



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 482-5818
Fax: (804) 786-2940

Agenda item # 1

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 20, 2023

MOTION

Made By: Mr. Stant, **Seconded By:** Mr. Coleman

Action: Motion Carried, Unanimously

Title: Authorization for the Commissioner of Highways to Enter into a Standard Project Agreement between the Virginia Department of Transportation and the Hampton Roads Transportation Accountability Commission for the Interstate 64/Denbigh Boulevard Interchange Project

WHEREAS, the Virginia General Assembly, pursuant to Chapter 26 of Title 33.2 of the Code of Virginia, has established the Hampton Roads Transportation Accountability Commission (HRTAC), a political subdivision of the Commonwealth; and

WHEREAS, the Virginia General Assembly, pursuant to § 33.2-2600 of the Code of Virginia, has also established the Hampton Roads Transportation Fund (HRTF) to fund new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23; and

WHEREAS, pursuant to § 33.2-2608, HRTAC may enter into contracts or agreements necessary or convenient for the performance of its duties and the exercise of its powers under Chapter 26; and

WHEREAS, subsection C of § 33.2-214 of the Code of Virginia empowers the Commonwealth Transportation Board to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes; and

WHEREAS, VDOT completed an Interchange Justification Report (IJR) in 2021 that evaluated the need to a new interchange on I-64 in the City of Newport News between the Jefferson Avenue and Fort Eustis Boulevard Interchanges; and

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WHEREAS, the Federal Highway Administration (FHWA), in September 2021, approved the IJR, which found providing a new interchange on I-64 at Denbigh Boulevard in the City of Newport News to be acceptable in relieving safety concerns and congestion within this corridor; and

WHEREAS, the identified improvements for this new interchange are included in the region's 2045 Long Range Transportation Plan and HRTAC's 2045 Long Range Plan of Finance; and

WHEREAS, due to funding limitations, and in order to mitigate schedule concerns and expedite the westbound I-64 on- and off-ramp construction at Denbigh Boulevard to relieve congestion and improve safety at the I-64/Jefferson Avenue Interchange, VDOT and FHWA have agreed with a phased approach to the design, right of way acquisition, and construction of this new interchange; and

WHEREAS, the Commonwealth Transportation Board, on May 19, 2021, adopted a resolution approving \$46,592,997 in Round 4 Smart Scale allocations for the design, right of way acquisition and construction for the westbound I-64 off-ramp to Denbigh Boulevard for Phase 1 of this interchange project; and

WHEREAS, the Commonwealth Transportation Board, on December 8, 2021, adopted a resolution approving \$27,210,755 in Priority Transportation Funding to cover the additional costs to fund the design, right of way acquisition, and construction of the Denbigh Boulevard on-ramp to westbound I-64, thus completing funding for Phase 1 of this interchange project, in accord with the FHWA requirement to include both the on-and off-ramps in Phase 1 of the project; and

WHEREAS, on June 15, 2023, HRTAC adopted (i) a FY2024-FY2030 HRTAC Highway Regional High Priority Projects Funding Plan of Finance that allocated \$26,643,026 for preliminary engineering and right of way acquisition, and (ii) a 2045 Long Range Plan of Finance which also included a preliminary planning cost estimate of \$161,420,044 for construction of Phase 2 East Bound of the project, which amount will be refined once preliminary engineering, right of way, and cost estimation work is completed to enable, subject to identification of legally available funds and amendment of the Funding Plan of Finance, construction to proceed; and

WHEREAS, VDOT has requested that the Commonwealth Transportation Board approve and authorize the Commissioner of Highways to execute a Standard Project Agreement (SPA) with HRTAC relating to design and right of way acquisition as well as preliminary details for construction of the I-64/Denbigh Boulevard Interchange, Phase 2 Project, as set forth in Exhibit A, which will require amendment in the future to fully address construction of the Project.

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NOW, THEREFORE, BE IT RESOLVED, the Commonwealth Transportation Board hereby approves and authorizes the Commissioner of Highways to enter into and execute the SPA with HRTAC, attached hereto as Exhibit A, regarding the funding and development of the I-64/Denbigh Boulevard Interchange, Phase 2 Project, with such changes and additions as the Commissioner deems necessary as well as any future amendments thereto.

BE IT FURTHER RESOLVED, the Commonwealth Transportation Board hereby authorizes the Commissioner of Highways to enter into and execute all future SPAs with HRTAC necessary for funding and administration of any and all improvements to the I-64/Denbigh Boulevard Interchange, Phase 2 Project, and any associated activities and improvements, with such changes and additions as the Commissioner deems necessary.

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CTB Decision Brief

Authorization for the Commissioner of Highways to Enter into a Standard Project Agreement between the Virginia Department of Transportation and the Hampton Roads Transportation Accountability Commission for the Interstate 64/Denbigh Boulevard Interchange Project, Phase 2

Issue: The Virginia Department of Transportation (VDOT) is requesting that the Commonwealth Transportation Board (CTB) authorize the Commissioner of Highways (Commissioner) to enter into the Standard Project Agreement (SPA) with the Hampton Roads Transportation Accountability Commission (HRTAC) for the Interstate 64/Denbigh Boulevard Interchange Project, Phase 2.

Facts:

- VDOT completed an Interchange Justification Report (IJR) in 2021 that evaluated the need to a new interchange on I-64 in the City of Newport News between the Jefferson Avenue and Fort Eustis Boulevard Interchanges.
- In September 2021, the Federal Highway Administration (FHWA) approved the IJR, which found providing a new interchange on I-64 at Denbigh Boulevard in the City of Newport News to be acceptable in relieving safety concerns and congestion within this corridor.
- The improvements identified for this new interchange are included in the Region's 2045 Long Range Transportation Plan and HRTAC's 2045 Long Range Plan of Finance.
- Due to funding limitations, and in order to mitigate schedule concerns and expedite the westbound on- and off-ramp construction to relieve congestion and improve safety at the I-64/Jefferson Avenue Interchange, VDOT and FHWA have agreed with a phased approach to the design, right of way acquisition, and construction of this new interchange.
- The Commonwealth Transportation Board, on May 19, 2021, adopted a resolution approving \$46,592,997 in Round 4 Smart Scale allocations for the design, right of way acquisition and construction for the westbound I-64 off-ramp to Denbigh Boulevard for Phase 1 of this interchange project.
- The Commonwealth Transportation Board, on December 8, 2021, adopted a resolution approving \$27,210,755 in Priority Transportation Funding to cover the additional cost to fund the design, right of way acquisition, and construction of the Denbigh Boulevard on-ramp to westbound I-64 thus completing funding for Phase 1 of this interchange project in accord with the FHWA requirement to include both the on and off-ramps in Phase 1 of this interchange project.
- On June 15, 2023, HRTAC adopted (i) a FY2024-FY2030 HRTAC Highway Regional High Priority Projects Funding Plan of Finance that allocated \$26,643,026 for preliminary engineering and right of way acquisition of Phase 2, and (ii) a 2045 Long Range Plan of Finance which also included a preliminary planning cost estimate of \$161,420,044 for construction of Phase 2, which amount will be refined once preliminary engineering, right of way, and cost estimation work is completed to enable, subject to identification of legally available funds and amendment of the Funding Plan of Finance, construction to proceed.
- VDOT has requested that the Commonwealth Transportation Board approve and authorize the Commissioner of Highways to execute a SPA with HRTAC to address funding for the design and right of way acquisition for, as well as potential future amendment to address construction of, the I-64/Denbigh Boulevard Interchange Project, Phase 2, as set forth in Exhibit A.

Recommendation: VDOT recommends that the CTB approve and delegate to the Commissioner the authority to enter into the SPA to address funding for the design and right of way acquisition for, as well as potential future amendment to address construction of, the I-64/Denbigh Boulevard Interchange

Project, Phase 2, attached hereto as Exhibit A, with such changes and additions as the Commissioner deems necessary, as well as any other future amendments thereto.

Action Required by the CTB: Approve by majority vote the resolution providing the authorizations recommended herein.

Result, if Approved: The Commissioner will be authorized to enter into the attached SPA between VDOT and HRTAC, and any future amendments thereto, for use of the additional HRTAC funds to pay the costs for the development of the I-64/Denbigh Boulevard Interchange Project, Phase 2.

Options: Approve, Deny or Defer

Public Comments/Reactions: N/A

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

HRTAC Project Title: I-64/Denbigh Boulevard Interchange Project - Phase 2 East Bound

HRTAC Project Number: UPC 123656 (Phase 2 Preliminary Engineering and Right of Way)

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and effective as of the date of last execution below, 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, 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 VDOT's responsibilities with respect to VDOT Highways and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, VDOT and HRTAC entered into a Memorandum of Agreement dated March

30, 2015 (such agreement as thereafter amended and modified from time to time, the "MOA");

WHEREAS, the MOA contemplates that HRTAC may from time to time enter into Standard Project Agreements for Funding and Administration of projects that HRTAC selects and that HRTAC requests VDOT to administer and/or develop with HRTAC Controlled Moneys;

WHEREAS, HRTAC has determined that it desires to 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, HRTAC has determined that the Project would benefit the cities and counties that are embraced by HRTAC and it otherwise satisfies the requirements of the HRTAC Act;

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'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:

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 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 on the commitments of the funding sources (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) (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 customary practices between VDOT and HRTAC.
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 the HRTAC Act 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. 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. 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 for its intended purposes for the duration of the Project's useful life. If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project after its completion (including responsibility to correct any defects or to cause any defects to be corrected), and 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. 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 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 for the benefit of HRTAC.

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.

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. 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, 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 (without limiting the foregoing, VDOT acknowledges that 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). 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 by their duly authorized representatives, intending it to be effective on the date of last execution.

Hampton Roads Transportation Accountability Commission

By: _____

Name: _____

Title: _____

Date: _____

Virginia Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

I-64/DENBIGH BOULEVARD INTERCHANGE PROJECT – PHASE 2 EAST BOUND - UPC 123656 (PHASE 2 PRELIMINARY ENGINEERING AND RIGHT OF WAY)

Scope: The work associated with this Agreement is to fund the design and right of way acquisition activities for installing on- and off-ramps on I-64 eastbound at Denbigh Boulevard to improve traffic operations, reduce congestion, and improve safety. The Project is located in the City of Newport News on I-64 between the Jefferson Avenue and Fort Eustis Boulevard Interchanges. The Project will address the growing traffic needs in the City of Newport News and relieve congestion on the adjacent roadway network. The Jefferson Avenue Interchange is experiencing significant delays and queuing, particularly in the evening peak period.

Phase 1 of the Project will address on- and off-ramps on westbound I-64 at Denbigh Boulevard and is not funded pursuant to or addressed by this Agreement. The scope for Phase 2, Preliminary Engineering and Right of Way, of the Project, which is addressed by this Agreement, will include the PE and RW phases for the following improvements: new on- and off-ramps on eastbound I-64 at Denbigh Boulevard and widening of the existing Denbigh Boulevard bridge over I-64 to accommodate these additional ramps (Phase 2 Improvements). Both Phase 1 and Phase 2 are included in the Hampton Roads Transportation Planning Organization (HRTPO) 2045 Long Range Transportation Plan (LRTP). The Commonwealth has allocated \$73.8M of Smart Scale Round 4 and Priority Transportation Funding for Phase 1 of the Project. HRTAC has allocated funding for the PE and RW phases of Phase 2 of the Project in its adopted Six Year Funding Plan, and has planned for future anticipated construction costs as shown in HRTAC's 2045 Long Range Plan of Finance and in Appendix B of this Agreement.

APPENDIX B

I-64/DENBIGH BOULEVARD INTERCHANGE PROJECT – PHASE 2 EAST BOUND – UPC 123656 (PHASE 2 PRELIMINARY ENGINEERING AND RIGHT OF WAY)

PROJECT BUDGET AND PROJECT SCHEDULE

Project Budget: I-64/DENBIGH BOULEVARD INTERCHANGE PROJECT, PHASE 2:

HRTAC Costs (UPC 123656):

Preliminary Engineering (PE)	\$ 17,712,000
Right of Way (RW)	8,931,026
Construction (CN)	0.00*
<hr/>	
Total Cost (PE and RW)	\$ 26,643,026

The Scope of Work for and activities associated with this Agreement are set out in Appendix A.

The parties agree that funding shall be made available by HRTAC under this Agreement for Phase 2, Preliminary Engineering and Right of Way, of the Project, whether such work is undertaken before or subsequent to execution of this Agreement.

*Only the PE and RW activities administered under UPC 123656 will be funded under this Agreement. The current \$161,420,044 planning estimate for Construction of Phase 2 of the Project is preliminary. Following further Preliminary Engineering, Right of Way, and cost estimation work, HRTAC will work to identify the HRTAC controlled funds sufficient to fund construction for Phase 2 of the Project. The parties agree that an amendment to this Agreement will be necessary to update and provide for full funding for construction of Phase 2 of the Project. Nothing herein shall be deemed or construed to commit either party to adopt any such amendment, and the terms of each amendment must be acceptable to each party acting in its sole discretion.

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

The work associated with this Agreement includes the design and right of way activities for new eastbound on- and off-ramps on I-64 at Denbigh Boulevard in the City of Newport News, widening of the existing Denbigh Boulevard Bridge over I-64, cost estimate and schedule refinements, and support of design related activities for this project, as defined in the Appendix A.

***Project Schedule: I-64/Denbigh Boulevard Interchange Project - Phase 2 East Bound
(all dates are estimates)***

- **Preliminary Engineering (PE):**
 - PE Start: 9/2023
 - PE End: 7/2030
- **Right of Way (RW):**
 - RW Start: 2/2026
 - RW End 4/2030
- **Construction (CN): (Based on funding availability and project readiness)**
 - CN Start: 8/2030
 - CN End: 7/2033

Project Cash Flow Schedule: See Annex I to this Appendix B, which addresses the cash flow and schedule for the PE and RW activities for Phase 2 of the Project and is incorporated herein by this reference as if set out in full.

ANNEX I TO APPENDIX B
ANNEX I TO APPENDIX B -PROJECT BUDGET & CASH FLOW
PROJECT IDENTIFICATION AND PROPOSED FUNDING

HRTAC Project Title: I-64/Denbigh Blvd Interchange Project, Phase 2
 Scope of Project Services: Standard Project Services to Support the Phase 2 Project (UPC 123656)
 Recipient Entity: Virginia Department of Transportation
 VDOT Project Contact: Todd Halacy (757) 956-3010

Baseline Schedule:	PE: Start 9/2023, End 7/2030 RW: Start 2/2026 End 4/2030 CN: Start 8/2030 End 7/2033	VDOT Programming Schedule:	PE: Start 9/2023 End 7/2030 (SPA Project Schedule) RW: Start 2/2026 End 4/2030 CN: Start 8/2030 End 7/2033
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PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	HRTAC PayGo Funds	HRTAC Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ 17,712,000	\$ 17,712,000	\$ -		\$ -	\$ -
Engineering	\$ -	\$ -	\$ -		\$ -	\$ -
Environmental Work						
Right-of-Way Acquisition	\$ 8,931,026	\$ 8,931,026	\$ -		\$ -	\$ -
Construction	\$ -	\$ -	\$ -		\$ -	\$ -
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 26,643,026	\$ 26,643,026	\$ -		\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2024		Total Fiscal Year 2025		Total Fiscal Year 2026		Total Fiscal Year 2027		Total Fiscal Year 2028		Total Fiscal Year 2029		Total Fiscal Year 2030	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work	\$ 2,133,980	\$ -	\$ 2,560,776	\$ -	\$ 2,560,776	\$ -	\$ 2,560,776	\$ -	\$ 2,560,776	\$ -	\$ 2,560,776	\$ -	\$ 2,774,140	\$ -
Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Work														
Right-of-Way Acquisition	\$ -	\$ -	\$ -	\$ -	\$ 3,716,990	\$ -	\$ 2,973,594	\$ -	\$ -	\$ -	\$ 995,752	\$ -	\$ 1,244,690	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Administration														
Testing Services														
Inspection Services														
Capital Asset Acquisitions														
Other														
Total Estimated Cost	\$ 2,133,980	\$ -	\$ 2,560,776	\$ -	\$ 6,277,766	\$ -	\$ 5,534,370	\$ -	\$ 2,560,776	\$ -	\$ 3,556,528	\$ -	\$ 4,018,830	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 24 Mthly Cash Flow		FY 25 Mthly Cash Flow		FY 26 Mthly Cash Flow		FY 27 Mthly Cash Flow		FY 28 Mthly Cash Flow		FY 29 Mthly Cash Flow		FY 30 Mthly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July	\$ -	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -
August	\$ -	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -
September	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -
October	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -
November	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
December	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
January	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
February	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
March	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
April	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 337,867	\$ -
May	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 213,398	\$ -
June	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 956,796	\$ -	\$ 213,398	\$ -	\$ 213,398	\$ -	\$ 337,867	\$ -	\$ 426,762	\$ -
Total per Fiscal Year	\$ 2,133,980	\$ -	\$ 2,560,776	\$ -	\$ 6,277,766	\$ -	\$ 5,534,370	\$ -	\$ 2,560,776	\$ -	\$ 3,556,528	\$ -	\$ 4,018,830	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Virginia Department of Transportation

Hampton Roads Transportation Accountability Commission

 Signature
 Commissioner
 Title

 Signature
 HRTAC Chairman
 Title

 Date
 Stephen C. Brieb, P.E.
 Print name of person signing

 Date
 Dr. Richard W. "Rick" West
 Print name of person signing

**APPENDIX C
FORM OF PAYMENT REQUISITION**

HRTAC Project Title and Number: I-64/Denbigh Boulevard Interchange Project - Phase 2 East Bound – UPC 123656 (Phase 2 Preliminary Engineering and Right of Way)

Project Scope/Services Description: The work associated with this Standard Project Agreement for the I-64/Denbigh Boulevard Interchange Project, Phase 2 Preliminary Engineering and Right of Way, is to perform the development and delivery of the I-64/Denbigh Boulevard Interchange Project, Phase 2 Preliminary Engineering and Right of Way.

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: _____ Request Date: _____

HRTAC Project Number: UPC 123656 (Phase 2 PE and RW) Project Title: I-64/Denbigh Blvd, Phase 2 East Bound Interchange

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$0			\$ -
Design Work/ Engineering	\$17,712,000	\$ -	\$ -	\$ -
Engineering	\$0	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Work	\$8,931,026	-	-	\$ -
Construction	\$0	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$26,643,026	\$ -	\$ -	\$ -

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.