



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.

Donna R. Duck

Chair, Hampton Roads Transportation
Accountability Commission

Richard A. Lutz

Vice Chair, Hampton Roads Transportation
Accountability Commission