission and the Trustee (the “Series Supplement”), relating to the issuance of the Series 2022B Bonds;
- (b) The form of the Series 2022B Bonds, attached as Exhibit A to the Ninth Series Supplement;
- (c) A Preliminary Official Statement furnishing information to prospective purchasers of each series of the Series 2022B Bonds regarding the Commission, the Series 2022B 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 2022B 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 2022B Bonds and the Bond Documents with the assistance of the Financial Advisor, Bond Counsel and the

Commission's general counsel, and to cause the execution and delivery thereof, subject to the limitations and parameters hereinafter provided in this Resolution.

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

1. The Commission authorizes and approves the issuance of the Series 2022B Bonds, in one or more series and from time to time, under the Master Indenture.

2. The Commission authorizes and directs the Executive Director to develop, negotiate and finalize, with the advice of the Financial Advisor, Bond Counsel and the Commission's general counsel, the structure, terms and conditions of the Series 2022B Bonds, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, lien status as to senior indebtedness under the Master Indenture, redemption and prepayment provisions (if any), sales prices, and principal amounts in each maturity of each series, subject to the following parameters and conditions:

- (i) the Series 2022B 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 aggregate principal amount of the Series 2022B Bonds shall not exceed \$590,000,000;
- (iii) the Series 2022B 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 2022B Bonds shall not exceed 5.0%; and
- (v) the sale price of any series of the Series 2022B Bonds, excluding any original issue discount, shall not be less than 95.0% of the aggregate principal amount thereof.

The Series 2022B 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 2022B 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 2022B Bonds, provided that any such Project must be authorized for Commission financing.

5. The Commission hereby authorizes the Executive Director, with the advice of the Financial Advisor, to appoint one or more underwriters from time to time from the Commission's current underwriting pool, including one or more senior and/or co-managers, to serve as the underwriters with respect to the Series 2022B Bonds, and authorizes the sale of the Series 2022B Bonds to any or all of such underwriters appointed by the Executive Director for the issuance of the Series 2022B Bonds, and in connection therewith, the Commission hereby authorizes and directs the Executive Director to execute and deliver a bond purchase agreement with such underwriters in a form substantially similar to those bond purchase agreements previously approved by the Commission.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2022B 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 2022B Bonds, together with any other information required by law to reflect the terms of the sale of the Series 2022B 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 2022B Bonds. The HRTAC Representative or the Executive Director, either 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 2022B 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 2022B Bonds are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have the final Series 2022B Bonds prepared in accordance with the terms of the Master Indenture and the applicable Series Supplement and to execute the Series 2022B Bonds by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2022B Bonds by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2022B 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 2022B 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 2022B 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 2022B Bonds, and (iii) filing Internal Revenue Service Form 8038-G.

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

10. The Executive Director is authorized to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia (“SNAP”) in connection with the investment of proceeds of the Series 2022B 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 2022B Bonds, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Series 2022B Bonds, the establishment and replenishment of reserves, and the deposit and investment of Series 2022B 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 __, 2022.

Chair, Hampton Roads Transportation
Accountability Commission

Vice Chair, Hampton Roads Transportation
Accountability Commission

NINTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

between

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

and

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

Dated as of _____, 2022

Authorizing the Issuance of

\$ _____

**Hampton Roads Transportation Accountability Commission
Hampton Roads Transportation Fund
[Senior] Lien Revenue Bonds
Series 2022B**

TABLE OF CONTENTS

[To be updated]

**ARTICLE I
SERIES SUPPLEMENT**

Section 1.1 Series Supplement..... 2
Section 1.2 Definitions..... 2
Section 1.3 Representations of HRTAC 4

**ARTICLE II
AUTHORIZATION AND DETAILS OF 2022B BONDS**

Section 2.1 Authorization of 2022B Bonds 4
Section 2.2 Details of 2022B Bonds 4
Section 2.3 Book Entry Provisions for the 2022B Bonds..... 5
Section 2.4 Form of 2022B Bonds..... 7
Section 2.5 Authentication of 2022B Bonds..... 7

**ARTICLE III
REDEMPTION OF 2022B BONDS**

Section 3.1 Optional Redemption 7
Section 3.2 Mandatory Redemption 8
Section 3.3 Selection of 2022B Bonds for Redemption 8
Section 3.4 Notice of Redemption 9
Section 3.5 Payment of Redemption Price 9

**ARTICLE IV
ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS**

Section 4.1 Establishment of Funds and Accounts for the 2022B Bonds 10
Section 4.2 Application of Sale Proceeds of the 2022B Bonds..... 10

**ARTICLE V
APPLICATION OF CERTAIN FUNDS**

Section 5.1 Cost of Issuance Fund..... 10
Section 5.2 Project Fund 10
Section 5.3 Bond Debt Service Fund..... 11
Section 5.4 Rebate Fund 11

**ARTICLE VI
SPECIAL COVENANTS**

Section 6.1 Security for 2022B Bonds..... 11
Section 6.2 Tax Regulatory Agreement..... 11

**ARTICLE VII
MISCELLANEOUS**

Section 7.1	Successors and Assigns.....	12
Section 7.2	Severability	12
Section 7.3	Governing Law	12
Section 7.4	Counterparts	12
Section 7.5	Parties Interested.....	12

EXHIBIT A	DESCRIPTION OF 2022B BOND PROJECTS
EXHIBIT B	FORM OF 2022B BOND
EXHIBIT C-1	FORM OF 2022B COST OF ISSUANCE FUND REQUISITION
EXHIBIT C-2	FORM OF 2022B PROJECT FUND REQUISITION
EXHIBIT D	CLOSING MEMORANDUM

NINTH SUPPLEMENTAL SERIES INDENTURE OF TRUST

This **NINTH SUPPLEMENTAL SERIES INDENTURE OF TRUST** (this “Ninth Series Supplement”) is made as of _____, 2022, 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 Hampton Roads Transportation Fund [Senior] Lien Revenue Bonds, Series 2022B, in the

principal amount of \$ _____ (the “2022B Bonds”) to (a) pay portions of the costs of the construction and acquisition of Projects described in Exhibit A hereto (collectively, the “2022B Bond Projects”), (b) [fund any required reserves for the 2022B Bonds,] and (c) pay the costs of issuance of the 2022B 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 Ninth Series Supplement; and

WHEREAS, all things necessary to make the 2022B Bonds valid and binding limited obligations of HRTAC, when authenticated and issued as provided in this Ninth Series Supplement, and to constitute this Ninth Series Supplement a valid and binding Series Supplement securing the payment of the principal of and premium, if any, and interest on the 2022B 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 2022B Bonds, as follows:

ARTICLE I SERIES SUPPLEMENT

Section 1.1 Series Supplement This Ninth 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 2022B Bonds, except as otherwise expressly stated in this Ninth Series Supplement.

Section 1.2 Definitions. All capitalized words and terms used in this Ninth 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 Ninth Series Supplement unless the context clearly requires otherwise:

“2022B Bond Projects” means, collectively, (i) the Projects described in Exhibit A hereto, or (ii) upon receipt of an Opinion of Bond Counsel such other Projects that are financed from time to time with proceeds of the 2022B Bonds.

“2022B Bonds” means the Series of [Senior] Bonds authorized to be issued under Section 2.1(a) of this Ninth Series Supplement.

“2022B Bond Debt Service Fund” means the Bond Debt Service Fund Related to the 2022B Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Ninth Series Supplement.

“2022B Cost of Issuance Fund” means the Cost of Issuance Fund Related to the 2022B Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Ninth Series Supplement.

“2022B Project Fund” means the Project Fund Related to the 2022B Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Ninth Series Supplement.

“2022B Rebate Fund” means the Rebate Fund Related to the 2022B Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Ninth Series Supplement.

“2022B 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 2022B Bonds.

“Closing Date” means the date of the issuance, authentication and delivery of the 2022B Bonds.

“Closing Memorandum” means the Closing Memorandum for the 2022B 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 Ninth Series Supplement.

“Dated Date” means the Closing Date.

“DTC” shall have the meaning set forth in Section 2.3 of this Ninth 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.

“Ninth Series Supplement” means this Ninth Supplemental Indenture of Trust dated as of _____, 2022, between HRTAC and the Trustee, being a Series Supplement with respect to the 2022B Bonds pursuant to the provisions of the Master Indenture.

“Rebate Requirement” means, collectively, the requirements applicable to tax-exempt bonds under Section 148(f)(2) and (3) of the Tax Code.

“**TIFIA 2021 HRBT Loan Agreement**” means the TIFIA Loan Agreement (HRTF Revenues) (TIFIA – 20211008A), dated September 21, 2021, 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.

“**TIFIA 2021 Successor Loan Agreement**” means the TIFIA Loan Agreement (HRTAC Project) (TIFIA – 20211010A), dated September 21, 2021, 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 2022B Bonds, to execute this Ninth 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 Ninth Series Supplement has been taken, and (iii) the 2022B 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 2022B BONDS

Section 2.1 Authorization of 2022B Bonds. (a) There is authorized to be issued pursuant to the Master Indenture HRTAC’s “Hampton Roads Transportation Fund [Senior] Lien Revenue Bonds, Series 2022B,” in the principal amount of \$ _____.

(b) The proceeds of the 2022B Bonds shall be used for the purposes set forth in the recitals.

(c) The 2022B Bonds are being issued to generate funds to pay the costs of 2022B Bonds Projects.

(d) The 2022B Bonds are secured as provided in Article VI of this Ninth Series Supplement.

(e) Interest and principal on the 2022B Bonds shall be payable from amounts available in the Funds and Accounts as described in Article V of this Ninth Series Supplement.

Section 2.2 Details of 2022B Bonds. (a) The 2022B 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 _____ 1, 202_ 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>
	\$	%		\$	%

Each 2022B Bond shall bear interest (i) from the Dated Date, if such 2022B Bond is authenticated before _____ 1, 202_, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 2022B Bond is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 2022B Bond shall bear interest from the date to which interest has been paid. Interest on the 2022B Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

(b) Interest on the 2022B 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 2022B Bond owns at least \$1,000,000 in aggregate principal amount of 2022B 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 2022B Bonds shall be payable to the Owners thereof upon the surrender of the 2022B Bonds at the Trustee's corporate trust office in Richmond, Virginia or such other office designated for payment.

(c) Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is Owner of all of the 2022B Bonds, principal of and premium, if any, and interest on the 2022B Bonds shall be payable as provided in the Letter of Representations.

(d) The principal of and premium, if any, and interest on the 2022B Bonds shall be payable in lawful money of the United States of America.

(e) If the principal of any 2022B 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 2022B Bond.

Section 2.3 Book Entry Provisions for the 2022B Bonds. (a) The 2022B 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 2022B Bonds will not receive physical delivery of the 2022B Bonds. Individual purchases of the 2022B 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 2022B Bonds are held in book-entry format, payments of principal of and premium, if any, and interest on the 2022B

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 2022B 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 2022B Bonds to the beneficial owners of the 2022B Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 2022B Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 2022B 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 2022B 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 2022B 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 Ninth Series Supplement to be given to Owners of the 2022B Bonds, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 2022B 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 2022B Bonds, references in the Master Indenture or this Ninth Series Supplement to the Owners or registered owners of the 2022B Bonds shall mean Cede & Co. and not the beneficial owners of the 2022B Bonds. Any notice to or consent requested of Owners of 2022B Bonds under the Master Indenture or this Ninth 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 2022B Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 2022B 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 2022B 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 Ninth Series Supplement) to which the Participants are entitled for delivery to the beneficial owners of the 2022B 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 Ninth Series Supplement.

Section 2.4 Form of 2022B Bonds. The 2022B Bonds shall be issued substantially in the form set forth in Exhibit B to this Ninth Supplemental Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Master Indenture and this Ninth Supplemental Indenture. There may be endorsed on the 2022B 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 2022B Bonds. (a) Each 2022B Bond shall bear a certificate of authentication, substantially as set forth in the form of the 2022B Bond attached as Exhibit B, duly executed by the Trustee. The Trustee shall authenticate each 2022B 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 2022B Bonds. Only such authenticated 2022B Bonds shall be entitled to any right or benefit under the Master Indenture or this Ninth Series Supplement, and such certificate on any 2022B Bond shall be conclusive evidence that the 2022B Bond has been duly issued under and is secured by the provisions of the Master Indenture and this Ninth Series Supplement.

(b) The Trustee shall authenticate and deliver the 2022B 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 with respect to the issuance of the 2022B Bonds as [Senior] Lien Obligations showing compliance with the provisions of Section 8.4 of the Second Supplemental Indenture of Trust dated as of December 1, 2019, between HRTAC and the Trustee; Section 8.4 of the Fifth Supplemental Indenture of Trust dated as of September 1, 2021, between HRTAC and the Trustee; Section 8.4 of the Seventh Supplemental Indenture of Trust dated as of September 21, 2021, between HRTAC and the Trustee; Section 17(a) of the TIFIA 2021 Successor Loan Agreement; and Section 16(a) of the TIFIA 2021 HRBT Loan Agreement.

ARTICLE III REDEMPTION OF 2022B BONDS

Section 3.1 Optional Redemption. The 2022B Bonds maturing on or before [July __, 20__], will not be subject to optional redemption. The 2022B Bonds maturing on and after [July __, 20__], will be subject to optional redemption, at the sole discretion of HRTAC, on and after

[July __, 20 __], in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued thereon to the date fixed for redemption. Any optional redemption of the 2022B Bonds may be a Conditional Redemption.]

Section 3.2 Mandatory Redemption. The 2022B Bonds maturing on [July __, 20 __] with a ____% interest rate, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
	\$

*

*final maturity

The 2022B Bonds maturing on [July __, 20 __] with a ____% interest rate, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
	\$

*

*final maturity

Section 3.3 Selection of 2022B Bonds for Redemption. (a) In connection with any optional redemption of 2022B 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 2022B Bonds, the particular 2022B 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 2022B Bonds shall be counted as one 2022B Bond for purposes of selecting 2022B Bonds for a partial redemption.

(d) If a 2022B Bond shall be called for partial redemption, upon its surrender a new 2022B Bond, representing the unredeemed balance of the principal amount of the 2022B 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 2022B 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 2022B 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 2022B Bonds and (ii) to at least one national information service that disseminates notices of redemption of obligations such as the 2022B 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 2022B 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 2022B 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 2022B 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 Ninth Series Supplement and shall not be deemed to be Outstanding under the provisions of the Master Indenture and this Ninth Series Supplement.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the 2022B Bonds.

ARTICLE IV ESTABLISHMENT OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS

Section 4.1 Establishment of Funds and Accounts for the 2022B Bonds. (a) In accordance with Section 7.1 of the Master Indenture, the following Funds are hereby established for the 2022B Bonds: (i) the 2022B Cost of Issuance Fund, (ii) the 2022B Project Fund, (iii) the 2022B Bond Debt Service Fund, and (iv) the 2022B Rebate Fund.

(b) All of the Funds 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 2022B Project Fund and in the 2022B Bond Debt Service Fund are pledged to secure the 2022B Bonds.

Section 4.2 Application of Sale Proceeds of the 2022B Bonds. As provided in the Closing Memorandum, on the Closing Date, the Trustee shall apply the total amount received from the underwriters of the 2022B Bonds in payment therefor (i.e., \$_____, which is the principal amount of \$_____, plus original issue premium of \$_____, less an underwriting discount of \$_____), as follows:

- (1) \$_____ shall be deposited in the 2022B Cost of Issuance Fund; and
- (2) \$_____ shall be deposited in the 2022B Project Fund.

ARTICLE V APPLICATION OF CERTAIN FUNDS

Section 5.1 Cost of Issuance Fund. (a) The Trustee shall apply the amounts in the 2022B Cost of Issuance Fund to pay the issuance and financing costs of the 2022B Bonds as directed by HRTAC. Disbursements from the 2022B 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 2022B 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 2022B 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 2022B Project Fund to the payment or reimbursement of the costs of the 2022B Bond Projects as directed by

HRTAC. Disbursements from the 2022B 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 2022B Project Fund will not be necessary to pay the costs of the 2022B 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 2022B Bonds.

Section 5.3 Bond Debt Service Fund. Each monthly transfer into the 2022B 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 2022B Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the 2022B 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 2022B Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the Master Indenture.

ARTICLE VI SPECIAL COVENANTS

Section 6.1 Security for 2022B Bonds. The 2022B Bonds shall be issued pursuant to the Master Indenture and this Ninth Series Supplement as [Senior] 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 Ninth 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 2022B Project Fund and in the 2022B Bonds Debt Service Fund are pledged to secure the 2022B 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 2022B 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 2022B Bonds or any other funds of HRTAC or take or omit to take any action that would cause the 2022B 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 2022B 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 2022B Bonds except in accordance with the 2022B Tax Regulatory Agreement and (ii) insofar as the 2022B Tax Regulatory Agreement imposes duties and responsibilities on HRTAC, the 2022B 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 2022B Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2022B 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 2022B 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.

ARTICLE VII MISCELLANEOUS

Section 7.1 Successors and Assigns. This Ninth 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 Ninth 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 Ninth Series Supplement will be governed by and construed under the applicable laws of the Commonwealth.

Section 7.4 Counterparts. This Ninth 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 Ninth 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 2022B Bonds, any right, remedy or claim under or by reason of this Ninth Series Supplement, this Ninth Series Supplement being intended for the sole and exclusive benefit of HRTAC, the Trustee and the Owners of the 2022B Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, HRTAC and the Trustee have caused this Ninth 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: _____

Chair

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

By: _____
Joy Holloway
Vice President

[Signature Page of Ninth Series Supplement]

EXHIBIT A

DESCRIPTION OF 2022B BOND PROJECTS

All or a portion of the following projects:

1. Hampton Roads Bridge Tunnel (HRBT) Expansion Project; and
2. Such other Projects that HRTAC has approved for HRTAC financing with proceeds of Bonds issued under the Master Indenture, including the 2022B Bonds, and as may be approved by written opinion of Bond Counsel may be financed with proceeds of the 2022B Bonds.

EXHIBIT B
FORM OF 2022B BOND

REGISTERED
R- _____

CUSIP

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORTATION FUND
[SENIOR] LIEN REVENUE BOND
SERIES 2022B

INTEREST RATE

MATURITY DATE

DATED DATE

_____ %

[July] 1, 20__

_____, 2022

REGISTERED OWNER: CEDE & CO.

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 [January] 1 and [July] 1, commencing _____ 1, 202_, 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 Ninth Supplemental Series Indenture of Trust dated as of _____, 2022 (the “Ninth 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, 202_, 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] Lien Revenue Bonds, Series 2022B (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, a resolution adopted by HRTAC on _____, 2022, 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 Ninth 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 paragraphs.

[The Bonds maturing on or before [July __, 202__], will not be subject to optional redemption. The Bonds maturing on and after [July __, 202__], will be subject to optional redemption, at the sole discretion of HRTAC, on and after [July __, 202__], in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued thereon to the date fixed for redemption.]

[The Bonds maturing on [July __, 202__] with a _____% interest rate, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
	\$

*

*final maturity

The Bonds maturing on [July __, 202__] with a _____% interest rate, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
	\$

*

*final maturity

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: _____
Chair

[Signature Page of the Bond]

* * * * *

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the above-mentioned Indenture.

Authentication Date: _____, 2022

**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
2022B COST OF ISSUANCE FUND REQUISITION**

Wilmington Trust, National Association, as Trustee

Requisition No. _____

Attn: _____

Dated: _____

Re: Direction to Make Disbursements from the 2022B Cost of Issuance Fund for the HRTAC Hampton Roads Transportation Fund [Senior] Lien Revenue Bonds

Pursuant to Section 5.1 of the Ninth Supplemental Series Indenture of Trust dated as of _____, 2022 (the "Ninth 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 2022B Cost of Issuance Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the Ninth 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 Ninth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT C-2

**FORM OF
2022B PROJECT FUND REQUISITION**

Wilmington Trust, National Association, as Trustee

Requisition No. _____

Attn: _____

Dated: _____

Re: Direction to Make Disbursements from the 2022B Project Fund for the HRTAC Hampton Roads Transportation Fund [Senior] Lien Revenue Bonds

Pursuant to Section 5.2 of the Ninth Supplemental Series Indenture of Trust dated as of _____, 2022 (the "Ninth 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 2022B Project Fund the amount indicated below.

Each capitalized terms not otherwise defined herein has the same meaning as used in the Ninth 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 project for which the obligation(s) to be paid was/were incurred:
_____.

4. The undersigned is a "HRTAC Representative" within the meaning of the Ninth Series Supplement and the Master Indenture defined therein.

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
HRTAC Representative

EXHIBIT D
CLOSING MEMORANDUM

(See Attached)

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 2022B 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 Lien Revenue Bonds
Series 2022B**

Dated: Date of Delivery

Due: [July] 1, 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 2022B Bonds"). Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Series 2022B Bonds, a prospective investor should read this Official Statement in its entirety.

Security/Payment

The Series 2022B 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 2022B Bonds are on parity in payment and the pledge of such funds with all other Senior Bonds and are senior to all Intermediate Lien Obligations and Subordinate Obligations, each as defined herein, as described in "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B 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 at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index. The availability of these tax revenues for deposit in the HRTF is 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 such funds to HRTAC for inclusion in the HRTAC Revenues. HRTAC has no taxing powers. The Series 2022B 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 2022B Bonds. See "INTRODUCTION—Security and Sources of Payment" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS."

Issued Pursuant to

The Series 2022B Bonds will be issued pursuant to a Master Indenture of Trust dated as of February 1, 2018, and an Ninth Supplemental Series Indenture of Trust to be dated as of _____, 2022. The Commission approved the Series 2022B Bonds in a resolution dated [March 17], 2022.

Purpose

The proceeds of the Series 2022B Bonds, along with other available funds, will be used to finance a portion of the costs of the Hampton Roads Bridge Tunnel Expansion Project, and to pay costs of issuance of the Series 2022B Bonds. See "DESCRIPTION OF THE SERIES 2022B BONDS—Estimated Sources and Uses of Funds."

Interest Rates/Yields

See inside cover.

Interest Payment Dates

[January 1] and [July] 1, commencing _____ 1, 202_.

Redemption Terms

See inside front cover and "DESCRIPTION OF THE SERIES 2022B BONDS" herein.

Denominations

\$5,000 or integral multiples thereof.

Closing/Delivery Date

_____, 2022.*

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.

[Underwriters]

Official Statement Date: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Series 2022B 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 2022B 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 LIEN REVENUE BONDS
SERIES 2022B

\$ _____* Serial Bonds, due [July] 1, as follows

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

\$ _____* ___% Term Bonds Maturing [July] 1, 20__*, priced at ___%, CUSIP _____

Optional Redemption

The Series 2022B Bonds maturing on or before July 1, 20__, will not be subject to optional redemption. The Series 2022B Bonds maturing on and after July 1, 20__, will be subject to optional redemption, at the sole discretion of HRTAC, on and after July 1, 20__, in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued thereon to the date fixed for redemption.

* 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 2022B Bonds.

Mandatory Redemption

The Series 2022B Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

Year* Amount*

*final maturity

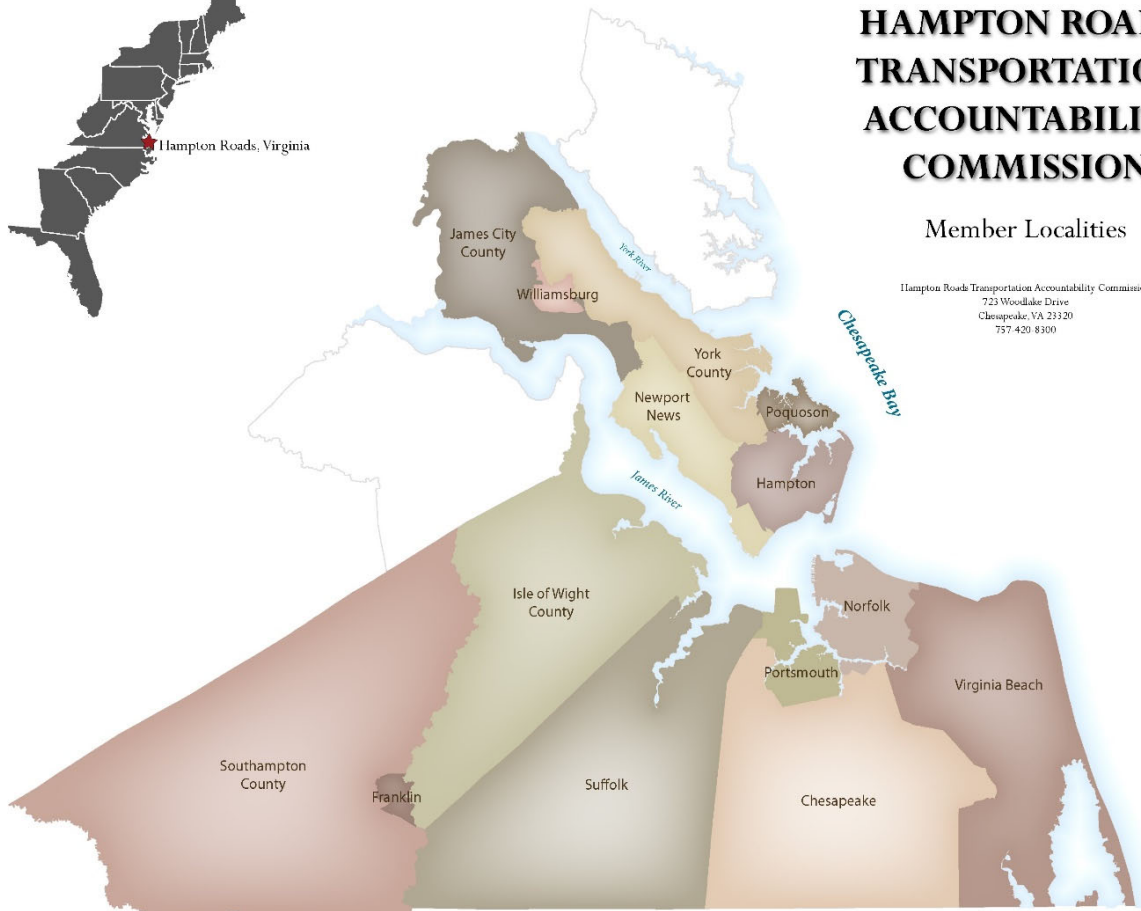
* Preliminary, subject to change.



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

[Donnie R. Tuck, Chair, *City of Hampton*
Dr. Richard W. “Rick” West, Vice Chair, *City of Chesapeake*]

Kenneth C. Alexander, <i>City of Norfolk</i>	William M. McCarty, <i>Isle of Wight County</i>
Christopher D. Cornwell, Sr., <i>Southampton County</i>	Michael P. Mullin, <i>Virginia House of Delegates</i>
Robert M. Dyer, <i>City of Virginia Beach</i>	Douglas G. Pons, <i>City of Williamsburg</i>
Michael J. Hipple, <i>James City County</i>	Dr. McKinley L. Price, <i>City of Newport News</i>
Gordon C. Helsel, <i>City of Poquoson</i>	Frank M. Rabil, <i>City of Franklin</i>
Clinton L. Jenkins, <i>Virginia House of Delegates</i>	Shannon E. Glover, <i>City of Portsmouth</i>
Michael P. Mullin, <i>Virginia House of Delegates</i>	Thomas G. Shepperd, <i>York County</i>
L. Louise Lucas, <i>Virginia Senate</i>	Michael D. Duman, <i>City of Suffolk</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
Frederick T. Stant III, Member	Commonwealth Transportation Board
Stephen A. Edwards, 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B BONDS,**” “**DESCRIPTION OF THE SERIES 2022B 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 2022B Bonds, including transactions to (i) over allot in arranging the sales of the Series 2022B Bonds, and (ii) make purchases and sales of Series 2022B 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.

TABLE OF CONTENTS
[To Be Updated]

	<u>Page</u>
INTRODUCTION	1
Hampton Roads Transportation Accountability Commission.....	1
Master Indenture Structure and Outstanding HRTF Obligations.....	3
Purpose of the Series 2022B Bonds.....	4
Security and Sources of Payment	5
Validation	5
HAMPTON ROADS TRANSPORTATION FUND	6
General	6
Subject-to-Appropriation.....	6
HRTF Revenues	7
Additional Sales and Use Tax.....	8
Additional Motor Vehicle Fuels Tax	9
Legislative Discretion Regarding HRTF Revenues.....	10
Historical HRTF Revenues.....	10
HRBT EXPANSION PROJECT	11
General	11
Description of PAFA	13
DESCRIPTION OF THE SERIES 2022B BONDS.....	13
General	13
Estimated Sources and Uses of Funds	14
Redemption	14
Notice of Redemption.....	15
Book-Entry System.....	15
ESTIMATED DEBT SERVICE REQUIREMENTS	16
Estimated Debt Service Requirements on the Series 2022B Bonds.....	17
SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS	18
Limited Obligations.....	18
Pledges Under the Master Indenture.....	18
Outstanding Bonds	20
Additional Bonds.....	20
Debt Service Reserve.....	21
Flow of Funds.....	22
TIFIA LOAN AGREEMENTS	25
Disbursement Conditions.....	26
Repayment Terms.....	27
Prepayment of the TIFIA Loans	28
TIFIA Debt Service Reserve.....	29
Representations, Warranties and Covenants	30
Events of Default Under the TIFIA Loan Agreements	31
Remedies	33
HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION.....	33
Hampton Roads Region.....	34
Commission Members.....	34
HRTAC Executive Director	35
HRTAC Annual Budget	36
DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS	36
HRTPO’s Long-Range Transportation Plan	36
HRTAC Six-Year Funding Plan	39
Statewide Transportation Plan	39
VDOT Agreements.....	40
Collaborative Planning Process	43
HRTAC Debt Management Plan	44
FORWARD-LOOKING STATEMENTS	46
PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE.....	46
COVID-19 PANDEMIC.....	50
INVESTMENT CONSIDERATIONS.....	52
The Series 2022B Bonds are Limited Obligations.....	52
COVID-19	53

Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues	53
Risk of Future Legislative or Court Decisions Affecting Tax-Exempt Obligations	55
No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement	55
No Assurance of Funds Under 2021 HRTF TIFIA Loan Agreement	56
HRTF Transfers To Support Toll Financing.....	56
Forward-Looking Statements and Forecasts	56
Enforceability of Rights and Remedies, including Bankruptcy Ramifications	57
Market Liquidity.....	58
Economic Conditions Affecting the HRTF	58
Risk Arising from Operating and Maintenance Burdens on Commonwealth	59
Impact of Federal Budget Restraints and Federal Tax Policy.....	59
Hurricanes, Flooding, Sea-Level Rise and Other Natural Risks	59
Reduced Fuel Prices and Fuel Usage May Reduce Additional Motor Vehicle Fuels Tax Revenues.....	60
Increased E-Commerce Activity May Reduce Retail Sales and Use Tax Revenues.....	60
General Assembly May Enact Exemptions to and Holidays from Sales and Use Tax.....	60
Tax Revenues Could be Eroded by Changes to Planning District 23	61
No Right to Accelerate Debt Service.....	61
No Mortgage or Other Liens.....	61
Limitation on Remedies.....	61
Loss of Premium Upon Early Redemption	62
No Redemption of Bonds in the Event of Taxability.....	62
CERTAIN LEGAL MATTERS.....	62
TAX MATTERS	62
Opinion of Bond Counsel	62
Original Issue Premium	63
[Original Issue Discount	63
Other Tax Matters.....	63
Future Events and Legislative and Regulatory Actions	64
LITIGATION	64
RATINGS.....	64
FINANCIAL STATEMENTS	65
FINANCIAL ADVISOR	65
RELATIONSHIP OF PARTIES.....	65
UNDERWRITING	65
CONTINUING DISCLOSURE	66
APPROVAL OF PRELIMINARY OFFICIAL STATEMENT	66
APPENDIX A: Definitions and Summaries of the Master Indenture and the 2022B Series Supplement	A-1
APPENDIX B: Financial Statements of HRTAC for the Fiscal Year Ended June 30, 2021	B-1
APPENDIX C: Form of Continuing Disclosure Undertaking	C-1
APPENDIX D: Demographic, Economic and Financial Information Regarding Planning District 23 and the Hampton Roads MSA.....	D-1
APPENDIX E: HRTAC Revenues and Expenses.....	E-1
APPENDIX F: Form of Bond Counsel Opinion	F-1
APPENDIX G: Book-Entry Only System	G-1

OFFICIAL STATEMENT

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION

\$ _____ *

HAMPTON ROADS TRANSPORTATION FUND SENIOR LIEN BONDS SERIES 2022B

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 Lien Revenue Bonds, Series 2022B (the “Series 2022B 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 2022B 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 the Hampton Roads Transportation Planning

* Preliminary, subject to change.

Organization (“HRTPO”), the federally-mandated metropolitan planning organization for transportation in the Hampton Roads region, is also not exactly the same as the composition of Planning District 23. For example, both the HRPDC and the HRTPO include Gloucester County which is not a Member Locality of HRTAC.

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, which is now at a rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index (collectively, the “HRTF Revenues”). See “HAMPTON ROADS TRANSPORTATION FUND—HRTF Revenues.”

Funds in the HRTF were originally to be directed by the HRTPO. However, pursuant to statutory changes set forth in Chapter 545, 2014 Va. Acts of Assembly (“Chapter 545”), enacted on April 3, 2014, HRTAC replaced HRTPO as the entity controlling 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 2022” 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 include in its budget any funds 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. To date, all of HRTAC’s projects funded with HRTF Revenues have been 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 and a Project Agreement for Funding and Administration (“PAFA”) with respect to the HRBT Expansion Project as described below in “HRBT EXPANSION PROJECT.” Under the PAFA and all Standard Project Agreements to date, VDOT has agreed to provide administration of project construction as well as project operation and maintenance. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”

The 2020 Virginia General Assembly, pursuant to Chapter 703, 2020 Va. Acts of Assembly (“Chapter 703”) and effective July 1, 2020, granted additional and specific tolling authority to HRTAC with respect to high-occupancy toll lanes designated by the Commonwealth Transportation Board (“CTB”) on Interstate-64 from Jefferson Avenue in Newport News to the interchange of Interstate 64, Interstate 264 and Interstate 664 at Bowers Hill in Chesapeake, which lanes, contiguous and in each traffic direction, are known as the “Hampton Roads Express Lanes Network” (the “Express Lanes Network”). Segment 3 of the Express Lanes Network will run through the HRBT. The funding plan for the HRBT Expansion Project (as described below) anticipates that not less than \$345,000,000 of the funding for such project will be derived through toll-backed financing supported by the Express Lanes Network. **Although toll revenues are a source of funding for the HRBT Expansion Project, toll revenues are entirely distinct and separate from the HRTF Revenues, and toll revenues will not be pledged to or secure payment of the Series 2022B Bonds.** Conversely, certain limited transfers of HRTF Revenues described below in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Transfers of HRTF Revenues from General Fund,” will be made to support the toll-backed financing.

The 2020 Virginia General Assembly, pursuant to Chapters 1241 and 1281, 2020 Va. Acts of Assembly and effective July 1, 2020, also created the Hampton Roads Regional Transit Program and Fund (the “Hampton Roads Regional Transit Fund”) to develop, maintain, and improve a regional network of transit routes and related infrastructure in Planning District 23. The program is funded by an additional (i) regional grantor’s tax at a rate of \$0.06 per \$100 of the consideration for the conveyance, and (ii) effective May 1, 2021, regional transient occupancy tax at a rate of one percent of the charge for the occupancy, both imposed in a transportation district in Hampton Roads as specified in the Virginia Code. The legislation also dedicates \$20 million of revenues from existing statewide recordation taxes to fund the program. Participating localities may not reduce funds appropriated for public transportation to levels less than those appropriated on July 1, 2019. **HRTAC manages the Hampton Roads Regional Transit Fund, but it is entirely distinct and segregated from the HRTF and will not be pledged to or secure payment of the Series 2022B Bonds.**

Master Indenture Structure and Outstanding HRTF Obligations

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 and amended (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.

[Series 2018A Bonds. 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”).]

Series 2019A TIFIA Bond/2021 Successor TIFIA Bond. On December 10, 2019, the Commission issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) (the “Original 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”), which Original 2019 TIFIA Bond the Commission modified and refinanced through its issuance on September 21, 2021 of its \$500,789,463 TIFIA Successor Series 2021 Bond (TIFIA – 20211010A) (the “2021 Successor TIFIA Bond”), having substantially similar terms to the Original 2019 TIFIA Bond with a reduced interest rate.

[Series 2019A Notes. On December 17, 2019, the Commission issued its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A (the “Series 2019A Notes”), 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”). The Series 2019A Notes are expected to be refunded and their term rolled for an additional term to extend ___ months upon the issuance of the \$ _____ Hampton Roads Transportation Fund [Senior] Lien Bond Anticipation Notes Series 2022A (the “Series 2022A Notes”).]

Series 2020A Bonds. On October 22, 2020, the Commission issued its \$614,615,000 Senior Lien Revenue Bonds, Series 2020A (the “Series 2020A Bonds”), payable and secured on parity with all Senior Bonds issued or to be issued by the Commission under the Master Indenture.

Series 2021A Bond. On September 21, 2021, the Commission issued its \$817,990,000 TIFIA Series 2021 Bond (TIFIA – 20211008A) (the “2021 TIFIA Bond”), payable and secured on parity with all Subordinate Obligations issued or to be issued by the Commission under the Master Indenture.

Series 2021A Notes. On September 23, 2021, the Commission issued its \$817,990,000 Senior Lien Bond Anticipation Notes, Series 2021A (the “Series 2021A Notes”), payable and secured on parity with all Senior Bonds issued or to be issued by the Commission under the Master Indenture. HRTAC anticipates that the Series 2021A Notes will be repaid at their maturity with the proceeds of the 2021 TIFIA Bond.

Series 2022B Bonds. On [March 17], 2022, the Commission adopted a resolution authorizing the issuance of the Series 2022B Bonds in a principal amount not to exceed \$ _____ pursuant to the Master Indenture and an Ninth Supplemental Series Indenture of Trust to be dated as of _____, 2022 (the “2022B Series Supplement”), between the Commission and the Trustee. The issuance of the Series 2022B Bonds is fully authorized by the provisions of the HRTAC Act, the Master Indenture and the 2022B Series Supplement.

The Series 2022B Bonds will be paid and secured as senior lien obligations under the Master Indenture and on a parity basis as to payment and security with [the Series 2018A Bonds,]the Series 2020A Bonds, the Series 2021A Notes, and all Senior Bonds that may be issued in the future (“Senior Lien Obligations”), and senior as to payment and security to all Intermediate Lien Obligations and Subordinate Obligations.

The Series 2022B 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 2022B Bonds

HRTAC will use the proceeds of the Series 2022B Bonds, along with other available funds, to finance a portion of the costs of the HRBT Expansion Project, and to pay costs of issuance of the Series 2022B Bonds. See “DESCRIPTION OF THE SERIES 2022B BONDS—Estimated Sources and Uses of Funds.” The HRBT Expansion Project is one of the projects in the “FY 2022-2027 Six-Year Operating and Capital Plan of Finance Update for the Region’s High Priority Projects,” which was approved on [June 17, 2021] (the “Six-Year Funding Plan”). See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—HRTAC Six-Year Funding Plan.”

Security and Sources of Payment

The Series 2022B Bonds are limited obligations of HRTAC that are payable solely from the funds appropriated by the General Assembly and pledged under the Master Indenture for such purpose, consisting of the HRTAC Revenues (as defined below). [The Series 2022B Bonds are on a parity basis in payment and security with [the Series 2018A Bonds,] the Series 2020A Bonds, the Series 2021A Notes, [the Series 2022A Notes] and any other Senior Bonds that may be issued by HRTAC in the future. The Series 2022B Bonds will be payable and secured senior to (i) [the Series 2019A Notes and any other] Intermediate Lien Obligations that HRTAC may issue in the future, and (ii) the 2021 Successor TIFIA Bond, the 2021 TIFIA Bond, and any other Subordinate Obligations that HRTAC may issue in the future.]

The Series 2022B 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 2022B 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 2022B Bonds. HRTAC has no taxing powers.

The Series 2022B Bonds are not secured by any mortgage or lien on any transportation facilities of HRTAC or VDOT. In the event of a failure to make any payment on the Series 2022B Bonds when due, the Trustee and the owners of the Series 2022B Bonds shall have no right to take possession of any transportation facilities or to exclude HRTAC or VDOT from possession of any transportation facilities. Additionally, in the event of non-payment, the Trustee and the owners of the Series 2022B Bonds will have no right to accelerate payment on the Series 2022B Bonds.

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 that may be designated as HRTAC Revenues pursuant to a Supplemental Indenture. The Master Indenture does not permit toll revenues to be pledged to payment of the Bonds issued thereunder (including the Series 2022B Bonds). The continued availability of tax revenues for 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 to obtain validation of any further Bonds and is not seeking any such validation of the Series 2022B Bonds.

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 and PAFA (hereinafter defined), 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 non-reverting 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.

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 non-reverting 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 (the “Sunset Provisions”). Accordingly, the appropriation or transfer by the General Assembly of “any” Chapter 766 revenue providing additional revenue for non-transportation related purposes, whether or not related to HRTF revenues, would activate the Sunset Provisions.

The General Assembly has in the past enacted other transportation legislation containing similar sunset provisions, and has from time to time made appropriations of portions of such additional revenue for non-transportation-related purposes which would have activated the applicable sunset provision had the General Assembly not also enacted a savings clause to override such provisions (a “Savings Clause”). The current appropriations act does not appropriate or transfer any of the additional transportation revenues generated by Chapter 766 for any non-transportation-related purpose.

No assurance can be given that the General Assembly will not activate Sunset Provisions in future appropriation acts, and no assurance can be given that, if any Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it. 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 each gallon of fuel sold by a distributor to a retail dealer for retail sale in any of the Member Localities, which is at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index (the “Additional Motor Vehicle Fuels Tax”). Prior to July 1, 2020, the Additional Motor Vehicle Fuels Tax was calculated based on 2.1% of the average statewide wholesale price per gallon, subject, beginning July 1, 2018, to a floor of 6.7 cents per gallon. Effective July 1, 2020, in conjunction with transportation reform legislation that enacted statewide changes to the Commonwealth’s method of funding transportation, the Additional Motor Vehicle Fuels Tax was changed to a per gallon rate, subject to an annual adjustment in accordance with the consumer price index, and the floor rate was eliminated. On July 1, 2021 the tax rate

was adjusted in accordance with the authorizing legislation to 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel) for Fiscal Year 2022.

For alternative fuels other than liquid alternative fuels, the Commissioner of the Virginia Department of Motor Vehicles (“DMV”) shall determine an equivalent tax rate based on gasoline gallon equivalency. The Additional Motor Vehicle Fuels Tax is imposed at the time of sale by the distributor to the retail dealer and collected by the distributor. The Additional Motor Vehicle Fuels Tax shall be a debt from the retail dealer to the distributor until paid and shall be recoverable at law in the same manner as other debts. At present, the DMV Commissioner has not determined an equivalent tax rate for alternative fuels, and alternative fuels are not a component of 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 MOA, 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.

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 and is in addition to the statewide motor vehicle fuels tax, used by the Commonwealth for other purposes. Prior to July 1, 2020, the statewide motor vehicle fuels tax was 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. Legislation enacted by the 2020 Virginia General Assembly converted the then-existing tax rate, which equated to a rate of \$0.162 per gallon, to a cents-per-gallon rate of \$0.262 per gallon of gasoline, which rate is phased in by increasing the rate by \$0.05 per gallon each year over two years and then indexed to changes in the Consumer Price Index.

HRTAC does not receive any revenue from the statewide motor vehicle fuels tax, but instead receives the proceeds of the Additional Motor Vehicle Fuels Tax imposed on sales of fuel by distributors at wholesale to retail dealers for retail sales in the Member Localities, at a current rate of 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel), subject to an annual adjustment in accordance with the consumer price index. Unlike the change in the statewide motor vehicle fuels tax, the change in the Additional Motor Vehicle Fuels Tax was effective July 1, 2020 with no phase-in period.

Legislative Discretion Regarding HRTF Revenues

There is no assurance that the taxes comprising the HRTF Revenues will remain in effect or will continue at the current levels. The General Assembly is under no obligation to continue to impose the taxes that comprise the HRTF Revenues or appropriate the HRTF Revenues to pay debt service. See “INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative Actions or Administrative Actions Affecting Revenues” herein.

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities which are payable from various sources. HRTAC makes no representation that the General Assembly will not make HRTF Revenues available as a source of payment for other transportation programs, including revenue bonds issued for other programs, or otherwise materially modify or amend the legislation creating the HRTF, Additional Sales and Use Tax or the Additional Motor Vehicle Fuels Tax.

Additionally, Board can provide no assurance that the General Assembly will not appropriate or transfer HRTF Revenues for non-transportation purposes activating the Sunset Provisions which if not cured would result in the termination of the Additional Sales and Use Tax or the Additional Motor Vehicle Fuels Tax. “See “INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues,” herein.

Historical HRTF Revenues

The following Table I shows historical receipts from the two HRTF Revenue sources. Aggregate HRTF Revenues in Fiscal Years 2019, 2020 and 2021 were approximately \$225.7 million, \$201.2 million, and \$227.5 million respectively. See also “Table VIII: HRTF Revenues on a Monthly Basis” for the HRTF Revenues on a monthly basis and see also “Table 1: HRTF Revenues” in Appendix E for the presentation of Additional Sales and Use Tax and Additional Motor Vehicle Fuels Tax by jurisdiction, including the presentation of such information on a monthly basis.

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Table I
Historical Hampton Roads Transportation Fund Revenues (in Millions)^{(1), (2)}

<u>Source</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019⁽⁵⁾</u>	<u>FY 2020⁽¹⁾</u>	<u>FY 2021⁽¹⁾</u>	<u>FY 2022⁽⁶⁾</u>
Additional Sales and Use Tax ⁽³⁾	\$130.0	\$126.5	\$131.5	\$136.5	\$144.6	\$146.2	\$171.6	
Additional Motor Vehicle Fuels Tax ⁽⁴⁾	<u>40.9</u>	<u>26.7</u>	<u>25.0</u>	<u>32.7</u>	<u>81.1(4)</u>	<u>55.0</u>	<u>55.9</u>	
TOTAL:	<u>\$170.9</u>	<u>\$153.2</u>	<u>\$156.5</u>	<u>\$169.2</u>	<u>\$225.7</u>	<u>\$201.2</u>	<u>\$227.5</u>	

Source: HRTAC.

- (1) At the end of Fiscal Year 2020, the Commission changed its accounting policy for recognizing revenue in order to match the Virginia Department of Transportation’s income, and thus accrued two months of Sales and Use tax and three months of Motor Fuels tax as receivables and revenue for the Fiscal Year ended June 30, 2020. This was a change from prior years where the Commission accrued one month of each of such taxes. This change in accounting and revenue recognition was made due to additional information provided by the agencies that collect and remit the taxes on behalf of the Commission. Accordingly, Fiscal Years 2014 – 2018 reflect 12 months of each of the two revenue sources, but Fiscal Year 2019 reflects a total of 13 months of Sales and Use tax (with the amount of the Sales and Use tax for the 13th month being \$5.21 m.) and 14 months of Fuels Tax (with the amount of the Fuels Tax for such months being \$9.42 m.), while Fiscal Year 2020 reverts to 12 months of each. The Commission did not undertake a formal restatement of its financial statements for fiscal years prior to Fiscal Year 2020.
- (2) The Commission’s fiscal year ends on June 30.
- (3) Accelerated Retail Sales and Use Tax paid in June commencing in Fiscal Year 2015.
- (4) 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. Effective July 1, 2020, the General Assembly changed the tax rate to 7.6 cents per gallon on gasoline and gasohol (and 7.7 cents per gallon on diesel). Beginning on July 1, 2021 the tax rate was adjusted in accordance with the authorizing legislation to 7.7 cents per gallon on gasoline and gasohol (and 7.8 cents per gallon on diesel).
- (5) Included \$11 million special audit assessment adjustments resulting from vendor audit settlements.
- (6) Unaudited Fiscal Year 2022 HRTF Revenues information from July 1, 2021 through [November 30, 2021].

Note: Table I reflects use of the accrual method of accounting and FY 2019 amounts differ than those set forth in Table VIII due to the inclusion of more than 12 months of revenues described in Footnote (1).

HRBT EXPANSION PROJECT

General

The “HRBT Expansion Project” is intended to address severe traffic congestion at the existing Hampton Roads Bridge Tunnel (“HRBT”) by increasing capacity and upgrading approximately ten miles of Interstate 64 (“I-64”) between the Settlers Landing Road interchange in Hampton, Virginia and the vicinity of the Interstate 64/Interstate 564 (“I-564”) interchange in Norfolk, Virginia. For over three decades, public and area leaders have consistently identified persistent and significant traffic congestion and delays at the HRBT, with vehicles routinely queuing in both directions, as an important issue for the Hampton Roads region. Over 90,000 vehicles use the existing HRBT daily, seasonally exceeding 100,000 vehicles per day, which represents about half of all traffic crossing the James River/Hampton Roads water body between South Hampton Roads and the lower “Peninsula” formed by the James and York Rivers. HRBT is part of the Hampton Roads Beltway, an approximate 55-mile loop of I-64 and I-664,

encircling the metropolitan area. Likewise, the HRBT is an important regional transportation link for residential, commercial, industrial, and military mobility.

The 3.5-mile long HRBT was originally placed in service in 1957, replacing a 30+ minute ferry ride with a seven-minute drive over a two-lane facility. HRBT was the first bridge-tunnel water crossing ever constructed utilizing artificial “portal” islands. The portal islands anchor the ends of the 7,479-foot tunnel and serve as the transition to the trestle bridges that connect the islands to the mainland. The HRBT was expanded to four lanes in 1976 and was incorporated into the interstate system as part of I-64. The 1976 expansion included the construction of new parallel trestle bridges and expansion of the portal islands to accommodate a new parallel tunnel. Both of the current HRBT tunnels, as well as all ten existing traffic tunnels in the region, were constructed using an immersed tube tunnel method that required extensive dredging followed by a fill covering. The four-lane configuration has remained constant since the HRBT expansion in 1976.

The HRBT Expansion Project will widen I-64 for approximately ten miles to create an eight lane bridge tunnel facility with six consistent lanes. The expanded facility will include four general purpose lanes, two new High Occupancy Toll (HOT) lanes and two new drivable (hard-running) shoulders to be used as HOT lanes during certain times of the day. It is anticipated that the HOT lanes will be incorporated into the Express Lanes Network. I-64 is currently six lanes from the I-64/I-664 interchange to a point between the Settlers Landing Road interchange and the Mallory Street interchange in Hampton, which represents the western project limit. The eastern project limit is near Little Creek Road at the vicinity of the I-64/I-564 interchange in Norfolk. The HRBT Expansion Project will include the construction of two new two-lane tunnels, expansion of the existing portal islands, and full replacement of the existing trestle bridges at the HRBT. Various other bridges within the project limits will be replaced and/or expanded. The two new parallel tunnels will be constructed using a tunnel boring machine. When complete, four subaqueous tunnels will connect to the two expanded portal islands.

The HRBT Expansion Project received limited Notice to Proceed from VDOT in April 2019 and, following a scope validation process, full Notice to Proceed in September, 2020 upon receipt of final permits from the applicable permitting agencies. It is estimated that the HRBT Expansion Project will reach substantial completion in September 2025 and full completion in November 2025.

Projects of the scope, size and complexity of the HRBT Expansion Project are at times subject to delay including for reasons outside for HRTAC’s or VDOT’s control such as the COVID-19 pandemic. The project budget does take into account the possibility of construction delay. However, currently there have been no significant delays in the HRBT Expansion Project construction schedule and the construction schedule has generally remained on time since receipt of the limited Notice to Proceed in April 2019.

The project budget for the HRBT Expansion Project is approximately \$3.862 billion, including project administration, right of way, incentive awards and contingency. Of this amount, HRTAC’s funding responsibility is approximately \$3.753 billion, \$200 million of which is expected to be provided by the allocation of Commonwealth SMART SCALE funds committed by VDOT. Substantially all of HRTAC’s funding obligations for the HRBT Expansion Project are set forth in the below-described Project Agreement for Funding and Administration or “PAFA.” The remaining funding obligations, related to procuring and installing certain tolling equipment and integrating the toll system for the Express Lanes Network, are expected to be approximately \$63 million and will be set forth in one or more Standard Project Agreements between HRTAC and VDOT.

Description of PAFA

Under the PAFA, HRTAC’s maximum financial commitment for the HRBT Expansion Project is \$3.562 billion, as described above and in “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—VDOT Agreements.” This amount, with the inclusion of \$200 million SMART SCALE funding, funds the main project scope and includes an additional \$8.5 million that has been programmed for the project. The PAFA identifies separate budgets for certain HRTAC-funded portions and VDOT-funded portions (the south trestle portion), with each budget including scheduled contract costs (payable to the Project’s design-builder), percentage share of administration costs, and contingency. HRTAC pays in accordance with a schedule that is designed to align with HRTAC available funds (assumed bond proceeds plus amounts available in the General Fund for PayGo purposes as described below). See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS—VDOT Agreements.”

The PAFA includes an option relating to certain additional bridge repair work. While VDOT has exercised this option, such additional work doesn’t increase HRTAC’s financial commitment under the PAFA. VDOT may seek reimbursement for certain elements of the work, currently estimated by VDOT to cost approximately \$32.2 million, but only in certain circumstances and then only to the extent there are funds available to HRTAC from the budget due to cost savings or, when the HRBT Expansion Project is completed, from unspent project contingency.

The project contingency is designed to establish a reserve for potential additional costs, consistent with VDOT practice. Although the agreement for the design and construction of the HRBT Expansion Project is a fixed price contract, the design-builder may seek additional compensation if (i) certain differing conditions are encountered, or (ii) other compensation events occur, such as impacts to the work caused by VDOT delays, changes to permit requirements, interference with the work, changes in law, or discovery of unknown hazardous conditions. Separate contingencies exist for the (a) HRTAC-funded main Project scope, and (b) VDOT-funded south trestles.

The PAFA establishes protocols for addressing when VDOT must obtain HRTAC approval for change orders or claim settlements, which protocols are designed to balance (i) VDOT’s need to efficiently and effectively manage the project with (ii) HRTAC’s desire to monitor and control expenditures out of reserves. The HRBT Expansion Project is through the scope validation period, and hence VDOT has discretion to approve change orders without HRTAC approval, provided that the amount does not exceed \$20 million (or \$50 million cumulatively per project year) or cause the remaining HRTAC-funded contingency reserve to fall below certain specific thresholds tied to the remaining construction activities.

On a quarterly basis (or monthly if the remaining contingency reserve is below the then-applicable minimum), VDOT must evaluate whether the costs to complete the HRBT Expansion Project could reasonably be expected to exceed the remaining contingency reserve. If VDOT determines additional funding may be necessary, VDOT and HRTAC would consider solutions in the following order: reducing project scope, collaborating to identify other funding sources, or terminating the HRBT Expansion Project.

DESCRIPTION OF THE SERIES 2022B BONDS

General

The Series 2022B Bonds will be issued as fully registered bonds in book-entry form. The Series 2022B 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 _____ 1, 202_, at the rate and will mature on the date and in the

amount set forth on the inside front cover of this Official Statement. Interest on the Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B Bonds and the application of the proceeds on the date of delivery of the Series 2022B Bonds:

Sources:

Principal Amount of Series 2022B Bonds	\$ _____
Original Issue Premium	_____
Total Sources:	<u>\$ _____</u>

Uses:

Deposit to Project Fund	\$ _____
Issuance Expenses*	_____
Total Uses:	<u>\$ _____</u>

* Includes Underwriter’s discount, legal fees, financial advisor fees, etc. See “UNDERWRITING.”

Redemption *

Optional Redemption. The Series 2022B Bonds maturing on or before July 1, 20__, will not be subject to optional redemption before their respective maturity dates. The Series 2022B Bonds maturing on and after July 1, 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 shall determine on and after July 1, 20__, at 100% of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.

[Mandatory Redemption. The Series 2022B Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in the years and amounts set forth below upon payment of 100% of the principal amount to be redeemed plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
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*final maturity]
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* Preliminary, subject to change.

Selection of Bonds for Redemption. If less than all of the Series 2022B Bonds are called for optional redemption, HRTAC will select the maturities of the serial bonds and portions of the amortization of the term bonds to be redeemed and will designate such selection in an Officer's Certificate.

If less than all of the Series 2022B Bonds of a serial maturity are called for redemption, the particular Series 2022B Bonds of such maturity to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, will be selected by the Registrar (as defined in Appendix A) by lot in such manner as the Registrar at its discretion may determine.

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

Notice of Redemption

HRTAC will direct the Trustee to give notice in the name of HRTAC if any Bonds have been called for redemption, and the Trustee shall cause notice of the redemption to be delivered not less than 20 nor more than 60 days prior to the redemption date, to the holders of the Series 2022B Bonds to be redeemed, stating that such Bonds will be due and payable on the date fixed for redemption upon surrender of such Bonds at the designated corporate trust office of the Trustee, stating the applicable redemption price, and stating that all interest on such Bonds will cease to accrue on and after the redemption date. The notice of optional redemption may, on written instructions of HRTAC to the Trustee, state (i) that it is conditional on the deposit of redemption moneys with the Trustee not later than the opening of business on the redemption date and/or (ii) that HRTAC has retained the right to rescind the redemption.

During the period that DTC or its nominee is the registered holder of the Series 2022B Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2022B Bonds, but shall send such notice to DTC according to its requirements.

Book-Entry System

DTC will act as securities depository for the Series 2022B Bonds. The Series 2022B 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 2022B Bonds and will be deposited with DTC.

So long as Cede & Co. is the registered owner of the Series 2022B Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2022B Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only owner of the Series 2022B Bonds for all purposes under the Master Indenture and the 2022B 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 2022B Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Master

Indenture to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following Table II sets forth for each fiscal year the estimated principal and interest payments on the Series 2022B Bonds, as of the date of issuance of the Series 2022B Bonds. ***Table II should be reviewed in conjunction with Table VII herein, which includes projected debt service requirements for HRTAC's Senior Bonds, including the Series 2022B Bonds, [the Series 2022A Notes (which are expected to be retired on July 1, 20__ by a draw upon the 2021 Successor TIFIA Bond),] the Series 2021A Notes (which are expected to be retired on July 1, 2026 by a draw upon the 2021 TIFIA Bond), the Series 2020A Bonds, [and the Series 2018A Bonds], HRTAC's Intermediate Obligations, and HRTAC's Subordinate Obligations including the 2021 TIFIA Bond and the 2021 Successor TIFIA Bond.***

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Table II
Estimated Debt Service Requirements on the Series 2022B Bonds

<u>Payment Date</u>	<u>Principal</u> ⁽¹⁾	<u>Interest</u> ⁽²⁾	<u>Total</u> ⁽³⁾
	\$	\$	\$

Total	\$	\$	\$
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⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Will be completed, following sale of the Series 2022B Bonds, in the final Official Statement.

⁽³⁾ Will be completed, following sale of the Series 2022B Bonds, in the final Official Statement.

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS

Limited Obligations

The Series 2022B Bonds are limited obligations of HRTAC and are payable solely as [Senior] 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B Bonds. The Commission has no taxing powers.

Pledges Under the Master Indenture

Senior Lien Obligations. The Series 2022B Bonds are being issued as Senior Lien Obligations and are the [fifth] Series of Senior Lien Obligations issued by HRTAC under the Master Indenture. The Series 2022B Bonds are payable as to principal and interest from, and secured by, a pledge of HRTAC Revenues that is on parity with the payment of principal of and interest on all Senior Bonds, including the [Series 2018A Bonds], the Series 2020A Bonds, the Series 2021A Notes, [the Series 2022A Notes] and senior to all Intermediate Lien Obligations[, including the Series 2019A Notes], which are to be refunded by the Series 2022B Bonds, and all Subordinate Obligations, including the 2021 Successor TIFIA Bond or the 2021 TIFIA Bond as applicable.

Indenture Accounts. With respect to the Series 2022B Bonds, the 2022B Series Supplement establishes solely for the benefit of the Owners of the Series 2022B Bonds, the Series 2022B Interest Account, the Series 2022B Principal Account, the Series 2022B Costs of Issuance Fund and the Series 2022B Project Fund, which are pledged exclusively to secure the obligations of HRTAC to the Owners of the Series 2022B Bonds. The Series 2022B Rebate Account is created exclusively to make certain payments, if any, to maintain the federal tax-exempt status of the Series 2022B Bonds, and is not pledged to the repayment of the Series 2022B Bonds.

Payment of Interest and Principal. Interest to be paid on the Series 2022B Bonds 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 2022B BONDS—Flow of Funds.”

TIFIA Loan Agreements. The 2021 Successor TIFIA Bond and the 2021 TIFIA Bond are subordinate in payment and security to all Senior Bonds including the Series 2022B Bonds, although the Commission has agreed to certain prepayment provisions under the terms of, respectively, the Successor 2019/2021 TIFIA Loan Agreement dated September 21, 2021, 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 HRTAC (the “Successor 2019/2021 TIFIA Loan Agreement”), and the TIFIA Loan Agreement (HRTF Revenues) dated September 21, 2021, between USDOT and HRTAC (the “2021 HRTF TIFIA Loan Agreement,” and together with the Successor 2019/2021 TIFIA Loan Agreement, the “TIFIA Loan Agreements”). The TIFIA Loan Agreements are the agreements under which the TIFIA Lender has extended direct loans, respectively, in an aggregate principal amount not to exceed \$500,789,463 (the “2021 Successor TIFIA Loan”) and in an aggregate principal amount not to exceed \$817,990,000 (the “2021 HRTF TIFIA Loan,” together with the 2021 Successor TIFIA Loan, the “TIFIA Loans”). HRTAC issued and delivered to the TIFIA Lender the 2021 Successor TIFIA Bond as a Subordinate Obligation to evidence HRTAC’s obligation to repay the 2021 Successor TIFIA Loan and the 2021 TIFIA Bond as a Subordinate Obligation to evidence HRTAC’s obligation to repay the 2021 HRTF TIFIA Loan. See “**TIFIA LOAN AGREEMENTS.**”

As more particularly described under “TIFIA LOAN AGREEMENTS,” there are numerous conditions that must be satisfied by HRTAC in connection with the requisitioning of moneys under the TIFIA Loan Agreements, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the TIFIA Loan Agreements or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. See “TIFIA LOAN AGREEMENTS – Disbursement Conditions,” and “INVESTMENT CONSIDERATIONS – No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement” and “– No Assurance of Funds under 2021 HRTF TIFIA Loan Agreement.” HRTAC has agreed in the applicable series supplements to take all actions necessary to ensure that it can requisition sufficient moneys under the applicable TIFIA Loan Agreements to pay the principal of the Series 2021A Notes and the Series 2022A Notes, respectively, on their maturity date.

No Mortgage, Lien or Acceleration. The Series 2022B 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 2022B Bonds when due, neither the Trustee nor the owners of the Series 2022B 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 2022B Bonds.

No Toll Revenues. The Series 2022B Bonds are not supported by toll revenues or secured by a pledge of any toll revenues. The Master Indenture does not permit toll revenues to be pledged to the payment of the Bonds. Although the funding plan for the HRBT Expansion Project anticipates that not less than \$345,000,000, of the funding for such project will be derived through toll-backed financing from the Express Lanes Network, such revenues are a source of project funding that is entirely distinct and separate from the HRTF Revenues and are not included under the Master Indenture waterfall. Conversely, certain limited transfers of HRTF Revenues, described below in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds -- Transfers of HRTF Revenues from General Fund to Support Toll Revenue Bonds,” will support the toll-backed debt.

Outstanding Bonds

[As of the date of this Official Statement, the aggregate outstanding principal amount of the [Series 2018A Bonds is \$500,000,000], [the aggregate outstanding principal amount of the Series 2019A Notes is \$414,345,000,] the aggregate outstanding principal amount of the Series 2020A Bonds is \$614,615,000, the aggregate outstanding principal amount of the Series 2021A Notes is \$_____, [and the aggregate outstanding principal amount of the Series 2022A Notes is \$_____]. No amount is presently outstanding under the 2021 Successor TIFIA Bond or the 2021 TIFIA Bond, but HRTAC expects to make single requisitions under the Successor 2019/2021 TIFIA Loan Agreement and 2021 HRTF TIFIA Loan Agreement (subject to satisfaction of the conditions described in the section “TIFIA LOAN AGREEMENTS”), and to apply such amount to reimburse itself for eligible project costs, including payment of principal on the respective 2021 Successor TIFIA Bond and the 2021 TIFIA Bond.

Other than the [Series 2018A Bonds,] [the Series 2019A Notes,] the Series 2020A Bonds, the 2021 Successor TIFIA Bond (the proceeds will be advanced when needed to pay the Series 2022B Bonds at their maturity), the Series 2021A Notes, or the 2021 TIFIA Bond (the proceeds of which are not expected to be advanced until needed to pay the Series 2021A Notes at their maturity, as further described below in “TIFIA LOAN AGREEMENTS”), on the date of issuance of the Series 2022B Bonds there will be no other obligations outstanding that are secured by or payable from HRTAC Revenues except the limited transfers of HRTF Revenues described below in “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Transfers of HRTF Revenues from General Fund.]

Additional Bonds

Authority to Issue Additional Bonds. Under the Master Indenture, the Commission may issue additional Bonds, including (i) Senior Bonds that are on a parity as to the pledge of HRTAC Revenues with the Series 2022B Bonds, (ii) Intermediate Lien Obligations that are subordinate as to the pledge of HRTAC Revenues with the Series 2022B 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 2022B Bonds and all other Senior 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 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 Lien Obligations. See “THE MASTER INDENTURE— Issuance of Bonds—Parity of Bonds” in Appendix A.

Conditions to the Issuance of 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 (excluding any Excluded Interest Payments and Excluded Principal Payments to the extent permitted by the Master Indenture) 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.

Conditions to the Issuance of 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 Series Supplement pursuant to which the Series 2019A Notes were issued provides that HRTAC must 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 2019A Notes: (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 and 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.

Conditions to the Issuance of 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.

Both the 2021 HRTF TIFIA Loan Agreement and the Successor 2019/2021 TIFIA Loan Agreement require that HRTAC satisfy certain conditions with respect to the issuance of permitted indebtedness thereunder. See “TIFIA LOAN AGREEMENTS – Representations, Warranties and Covenants - Permitted Indebtedness” and “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 2022B Bonds.

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 2022B Series Supplement and other series supplements. 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; and

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

Pursuant to the 2022B Series Supplement, each monthly transfer into the 2022B 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 2022B Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2022B 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 2022B SERIES SUPPLEMENT—Bond Debt Service Fund” in Appendix A.

A schematic diagram of the Flow of Funds is presented on page ____.

Application of Amounts in the General Fund. 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 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; (ii) to provide certain transfers of HRTF Revenues from the General Fund for limited support of the TIFIA Series 2021 Toll Bond; (iii) to pay any credit provider in respect of a bond credit facility or DSRF credit facility any excess interest, fees, fines or other penalties owed as a result of a default on any applicable credit or DSRF facility; (iv) to the payment of expenditures for capital improvements with respect to any project; (v) for deposit into the TIFIA Revenue Sharing Account, the amount, if any, as may be required under the Series Supplement relating to the 2021 TIFIA Bond, the Series Supplement relating to the 2021 Successor TIFIA Bond and the applicable provisions of any Series Supplement in an amount equal to “excess revenues” for such month; and (vi) to the payment of any other lawful purpose approved by resolution of the Commission. See “THE MASTER INDENTURE—Revenue Fund and Flow of Funds” in Appendix A. The Commission generally funds PayGo project costs from the General Fund and also expects to fund the debt service reserve account established for the 2021 Successor TIFIA Bond and the 2021 TIFIA Bond from available amounts in the General Fund as well as to make the HRTF Transfers as described in the following paragraphs.

Transfers of HRTF Revenues from the General Fund to Support Toll Revenue Bonds. As stated above, the Master Indenture provides that HRTAC may use amounts in the General Fund for any lawful purpose approved by resolution of HRTAC, including expenditures for capital improvements. In establishing the financial framework for the Express Lanes Network, the Commission entered into a Master Indenture of Trust between the Commission and U.S. Bank National Association, as trustee, dated as of September 1, 2021 (the “Master Toll Indenture”) and a First Supplemental Indenture of Trust, dated as of September 1, 2021 (the “First Supplemental Toll Indenture”) and together with the Master Toll Indenture, the “Toll Indenture”). The Master Toll Indenture provides for the collection, custody, application and use of toll revenues of the Express Lanes Network (the “Express Lanes Toll Revenues”) to finance the Express Lanes Network and facilities related thereto, including a portion of the HRBT Expansion Project. The Commission has negotiated the terms of the 2021 Toll TIFIA Loan Agreement (the “2021 Toll TIFIA Loan Agreement”) between the Commission and the TIFIA Lender, pursuant to which the TIFIA Lender has agreed to extend a secured loan to the Commission to finance a portion of the costs of the HRBT Expansion Project. To evidence the obligation of the Commission to repay the loan under the 2021 Toll TIFIA Loan Agreement, the Commission issued an obligation under the Master Toll Indenture in an initial principal amount of up to \$345,000,000 (the “TIFIA Series 2021 Toll Bond”).

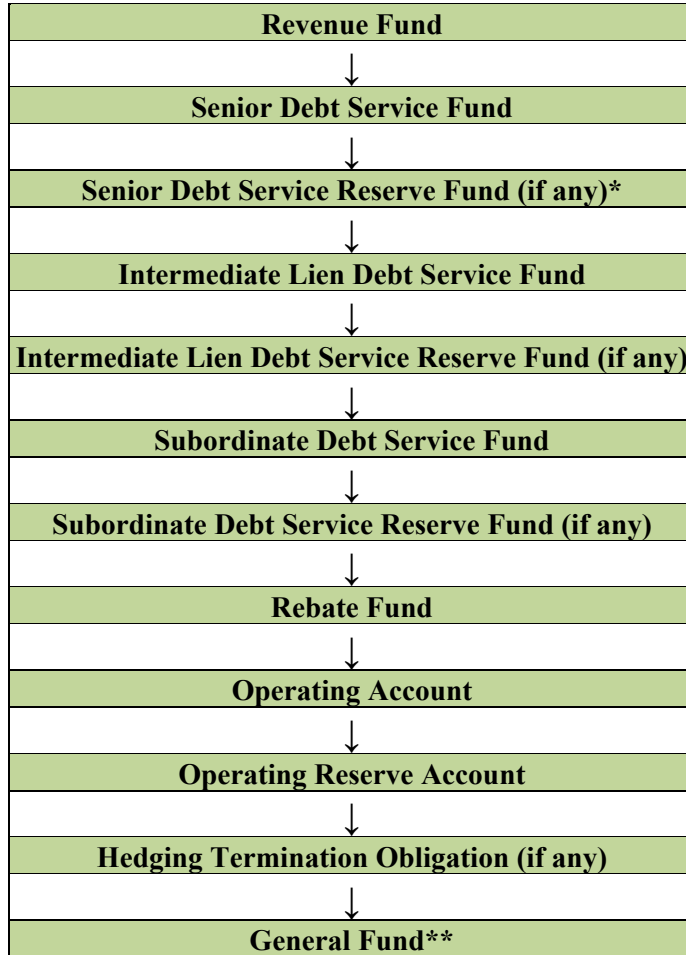
The Commission has agreed, in the Series Supplement relating to the 2021 TIFIA Bond, to provide certain transfers of HRTF Revenues from the General Fund for limited support of the TIFIA Series 2021 Toll Bond, subject to the availability of HRTF Revenues in the General Fund for such purpose. These include the following (together, the “HRTF Transfers”):

- An amount equal to the TIFIA Loan Reserve Account Reserve Requirement (approximately \$20.2 million, based on current estimates) for transfer and deposit to the debt service reserve account established under the First Supplemental Toll Indenture, to occur at the earlier of the (i) 3rd anniversary substantial completion date of the HRBT Expansion Project, or (ii) if such a date is not an interest payment date, the interest payment date immediately preceding the 3rd anniversary of the substantial completion date of the HRBT Expansion Project (collectively, the “TIFIA Toll Debt Service Commencement Date”);
- \$10,000,000, as the initial deposit to a revenue stabilization fund to provide for debt service payments on and debt service reserve account replenishment for the TIFIA Series 2021 Toll Bond, such initial deposit to occur at the TIFIA Toll Debt Service Commencement Date; and commencing with the Fiscal Year beginning July 1, 2027 (preliminary, subject to change), and continuing in each year through the maturity of the TIFIA Series 2021 Toll Bond, to the extent that amounts on deposit in such fund are less than \$10,000,000, an amount sufficient to restore the balance therein to \$10,000,000, subject to an annual transfer cap of \$10,000,000 during any Fiscal Year;
- For deposit to the major maintenance and renewal fund established under the Master Toll Indenture, the amount of \$5,000,000, to occur no later than the later of the (i) substantial completion date of the HRBT Expansion Project, or (ii) the date on which the Commission makes the first draw under the TIFIA Series 2021 Toll Bond; and commencing with the Fiscal Year beginning July 1, 2025 (preliminary, subject to change), and continuing in each year through the maturity of the TIFIA Series 2021 Toll Bond, to the extent that amounts on deposit in such fund are less than the amount required to be maintained in the major maintenance and renewal fund, based on the life cycle costs of the Express Lanes Network, an amount sufficient to restore the amount on deposit in the such fund to the required amount, provided, however, that the aggregate amount of all HRTF Transfers made while the TIFIA Series 2021 Toll Bond is outstanding for deposit to such major maintenance and renewal fund shall not exceed a cumulative cap equal to the total of expected major maintenance and renewal fund expenditures to the final maturity of any toll obligations issued under the Master Toll Indenture.

The Master Toll Indenture specifies that HRTF Transfers may only be used to pay for costs legally permitted for the use of HRTF amounts. The Commission agrees to manage the use of HRTF Revenues in the General Fund so as to provide for the availability of sufficient amounts in the General Fund to make the foregoing HRTF Transfers as and when required, subject to the availability of HRTF Revenues and to its commitments to provide funding for the HRBT Expansion Project.

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schematic diagram of Flow of Funds follows on next page]

FLOW OF FUNDS DIAGRAM



* No Debt Service Reserve Fund will be established or maintained for the Series 2022B Bonds.

** See “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds -- Application of Amounts in the General Fund and Transfers of HRTF Revenues from the General Fund to Support Toll Revenue Bonds” herein for a description of the use of funds in the General Fund.

TIFIA LOAN AGREEMENTS

On September 21, 2021, USDOT and HRTAC entered into the Successor 2019/2021 TIFIA Loan Agreement, relating to the 2021 Successor TIFIA Loan. To evidence its obligations under the Successor 2019/2021 TIFIA Loan Agreement upon the closing thereof, HRTAC issued the 2021 Successor TIFIA Bond pursuant to the Master Indenture and the Seventh Supplemental Series Indenture of Trust dated September 21, 2021. HRTAC expects to make a single requisition under the Successor 2019/2021 TIFIA Loan Agreement on or before _____, 202_, within one year after substantial completion of the Initial Financed Projects (as described herein), and apply the amount requisitioned under the Successor 2019/2021

TIFIA Loan Agreement to reimburse itself for eligible project costs, including the use of a portion of such funds to pay principal on the Series 2022A Notes at their maturity date of _____, 202_.

On September 21, 2021, USDOT and HRTAC entered into the 2021 HRTF TIFIA Loan Agreement, relating to the 2021 HRTF TIFIA Loan. To evidence its obligations under the 2021 HRTF TIFIA Loan Agreement upon the closing thereof, HRTAC issued the 2021 TIFIA Bond pursuant to the Master Indenture and the Fifth Supplemental Series Indenture of Trust dated September 21, 2021. HRTAC expects to make a single requisition under the 2021 HRTF TIFIA Loan on or before July 1, 2026, within one year after substantial completion of the HRBT Expansion Project, and apply the amount requisitioned under the 2021 HRTF TIFIA Loan Agreement to reimburse itself for eligible project costs, including for the HRTB Expansion Project. Such reimbursement will include an amount to pay principal on the Series 2021A Notes at their maturity. The proceeds of the 2021 HRTF TIFIA Loan may be disbursed to HRTAC for the payment, reimbursement or refinancing of certain costs of the projects that are eligible to be financed with proceeds of the 2021 HRTF TIFIA Loan pursuant to federal law; provided, that total disbursements under the 2021 HRTF TIFIA Loan cannot exceed 33% of all such eligible costs of the HRBT Financed Costs, which include the costs of the HRBT Expansion Project, the funding of capitalized interest on the Series 2021A Notes through July 1, 2026, and to pay costs of issuance of the Series 2021A Notes

The Successor 2019/2021 TIFIA Loan Agreement and the 2021 HRTF TIFIA Loan Agreement have been filed with the MSRB through its EMMA system and may be accessed over the internet at <https://www.emma.msrb.org>. Certain provisions of the TIFIA Loan Agreements relating to conditions precedent to requisitioning moneys and events of default are summarized below, with such summaries applying respectively under each TIFIA Loan Agreement individually unless otherwise noted.

Disbursement Conditions

Disbursements under the TIFIA Loans are subject to numerous conditions precedent. In addition to the delivery of customary certificates as to representations and warranties, no defaults and other corporate matters, the following conditions, among others, also apply to the TIFIA Lender's obligation to fund a requisition request:

- delivery to the TIFIA Lender of updated Financial Plans and copies of the previously undelivered applicable project contracts and amendments and modifications, if any, thereto;
- all governmental approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan) are in full force and effect;
- all applicable insurance policies shall be in full force and effect and all permits and governmental approvals necessary to complete construction of the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan) shall have been obtained;
- no event of default under the TIFIA Loan Agreements, the Master Indenture or other material contracts, or event which with the giving of notice or the passage of time or both under such documents would result in an event of default shall have occurred and be continuing; and

- since the date HRTAC submitted the application for the TIFIA Loans to the TIFIA Lender there shall not have occurred a Material Adverse Effect (as defined in the TIFIA Loan Agreements).

The TIFIA Lender shall be entitled to withhold approval of the disbursement of TIFIA Loans' proceeds if:

- an event of default or an event that, with the giving of notice of the passage of time or both, would constitute an event of default, under the TIFIA Loan Agreements shall have occurred and be continuing; or
- HRTAC:
 - knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated by the TIFIA Loan Agreements; or
 - fails to ensure VDOT's construction of the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan) in a manner consistent with the governmental and other approvals therefor or in accordance with the highest standards of VDOT's industry, where such failure prevents or materially impairs the project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by VDOT with applicable federal or local law pertaining to the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan), or with the terms and conditions of the TIFIA Loan Agreements; or
 - fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreements; or
 - fails to satisfy disbursement conditions or conditions precedent to all disbursements set out in the TIFIA Loan Agreements; or
 - fails to deliver documentation satisfactory to the TIFIA Lender evidencing eligible project costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreements; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing eligible project costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

See additional discussion of the conditions to closing and delivery of, as well as disbursements under, the TIFIA Loans below under "INVESTMENT CONSIDERATIONS—No Assurance of Funds under TIFIA Loan Agreements."

Repayment Terms

No payment of the principal of or interest on the TIFIA Loans is required to be made during the capitalized interest period, which will be the period from the drawdown of the TIFIA Loans to the date that HRTAC commences repayment of the TIFIA Loans 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 TIFIA Loans shall be capitalized and added to the outstanding respective 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 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 TIFIA Loan Agreements or under any of the other TIFIA Loan documents.

Under the Successor 2019/2021 TIFIA Loan Agreement, 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, HRTAC shall commence paying TIFIA Debt Service in the amount of interest on and principal of the 2021 Successor TIFIA Loan equal to the amount set forth in the Successor 2019/2021 TIFIA Loan Agreement, as the same may be revised as provided in the Successor 2019/2021 TIFIA Loan Agreement, which payments shall be made in accordance with the terms of the Successor 2019/2021 TIFIA Loan Agreement.

Under the 2021 HRTF TIFIA Loan Agreement, on the earlier of (a) January 1, 2027, and (b) the first semi-annual payment date immediately succeeding the substantial completion date of the HRBT Expansion Project financed with 2021 HRTF TIFIA Loan proceeds, HRTAC shall commence paying TIFIA Debt Service in the amount of interest on and principal of the 2021 HRTF TIFIA Loan equal to the amount set forth in the 2021 HRTF TIFIA Loan Agreement, as the same may be revised as provided in the 2021 HRTF TIFIA Loan Agreement, which payments shall be made in accordance with the terms of the 2021 HRTF TIFIA Loan Agreement.

A projected amortization of the TIFIA Bonds is set forth under Table VII – Projected HRTF Bonds’ Debt Service and Debt Service Coverage Ratio in “PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE RATIO.”

Prepayment of the TIFIA Loans

HRTAC will be required to mandatorily prepay all or a portion of the TIFIA Loans without penalty or premium following the occurrence of a Revenue Sharing Trigger Event (defined below), on each semi-annual payment date under the TIFIA Loan Agreements occurring while the Revenue Sharing Trigger Event remains in effect, from “Excess Revenues” (as described below) on deposit in the Revenue Sharing Account. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds” above. Prepayment of the TIFIA Loans 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 TIFIA Loan Agreements are outstanding and (a) 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF

PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds – Application of Amounts in the General Fund” herein (in that order). 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 and until such time as the Revenue Sharing Trigger Event ends, an amount in each month equal to 50% of the HRTAC Revenues remaining each month after the transfers described in paragraphs months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds – Application of Amounts in the General Fund” herein (in that order) have occurred. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds – Application of Amounts in the General Fund” above.

Upon any voluntary prepayment of any Bonds, other than any voluntary prepayment of any such Bonds made with the proceeds of Additional Bonds issued on the same lien level, in accordance with the requirements of the TIFIA Loan Agreements, the applicable TIFIA Bond shall be repaid pro rata with such voluntary prepayment of such other Bonds.

In addition, HRTAC will have the right to prepay the TIFIA Loans 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 a minimum principal amount of \$1,000,000), at any time or from time-to-time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loans 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 TIFIA Loans 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 TIFIA Loans 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 2021 TIFIA Bond and the 2021 Successor TIFIA Bond will be secured by a pooled Subordinate Debt Service Reserve Fund. On or prior to the later of the substantial completion date of the projects financed by the 2021 Successor TIFIA Bond or the date of the final disbursement under the Successor 2019/2021 TIFIA Loan Agreement, HRTAC shall cause the deposit of available HRTAC Revenues or HRTF Transfers in such Subordinate Debt Service Reserve Fund in an amount sufficient to cause the balance therein to equal the combined “ TIFIA Subordinate Debt Service Reserve Required Balance.” Such amount is the lesser of (x) ten percent (10%) of the maximum stated principal of the 2021 HRTF TIFIA Loan and the 2021 Successor TIFIA Loan, (y) one hundred percent (100%) of the combined TIFIA maximum annual debt service, or (z) one hundred and twenty-five percent (125%) of the average annual combined TIFIA debt service. If there are TIFIA loans in addition to the 2021 HRTF TIFIA Loan and the 2021 Successor TIFIA Loan that are secured by HRTAC Revenues on a Subordinate Lien basis outstanding at any time, then such amounts will be calculated using the summation of all TIFIA Loans as if there were one TIFIA Loan.

Representations, Warranties and Covenants

Pursuant to the terms of the TIFIA Loan Agreements, HRTAC will provide certain customary representations, warranties and covenants as of (i) the date of execution and delivery of the TIFIA Loan Agreements, and (ii) each date on which a disbursement of the TIFIA Loans are requested or made, including, but not limited to:

Compliance with Laws. Pursuant to the TIFIA Loan Agreements, HRTAC represents and warrants that the execution and delivery by HRTAC of the TIFIA Loan Agreements and other related documents to which HRTAC is a party, and compliance with the terms thereof will not, in any material respect, conflict with or constitute a violation or breach of or default of any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument. VDOT has oversight responsibility for ensuring compliance with all applicable provisions of federal transportation law for project oversight activities.

Permitted Indebtedness. Under the TIFIA Loan Agreements, HRTAC may issue certain permitted debt and additional obligations (“Additional Obligations”), as follows, provided, however, that no event of default under the Indenture or the TIFIA Loan Agreements has occurred and is continuing. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Additional Bonds” and “THE MASTER INDENTURE—Issuance of Bonds—Intermediate Lien Obligations” and “—Subordinate Obligations” in Appendix A:

(1) if the proceeds of the Additional Obligations will be used to refinance Senior Bonds, Intermediate Lien Obligations, or Subordinate Obligations and are issued on the same lien level as the proposed refunded obligations, (i) such Additional Obligations must receive a rating from a nationally recognized rating agency of equivalent to the lesser of the rating on the obligations being refinanced with the proceeds of the Additional Obligations as of the applicable effective date or the most recent rating of such obligations provided under the TIFIA Loan Agreements, (ii) the net proceeds thereof (after deducting any amounts required to be deposited to satisfy the respective debt service reserve requirement or required to pay costs of issuance) must not exceed the principal amount of the respective obligations outstanding and being refinanced, (iii) the respective lien level debt service, after the incurrence of such Additional Obligations, in each year of the remaining term of the TIFIA Loans, must be projected to be less than the respective lien level debt service projected for each such year in the TIFIA Loan Agreements’ base case projections, and (iv) the stated maturity of such Additional Obligations shall not exceed the stated maturity for the obligations being refinanced with the proceeds of the Additional Obligations; and

(2) if the proceeds thereof will be used for any reason not described in the foregoing clause (1) above, the issuance of the Additional Obligations shall not result in a downgrade of any Subordinate Lien Obligations issued to the TIFIA Lender and HRTAC shall provide the TIFIA Lender a certificate in a form reasonably acceptable to the TIFIA Lender (including the calculations supporting such certificate), certifying that (i) the activity or project to which such Additional Obligation proceeds will be applied could not reasonably be expected to result in a material adverse effect under the TIFIA Loan Agreements; (ii) HRTAC has satisfied the requirements for issuing the Additional Obligations in accordance with the applicable provisions of the Indenture or Series Supplement existing as of the applicable effective date, including, specifically, that during any twelve consecutive months of the eighteen months preceding the issuance of the Additional Obligations, (A) the HRTAC Revenues were not less than (1) 2.00 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Senior

Bonds then outstanding plus, if such Additional Obligations are Senior Bonds, such Additional Obligations, and (2) 1.50 times the maximum annual Principal and Interest Requirements during the current or any future Fiscal Year on the Senior Bonds and Intermediate Lien Obligations then outstanding plus, if such Additional Obligations are Intermediate Lien Obligations, such Additional Obligations, and (B) the total debt service coverage ratio, including debt service for the Additional Obligations to be issued, for each calculation period under the TIFIA Loan Agreements is projected to be not less than 1.35 to 1.00 while any Subordinate Obligations issued to the TIFIA Lender remain outstanding.

Additional Covenants. The following briefly summarizes additional covenants of HRTAC (which covenants may be qualified by materiality and other exceptions).

- (1) Maintenance by HRTAC of legal structure;
- (2) No indebtedness, other than Permitted Indebtedness;
- (3) Securing and maintaining the liens on HRTAC Revenues;
- (4) No swap or hedging transactions other than as expressly permitted;
- (5) Ensure that VDOT has complied under all principal project contracts or the Standard Project Agreements, as applicable, with respect to the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan); and
- (6) Ensure maintenance by VDOT of all required insurance.

Events of Default Under the TIFIA Loan Agreements

The following events are expected to constitute events of default under the TIFIA Loan Agreements:

- (1) Failure to pay any of the principal amount of or interest due and payable on the TIFIA Loans or to make any required mandatory prepayment thereunder;
- (2) A failure by HRTAC to observe or perform any covenant, agreement or obligation of HRTAC, respectively, under the TIFIA Loan Agreements or any other TIFIA Loan Document (other than in the case of any payment default or any development default), and such failure shall not be cured within 30 days after HRTAC's knowledge thereof or receipt by HRTAC from the TIFIA Lender of written notice thereof provided, however, that if such failure is capable of cure but cannot reasonably be cured within such 30-day period, then no event of default shall be deemed to have occurred or be continuing under this provision if and so long as within such 30-day period HRTAC shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, provided such failure is cured within 180 days of the first occurrence of such failure;
- (3) A development default shall occur;
- (4) Any of the representations, warranties or certifications of HRTAC made in or delivered pursuant to the TIFIA Loan Agreements and the TIFIA Bonds (or in any certificates

delivered by HRTAC in connection with such documents) shall prove to have been false or misleading in any material respect when made, subject to certain conditions;

- (5) Any acceleration shall occur of the maturity of any Senior Lien Obligations, Intermediate Lien Obligations, or Subordinate Obligations, or any such Senior Lien Obligations, Intermediate Lien Obligations, or Subordinate Obligations shall not be paid in full upon the final maturity thereof;
- (6) One or more judgments (A) for the payment of money in an aggregate amount in excess of \$5,000,000 (inflated annually by CPI) that are payable from HRTAC Revenues and are not or have not been otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage), or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be rendered against HRTAC, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of HRTAC to enforce any such judgment;
- (7) HRTAC shall fail to maintain its existence as a body politic and a political subdivision created and existing under the laws of the Commonwealth or the HRTAC Act shall be repealed or amended in a manner that could reasonably be expected to result in failure of HRTAC to maintain its existence, unless at or prior to the time HRTAC ceases to exist in such form or the repeal or amendment of the HRTAC Act becomes effective a successor public agency or governing body has been created by the Commonwealth pursuant to a valid and unchallenged Commonwealth law and has succeeded to the assets of HRTAC and has assumed all of the obligations of HRTAC under the TIFIA Loan Documents, the Indenture or the Toll Indenture, including the payment of all Secured Obligations;
- (8) A Bankruptcy Related Event, as defined in the TIFIA Loan Agreements, shall occur with respect to HRTAC, VDOT, or certain principal project parties;
- (9) HRTAC or VDOT shall abandon the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan);
- (10) (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or HRTAC contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby;
- (11) Operation of a material portion of the Initial Financed Projects (for the 2021 Successor TIFIA Loan) or the HRBT Expansion Project (for the 2021 HRTF TIFIA Loan) shall cease for a continuous period of not less than one hundred eighty (180) days, subject to certain exceptions; and
- (12) Under the 2021 HRTF TIFIA Loan, failure to increase the amount required in the major maintenance and renewal fund as estimated by a consulting engineer within 30 days or receipt of such estimate from such consulting engineer.

Remedies

Upon the occurrence of a development default under the TIFIA Loan Agreements, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loans may immediately be deemed suspended, subject to cure by HRTAC.

Upon the occurrence of any bankruptcy related event of default with respect to HRTAC, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loans shall automatically be deemed terminated, and, to the extent permitted under the Indenture, the outstanding TIFIA Loans' balances, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Bonds or the other TIFIA Loan documents, shall automatically become immediately due and payable;

Upon the occurrence of any other event of default under the TIFIA Loan Agreements, the TIFIA Lender, by written notice to HRTAC, may (A) suspend or terminate all of its obligations thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loans, and (B) to the extent permitted under the Indenture, declare the unpaid principal amount of the TIFIA Bonds to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Loan Agreements, the TIFIA Bonds or the other TIFIA Loan documents.

Whenever any Event of Default thereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid thereunder or under the TIFIA Bonds or the other TIFIA Loan documents, and may prosecute any such judgment or final decree against HRTAC and collect in the manner provided by law out of the trust estate the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by HRTAC under the TIFIA Loan Agreements, the TIFIA Bonds or the other TIFIA Loan documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of HRTAC under the TIFIA Loan Agreements, the TIFIA Bonds or the other TIFIA Loan documents.

Whenever any Event of Default under the TIFIA Loan Agreements shall have occurred and be continuing, the TIFIA Lender may suspend or debar HRTAC from further participation in any federal government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

No action taken pursuant to the TIFIA Loan Agreements shall relieve HRTAC from its obligations pursuant to the TIFIA Loan Agreements, the TIFIA Bonds or the other TIFIA Loan documents, all of which shall survive any such action.

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 and PAFA 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 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>
Donnie R. Tuck	HRTAC Chair	City of Hampton
Richard W. West	HRTAC Vice Chair	City of Chesapeake
William M. McCarty, Sr.	Member	Isle of Wight County
Kenneth C. Alexander	Member	City of Norfolk
L. Louise Lucas	Member	Virginia Senate

Michael Duman	Member	City of Suffolk
Bobby Dyer	Member	City of Virginia Beach
Paul Freiling	Member	City of Williamsburg
Michael J. Hipple	Member	James City County
Gordon C. Helsel	Member	City of Poquoson
Clinton L. Jenkins	Member	Virginia House of Delegates
Montgomery “Monty” Mason	Member	Virginia Senate
Christopher D. Cornwell, Sr.	Member	Southampton County
Dr. McKinley Price	Member	City of Newport News
Frank Rabil	Member	City of Franklin
Shannon E. Glover	Member	City of Portsmouth
Thomas G. Shepperd	Member	York County
Michael Mullin	Member	Virginia House of Delegates
Vacant	Member	Virginia House of Delegates
<u>Non-Voting Members:</u>	<u>Title</u>	<u>Source of Appointment</u>
Frederick T. Stant III	Non-Voting Member	Commonwealth Transportation Board
Jennifer Mitchell	Non-Voting Member	Director of VDRPT
<u>Non-Voting Members:</u>	<u>Title</u>	<u>Source of Appointment</u>
John F. Malbon	Non-Voting Member	Commonwealth Transportation Board
Stephen A. Edwards	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 [7] 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 \$[9.55] billion in mega highway transportation projects and \$[552] million in transit 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

As adopted, HRTAC’s Fiscal Year 2022 administrative and operating expense budget totals \$6,746,539 and [is expected to be] funded proportionately by the HRTF and the Hampton Roads Regional Transit Fund. 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 2022B 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.

DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS

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

HRTPO’s 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 the HRTPO’s planning process by preparing and updating a fiscally constrained long-range regional transportation project funding plan for the High Priority Projects in 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 HRTAC’s 2045 Long-Range Funding Plan (“HRTAC 2045 Long Range

Funding Plan”). The HRTPO’s 2045 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 Long-Range Transportation Plan. HRTPO’s 2045 LRTP includes the HRBT Expansion Project which is being funded in part by the Series 2022B Bonds.

The HRTPO 2045 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 HRTAC 2045 LRTP is designed to be a “living” document, updated through an amendment process. HRTAC most recently amended its HRTAC 2045 Long Range Funding Plan on [June 17, 2021], 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. Of the total \$10.1 billion highway and transit projects included in the HRTAC 2045 Long Range Funding Plan, HRTAC’s regional high priority highway project costs included are approximately \$9.55 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 HRTPO 2045 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. HRTAC has entered into Standard Project Agreements with VDOT for the construction of the Initial Financed Projects, and all of the Initial Financed Projects are expected to be completed by Fiscal Year 2022. 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 its 2045 Long Range Funding Plan and FY 2022 – FY 2027 Six-Year Funding Plan Update, 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.

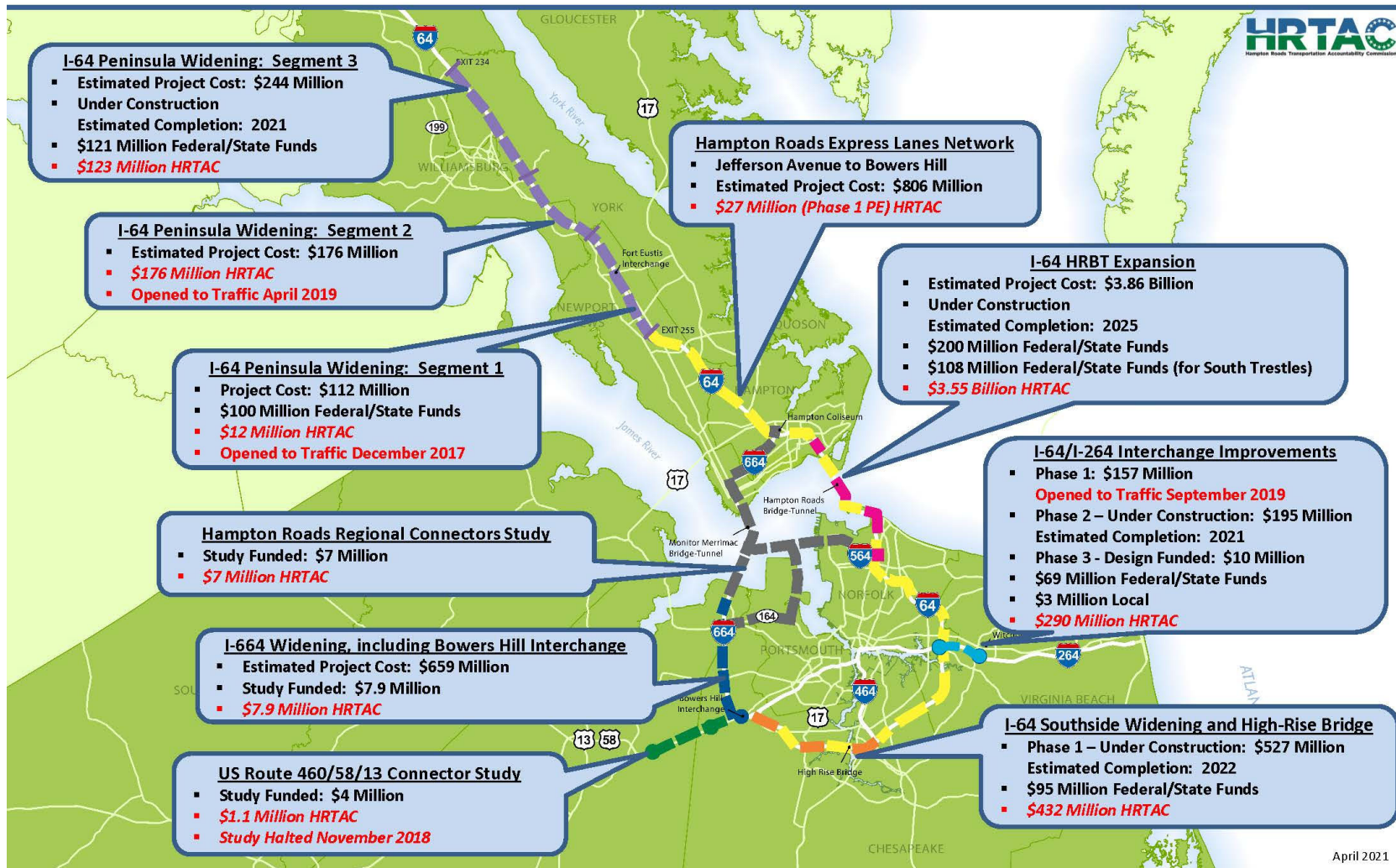
The HRTAC 2045 Long Range Funding Plan also identifies certain long-range HRTAC projects that are expected to be completed within the 2045 LRTP but whose completion dates and costs are subject to funding availability and other factors. The long-range HRTAC projects in the 2045 LRTP include the Express Lanes Network, the I-64/464 Loop Ramps, I-64/264 Interchange Phase IIIA, I-64 Independence Boulevard Interchange, I-664 Widening/Bowers Hill Interchange, I-64 Denbigh Boulevard Interchange, I-264 Widening, VA 164 Widening, and the VA 168 Bypass to be completed by 2045. See “Table VI: Future HRTAC Projects in the 2045 Long Range Funding Plan.”

Projects not included in the HRTPO 2045 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 “Patriot’s 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 Patriot’s Crossing.

The map on the following page illustrates the regional priority projects included in the 2045 LRTP and the Vision Plan, excluding the Express Lanes Network.

Hampton Roads Regional Transportation Priority Projects

\$5.22 Billion Total Value, \$4.65 Billion HRTAC Funded



April 2021

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 2022 through 2027) was adopted in June 2021, and includes the Initial Financed Projects, the HRBT Expansion Project, and the Express Lanes Network (or HREL). HRTAC continues to refine the Express Lanes Network's costs and financing plan based on updated information as the network segments advance in project readiness. The Express Lanes Network will be developed in segments, subject to the availability of funding, the development of a definitive funding plan, and the execution and delivery of one or more Standard Project Agreement(s) with VDOT.

The current Six-Year Funding Plan identifies a variety of funding sources that may be utilized by the Commission, including HRTF funds not provided by bond or loan proceeds ("PayGo"), remaining proceeds of Bonds previously issued under the Master Indenture, additional Bonds (including another TIFIA loan secured as a Subordinate Obligation under the Master Indenture), toll revenue debt proceeds, VDOT funding, and other public funds.

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 HRTPO 2045 LRTP and HRTAC 2045 Long Range Funding Plan, (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 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 committed 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 the Project Administration and Funding Agreement (“PAFA”) with VDOT for the HRBT Expansion Project, all 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 certain of the Initial Financed Projects and to the construction of 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 all roadway, bridge and tunnel structures of the Initial Financed Projects and the HRBT Expansion Project at no cost to HRTAC. HRTAC’s construction 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 construction 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. The HRTAC Act does not permit HRTAC to include in its budget any HRTF funds to independently operate and maintain funded projects or to perform any transportation service therefore. HRTAC has no control over the long-term impact of its spending on future obligations of the Commonwealth. See **“INVESTMENT CONSIDERATIONS – Risks Arising from Operating and Maintenance Burdens on Commonwealth.”**

HRTAC’s executed Standard Project Agreements and funding shares to date are described in Table III below. Upon issuance of the Series 2022B Bonds, HRTAC will continue to contribute funds to the Initial Financed Projects as well as the HRBT Expansion Project, and such contributions will be made from proceeds of Bonds issued under the Master Indenture, PayGo funds from the HRTF, or toll revenue debt proceeds. See **“DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS.”**

Project development and delivery of each of the Hampton Roads Express Lane Network (HRELN) segments will be achieved following HRTAC’s ‘Standard Project Agreement’ (SPA) engagement process between HRTAC and VDOT. This process begins with an initial project development SPA to develop preliminary engineering, conduct environmental (NEPA) required work, identify right-of-way needs, and to prepare a project budget and schedule with contingencies. The first step is the initial project development SPA for each segment that will provide confidence of project constructability, permit ability, and budget identification. Funding and construction agreements are in place for current projects relating to the (Segment 1 (direct connectors to Segment 3), Segments 2a and 2b), and Segment 3 tolling infrastructure projects. What remains are project development and delivery agreements for HRELN Segments 4a/4b/4c (geographically west of the HRBT project limits), Segment 1 reversible segment connector lanes to Segment 3, and Segment 1 median shoulders projects along the Segment 1 reversible lanes (that are geographically east of the HRBT project limits) to allow for bi-directional traffic movement along the median shoulders of the opposite lane direction during Segment 1 reversible lanes’ periods. SPAs executed between HRTAC and VDOT for the initial project development of the next Phase of the HRELN include Segments 4a/4b, 4c, and the Segment 1 median shoulders projects. These four segments are the remaining HRELN segments to be constructed to complete the initial phases of the HRELN between West Jefferson Avenue in Newport News and Bowers Hill in Chesapeake. Once the initial project development SPAs are completed, the resulting work products for HRELN Segments 4a/4b, 4c, and Segment 1 direct connectors

to Segment 3 and median shoulders will bring project readiness to a level of confidence to provide for advancing the HRELN segments to the next steps of project delivery that include financing and construction SPAs and procurement of work for the project segments.

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

	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total ⁽¹⁾
<u>Interstate 64 Peninsula Widening (Segments 1-3)</u>							
HRTAC Funding	\$310	0	0	0	0	0	\$310
VDOT Funding	<u>221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>221</u>
Total	<u>\$531</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$531</u>
<u>I-64/I-264 Interchange Improvements (Phases I-III)</u>							
HRTAC Funding	\$290	0	0	0	0	0	\$290
VDOT Funding	60	8	0	0	0	0	68
HRTPO and Local Funding	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	<u>\$355</u>	<u>\$8</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$363</u>
<u>I-64 Southside Widening and High Rise Bridge Project (Phase I)</u>							
HRTAC Funding	\$432	0	0	0	0	0	\$432
VDOT Funding	<u>95</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95</u>
Total	<u>\$527</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$527</u>
<u>(Mega Project) Delivery of HRBT Expansion Project</u>							
HRTAC Funding ⁽²⁾	\$1,570	\$714	\$546	\$421	\$291	\$11	\$3,553
VDOT Funding ⁽³⁾	<u>15</u>	<u>39</u>	<u>39</u>	<u>126</u>	<u>90</u>	<u>0</u>	<u>309</u>
Total	<u>\$1,585</u>	<u>\$753</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$3,862</u>
<u>Project Development Including HREL</u>							
HRTAC Funding	73	0	0	0	0	0	\$73
VDOT Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$73</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$73</u>
<u>Total To-Date Standard Project Funding Agreements or Project Administration and Funding Agreement With VDOT</u>							
HRTAC Funding	\$2,675	\$714	\$546	\$421	\$291	\$11	\$4,658
VDOT Funding	391	47	39	126	90	0	693
HRTPO and Local Funding	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	<u>\$3,071</u>	<u>\$761</u>	<u>\$585</u>	<u>\$547</u>	<u>\$381</u>	<u>\$11</u>	<u>\$5,356</u>

Source: HRTAC, as of May, 2021. [To be updated.]

Notes:

- (1) Totals may not add up due to rounding.
- (2) Includes \$345 million TIFIA Series 2021 Toll Bond issued under the Master Toll Indenture.
- (3) Includes \$109 million in VDOT Funded HRBT South Trestle Replacement Costs in Project Administration and Funding Agreement but not included in HRTAC Six-Year Funding Plan and \$200 million in SMART SCALE funding.

The HRTAC projects in the 2045 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 HRTAC 2045 LRTP (in Millions)⁽¹⁾

<u>Project</u>	<u>Expected Completion</u>	<u>Estimated Cost</u>
Hampton Roads Express Lanes Network	2026	\$806
I-64/I-464 Loop Ramps	2029	339
I-64/I-264 Interchange: Phase IIIA	2031	510
I-264/Independence Boulevard Interchange	2033	207
I-664 Widening (including Bowers Hill Interchange)	2038	771
I-64/Denbigh Boulevard Interchange Project	2040	219
I-264 Widening	2045	669
VA-164 Widening	2045	493
VA-168 Bypass	2045	355

Source: HRTAC, 2045 Long Range Plan of Finance Update adopted June 17, 2021. [To be updated.]

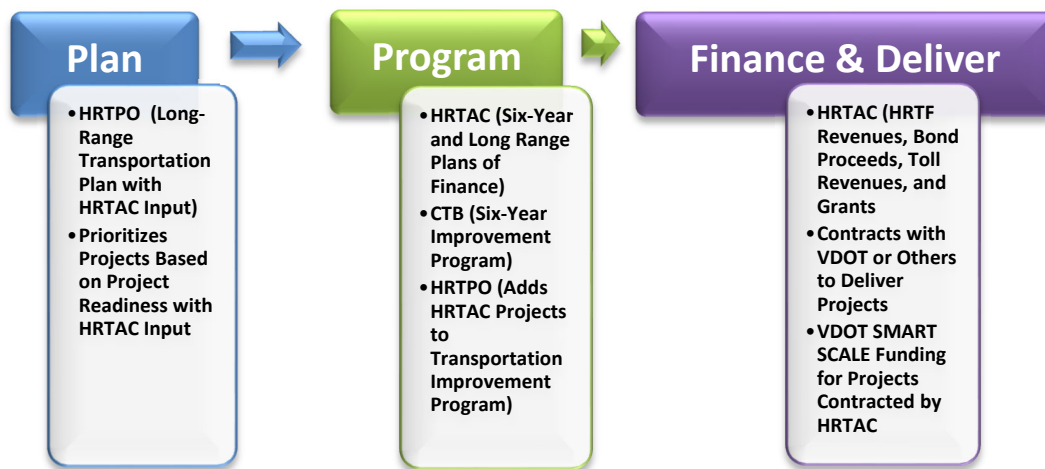
Note:

(1) Assumes \$119M funding from VDOT for the HRELN Project; also assumes future SMART SCALE funding of \$971M for other projects, as estimated by HRTPO.

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.

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- HRTPO’s 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 HRTPO’s LRTP and when HRTAC allocates funds to specific projects, they are added to HRTPO’s Transportation Improvement Program.
- 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, June 18, 2020, and June 17, 2021, the Commission’s Debt Management Plan helps guide the Commission with respect to the funding and delivery of the projects in the Commission’s Six-Year Funding Plan, currently through Fiscal Year 2027. 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 evolves over time and sets forth the following goals:

(a) Full funding of project costs through Fiscal Year 2027 identified in the current Six-Year Funding Plan including the HRBT Expansion Project and the Express Lanes Network through completion in such year. Although the Express Lanes Network is incorporated into the Six-Year Funding Plan, HRTAC’s commitments related to funding the sections of the Express Lanes Network are subject to the execution and delivery of one or more Standard Project Agreement(s) with VDOT in the future.

(b) Issuance of Bonds as construction progresses (which began in calendar year 2018 with issuance of the Series 2018A Bonds), including Bonds to reimburse PayGo expenditures, so that Bond sales can be minimized in later years during which the Commission would likely have greater expenditure requirements;

(c) Establishment and maintenance of a structure suited for subsequent Bond issuances needed for HRTAC projects in the 2045 LRTP; and

(d) Exploration of the possibility of credit assistance under additional TIFIA Loans backed by HRTAC Revenues under the Master Indenture and/or toll revenue-backed TIFIA Loans, issued under indenture(s) separate from the Master Indenture, and including the use of bond anticipation notes where appropriate.

To fund its commitments to VDOT, HRTAC currently expects to issue approximately \$___ million of debt in FY 2022, including the [Series 2022A Notes and the] Series 2022B Bonds, and possible additional debt thereafter to be secured by HRTAC Revenues. Such additional debt and their lien level under the Master Indenture is still to be determined. Where appropriate, HRTAC may continue to utilize bond anticipation notes in conjunction with TIFIA Loans. The 2019 TIFIA Loan Agreement was, and the Successor 2019/2021 TIFIA Loan Agreement is expected to be, implemented under the provision of the TIFIA statute that allows for a waiver of TIFIA’s non-subordination or “springing lien” requirement, and HRTAC anticipates that the 2021 HRTF TIFIA Loan also will be implemented with a waiver from that 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. The likelihood that all assumptions will prove to be accurate cannot be predicted. Assumptions and actual results are subject to change and to the occurrence of unanticipated events, such as those described under the captions “**COVID-19 PANDEMIC**” and “**INVESTMENT CONSIDERATIONS.**” 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 2022B BONDS**” above.

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

Table V
Estimated HRTAC Project Costs by Funding Source (in Millions)⁽¹⁾
(Fiscal Years 2022 to 2026)

Sources	Amounts
HRTF Bonds and TIFIA Loans ⁽²⁾	\$1,061
Toll Revenue Debt and TIFIA Loans	610
HRTAC PayGo	970
VDOT Funding	421
Total	\$3,064

Source: HRTAC. [To be updated.]

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 Tables VI and VII herein.

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

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	Total
HRTF Bonds/TIFIA⁽²⁾	\$245					\$ _____
Toll Revenue Debt⁽³⁾			143	467		
Total	\$245	0	\$143	\$467		\$ _____

Source: HRTAC. [To be updated.]

Notes:

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Includes the 2022B Bonds and additional Senior Lien or Intermediate Lien Bonds which may be incurred in the future.

⁽³⁾ Includes multiple Toll Revenue 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 DEBT SERVICE COVERAGE

The following Table VII presents a forward-looking presentation of HRTAC Revenues, Principal and Interest Requirements and related measures of debt service coverage through Fiscal Year 2060 in light of the actual and potential impacts of COVID-19 and the governmental and societal responses thereto. **Investors considering a purchase of the Series 2022B Bonds should consider the following, as well as the information in “COVID-19 PANDEMIC.”**

The impact of the COVID-19 pandemic on Hampton Road’s economy and revenues has reduced and may continue to reduce the level of tax revenues collected and deposited into the HRTF, but HRTAC cannot predict the full amount or duration of such impact. For a more detailed discussion of the risks and the impact, see “COVID-19 PANDEMIC.” HRTAC and VDOT continue to review the impact of COVID-19 on transportation revenues, and HRTAC believes that it will be some time before it or VDOT will have a better understanding of the longer-term fiscal impact that COVID-19 will have on the taxes and revenues comprising the HRTF.

Actual future HRTAC Revenues are likely to vary from those presented below, especially in light of the uncertainty presented by the ongoing COVID-19 Pandemic. See “COVID-19 PANDEMIC.”

[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 [2060]. 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. Anticipated issuances of future Bonds, as set forth in Table VI, are not included.]

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 **“INVESTMENT CONSIDERATIONS – 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⁾

Fiscal Year	Pledged Revenues ^{(1), (2)}			Principal and Interest Requirements ⁽³⁾				Debt Coverage		
	Additional Retail Sales and Use Tax ⁽⁴⁾	Additional Wholesale Motor Vehicle Fuels Tax ⁽⁵⁾	Total Pledged Revenues	Existing Senior Lien	Existing Intermediate Lien	Existing Subordinate Lien	Senior Lien (2022B Bonds)	Senior Lien	Intermediate Lien	Subordinate Lien
			[A]	[B]	[C]	[D]	[E]	[A]/([B]+[C])	[A]/([B]+[C])	[A]/([B]+[C]+[D]+[E])
2022	\$	\$	\$	\$	\$	\$	\$			
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Notes:

- (1) Consists of HRTAC Revenues.
- (2) See “COVID-19 PANDEMIC -- Fiscal Impact of the COVID-19 Pandemic on HRTAC and HRTF Revenues.”
- (3) Does NOT include future issuances of Senior Lien, Intermediate Lien, or Subordinate Lien Bonds. HRTAC’s current anticipation is that approximately \$245 million will be needed as soon as calendar year 2022 to fund projects in the Six Year Funding Plan. See Table VI herein. The lien level of such debt has not been determined. See “DEVELOPMENT OF CAPITAL EXPENDITURE AND FUNDING PLANS – HRTAC Debt Management Plan.”
- (4) FY2022-2028 forecast provided by VA Department of Taxation, starting 2029, assumes a 2.76% annual growth rate based on a compounded annual growth calculation period comprised of historical Local Option Sale and Uses Tax from 2011 to 2013, historical HRTF Sales and Uses Tax Revenue from 2014 to 2020, and VA Department of Taxation projection from 2022 to 2028.
- (5) FY2022-2028 forecast provided by VA Department of Taxation, starting 2029, assume a 0.20% annual growth rate based on a compounded annual growth calculation period comprised of historical and projected statewide taxable fuel gallons from 2013 to 2028.

None of the Commission, the Financial Advisor or the Underwriters warrants or represents that the estimates or amounts set forth in Table VII or the August 2020 VDOT estimates 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 presentation set forth in Table VII. See **“FORWARD-LOOKING STATEMENTS”** and **“INVESTMENT CONSIDERATIONS – Risks of Non-Appropriation and Future Legislative or Administrative Actions Affecting Revenues,”** **“– Forward-Looking Statements and Review Presentation,”** and **“– Actual Results May Diverge From Review Presentation.”**

COVID-19 PANDEMIC

[To Be Updated.]

The information in this Section supplements the information provided elsewhere in this Official Statement and the other information in this Section of the Official Statement should be read in conjunction with the information in this Official Statement. The information herein is preliminary and is subject to change without notice. The information in this Section and the effects on HRTAC and HRTF Revenues of the COVID-19 pandemic will be affected by future events, circumstances, and actions that are outside of the control of HRTAC, and HRTAC does not undertake to update or supplement the information contained in this Section for such future events or circumstances.

[The World Health Organization has declared a pandemic following the outbreak of a novel strain of coronavirus (“COVID-19”), a respiratory disease caused by a new strain of coronavirus that is currently negatively impacting most, if not all, areas of the world, including the United States and the Commonwealth. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at mitigating the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors, have also resulted in dislocations in the labor market and stress on the global and national economies.

On March 12, 2020, Governor Northam declared a state of emergency in the Commonwealth as a result of the COVID-19 pandemic (which declaration was reaffirmed and continued on May 26, 2020). Since the start of the COVID-19 pandemic, Governor Northam has imposed a series of restrictions designed to mitigate the spread of COVID-19 in the Commonwealth, including, at various times, statewide mask-wearing and social distancing guidelines, limitations on public and private in-person gatherings, the closure of certain businesses, a statewide stay at home order, and the cancellation of in-person instruction at schools. Under the auspices of the federal government’s Operation Warp Speed program, vaccines were developed to combat COVID-19. Currently, vaccinations are available for all Virginians over the age of 12. As reported by the Virginia Department of Health as of August 31, 2021, approximately 5,466,820 individuals had been vaccinated in Virginia with at least one dose of a COVID-19 vaccine in the Commonwealth.

As a result of then-increasing vaccination rates, declining COVID-19 cases, reduced hospitalization cases, and revised Federal guidelines, Governor Northam lifted most COVID-19 mitigation measures on May 28, 2021, and allowed his March 2020 declaration of a state of emergency related to the COVID-19 pandemic to expire on June 30, 2021. Consistent with the Governor’s action, jurisdictions in Planning District 23 no longer have declared states of emergency in effect. However, due to the changing nature of the COVID-19 situation, it is possible additional action from Governor Northam and the Virginia General Assembly could occur.

There is no basis to predict how long the public health crisis caused by COVID-19 will continue. Likewise, there is no basis to predict how long the current level of restrictions may remain in place or whether the Governor may determine to loosen or tighten any of the restrictions in one or more localities or regions of the Commonwealth. Additional executive orders addressing health, safety, and economic issues in Virginia may be forthcoming and HRTAC cannot predict the impact of such additional executive orders, or of further spread of the COVID-19 pandemic, on HRTAC’s financial condition and operations.

Fiscal Impact of the COVID-19 Pandemic on HRTAC and HRTF Revenues.

The unpredictable duration and extent of the COVID-19 pandemic and the governmental and private-sector responses to the pandemic are expected to continue to adversely affect the economy and revenues of the Commonwealth and of the Hampton Roads region, as well as the revenues deposited into the HRTF. Because HRTAC cannot predict the amount or duration of such impact, the impact of the COVID-19 pandemic also creates challenges in forecasting and budget preparation.

The following tables show historical collections of the Additional Sales and Use Tax and the Additional Motor Vehicle Fuels Tax on a monthly basis. To date, the Additional Motor Vehicle Fuels Tax has been affected by the COVID-19 pandemic more than the Additional Sales and Use Tax. The following tables reflects point of sale cash collections and FY 2019 amounts differs from amounts set forth in Table I which utilizes the accrual method of accounting.

**Table VIII
HRTF Revenues on a Monthly Basis**

Additional Sales and Use Tax (millions)

Month of Sales	FY 2019	FY 2020	FY 2021	2020 vs. 2019	2021 vs. 2020
July	\$12.0	\$13.0	\$13.2	8.3%	1.5%
August	12.1	13.1	13.3	8.3	1.5
September	11.1	12.1	13.4	9.0	10.7
October	11.3	12.1	13.4	7.1	10.7
November	11.3	12.5	13.4	10.6	7.2
December	13.7	14.6	16.2	6.6	11.0
January	9.8	10.5	12.0	7.1	14.3
February	9.5	10.0	11.6	5.3	16.0
March	11.8	11.3	15.9	-4.2	40.7
April	12.2	10.5	15.3	-13.9	45.7
May ⁽¹⁾	19.2	17.8	22.1	8.2 ⁽²⁾	24.2
June	5.2	8.6	11.8	8.2 ⁽²⁾	37.2
Total	\$139.2	\$146.2	\$171.6		

⁽¹⁾ May includes actual sales in May and 90% of sales in June of the prior fiscal year for certain vendors subject to the Commonwealth’s accelerated sales tax rules.

⁽²⁾ Calculated based on May and June combined in FY 2019 and FY 2020 to exclude the impact of accelerated payment change described in Note (1).

Additional Motor Vehicle Fuels Tax (millions)

Month of Sales	FY 2019	FY 2020	FY 2021	2020 vs. 2019	2021 vs. 2020
July	\$4.9	\$5.3	\$4.9	9.31%	(7.4)%
August	5.0	5.4	4.8	7.49	(-9.4)
September	16.9 ¹	5.0	5.0	(15.3)	(-1.5)
October	6.2	5.1	4.8	(17.6)	(-6.8)
November	4.0	4.7	4.2	20.2	(-10.6)
December	7.2	5.0	4.7	(30.8)	(-6.8)
January	5.2	4.5	4.3	(12.8)	(-4.6)
February	4.6	4.3	3.7	(7.9)	(-14.0)
March	4.9	4.5	5.0	(7.5)	10.8
April	5.8	4.1	4.8	(29.7)	19.3
May	4.5	3.1	5.2	(31.1)	64.7
June	4.9	3.9	4.5	(19.4)	15.4
Total	\$74.0	\$55.0	\$55.9		

⁽¹⁾ Includes \$11 million special collection (non-recurring) received in September 2018, but excluded for year over year calculations.

HRTAC has been actively monitoring and will continue to actively monitor the impact that the COVID-19 pandemic is having and may have on HRTAC’s financial condition and operations, especially the economically sensitive components of HRTF Revenues. The COVID-19 pandemic is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus, (ii) the severity of the disease, (iii) the duration of the outbreak, (iv) existing actions that have been taken and new actions that may be taken in the future, by governmental authorities to contain or mitigate the outbreak, (v) the acceptance of and effectiveness (especially against any new variants of the virus) of vaccines, (vi) the impact of the outbreak on the local, national, or global economy), (vii) temporary and permanent changes to consumer’s spending and driving habits and (viii) the impact of the outbreak and actions taken in response to the outbreak on HRTAC’s revenues, expenses, and financial condition. Hence, HRTAC is unable to estimate the full effects of the COVID-19 pandemic on its future financial condition and operations in light of these and other uncertainties, along with the continued evolution of the COVID-19 pandemic.

INVESTMENT CONSIDERATIONS

The Series 2022B Bonds are Limited Obligations

The Series 2022B Bonds are limited obligations of HRTAC that are payable solely from the funds pledged under the Master Indenture for such purpose. The Series 2022B 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 2022B 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 2022B Bonds. The

Series 2022B Bonds are not secured by a pledge of any toll revenues or any other revenues generated by HRTAC projects.

COVID-19

The current COVID-19 pandemic has adversely impacted the HRTF revenues and may continue to adversely impact such revenues in future years. For a more detailed discussion of the risks and the impact, see “COVID-19 PANDEMIC.”

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

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 “I-81 Corridor”) and Central Virginia (Planning District 15). 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, including but not limited to, the COVID-19 pandemic and its impacts on economic and societal activities, the burdens of long-term operating and

maintenance expense, and other factors. 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 Bondholders 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. The General Assembly enacted a similar provision in 2020 Acts of Assembly, Chapter 1230 (“Chapter 1230”), in connection with the statewide restructuring of the Commonwealth’s transportation funding arrangements and which legislation changed the Additional Motor Vehicles Fuels Tax from its previous tax rate to the current consumer price index adjusted rate of 7.7 cents per gallon on gasoline and gasohol and 7.8 cents for diesel fuels.

No assurance can be given that the General Assembly will not take action in the future that could activate the sunset provisions of Chapter 766 or Chapter 1230, 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(s). In such event, it is possible that the rights of Bondholders under the Indenture could be impaired without any recourse by either Bondholders or the Commission.

TIFIA Revenue Sharing Trigger Event. The TIFIA Loan Agreements each provide that, following a Revenue Sharing Trigger Event, prepayment of the TIFIA Loans 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 as of any date on which Subordinate Obligations issued to the TIFIA Lender are Outstanding, and both of the following exist: (a) HRTAC or VDOT, on behalf of the 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers as described in paragraphs FIRST through TENTH under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds” herein and clauses (i) through (iv) under “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2022B BONDS – Flow of Funds – Application of Amounts in the General Fund” herein (in that order). If a Revenue Sharing Trigger Event occurs and obligations to TIFIA become due earlier in time than otherwise required by the TIFIA Loan Agreements, 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 the CTB does not cause VDOT to satisfy its obligations under its Standard Project Agreements or PAFA 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 2022B 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 2022B Bonds.

Commonwealth of Virginia Official Policy to Promote the Use of Motor Vehicles That Utilize Alternative Fuels. Virginia Code Section 67-102 (entitled “Commonwealth Energy Policy”) makes it the official policy of the Commonwealth to “[p]romote the use of motor vehicles that utilize alternate fuels.” Hence, the Virginia General Assembly has made it the official policy of the Commonwealth to promote the use of motor vehicles that do not generate motor fuels taxes, including Additional Motor Vehicle Fuels Taxes. This could negatively impact the long-term viability of the Additional Motor Vehicles Fuel Sales Taxes.

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 2022B Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2022B Bonds will not have an adverse effect on the tax status of the interest on the Series 2022B Bonds or the market value or marketability of the Series 2022B 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 2022B Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, investors in the Series 2022B 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 2022B Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2022B Bonds may be affected and the ability of holders to sell their Series 2022B Bonds in the secondary market may be reduced. The Series 2022B Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2022B Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2022B Bonds.

No Assurance of Funds under Successor 2019/2021 TIFIA Loan Agreement

It is anticipated that the Series 2022A Notes will be paid at their maturity from a disbursement made to HRTAC under the Successor 2019/2021 TIFIA Loan Agreement. There are numerous conditions

that must be satisfied by HRTAC in connection with the requisitioning of moneys under the Successor 2019/2021 TIFIA Loan Agreement, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. There can be no assurances that all such conditions to disbursement will be satisfied and thus no assurances that such funds will be available under the Successor 2019/2021 TIFIA Loan Agreement for HRTAC to reimburse itself for eligible project costs or to pay the Series 2022A Notes. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the Successor 2019/2021 TIFIA Loan Agreement or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. If HRTAC does not meet the conditions for disbursement of moneys under the Successor 2019/2021 TIFIA Loan Agreement, the Series 2022A Notes will need to be paid from the HRTAC Revenues, subject to the prior application of such funds to pay scheduled debt service on Senior Bonds, or from proceeds of Additional Bonds issued under the Master Indenture. No assurance can be given that HRTAC will be able to pay such debt service from the HRTAC Revenues, or access the credit markets for the issuance of Additional Bonds, in the event it cannot requisition moneys under the Successor 2019/2021 TIFIA Loan Agreement.

No Assurance of Funds Under 2021 HRTF TIFIA Loan Agreement

Similarly, it is anticipated that the Series 2021A Notes will be paid at their maturity from a disbursement made to HRTAC under the 2021 HRTF TIFIA Loan Agreement. There are numerous conditions that must be satisfied by HRTAC to execute the 2021 HRTF TIFIA Loan Agreement and in connection with the requisitioning of moneys under the 2021 HRTF TIFIA Loan Agreement, including certain conditions relating to third parties, such as VDOT, over which HRTAC has no control. There can be no assurances that all such conditions to disbursement will be satisfied and thus no assurances that such funds will be available under the 2021 HRTF TIFIA Loan Agreement for HRTAC to reimburse itself for eligible project costs or to pay the Series 2021A Notes. In addition, the TIFIA Lender may refuse to honor a requisition if, among other things, an event of default under the 2021 HRTF TIFIA Loan Agreement or certain other material contracts has occurred and is continuing, or if HRTAC or certain other parties are not in compliance with federal law or their obligations under certain material contracts. If HRTAC does not meet the conditions for disbursement of moneys under the 2021 HRTF TIFIA Loan Agreement, the Series 2021A Notes will need to be paid from the HRTAC Revenues. No assurance can be given that HRTAC will be able to pay such debt service from the HRTAC Revenues, or access the credit markets for the issuance of Additional Bonds, in the event it cannot requisition moneys under the 2021 HRTF TIFIA Loan Agreement.

HRTF Transfers To Support Toll Financing

As described above, HRTF Revenues, to the extent available in the General Fund, are to be used to provide support for the TIFIA Series 2021 Toll Bond issued under the Master Toll Indenture. Should toll revenues under the Express Lanes Network produce less net toll revenue than is expected, HRTF Transfers may be required under the terms of the Master Toll Indenture and the TIFIA Series Supplement. Although such HRTF Transfers are to be made from available amounts in the General Fund, to the extent of any such HRTF Transfers, there would be a corresponding decrease in amounts in the General Fund that otherwise would be available to make up deficiencies in the Debt Service Funds established under the Indenture or that would be used to make PayGo project expenditures.

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 2022B 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 2022B Bonds may be materially and adversely affected.

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 2022B 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 2022B 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 ("Chapter 9") 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 2022B 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 Bondholders) 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 Bondholders from funds in its possession. These restrictions may result in delays or reductions in payments on the Series 2022B Bonds. Should the Commission become the debtor in a bankruptcy case, the holders of the Series 2022B 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 Bondholders to compel payments on the Series 2022B Bonds from such “Special Revenues.” In any case, there could be delays or reductions in payments on the Series 2022B Bonds or losses to Bondholders. 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 2022B 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 2022B 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 2022B Bonds constitute a new issue. No assurance can be given as to the development or liquidity of any market for the Series 2022B Bonds. If an active public market does not develop, the market price and liquidity of the Series 2022B 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, 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. The lasting economic effects of the COVID-19 pandemic and governmental and private sector responses that followed could have severe, negative repercussions upon HRTAC’s revenue and capital sources, including market disruptions in the financial

sector and potential effects on the cost and duration of its funded projects in addition to the tax base upon which the HRTF relies. There can be no assurance that negative impacts attributable to economic factors will not materially adversely affect the availability of revenues in the HRTF and impede the ability of HRTAC to receive transfers from the HRTF. See [Appendix D](#)

Risk Arising from Operating and Maintenance Burdens on Commonwealth

The HRTAC Act does not permit HRTAC to include in its budget any funds to independently operate and maintain funded projects or to perform any transportation service; therefore, HRTAC has no control over the long-term impact of its spending on future obligations of the Commonwealth. This could result in future budgetary and political conditions that are difficult to predict, but may have a material adverse impact on HRTAC, the HRTF Revenues and HRTAC's ability over the long term to support debt service payments on the Senior Bonds.

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 2022B 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 2022B Bonds and could directly impact or damage Commission-funded facilities. 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.

Reduced Fuel Prices and Fuel Usage May Reduce Additional Motor Vehicle Fuels Tax Revenues

The availability of Additional Motor Vehicle Fuels Tax revenue is dependent on several economic factors. The revenues received from 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 Planning District 23 localities in which such tax is collected, the Commonwealth and the United States, economic growth or recessions, population growth, trends or changes in housing and business concentrations, income and employment levels, levels of tourism, weather conditions, fuel prices, road conditions, and the availability of alternate modes of transportation. The economic recession that commenced with the COVID-19 pandemic could have severe, negative repercussions upon Additional Motor Vehicle Fuels Tax and capital sources, including market disruptions in the financial sector and potential effects on the cost and duration of HRTF funded projects, in addition to the tax base from which the Additional Motor Vehicle Fuels Tax is derived. There can be no assurance that negative impacts attributable to economic factors will not materially adversely affect the availability of Additional Motor Vehicle Fuels Tax and impede the ability of HRTAC to make timely payments on the Series 2022B Bonds.

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.

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 2022B 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 2022B 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 or Other Liens

Payment of the principal of and interest on the Series 2022B Bonds is not secured by any deed of trust, mortgage or other lien on any of the Initial Financed Projects, the HRBT Expansion Project, any equipment or other tangible personal property of HRTAC or VDOT, or any property of 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 2022B 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 2022B Bonds at a price in excess of their principal amount should consider the fact that the Series 2022B 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 2022B Bonds – Redemption Provisions.”

No Redemption of Bonds in the Event of Taxability

The Series 2022B 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 2022B Bonds includable in the gross income of the owners of the Series 2022B 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 2022B Bonds in the event of such an occurrence.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B 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 2022B Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2022B Bonds. Failure by the Commission to comply with such covenants, among other things, could cause interest on the Series 2022B Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue.

Original Issue Premium

Series 2022B 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 2022B Bonds must be reduced by the amount of premium which accrues while such Series 2022B Bonds is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2022B Bonds while so held. Purchasers of such Series 2022B 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 2022B Bonds.

[Original Issue Discount

The initial public offering prices of the Series 2022B Bonds will not be less than their stated principal amount. Therefore, interest on the Series 2022B Bonds will not include any accrued original issue discount.]

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2022B 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 2022B Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 2022B Bonds should consult their own tax advisors as to the status of interest on the Series 2022B 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 2022B Bonds, under current Service procedures, the Service will treat the Commission as the taxpayer and the owners of the Series 2022B 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 2022B Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2022B 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, changed both corporate and individual tax rates and eliminated tax-exempt 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 2022B Bonds, regulatory interpretation of the Tax Code or actions by a court involving either the Series 2022B Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2022B 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 2022B 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 2022B Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2022B 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 2022B 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 2022B 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 2022B Bonds.

RATINGS

Moody's Investor Service ("Moody's") and S&P Global Ratings ("S&P") have given the Series 2022B Bonds the ratings of "___" and "___," respectively. The Commission requested that the Series 2022B 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 2022B 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 2022B Bonds.

FINANCIAL STATEMENTS

The audited financial statements of the Commission for the Fiscal Year ended June 30, 2021 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.

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 2022B 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 matters unrelated to the Series 2022B Bonds or one or more of the Member Localities in matters unrelated to HRTAC. _____, counsel to the Underwriters, from time to time represents the Trustee in transactions unrelated to the Series 2022B Bonds or one or more of the Member Localities in matters unrelated to HRTAC.

UNDERWRITING

The Series 2022B 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 2022B Bonds at an aggregate purchase price of \$ _____ (representing the sum of the \$ _____ par amount of the Series 2022B Bonds, [plus] [less] original issue [premium] [discount] of \$ _____, less an underwriting discount of \$ _____ on such Series 2022B 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 2022B Bonds if any are purchased. The Underwriters may offer and sell the Series 2022B Bonds to certain dealers (including dealers depositing the Series 2022B 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.

[Insert underwriter distribution agreement language.]

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 2022B 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 2022B 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.

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 2022B 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 2022B SERIES SUPPLEMENT**

**DEFINITIONS AND SUMMARIES OF THE MASTER INDENTURE
AND THE 2022B SERIES SUPPLEMENT**
[To Be Updated]

Set forth below are definitions of certain terms contained in the Master Indenture or the 2022B Series Supplement, followed by summaries of certain provisions of the Master Indenture and the 2022B 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 2022B 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:

“2022B Bonds” means the Series of Senior Bonds authorized to be issued under the 2022B Series Supplement.

“2022B Bond Debt Service Fund” means the Bond Debt Service Fund Related to the Series 2022B Bonds established pursuant to the Master Indenture and the 2022B Series Supplement.

“2022B Cost of Issuance Fund” means the Cost of Issuance Fund Related to the Series 2022B Bonds established pursuant to the Master Indenture and the 2022B Series Supplement.

“2022B Project Fund” means the Project Fund Related to the Series 2022B Bonds established pursuant to the Master Indenture and the 2022B Series Supplement.

“2022B Rebate Fund” means the Rebate Fund Related to the Series 2022B Bonds established pursuant to the Master Indenture and the 2022B Series Supplement.

“2022B Series Supplement” or “Ninth Series Supplement” means the Ninth Supplemental Indenture of Trust dated as of _____, 2022, between HRTAC and the Trustee, being a Series Supplement with respect to the Series 2022B Bonds pursuant to the provisions of the Master Indenture.

“2022B 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 2022B 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 that 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 HRTAC Revenues -- remaining each month after the transfers described in paragraphs FIRST through TENTH under the heading “Revenue Fund and Flow of Funds – Revenue Fund” in this Appendix and paragraphs FIRST through FOURTH under the heading “Revenue Fund and Flow of Funds – General Fund” in this Appendix (in that order) 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 TIFIA Loan Agreements) by HRTAC upon the early termination of all or a portion of the Hedging Agreements (as defined in the TIFIA Loan Agreements), 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.

“Pledged Revenues” means the HRTAC Revenues and 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 the Master Indenture and the Series Supplements.

“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 both of the following exist: (a) HRTAC or VDOT, on behalf of the 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, and (b) for so long as the 2021 TIFIA Toll Obligation remains Outstanding, the unencumbered amount on deposit in the General Fund (after taking into account any HRTF Transfers required to be made as of such date or within the next twelve (12 months)) is greater than \$50,000,000 after making the deposits or transfers described in paragraphs FIRST through TENTH under the heading “Revenue Fund and Flow of Funds – Revenue Fund” in this Appendix and paragraphs FIRST through FOURTH under the heading “Revenue Fund and Flow of Funds – General Fund” in this Appendix (in that order) .

“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 TIFIA Loans and any Additional TIFIA Loans (as defined in the TIFIA Loan Agreements) 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; and

ELEVENTH: 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 as follows:

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;

SECOND: To make HRTF Transfers;

THIRD: To pay any Bond Credit Provider or DSRF Credit Provider any Excess Interest owed due to a drawing on any applicable Bond Credit Facility or DSRF Credit Facility or any additional interest, fees, fines or other penalties owed as a result of a default on any applicable Bond Credit Facility or DSRF Credit Facility;

FOURTH: To the payment of expenditures for capital improvements with respect to any Project;

FIFTH: For deposit into the TIFIA Revenue Sharing Account, the amount, if any, as may be required under applicable Series Supplements, in an amount equal to Excess Revenues for such month; and

SIXTH: To any other lawful purpose approved by resolution of HRTAC.

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 2022B SERIES SUPPLEMENT

Authorization and Details of 2022B Bonds

The 2022B Series Supplement authorizes the issuance pursuant to the Master Indenture of the Series 2022B Bonds. The details as to principal, interest, and redemption terms are set forth in the 2022B Series Supplement and are consistent with the provisions of the Series 2022B Bonds as described in the Official Statement.

Establishment of Funds

The 2022B Series Supplement creates the following funds to be held by the Trustee:

1. the 2022B Cost of Issuance Fund;
2. the 2022B Project Fund;
3. the 2022B Bond Debt Service Fund; and
4. the 2022B Rebate Fund.

On the date of issuance of the Series 2022B Bonds, the Trustee shall apply the amounts received from the underwriters of the Series 2022B Bonds in payment therefor to the 2022B Cost of Issuance Fund, and the 2022B Project Fund as provided in the 2022B Series Supplement.

The money and investments held in the 2022B Project Fund and in the 2022B Bond Debt Service Fund are pledged to secure the Series 2022B Bonds.

Cost of Issuance Fund

HRTAC shall apply the amounts in the 2022B Cost of Issuance Fund to pay the issuance and financing costs of the Series 2022B Bonds. Any amount deposited in the 2022B Cost of Issuance Fund that is not applied in accordance with the Master Indenture to pay the costs of issuance of the Series 2022B 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 2022B Project Fund to the payment or reimbursement of the costs of certain projects as directed by HRTAC. Disbursements from the 2022B 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 2022B Series Supplement.

Escrow Fund

[To be updated.]

Bond Debt Service Fund

Each monthly transfer into the 2022B 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 2022B Bonds on the next ensuing Interest Payment Date, plus (ii) one-twelfth of the principal due on the Series 2022B 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 2022B 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 2022B Bonds except in accordance with the 2022B 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 2022B 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 2022B Bonds or any other funds of HRTAC or take or omit to take any action that would cause the Series 2022B 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 2022B Bonds.

The Trustee agrees to comply with all written instructions of an HRTAC Representative given in accordance with the 2022B Tax Regulatory Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2022B 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 2022B Series Supplement.

Notwithstanding any provisions of the 2022B 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 2022B Series Supplement by incorporation or otherwise is not required or is no longer require to maintain the excludability from gross income of the interest on the Series 2022B 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 2022B Series Supplement.

FINANCIAL STATEMENTS OF HRTAC FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated _____, 2022 (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 Lien Revenue Bonds, Series 2022B (the “Series 2022B 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 2022B Bonds and in order to assist the original purchasers of the Series 2022B 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 2022B Bonds in (A) Table I: “Historical Hampton Roads Transportation Fund Revenues,” (B) Appendix E, Table 1: “HRTF Revenues,” (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[2].

(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 2022B 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 2022B Bonds, or other material events affecting the tax status of the Series 2022B 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 2022B Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2022B 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 2022B 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 2022B 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 2022B Bonds or the Master Indenture of Trust, and any supplement thereto, providing for the issuance of the Series 2022B Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

^{*} “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.

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: _____
Donnie R. Tuck, Chair

By: _____
Kevin B. Page, Executive Director

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

APPENDIX E

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 Series 2022B 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 Series 2022B Bonds. The Series 2022B 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 Series 2022B Note certificate will be issued for the Series 2022B 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 Series 2022B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022B 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 Series 2022B 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 Series 2022B Bonds, except in the event that use of the book-entry system for the Series 2022B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022B 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 Series 2022B 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 Series 2022B Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2022B 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 Series 2022B 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 Series 2022B 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 Series 2022B 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 Series 2022B 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, Series 2022B Note 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, Series 2022B Note 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 Series 2022B 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 Series 2022B 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 Series 2022B 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 Series 2022B Bonds without the consent of Beneficial Owners or Bondholders.

Agenda Item 6A
Discussion Item

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

From: Kevin B. Page, Executive Director

Date: March 15, 2022

Re: HRTF and HRRTF 2045 Long Range Plan of Finance Update for the Region's High Priority Projects and the Hampton Roads Regional Transit Fund

Recommendation:

HRTAC Staff and advisors are in the process of developing a 2045 Long Range Plan of Finance Update. Staff is requesting that the Finance Committee provide input to the development of the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects, including Highway Projects and Transit Projects.

Background:

Four 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 to develop a 2045 Long Range Plan of Finance Update for the HRTAC High Priority Highway and Transit Projects. In preparation for this discussion item, HRTAC efforts have included employing financial consultant services, general and bond counsel, and included input provided by VDOT, HRTAC, HRT, and HRTPO Staff. HRTAC Staff and advisors will provide an overview of new information and receive input from the Finance Committee. As a next step following this discussion item, HRTAC Staff and advisors will develop the Proposed 2045 Long Range Plan of Finance Update for the HRTAC Highway and Transit High Priority Projects for consideration at a future Finance Committee meeting.

Fiscal Impact:

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

Suggested Motion:

Motion: There no motion contemplated for this discussion item.





**HAMPTON ROADS TRANSPORTATION FUND and
 HAMPTON ROADS REGIONAL TRANSIT FUND
 FINANCIAL REPORTS
 FY2014 – FY2022
 Period Ending November 30, 2021**

The HRTAC staff has prepared the attached November 2021 financial report based on data received to date from the Virginia Department of Transportation.

<u>Revenues</u>	<u>Inception to Nov 2021</u>	<u>FY2022 YTD</u>	<u>November 2021</u>
Total Gross Revenues¹	4,454,436,487	1,117,227,333	20,723,787
State Sales & Use Tax	1,169,699,739	74,914,563	15,214,446
Local Fuels Tax	380,225,482	25,484,432	4,723,160
Regional Transportation Fees	11,456,326	3,900,864	763,437
Transient Occupancy Tax	5,791,891	4,320,200	379,615
Annual Recordation Tax Distribution	40,000,000	20,000,000	-
Interest	4,500,354	133,137	26,307
Investment Income	73,300,713	(295,815)	(383,178)
Bond Proceeds	2,769,461,982	988,769,952	-
<u>Expenditures</u>	<u>Inception to Nov 2021</u>	<u>FY2022 YTD</u>	<u>November 2021</u>
Total Expenditures	2,025,649,099	184,804,667	50,958,990
Projects	1,871,173,044	157,500,344	45,568,181
DMV & DOT Admin. Fees	976,654	-	-
Investment Fees	1,689,313	98,203	18,984
Bond Interest Expenses	135,082,391	24,239,234	4,913,362
Operating Expenses	16,727,697	2,966,886	458,463
<u>Cash Balance</u>			
November 30, 2021 Ending Cash/Cash Equivalents			2,428,787,388
<u>Encumbered Balance</u>			
Balance of Encumbered (through FY2027)			2,824,533,609
Allocation			4,695,706,652
Less: Project Expenditures			1,871,173,043

1 Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in previous periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues.

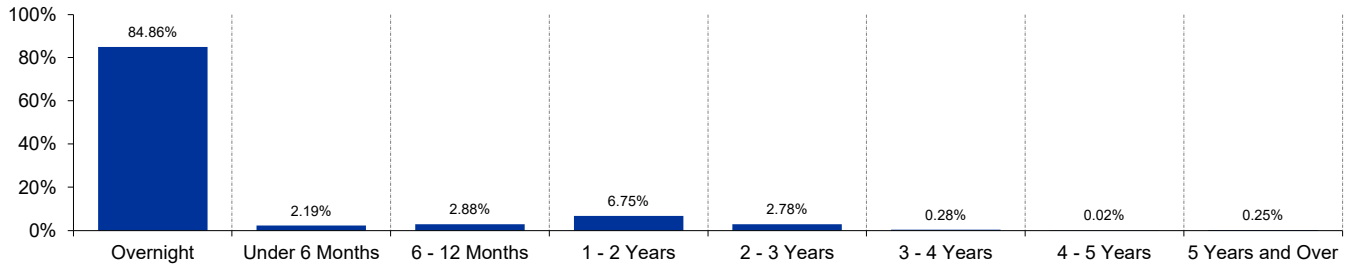
Hampton Roads Transportation Fund

Summary of Cash and Investments

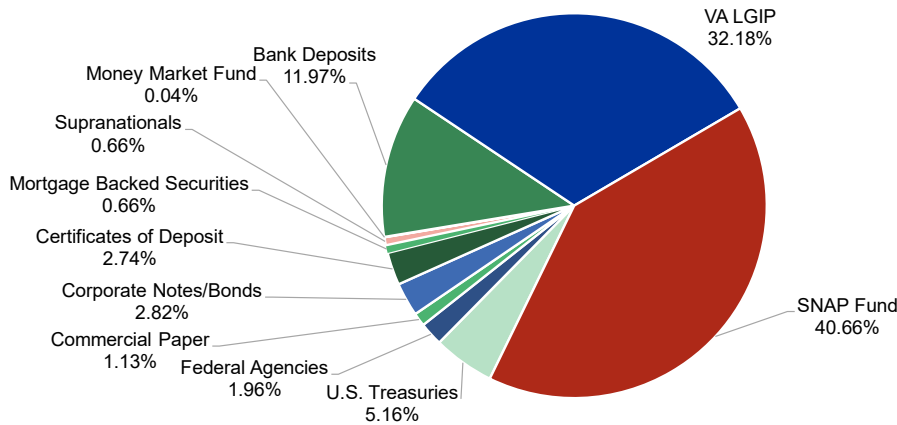
For November 2021

Portfolio	Yield at Cost	Yield at Market	Balances at Cost	Balances at Market	% of Total
Union Checking	0.00%	0.00%	1,000,000	1,000,000	0.04%
Union Sweep	0.10%	0.10%	6,902,215	6,902,215	0.30%
Union Money Market	0.10%	0.10%	3,127	3,127	0.00%
Union General	0.10%	0.10%	267,727,007	267,727,007	11.63%
VA LGIP	0.07%	0.07%	740,881,771	740,881,771	32.18%
Enhanced Cash Portfolio	0.40%	0.48%	212,746,313	211,892,470	9.20%
Core Portfolio	0.64%	0.71%	138,048,504	137,539,126	5.97%
SNAP Fund	0.06%	0.06%	936,067,383	936,067,383	40.66%
Total			\$ 2,303,376,320	\$ 2,302,013,099	100.00%

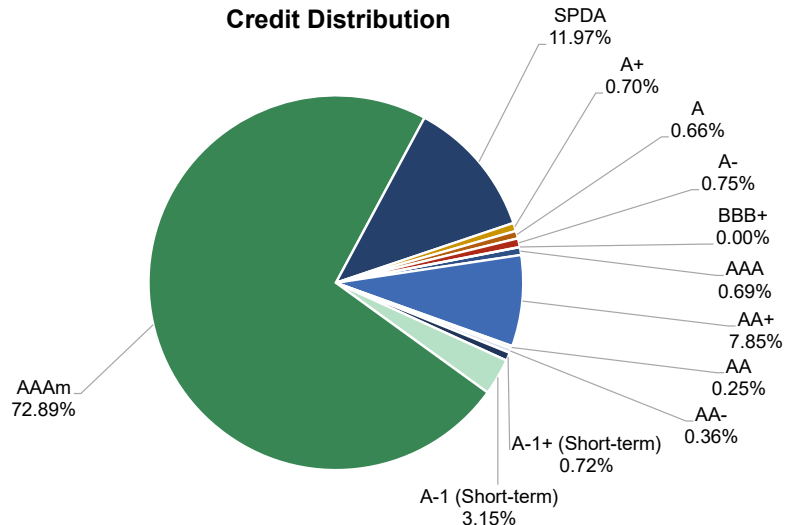
Total Maturity Distribution



Sector Distribution



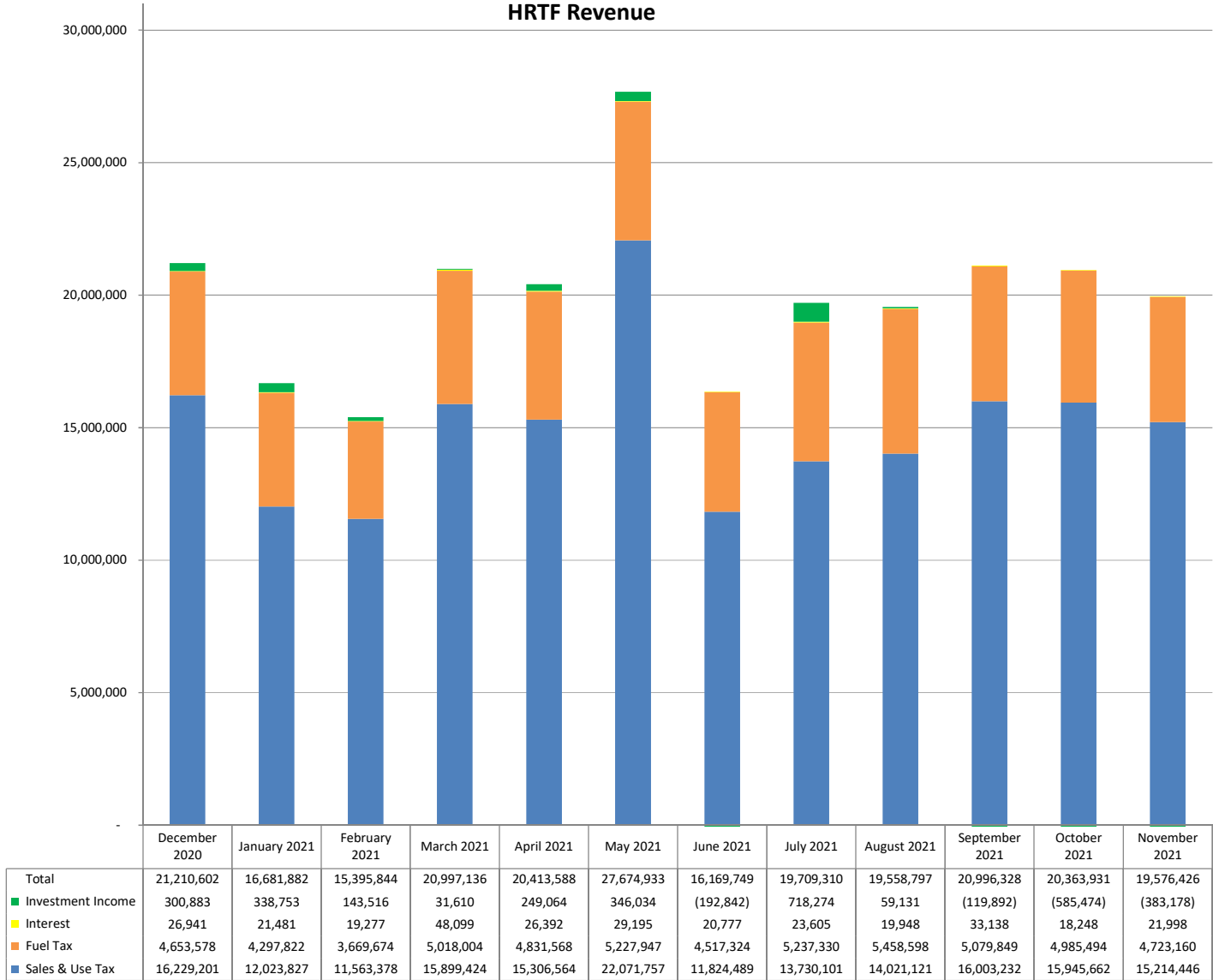
Credit Distribution



All charts are based on market value as of 11/30/21

This material is for general informational purposes only and is not intended to provide specific advice or a specific recommendation.

HRTF Revenue



Notes: November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.
 January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.
 February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.
 June 2019 Sales & Use Tax includes \$7,424,592 of FY2019 AST Estimated Sales & Use Tax revenue.

Hampton Roads Transportation Fund (HRTF)
Interest and Investment Income
Inception - November 2021

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
HRTF Interest Income	\$ 363,854	\$ 1,027,959	\$ 272,261	\$ 291,738	\$ 321,499	\$ 1,000,093	\$ 669,108	\$ 363,660	\$ 116,937	\$ 4,427,110
HRTF Investment Income	<u>-</u>	<u>368,310</u>	<u>3,993,773</u>	<u>980,870</u>	<u>8,868,404</u>	<u>29,869,111</u>	<u>26,275,750</u>	<u>3,240,310</u>	<u>(311,140)</u>	<u>73,285,387</u>
Total	<u>\$ 363,854</u>	<u>\$ 1,396,269</u>	<u>\$ 4,266,033</u>	<u>\$ 1,272,608</u>	<u>\$ 9,189,903</u>	<u>\$ 30,869,204</u>	<u>\$ 26,944,858</u>	<u>\$ 3,603,970</u>	<u>\$ (194,203)</u>	<u>\$ 77,712,497</u>

Notes:

"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

"HRTF Investment Income" in FY2019 and FY2020 includes income from PFMAM (US Bank) core and enhanced cash, LGIP, and SNAP accounts. FY2014-2018 totals also include income from Sterling and Union Bank.

Hampton Roads Transportation Fund (HRTF)
Total of HRTF Revenue and Expenditures Activities
Summary

	Gross Revenue						Expenditures						Cumulative Balance 7/1/13 - 11/30/21
	Sales & Use Tax	Fuels Tax	Interest	Investment Income	Bond Proceeds	Total	Projects	Dept of Tax Admin Fee	Investment Fees	Bond Expenses	Operating Expenses	Total	
<i>July 2013 - November 2020</i>	\$ 989,866,536	\$ 322,525,134	\$ 4,118,011	\$ 72,373,854	\$ 1,780,692,030	\$ 3,169,575,564	\$ 1,192,236,949	\$ 909,464	\$ 1,454,995	\$ 87,451,986	\$ 11,746,889	\$ 1,293,800,281	1,875,775,283
<i>December 2020</i>	16,229,201	4,653,578	26,941	300,883	-	21,210,602	40,094,296	-	19,419	(3,616,091)	318,348	36,815,972	1,860,169,912
<i>January 2021</i>	12,023,827	4,297,822	21,481	338,753	-	16,681,882	28,145,029	-	19,643	6,233,335	225,223	34,623,231	1,842,228,564
<i>February 2021</i>	11,563,378	3,669,674	19,277	149,173	-	15,401,501	94,312,591	-	17,812	6,233,335	155,574	100,719,313	1,756,910,753
<i>March 2021</i>	15,899,424	5,018,004	48,099	31,610	-	20,997,136	63,185,283	-	19,931	6,233,335	111,006	69,549,556	1,708,358,333
<i>April 2021</i>	15,306,564	4,831,568	26,392	249,064	-	20,413,588	58,742,722	-	19,468	6,233,335	210,561	65,206,087	1,663,565,834
<i>May 2021</i>	22,071,757	5,227,947	29,195	346,034	-	27,674,933	56,889,549	-	20,245	6,233,335	101,938	63,245,068	1,627,995,700
<i>June 2021</i>	11,824,489	4,517,324	20,777	(192,842)	-	16,169,749	179,466,747	67,190	19,596	(4,159,414)	724,897	176,119,017	1,468,046,432
<i>July 2021</i>	13,730,101	5,237,330	23,605	718,274	-	19,709,310	-	-	20,216	4,501,211	65,198	4,586,624	1,483,169,117
<i>August 2021</i>	14,021,121	5,458,598	19,948	59,131	-	19,558,797	29,247,513	-	20,242	4,501,211	237,386	34,006,351	1,468,721,563
<i>September 2021</i>	16,003,232	5,079,849	33,138	(119,892)	988,769,952	1,009,766,281	37,799,809	-	19,329	5,410,088	1,500,077	44,729,303	2,433,758,541
<i>October 2021</i>	15,945,662	4,985,494	18,248	(570,149)	-	20,379,256	44,884,841	-	19,433	4,913,362	692,328	50,509,964	2,403,627,832
<i>November 2021</i>	15,214,446	4,723,160	21,998	(383,178)	-	19,576,426	45,568,181	-	18,984	4,913,362	457,040	50,957,567	2,372,246,692
<i>Total 12 Months</i>	\$ 179,833,203	\$ 57,700,348	\$ 309,099	\$ 926,859	\$ 988,769,952	\$ 1,227,539,461	\$ 678,336,564	\$ 67,190	\$ 234,317	\$ 47,630,405	\$ 4,799,575	\$ 731,068,051	
<i>Grand Totals</i>	\$ 1,169,699,739	\$ 380,225,482	\$ 4,427,110	\$ 73,300,713	\$ 2,769,461,982	\$ 4,397,115,025	\$ 1,870,573,512	\$ 976,653	\$ 1,689,313	\$ 135,082,391	\$ 16,546,464	\$ 2,024,868,333	
Less Balance of Encumbered (through FY2027)													\$ (2,787,991,044)
Total Net Available*													\$ (415,744,352)

Notes:

* Total Net Available does not include TIFIA loans not drawn on or HRTF future revenues through FY2027.

Table 1 - Total HRTF Revenues
Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use Taxes and Fuels Taxes
Fiscal Year 2022

Locality	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>Chesapeake</i>	\$ 266,103,968	\$ 14,074,222	\$ 3,778,360	\$ 17,852,582	\$ 283,956,550
<i>Franklin</i>	15,887,289	794,510	208,775	1,003,285	16,890,574
<i>Hampton</i>	105,769,245	5,762,343	1,456,713	7,219,056	112,988,302
<i>Isle of Wight</i>	23,105,977	1,256,734	310,896	1,567,631	24,673,608
<i>James City</i>	62,885,144	3,577,145	992,506	4,569,651	67,454,796
<i>Newport News</i>	154,446,946	8,081,406	2,096,922	10,178,328	164,625,274
<i>Norfolk</i>	203,710,857	10,964,085	2,741,046	13,705,131	217,415,988
<i>Poquoson</i>	3,888,635	227,618	64,461	292,079	4,180,714
<i>Portsmouth</i>	51,763,311	2,817,787	709,119	3,526,906	55,290,217
<i>Southampton</i>	7,632,617	395,541	109,617	505,157	8,137,774
<i>Suffolk</i>	76,263,338	4,329,913	1,139,758	5,469,671	81,733,009
<i>Virginia Beach</i>	385,270,813	23,491,266	5,188,343	28,679,609	413,950,422
<i>Williamsburg</i>	28,954,564	1,185,156	281,991	1,467,147	30,421,711
<i>York</i>	63,843,522	3,503,663	859,097	4,362,761	68,206,283
Total ^d	<u>1,449,526,226</u>	<u>80,461,388</u>	<u>19,937,606</u>	<u>100,398,994</u>	<u>1,549,925,220</u>
Interest ^a	4,310,173	94,939	21,998	116,937	4,427,110
Investment Income ^b	73,596,527	87,364	(383,178)	(295,815)	73,300,713
Bond Proceeds	<u>1,780,692,030</u>	<u>988,769,952</u>	-	<u>988,769,952</u>	<u>2,769,461,982</u>
Total Revenues	<u>3,308,124,956</u>	<u>1,069,413,643</u>	<u>19,576,426</u>	<u>1,088,990,069</u>	<u>4,397,115,025</u>
Project Expenses	(1,713,073,167)	(111,932,163)	(45,568,181)	(157,500,344)	(1,870,573,512)
DMV & Dept. of Tax Admin Fees	(976,653)	-	-	-	(976,653)
Investment Fees (PFMAM)	(1,591,109)	(79,219)	(18,984)	(98,203)	(1,689,313)
Bond Interest Expenses ^e	(110,843,157)	(19,325,871)	(4,913,362)	(24,239,234)	(135,082,391)
Operating Expense	<u>(13,594,435)</u>	<u>(2,494,989)</u>	<u>(457,040)</u>	<u>(2,952,028)</u>	<u>(16,546,463)</u>
Cash Balance	\$ <u>1,468,046,432</u>	\$ <u>935,581,400</u>	<u>(31,381,141)</u>	\$ <u>904,200,260</u>	\$ <u>2,372,246,692</u>
Less Balance of Encumbered	<u>(2,945,491,388)</u>				<u>(2,787,991,044)</u>
Net Available Cash	\$ <u>(1,477,444,956)</u>				\$ <u>(415,744,352)</u>
Updated forecast ^c	<u>1,399,854,685</u>	<u>69,778,668</u>	<u>15,723,505</u>	<u>85,502,173</u>	<u>1,485,356,858</u>
Total Revenue - Forecast (under)/over	\$ <u>49,671,541</u>	\$ <u>10,682,720</u>	\$ <u>4,214,101</u>	\$ <u>14,896,821</u>	\$ <u>64,568,361</u>

Notes:

^a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

^b FY2019 and FY2020 include income from PFMAM (US Bank), LGIP, and SNAP accounts. FY2014-2018 includes income from Sterling and Union Bank.

^d Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2022

Locality	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>Chesapeake</i>	\$ 199,026,505	\$ 10,242,239	\$ 2,928,023	\$ 13,170,262	\$ 212,196,767
<i>Franklin</i>	8,305,493	374,681	104,355	479,035	8,784,528
<i>Hampton</i>	77,006,417	3,969,496	1,035,994	5,005,490	82,011,907
<i>Isle of Wight</i>	13,314,438	790,081	226,701	1,016,782	14,331,220
<i>James City</i>	51,818,316	2,818,521	807,163	3,625,685	55,444,001
<i>Newport News</i>	120,158,841	6,064,223	1,630,300	7,694,523	127,853,364
<i>Norfolk</i>	159,545,962	8,241,005	2,119,470	10,360,475	169,906,437
<i>Poquoson</i>	2,785,976	174,154	53,059	227,213	3,013,189
<i>Portsmouth</i>	35,946,617	1,937,913	511,723	2,449,636	38,396,252
<i>Southampton</i>	3,268,679	162,525	50,161	212,686	3,481,366
<i>Suffolk</i>	49,410,649	2,728,632	759,443	3,488,074	52,898,723
<i>Virginia Beach</i>	303,628,218	18,746,380	4,119,224	22,865,604	326,493,822
<i>Williamsburg</i>	22,410,873	875,401	213,744	1,089,145	23,500,017
<i>York</i>	48,158,193	2,574,866	655,087	3,229,953	51,388,145
Total ¹	<u>\$ 1,094,785,176</u>	<u>\$ 59,700,117</u>	<u>\$ 15,214,446</u>	<u>\$ 74,914,563</u>	<u>\$ 1,169,699,739</u>
Updated Forecast	<u>1,043,862,676</u>	<u>48,571,869</u>	<u>10,675,070</u>	<u>59,246,939</u>	<u>1,103,109,615</u>
Diff(under)/over	50,922,500	11,128,248	4,539,376	15,667,624	66,590,124

1 Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2022

Locality	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>Chesapeake</i>	\$ 67,077,466	\$ 3,831,983	\$ 850,337	\$ 4,682,320	\$ 71,759,786
<i>Franklin</i>	7,581,798	419,829	104,420	524,249	8,106,047
<i>Hampton</i>	28,762,830	1,792,847	420,720	2,213,567	30,976,396
<i>Isle of Wight</i>	9,791,540	466,653	84,195	550,848	10,342,388
<i>James City</i>	11,066,824	758,624	185,343	943,967	12,010,791
<i>Newport News</i>	34,288,108	2,017,183	466,622	2,483,805	36,771,913
<i>Norfolk</i>	44,164,893	2,723,080	621,576	3,344,656	47,509,549
<i>Poquoson</i>	1,102,659	53,464	11,402	64,866	1,167,525
<i>Portsmouth</i>	15,816,700	879,874	197,397	1,077,270	16,893,970
<i>Southampton</i>	4,363,938	233,015	59,456	292,471	4,656,409
<i>Suffolk</i>	26,852,698	1,601,281	380,316	1,981,597	28,834,295
<i>Virginia Beach</i>	81,642,586	4,744,886	1,069,119	5,814,005	87,456,591
<i>Williamsburg</i>	6,543,686	309,755	68,247	378,002	6,921,688
<i>York</i>	15,685,325	928,798	204,010	1,132,808	16,818,134
Total ¹	<u>\$ 354,741,050</u>	<u>\$ 20,761,271</u>	<u>\$ 4,723,160</u>	<u>\$ 25,484,432</u>	<u>\$ 380,225,482</u>
Updated Forecast	<u>355,992,009</u>	<u>21,206,799</u>	<u>5,048,435</u>	<u>26,255,234</u>	<u>382,247,243</u>
Diff(under)/over	(1,250,959)	(445,528)	(325,275)	(770,802)	(2,021,761)

Note: November 2018 Wholesale Fuels Tax revenue included a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

¹ Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)

Allocations

Fiscal Year 2022

Project	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905 - Segment 1 - Construction</i>	\$ 11,608,385	\$ -	\$ -	\$ -	\$ 11,608,385
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	175,832,897	-	-	-	175,832,897
<i>UPC 109790/106689 - Segment 3 - PE</i>	10,000,000	-	-	-	10,000,000
<i>UPC 109790/106689 - Segment 3 - Construction</i>	112,893,996	-	-	-	112,893,996
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - Phase I - Construction</i>	137,023,653	-	-	-	137,023,653
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	54,592,576	-	-	-	54,592,576
<i>UPC 17630/108041 - Phase II - Construction</i>	73,157,062	-	-	-	73,157,062
<i>UPC 106693 - Phase III - PE & ROW</i>	10,000,000	-	-	-	10,000,000
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	12,200,000	-	-	-	12,200,000
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	419,756,220	-	-	-	419,756,220
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	3,004,569,251	-	-	-	3,004,569,251
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	548,900,330	-	-	-	548,900,330
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
<i>UPC 117840 - Segment 1 Phase 1 - PE</i>	5,621,500	-	-	-	5,621,500
<i>UPC 117839 - Segment 4A/4B Phase 1 - PE</i>	5,916,425	-	-	-	5,916,425
<i>UPC 117841 - Segment 4C Phase 1 - PE</i>	15,421,200	-	-	-	15,421,200
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
<i>UPC 110577 - SEIS</i>	30,000,000	-	-	-	30,000,000
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	7,904,630	-	-	-	7,904,630
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>					
	7,000,000	-	-	-	7,000,000
Total	<u>\$ 4,658,564,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,658,564,556</u>

Table 3 - Expenditures
Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2022

Project	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905/111926 - Segment 1 - PE/Construction</i>	\$ 11,608,384	\$ -	\$ -	\$ -	\$ 11,608,384
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	155,254,086	223	-	223	155,254,309
<i>UPC 109790/106689 - Segment 3 - PE</i>	5,611,689	24,623	-	24,623	5,636,312
<i>UPC 109790/106689 - Segment 3 - Construction</i>	57,467,586	30,031	-	30,031	57,497,617
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - Phase I - Construction</i>	121,035,247	5,547	-	5,547	121,040,794
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	54,592,299	-	-	-	54,592,299
<i>UPC 17630/108041 - Phase II - Construction</i>	49,616,676	27,524	-	27,524	49,644,200
<i>UPC 106693 - Phase III - PE & ROW</i>	2,317,884	6,879	-	6,879	2,324,764
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	12,384,497	-	-	-	12,384,497
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	199,906,667	2,433,223	-	2,433,223	202,339,890
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	935,437,999	108,968,984	35,923,151	144,892,134	1,080,330,134
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	44,329,676	294,160	9,645,030	9,939,190	54,268,866
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
<i>UPC 117840 - Segment 1 Phase 1 - PE</i>	4,133,745	18,148	\$ -	18,148	4,151,894
<i>UPC 117839 - Segment 4A/4B Phase 1 - PE</i>	3,714,819	14,254	-	14,254	3,729,074
<i>UPC 117841 - Segment 4C Phase 1 - PE</i>	3,207,672	64,212	-	64,212	3,271,884
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
<i>UPC 110577 - SEIS</i>	28,800,287	-	-	-	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>					
	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>					
	3,776,804	10,672	-	10,672	3,787,476
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>					
	3,710,718	33,682	-	33,682	3,744,401
Total	\$ 1,713,073,167	\$ 111,932,163	\$ 45,568,181	\$ 157,500,344	\$ 1,870,573,512

Table 3A - Bond-Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Bond Reimbursements

Fiscal Year 2022

Project	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905/111926 - Segment 1 - PE/Construction</i>	\$ 10,063,882	\$ -	\$ -	\$ -	\$ 10,063,882
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	155,254,086	223	-	223	155,254,309
<i>UPC 109790/106689 - Segment 3 - PE</i>	5,611,689	24,623	-	24,623	5,636,312
<i>UPC 109790/106689 - Segment 3 - Construction</i>	57,467,586	30,031	-	30,031	57,497,617
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - Phase I - Construction</i>	121,035,247	5,547	-	5,547	121,040,795
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	54,592,299	-	-	-	54,592,299
<i>UPC 17630/108041 - Phase II - Construction</i>	49,616,675	27,524	-	27,524	49,644,200
<i>UPC 106693 - Phase III - PE & ROW</i>	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	12,384,497	-	-	-	12,384,497
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	199,906,667	2,433,223	-	2,433,223	202,339,890
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	436,991,392	108,968,984	35,923,151	144,892,134	581,883,526
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	5,411,257	294,160	9,645,030	9,939,190	15,350,447
<i>HRELN Segment 1 Phase 1 PE - UPC</i>					
<i>UPC 117840 - Segment 1 Phase 1 - PE</i>	-	-	-	-	-
<i>UPC 117839 - Segment 4A/4B Phase 1 - PE</i>	-	-	-	-	-
<i>UPC 117841 - Segment 4C Phase 1 - PE</i>	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
<i>UPC 110577 - SEIS</i>	-	-	-	-	-
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	-	-	-	-	-
<i>Bowers Hill Interchange Study - UPC 111427</i>	-	-	-	-	-
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	-	-	-	-	-
Total	<u>\$ 1,123,406,341</u>	<u>\$ 111,784,315</u>	<u>\$ 45,568,181</u>	<u>\$ 157,352,496</u>	<u>\$ 1,280,758,837</u>

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Expenditures Fiscal Year 2022

Project	Total FY2014 - FY2021	Previous FY2022	November 2021	Total YTD FY2022	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905/111926 - Segment 1 - PE/Construction</i>	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	-	-	-	-	-
<i>UPC 109790/106689 - Segment 3 - PE</i>	-	-	-	-	-
<i>UPC 109790/106689 - Segment 3 - Construction</i>	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	-	-	-	-	-
<i>UPC 57048/108042 - Phase I - Construction</i>	-	-	-	-	-
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	-	-	-	-	-
<i>UPC 17630/108041 - Phase II - Construction</i>	-	-	-	-	-
<i>UPC 106693 - Phase III - PE & ROW</i>	2,317,884	6,879	-	6,879	2,324,764
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	-	-	-	-	-
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	-	-	-	-	-
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	498,446,607	-	-	-	498,446,607
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	38,918,419	-	-	-	38,918,419
<i>HRELN Segment 1 Phase 1 PE</i>					
<i>UPC 117840 - Segment 1 Phase 1 - PE</i>	4,133,745	18,148	-	18,148	4,151,894
<i>UPC 117839 - Segment 4A/4B Phase 1 - PE</i>	3,714,819	14,254	-	14,254	3,729,074
<i>UPC 117841 - Segment 4C Phase 1 - PE</i>	3,207,672	64,212	-	64,212	3,271,884
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
<i>UPC 110577 - SEIS</i>	28,800,287	-	-	-	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>					
	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>					
	3,776,804	10,672	-	10,672	3,787,476
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>					
	3,710,718	33,682	-	33,682	3,744,401
Total	\$ 589,666,826	\$ 147,848	\$ -	\$ 147,848	\$ 589,814,674

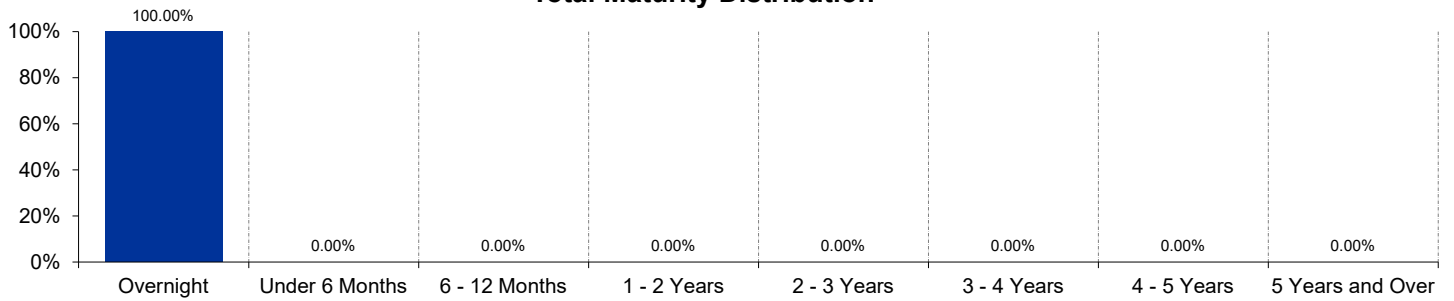
Hampton Roads Regional Transit Fund

Summary of Cash and Investments

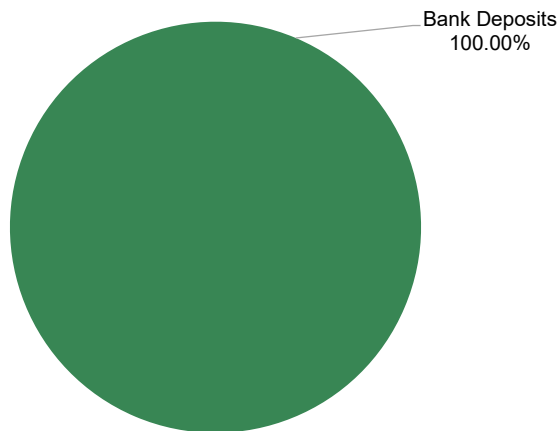
For November 2021

Portfolio	Yield at Cost	Yield at Market	Balances at Cost	Balances at Market	% of Total
Union Checking	0.00%	0.00%	1,000,000	1,000,000	1.84%
Union Sweep	0.10%	0.10%	53,303,956	53,303,956	98.16%
				-	
Total			\$ 54,303,956	\$ 54,303,956	100.00%

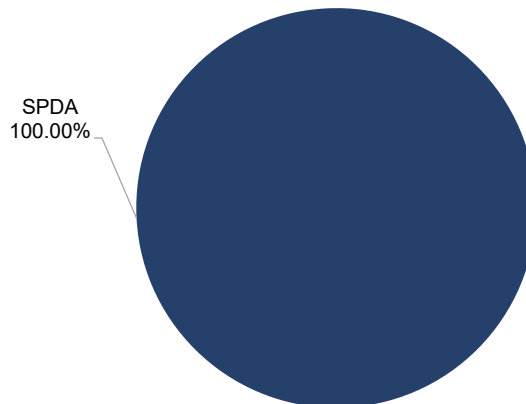
Total Maturity Distribution



Sector Distribution



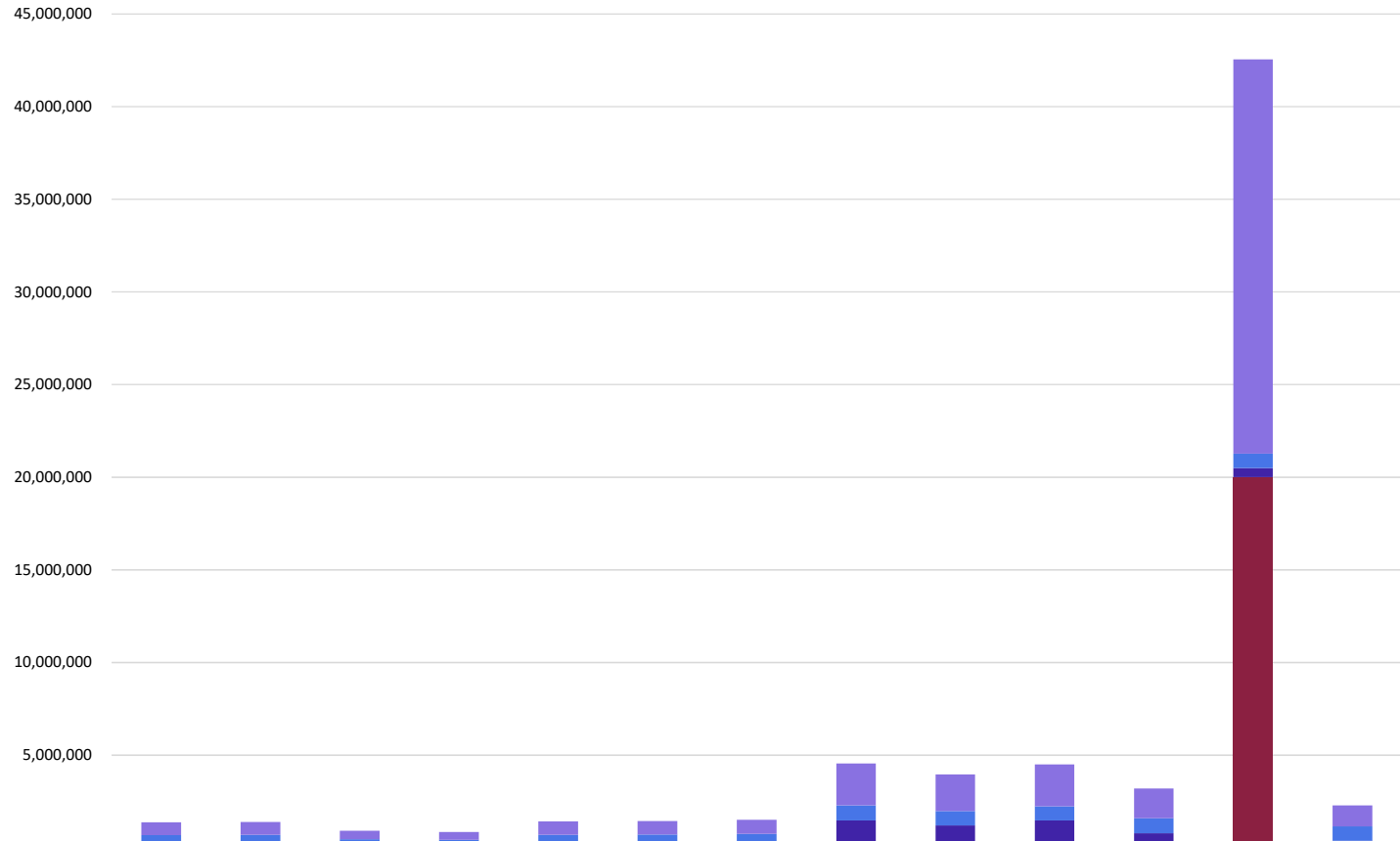
Credit Distribution



All charts are based on market value as of 11/30/21

This material is for general informational purposes only and is not intended to provide specific advice or a specific recommendation.

HRRTF REVENUE



	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021
Total	680,916	696,611	457,124	426,377	707,281	719,474	756,415	2,274,770	1,978,379	2,245,618	1,594,087	21,271,820	1,147,361
Transportation Fees	674,882	690,167	451,666	422,886	703,712	716,006	753,840	799,339	777,381	762,683	822,807	774,556	763,437
Transient Occupancy Tax	-	-	-	-	-	-	-	1,471,692	1,198,287	1,480,688	768,945	492,666	379,615
Annual Revenue	-	-	-	-	-	-	-	-	-	-	-	20,000,000	-
Interest	6,034	6,444	5,458	3,491	3,569	3,467	2,575	3,740	2,710	2,247	2,335	4,599	4,309

Hampton Roads Regional Transit Fund
Interest and Investment Income
Inception - November 2021

	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
Interest Income	\$ 57,044	\$ 16,199	\$ 73,244
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 57,044</u>	<u>\$ 16,199</u>	<u>\$ 73,244</u>

Hampton Roads Regional Transit Fund
Revenue and Expenditures
Summary

	Gross Revenue					Expenditures			Cumulative Balance
	Regional Transportation Imprv. Fees	Transient Occupancy Tax	Annual Recordation Tax Distribution	Interest	Total Revenue	Project Expenses	Operating Expenses	Total	7/1/20 - 11/30/2021
<i>July 2020 - November 2020</i>	\$ 3,017,845	\$ -	\$ 20,000,000	\$ 28,299	\$ 23,046,144	\$ -	\$ 26,119	\$ 26,119	23,020,025
<i>December 2020</i>	690,167	-	-	6,444	696,611	-	20,417	20,417	23,696,219
<i>January 2021</i>	451,666	-	-	5,458	457,124	-	6,528	6,528	24,146,816
<i>February 2021</i>	422,886	-	-	3,491	426,377	-	248	248	24,572,944
<i>March 2021</i>	703,712	-	-	3,569	707,281	-	78,025	78,025	25,202,200
<i>April 2021</i>	716,006	-	-	3,467	719,474	-	3,492	3,492	25,918,183
<i>May 2021</i>	753,840	-	-	2,575	756,415	-	921	921	26,673,677
<i>June 2021</i>	799,339	1,471,692	-	3,740	2,274,770	599,531	30,625	630,157	28,318,291
<i>July 2021</i>	777,381	1,198,287	-	2,710	1,978,379	-	2,525	2,525	30,294,144
<i>August 2021</i>	762,683	1,480,688	-	2,247	2,245,618	-	7,758	7,758	32,532,004
<i>September 2021</i>	822,807	768,945	-	2,335	1,594,087	-	915	915	34,125,176
<i>October 2021</i>	774,556	492,666	20,000,000	4,599	21,271,820	-	2,237	2,237	55,394,759
<i>November 2021</i>	763,437	379,615	-	4,309	1,147,361	-	1,423	1,423	56,540,696
<i>Total 12 months</i>	<u>\$ 8,438,481</u>	<u>\$ 5,791,891</u>	<u>\$ 20,000,000</u>	<u>\$ 44,944</u>	<u>\$ 34,275,316</u>	<u>\$ 599,531</u>	<u>\$ 155,114</u>	<u>\$ 754,645</u>	
<i>Total</i>	<u>\$ 11,456,326</u>	<u>\$ 5,791,891</u>	<u>\$ 40,000,000</u>	<u>\$ 73,244</u>	<u>\$ 57,321,461</u>	<u>\$ 599,531</u>	<u>\$ 181,233</u>	<u>\$ 780,765</u>	
Less Balance of Encumbered (through FY2027)									(36,542,565)
Total Net Available									<u>\$ 19,998,132</u>

Table 1 - Revenues

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2022

Locality	FY 2021	Previous FY 2022	November 2021	Total YTD FY2022	Total
Regional Taxes and Fees					
<i>Chesapeake</i>	\$ 1,751,607	\$ 1,143,711	\$ 181,220	\$ 1,324,932	\$ 3,076,539
<i>Hampton</i>	788,625	489,427	97,767	587,194	1,375,819
<i>Newport News</i>	855,312	439,487	97,547	537,034	1,392,346
<i>Norfolk</i>	1,134,671	890,254	217,467	1,107,720	2,242,392
<i>Portsmouth</i>	470,791	217,181	40,623	257,804	728,595
<i>Virginia Beach</i>	4,026,147	3,897,952	508,428	4,406,380	8,432,526
Total Regional Taxes and Fees	<u>9,027,154</u>	<u>\$ 7,078,012</u>	<u>1,143,052</u>	<u>8,221,064</u>	<u>17,248,217</u>
Annual Recordation Tax Distribution	20,000,000	20,000,000	-	20,000,000	40,000,000
Total Tax and Fees Revenue	<u>29,027,154</u>	<u>27,078,012</u>	<u>1,143,052</u>	<u>28,221,064</u>	<u>57,248,217</u>
Interest ^a	57,044	11,891	4,309	16,199	73,244
Total Revenues	<u>29,084,198</u>	<u>27,089,903</u>	<u>1,147,361</u>	<u>28,237,263</u>	<u>57,321,461</u>
Project Expenses	(599,531)	-	-	-	(599,531)
Operating Expense	(166,376)	(13,435)	(1,423)	(14,858)	(181,233)
Cash Balance	<u>\$ 28,318,291</u>	<u>\$ 27,076,468</u>	<u>\$ 1,145,938</u>	<u>\$ 28,222,405</u>	<u>\$ 56,540,696</u>
Less Balance of Encumbered					<u>(36,542,565)</u>
Net Available Cash					<u>\$ 19,998,131</u>
Updated forecast	<u>26,100,000</u>	<u>24,100,000</u>	<u>1,025,000</u>	<u>25,125,000</u>	<u>51,225,000</u>
Total Revenue - Forecast (under)/over	<u>\$ 2,927,154</u>	<u>\$ 2,978,012</u>	<u>\$ 118,051</u>	<u>\$ 3,096,063</u>	<u>\$ 6,023,217</u>

Table 1A - Regional Transit Improvement Fees

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2022

Locality	FY 2021	Previous FY 2022	November 2021	Total YTD FY2022	Total
Regional Transit Improvement Fees					
<i>Chesapeake</i>	\$ 1,751,607	\$ 732,119	\$ 137,673	\$ 869,792	\$ 2,621,400
<i>Hampton</i>	650,700	334,263	52,349.52	386,613	1,037,313
<i>Newport News</i>	709,171	278,067	57,587	335,655	1,044,825
<i>Norfolk</i>	1,127,962	472,656	158,505	631,161	1,759,122
<i>Portsmouth</i>	443,948	181,812	30,854.88	212,667	656,615
<i>Virginia Beach</i>	<u>2,872,074</u>	<u>1,138,510</u>	<u>326,467</u>	<u>1,464,977</u>	<u>4,337,050</u>
Total RTI Fees	<u>\$ 7,555,462</u>	<u>\$ 3,137,427</u>	<u>\$ 763,437</u>	<u>\$ 3,900,864</u>	<u>\$ 11,456,326</u>
Forecast	<u>6,100,000</u>	<u>2,466,667</u>	<u>616,667</u>	<u>3,083,334</u>	<u>9,183,334</u>
Total Revenue - Forecast (under)/over	<u>\$ 1,455,462</u>	<u>\$ 670,760</u>	<u>\$ 146,770</u>	<u>\$ 817,530</u>	<u>\$ 2,272,992</u>

Table 1B - Transient Occupancy Tax

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2022

Locality	FY 2021	Previous FY 2022	November 2021	Total YTD FY2022	Total
Transient Occupancy Tax					
<i>Chesapeake</i>	\$ -	\$ 411,592	\$ 43,547	\$ 455,139	\$ 455,139
<i>Hampton</i>	137,925	155,164	45,418	200,582	338,506
<i>Newport News</i>	146,141	161,420	39,959	201,379	347,521
<i>Norfolk</i>	6,710	417,598	58,962	476,560	483,270
<i>Portsmouth</i>	26,843	35,369	9,768	45,137	71,980
<i>Virginia Beach</i>	<u>1,154,073</u>	<u>2,759,442</u>	<u>181,961</u>	<u>2,941,403</u>	<u>4,095,476</u>
Total Transient Occupancy Tax	<u>\$ 1,471,692</u>	<u>\$ 3,940,585</u>	<u>\$ 379,615</u>	<u>\$ 4,320,200</u>	<u>\$ 5,791,891</u>
Forecast	-	<u>1,633,333</u>	<u>408,333</u>	<u>2,041,667</u>	<u>2,041,667</u>
Total Revenue - Forecast (under)/over	<u>\$ 1,471,692</u>	<u>\$ 2,307,251</u>	<u>\$ (28,718)</u>	<u>\$ 2,278,533</u>	<u>\$ 3,750,225</u>

Table 2 - Allocations

Hampton Roads Regional Transit Fund (HRRTF)

Allocations

Fiscal Year 2022

Project	FY 2021	Previous FY 2022	November 2021	Total YTD FY2022	Total
<i>Regional Transit System - 757 Express</i>					
<i>Transit Bus Expansion (Group A) - Project 202101A</i>	\$ 9,306,000	\$ -	\$ -	\$ -	\$ 9,306,000
<i>Bus Stop Amenity Program</i>					
<i>- Project 202101B</i>	3,265,000	-	-	-	3,265,000
<i>- Project 202201F</i>	-	5,326,000.00	-	5,326,000	5,326,000
<i>Regional Transit System Technology</i>					
<i>- Project 202101C</i>	80,000	-	-	-	80,000
<i>- Project 202201G</i>	-	518,000.00	-	518,000	518,000
<i>Regional Transit Services</i>					
<i>Operations and Maintenance RTS - Project 202201C</i>	-	5,730,123.00	-	5,730,123	5,730,123
<i>Development and Support Services RTS - Project 202201D</i>	-	4,946,973.00	-	4,946,973	4,946,973
<i>Net Center Replacement/Passenger Facility</i>					
<i>- Project 202101D</i>	62,000	-	-	-	62,000
<i>Robert Hall Blvd (Chesapeake) - Project 202201A</i>	-	100,000.00	-	100,000	100,000
<i>Evelyn T. Butts (Norfolk) - Project 202201B</i>	-	100,000.00	-	100,000	100,000
<i>New Bus Operating Division - Southside</i>					
<i>- Project 202101E</i>	1,000,000	-	-	-	1,000,000
<i>- Project 202201E</i>	-	6,708,000	-	6,708,000	6,708,000
Total	\$ 13,713,000	\$ 23,429,096	\$ -	\$ 23,429,096	\$ 37,142,096

Table 3 - Expenditures
Hampton Roads Regional Transit Fund (HRRTF)
Expenditures
Fiscal Year 2022

Project	FY 2021	Previous FY 2022	November 2021	Total YTD FY2022	Total
<i>Regional Transit System - 757 Express</i>					
<i>Bus Stop Amenity Program - 202101B</i>	\$ 399,516	\$ -	\$ -	\$ -	\$ 399,516
<i>Regional Transit System Technology - 202101C</i>	-	-		-	-
<i>Net Center Replacement - 202101D</i>	14,056	-	-	-	14,056
<i>New Bus Operating Division - Southside - 202101E</i>	185,959	-	-	-	185,959
Total	<u>\$ 599,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 599,531</u>