

**A G E N D A**

**MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD**

**Richmond, Virginia  
March 19, 1992  
10:00 a.m.**

1. Public Comment
2. Action on Minutes of Meeting of February 20, 1992
3. Action on Permits Issued and Canceled from February 1, 1992 through February 29, 1992
4. Action on Additions, Abandonments or Other Changes in the Secondary System from February 1, 1992 to February 29, 1992
5. Action on Discontinuances in the Secondary System: Fairfax, Loudoun and Prince George Counties
6. Action on Discontinuances in the Primary System: Lunenburg and Mecklenburg Counties
7. Action on City Street Mileage
8. Action on Bids Received February 29 and March 4, 1992
9. Consultant Agreement: Route 143 - City of Newport News  
Proj. 0143-121-104, PE101  
Supplemental Agreement # 1 for revision  
in scope of services  
J. K. Timmons and Associates, P.C.
- Consultant Agreement: Route 258 - City of Hampton - Mercury  
Boulevard  
Proj. 0258-114-110, PE101  
Supplemental Agreement # 3 for revision  
in scope of services  
Frederic R. Harris, Inc.
- Consultant Agreement: Route 606 - Lee County  
Proj. 0606-052-125, C509  
Supplemental Agreement # 1 for revision  
in scope of services  
Burton, Adams, Kemp & King, Inc.

- Consultant Agreement: Route 620 - Fairfax County - Braddock Road  
Proj. 0620-029-117,C502,C503,C504,C505  
Supplemental Agreement # 1 for revision  
in scope of services  
Talbot and Associates, Ltd.
- Consultant Agreement: Photogrammetric Ground Control Survey and  
Supporting Survey Activities  
Statewide - Biennial Contract  
Anderson and Associates
- Consultant Agreement: Photogrammetric Ground Control Survey and  
Supporting Survey Activities  
Statewide - Biennial Contract  
Woolpert Consultants
10. Location Route 3 - Culpeper County  
& Design: Proj. 0003-023-104,C503  
Fed. Proj. F-088-1( )  
Fr: 2.49 Mi. W. of Culpeper/Orange County Line (WBL)  
To: 0.33 MI. W. of Culpeper/Orange County Line (WBL)
11. Conveyances: Route 29 - Nelson County  
Route 340 - Augusta County  
Route 460 - Dinwiddie County  
Route 903 - Brunswick County
12. Action on Agreement with West Virginia
13. Industrial Access: City of Suffolk  
Proj. 0799-061-280,C501  
Lakeview Industrial Park
14. Recreational Access: Frederick County  
Proj. 0726-034-221,M502  
Sherando Park
15. Rail Corridor Program: HB 30 Funds  
Eastern Shore Railroad Company
16. Transportation Contract Revenue Refunding Bonds, Series 1992,  
Route 28 Project
17. New Business
18. Adjourn

**MINUTES**  
**OF**  
**MEETING OF COMMONWEALTH TRANSPORTATION BOARD**

Richmond, Virginia  
March 19, 1992  
10:00 a.m.

The monthly meeting of the Commonwealth Transportation Board was held in the Board Room of the Virginia Department of Transportation, Richmond, Virginia, on March 19, 1992 at 10:00 a.m. The Chairman, Mr. John G. Milliken, presided.

Present: Messrs. Pethel, Bacon, Candler, Davies, Hoffler, Malbon, Mastracco, Musselwhite, Smalley, Waldman, Warner, Wells and Mrs. Kincheloe and Dr. Thomas.

Absent: Dr. Howlette

On motion of Mr. Bacon, seconded by Dr. Thomas, the minutes of the meeting of February 20, 1992 were approved.

Moved by Mr. Bacon, seconded by Dr. Thomas, that the Board approve permits issued and canceled from February 1, 1992 through February 29, 1992.

Motion carried.

On motion of Mr. Bacon, seconded by Dr. Thomas, additions and abandonments to the Secondary System from February 1, 1992 to February 29, 1992, as shown by the records of the Department, were approved.

Moved by Mr. Bacon, seconded by Dr. Thomas, that

WHEREAS, by proper resolution, the Boards of Supervisors of Fairfax, Loudoun and Prince George Counties have requested that certain roads which no longer serve as public necessities be discontinued as part of the Secondary System of Highways.

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NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 33.1-150 of the Code of Virginia of 1950, as amended, the Commonwealth Transportation Board finds the following sections of roads are not required for public convenience and are hereby discontinued as part of the Secondary System of Highways, effective this date.

Fairfax County - Route 744 - Section 1 of old location  
0.06 Mi

Loudoun County - Route 699 - Sections 1 and 3 of old location  
0.17 Mi

Loudoun County - Route 820 - Section 8 of old location  
0.04 Mi

Prince George County - Route 630 - Section 1 of old location  
0.07 Mi

Motion carried.

Moved by Mr. Bacon, seconded by Dr. Thomas, that

WHEREAS, Old Route 138 in Lunenburg and Mecklenburg Counties has been altered and reconstructed as shown on plans for Projects: 0138-055-103, C-501 and 0138-058-102, C-501; and

WHEREAS, two sections of the old road are no longer necessary as a public road, the new road serving the same citizens as the old;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 33.1-144 of the Code of Virginia of 1950, as amended, 0.38 mile of Old Route 138, designated as Sections 1 and 3 on the plat dated January 8, Projects: 0138-055-103, C-501 and 0138-058-102, C-501 be discontinued as a part of the State Highway System.

Motion carried.

Moved by Mr. Bacon, seconded by Dr. Thomas, that

WHEREAS, the Commonwealth Transportation Board is authorized under Section 33.1-41.1 of the Code of Virginia, as amended, to approve payments to cities and certain towns for street maintenance purposes; and

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WHEREAS, certain Principal-Minor Arterial roads, Collector Roads and Local Streets within the corporate limits of the City of Newport News are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the City of Newport News for maintenance payments on Local Streets meeting the required criteria;

NOW, THEREFORE, BE IT RESOLVED, that the street mileage eligible for quarterly payments to the City of Newport News for Local Streets be increased by 0.42 centerline mile. This increase is a result of additions of Local Streets as described on tabulation sheet numbered 1 of 1 for the City of Newport News, as functionally classified by the Transportation Planning Division dated February 14, 1992.

The tabulation sheet is on file in the Department's Urban Division.

The Local Street additions totaling 0.42 mile increases the total mileage to 345.26 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1991.

Motion carried.

Moved by Mr. Bacon, seconded by Dr. Thomas, that

WHEREAS, the Commonwealth Transportation Board is authorized under Section 33.1-41.1 of the Code of Virginia, as amended to approve payments to cities and certain towns for street maintenance purposes; and

WHEREAS, certain Principal-Minor Arterial Roads, Collector roads and Local Streets within the corporate limits of the Town of Vinton are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the Town of Vinton, for maintenance payments on Local Streets meeting the required criteria;

NOW, THEREFORE, BE IT RESOLVED, that the street mileage eligible for quarterly payments to the Town of Vinton for Local Streets be increased by 0.72 centerline mile. This increase is a result of additions of Local Streets as described on tabulation

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sheet numbered 1 of 1 for the Town of Vinton as functionally classified by the Transportation Planning Division dated February 20, 1992.

The tabulation sheet is on file in the Department's Urban Division.

The Local Street additions totaling 0.72 mile increases the total mileage to 32.71 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1991.

Motion carried.

Moved by Mr. Davies, seconded by Mr. Candler, that the Board approve the bids received February 19 and March 4, 1992, and listed for award on the attached sheets numbered 4A through 4K and authorize execution of contracts by the Deputy Commissioner or Chief Engineer, and approve rejection of those bids listed for rejection and authorize readvertisement.

Motion carried.

1	2043	92001304	FD-3A-91	1-64 & 1-81	Various Locations Arlington & Southside Co's Roanoke & English Street District	AWARD	H & S CONSTR. COMPANY ROANOKE, VA	5	\$104,072.00
2	2051	92001355	BR-2-92	1-81 & 460	Various Locations Solomon District Br. Dist. Joint Repr.	AWARD	LANFORD BROTHERS CO., INC. ROANOKE, VA	1	\$133,980.00
3	2056	92001468	TR-3A-92	64	1-64 at Hampton Rd. Br. Tunnel Harrison Sta. Br. Tunnel Expansion Joint Mod. & Rehabilitation	AWARD	CROWTHER CONTRACTING CO. VA. BEACH, VA	9	\$49,200.00
4	2059	92001577	D-5A-92	64	Various Locations City of Norfolk Drainage Recondition	AWARD	MARY COBY, CP VA. VIRGINIA BEACH, VA	5	\$89,080.00
5	2060	92001682	0677-002-2053, 0104; 2134, 2001	77	RM. 71 over Rm. 609 Wolfe County Scanned to Br. Supervisor & Substr.	AWARD	OVERLAY, INC. MITCHELLSBURG, KY	7	\$155,400.00



PROJECT NUMBER	PROJECT NAME	EST. NO.	PROJECT SUBJECTS	AWARD	CONTRACT NO.	LOW BID
1 18-92A 9208047	6025-071-401.0000Z 5418.IND00 P-042-1(115)	283	From: 0.290 MI. N. Rte. 58 To: 0.096 MI. N. End. Rte. 58 Stonewall County Grading, Drainage Site, Inlets, Utilities, Demo. of Bridge at Rte. 58, 360 & Frontage Rd.	AWARD	W. T. MILAM & SONS, INC. SOUTHS BOSTON, VA	\$ 53,711,377.05
2 18-92A 9208045	0201-041-217.0200	301	From: 6.382 MI. S. W. Rte. 58 To: 0.413 MI. S. W. Rte. 34 Harris County Grade, Drain. & Approach Work	AWARD	SHOFF & BETTLE CONCRETE CO., INC. ALBERTA, VA	\$ 4,205,191.79
3 18-92A 9208040	4020-054-276.0100	230	Rte. 290 over Spanns (1.8 MI. E. of Rte. 221) Madison County Dr. Wid., Suspens. Replacement, Approach Curb & Approach Work	AWARD	ALLIED CONSTRUCTION CO., INC. ALBERTA, VA	\$ 409,304.50



ALB. DISTRICT	PROJECT NUMBER	RT#	LOCATION	ESTIMATED CONTRACT VALUE	NO. OF LOW BID BIDS
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PRIMARY PROJECTS

ALB. DISTRICT	PROJECT NUMBER	RT#	LOCATION	ESTIMATED CONTRACT VALUE	NO. OF LOW BID BIDS
4	33-92A 920055A8 HEB-094-(103)	29	Int. Rtes. 522 & 20 Orange County Safety Proj. Grading, Asphalt Cons. Pave. & Inlets.	AWARD LEE RY PAYING CORPORATION RICHMOND, VA	8 \$34,542.80
3	33-92A 920055A6 0003-111-187, C304, B672, D603, D606	3	From: 0.701 MI. E. Int. AR. Rte. 1 To: 0.814 MI. E. Int. Rte. 17 City of Fredericksburg Creeks, Inlets, Asphalt Cons. Pave., Signals Utilities, Water Pumping Sta., Sign. & Box (2)	AWARD BRANCH HIGHWAYS, INC. ROANOKE, VA	11 \$6,208,081.86
6	2058 920055B6 MS-1-92	41, 38	From: 0.62 MI. E. Rte. 752 To: 0.02 MI. E. Rte. 988 (W. Int.) Wino County Reconstruct. Exist. Median Strip	AWARD ELK JONES, INC. PENNINGTON GAP, VA	7 \$67,462.50
7	2061 920055C1 0040-081-702, M460	40	Rte. 40 over Sapping Cr. Stafford County Grading, Asphalt Cons. Pave. & In. Placement	AWARD D. W. LYLE CORP. MCKENNEY, VA	5 \$603,388.00

COUNTY PROJECT NUMBER SITE NO. LOCATION RECOMMENDATION CONTRACTOR NO. LOW BID  
 WISCONSIN COUNTY PROJECT NUMBER SITE NO. LOCATION RECOMMENDATION CONTRACTOR NO. LOW BID

BID NO.	PROJECT NUMBER	SITE NO.	LOCATION	RECOMMENDATION	CONTRACTOR	NO.	LOW BID	
8	60-32A 97000009	0146-966-101, C301: 0395-026-2807, 5104	144 & 95	PRIMARY PROJECTS Rte. 144 (Temple Ave. Est. Junc. Approximate Rte., 1.0 MI. E. Int. Rte. 95 AND Rte. 95 over Approximate Rte., 0.2 MI. S. NCL Petersburg Minimum Dia. & Diameter Cr. Meter Protection Systems (3 Locations)	REJECT	NORTH STAR CONSTR. CORP. VIRGINIA BEACH, VA	3	\$475,333.00
9	2046 97000051	0046-004-X10, N301: 0565-004-X11, N301	360	Est. Rte. 360 & 360 Box AND Est. Rte. 360 & 681 Amelia County Combined Turn Lanes (2)	REJECT	APAC-VIRGINIA, INC. (RICHMOND) RICHMOND, VA	2	\$39,716.65

FOR THE CONTRACT NO. 9200372A4  
 PROJECT NUMBER 1000-135-100, CS01  
 SITE NO. 522  
 LOCATION  
 CONTRACTOR

1 25-92A 9200372A1 0522-204-101, CS01, 522 FROM: 0.081 MI. W. Rte. 15 & 28 (Rim.) \$1,837,218.00  
 B601, RW701 TO: 0.032 MI. E. Int. Gardner St.  
 F-873-2(105); AND  
 BR-8-073-7(105) (RW701)

FROM: Int. Rte. 15 & 28 (Rim.)  
 TO: 0.003 MI. W. Int. Gardner St.  
 Town of Colapete  
 Grading, Drainage, Asphalt Conv. Pavc.,  
 Br. & Dams, of BR02.

AWARD  
 SCHOLS BROTHERS, INC.  
 STAUNTON, VA

2 34-92A 920036A3 1000-135-105, CS02 FROM: WCC, Winchester 4  
 TO: Valley Ave. STEPHENSON, VA  
 City of Winchester

Grade, Drain, Asphalt Conv. Pavc., Signal,  
 Signals, Landscaping & Utilities

AWARD  
 L. T. FRANKLIN & SONS, INC.  
 STEPHENSON, VA

3 37-92A 920037A4 1000-135-100, CS01 FROM: Int. Maple Ave. (Rte. 155) 6  
 TO: Int. Fendall St. (BCL) TOWN OF VERMONT  
 Grade, Drain, Asphalt Conv. Pavc., Signal,  
 Signals & Utilities

AWARD  
 OWENS & BOVE, INC.  
 MANASSAS, VA



STATE CONTRACT NO. 7070-711-100-100  
 LOCATION  
 CONTRACTOR  
 TITLE  
 NO.  
 (LOW BID)  
 OF  
 BIDS

Item	Spec. No.	Contract No.	From: Int. No.	To: Int. No.	Location	Contractor	Amount
1	14-92A	920014A1	0614-017-250, N301, D039, D040	638	Carroll County Grade, Drain., Str. & Asphalt Cons. Pave.	AWARD DLB, INC. KELLSVILLE, VA	\$255,071.68
2	14-91A	920024A9	0614-010-950, N302	636	Blair County Grade, Drain., & Asphalt S.T. Pave.	AWARD PATRICK CONSTRUCTION, INC. ST. PAUL, VA	\$153,321.65
3	15-91A	920025A8	0684-016-180, C501, B625 BR-305-016(200)	634	Cecil County Grade, Drain, Asphalt Cons. Pave. & R.	AWARD W. C. ENGLISH, INC. ALPAVISTA, VA	\$396,800.25
4	17-92A	920027A6	0600-034-31A, C301	640	Fredricks County Grade, Drain, Inlets & Asphalt Cons. Pave.	AWARD L. F. FRANKLIN & SONS, INC. STEPHENSBURG, VA	\$735,099.59



5 20-92A 920029A4 0771-042-766,MS01 771  
 FROM: In. Rm. 704  
 TO: In. Rm. 622  
 HANOVER COUNTY  
 Grade, Drain & Asphalt S.T. Pave.

AWARD  
 PAYNE PAVING CO., INC.  
 SCOTTSVILLE, VA

15 \$152,980.87

6 34-92A 920034A7 0822-005-705,MS04;  
 0670-005-759,MS01 622  
 &  
 670  
 FROM: 0.53 MI. W. Rm. 616  
 TO: 1.52 MI. W. Rm. 816  
 AND  
 FROM: 0.42 MI. N. W. Tazewell CD  
 TO: 1.08 MI. N. W. Tazewell CD  
 RUSSELL COUNTY  
 Grade, Drain, Asphalt Cons. Pave. & Asphalt  
 S.T. Pave.

AWARD  
 EDWIN O'DELL & CO.  
 POLARSKI, VA

8 \$280,068.19

7 2005 91000561 0758-005-758,MS01 758  
 FROM: Rm. 770  
 TO: 1.1 MI. E. Rm. 770  
 SHENANDOAH COUNTY  
 Grade, Drain, Stabilize & Cold Mix Asphalt

AWARD  
 WINES CONSTRUCTION, INC.  
 FRONT ROYAL, VA

5 \$172,744.18



8	2056	91000480	0666-074-P20 H301	666	From: Rte. 761 To: 1.00 MI. N. W. Rte. 761	AWARD	BARPASHAY, INC. FRONT ROYAL, VA	4	\$172,966.00
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SECONDARY PROJECTS  
 Production County  
 Grade, Drive, Sideline & C&M (N/A) Right

9	2054	99305252	0607-025-3301 S22	007	From: Rte. 67 N.E. Rte. 619 To: 1.01 MI. E. Rte. 619	AWARD	MCFALL BICAYATINS, INC. CLINTWOOD, VA	9	\$77,414.50
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District County  
 Grade, Drive, Sideline & Pave.

20	2054	99305480	0787-007-P13 H301	787	From: Rte. 642 To: Rte. 789 R.	AWARD	ROBERTSON-POWLEN CO., INC. SALIDA, VA	03	\$379,068.74
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Augusta County  
 Grade, Drive, Sideline & Asphalt & T.



11	2095	9200959	0726-015-4123,SR01; 0460-015-12015,SR02	729 & 468	Rte. 726 near Beaver Cr. (0.4 MI. N. IN. Rte. 460)	AWARD	BORUBROH CONSTRUCTION CO., INC. CONCORD, VA	1	\$153,267.00
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SECONDARY PROJECTS  
AND  
Rte. 460 BEEL over Oystertown Cr. (0.65 MI.  
E. ECL. Lynnhelm)  
Campbell County  
Bk. Repor. & Dist Overlay (2)

12	2044	93004153	0871-053-6205,SR01	571	Rte. 571 over Flowsy Run Loudoun County Segment, Rtp/turn 018	REJECT	DLE, INC. HILLSVILLE VA	4	\$182,704.00
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1	218-919	91025885	CS7-919,235	Var.	Various Locations Wise County Asphalt Conc. Drivby & Build Shoulder	AWARD	W-L CONSTR. & PAVING, INC. CHILDREN VA	2	\$405,592.51
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MISCELLANEOUS PROJECTS



BIDS RECEIVED FEBRUARY 19, 1992



MISCELLANEOUS PROJECTS

Proj. No.	Proj. Name	Yr.	Estimate	Contractor	Amount
2 2045	Various Locations City of Norfolk Repr. Expansion Items (16 Items)	Var.	BR-5A-92	THE KENNEDY CO. OF VA, INC. CHESAPEAKE, VA	\$ 484,173.78
3 2047	Various Locations York & James City Co's. Curb & Gutter, Sidewalk, Sidewalk & Deep Island Repr.	Var.	BCL-5A-92	JACK L. MASSIE, CONTRACTOR, INC. WILLIAMSBURG, VA	\$ 577,721.00
4 2048	Various Locations Various Utilities Sign Overlay & Exit Signage	Var.	SKN-5-92; BRCD-055-104, 2002	TRANS. SAFETY CENTER OF VA., INC. CHESAPEAKE, VA	\$ 391,911.75
1 35-91B	North Island City of Newport News Electrical/Mechanical Operations Building	644	0664-121-102, CS13	SHIRLEY CONSTRUCTION CORP. PORTSMOUTH, VA	\$472,599.40

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Moved by Mr. Malbon, seconded by Mr. Nastracco,  
that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of J. K. Timmons and Associates, Inc., and it has been determined that a change in the scope of services is necessary to: revise the roadway plans to change contract limits and split the project into two construction projects (C-501 and C-502); design and incorporate stormwater management facilities into the roadway plans; redesign the drainage to accommodate proposed and existing utilities; study adjusting the vertical and horizontal roadway alignments to keep from having an impact on the existing 54" waterline which is located parallel to, and sometimes within, the Route 143 roadway; and revise the plans to add a fourth northbound lane from Brick Kiln Boulevard to Bland Boulevard and to widen the median to accommodate dual left turns for the Sam's/Wal-Mart development for D143-121-104, PE-101; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in Supplemental Agreement No. 1;

NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of this Supplemental Agreement and it shall become a part of the original agreement which currently has a maximum compensation of \$386,518.95.

This Supplemental Agreement No. 1 is in the amount of \$194,535.68, for services and expenses, plus a net fee of \$23,773.78, making the total for this supplement \$218,309.46. The total maximum compensation of the agreement, including this and all prior supplements, is now \$604,828.41.

Motion carried.

Moved by Mr. Malbon, seconded by Mr. Hoffler,  
that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Frederic R. Harris, Inc., and it has been determined that a change in the scope of services is necessary to

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include the design of a closed loop traffic signal system, locate and review underground storage tanks, redesign pavement, review stormwater management plans, and revise plan to accommodate the City of Hampton's landscaping scheme for Project 0258-114-110,C-501, from Hampton/Newport News Corporate Limits to I-64 Interchange in the City of Hampton, Suffolk District; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 3;

NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of this Supplemental Agreement and it shall become a part of the original agreement which currently has a maximum compensation of \$883,655.00.

This Supplemental Agreement No. 3 is in the amount of \$170,934.00 for services and expenses, plus a net fee of \$17,553.00, making the total for this supplement \$188,487.00. The total maximum compensation of the agreement including this and all prior supplements is now \$1,072,142.00.

Motion carried.

Moved by Mr. Bacon, seconded by Mr. Musselwhite, that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Burton, Adams, Kemp, and King, Inc., and it has been determined that a change in the scope of services is necessary to realign 1800 feet of Route 606 including the connections of Routes 873 and 756 to reduce wetland impacts and eliminate sharp curves and to provide stormwater management and detention basin design on the entire project for Project 0606-052-125, C-509 from 0.24 mile east of Route 628 to 0.11 mile east of Route 627 located in Lee County; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 1;

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NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of this Supplemental Agreement and it shall become a part of the original agreement which currently has a maximum compensation of \$263,332.00.

This supplemental Agreement No. 1 is in the amount of \$51,976.03 for services and expenses plus a net fee of \$7,312.70 making the total for this supplement \$69,288.73. The total maximum compensation of the agreement including this supplement is now \$332,620.73.

Motion carried.

Moved by Mr. Waldman, seconded by Mr. Warner, that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Talbot and Associates, Ltd., and it has been determined that a change in the scope of services is necessary to provide for an alignment change, adjustments in grades, design of a six-lane facility, and additional survey data for Projects 620-029-117, C-502, C-503, C-504, and C-505 from the intersection of Route 3545 to the intersection of Route 123 in Fairfax County in the Northern Virginia District; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 1;

NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of this Supplemental Agreement and it shall become a part of the original agreement which currently has a maximum compensation of \$1,373,631.91.

This Supplemental Agreement No. 1 is in the amount of \$511,067.15 for services and expenses plus a net fee of \$41,672.53 making the total for this supplement \$552,739.68. The total maximum compensation of the agreement including this and all prior supplements is now \$1,926,371.59.

Motion carried.

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Moved by Dr. Thomas, seconded by Mrs. Kincheloe,  
that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for photogrammetric ground control survey and supporting survey activities on a statewide basis, it is necessary to supplement its Location and Design staff; and

WHEREAS, in accordance with Department Policy and State Procurement procedures a firm proposal has been received from Anderson and Associates for said services; and

WHEREAS, careful review and consideration has been made of the scope of work and services required and just compensation has been established for these services and are set forth in the Memorandum of Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of the Agreement with the firm of Anderson and Associates which establishes a compensation of \$900,000.00 for services and expenses making a maximum total compensation not to exceed \$900,000.00.

Motion carried.

Moved by Dr. Thomas, seconded by Mrs. Kincheloe,  
that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for photogrammetric ground control survey and supporting survey activities on a statewide basis, it is necessary to supplement its Location and Design staff; and

WHEREAS, in accordance with Department Policy and State Procurement procedures a firm proposal has been received from Woolpert Consultants for said services; and

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Moved by Mr. Wells, seconded by Dr. Thomas  
that

WHEREAS, in connection with Route 29, State Highway Projects 1901-E and 427, the Commonwealth acquired certain lands from G. K. Dawson and Pearl L. Dawson by deed dated July 10, 1939, recorded in Deed Book 67, Page 327 recorded in the Office of the Clerk of the Circuit Court of Nelson County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the lands comprising the Woods Mill Wayside in Nelson County, adjacent to Route 29, containing approximately 2.0 acres, more or less, was acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 29 and does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, Nelson County has requested that the said lands be conveyed to the County for public use.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-149 of the Code of Virginia (1950), as amended, the conveyance of the said lands, so certified, is approved and the Commonwealth Transportation Commissioner is hereby authorized to execute a deed, without warranty, conveying same for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions as may be deemed appropriate.

Motion carried.

Moved by Mr. Wells, seconded by Dr. Thomas  
that

WHEREAS, in connection with Route 340, the Commonwealth acquired through donation a permanent drainage easement from William H. Pullin and Helen H. Pullin by deed dated May 3, 1978, recorded in Deed Book 696, Page 393 in the Office of the Clerk of the Circuit Court of Augusta County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the existing 15-inch permanent drainage easement lying across Route 340 approximately 0.25 mile west of Route

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608 does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, a permanent drainage easement has been installed on the adjacent property and conveyed to the Commonwealth, replacing the existing permanent drainage easement; and

WHEREAS, the owner of the underlying fee has asked that the existing easement be conveyed back to them.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-149 of the Code of Virginia (1950), as amended, the Commonwealth Transportation Commissioner is hereby authorized to execute a deed in the name of the Commonwealth conveying the drainage easement, so certified, to the owner of the underlying fee title for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions as may be deemed appropriate.

Motion carried.

Moved by Mr. Wells, seconded by Dr. Thomas that

WHEREAS, in connection with Route 460, State Highway Project 6460-026-104, RW-204, the Commonwealth acquired limited access rights from Roy Lee Marshall and Peggy A. Marshall by deed dated March 12, 1974, recorded in Deed Book 167, Page 51 in the Office of the Clerk of the Circuit Court of Dinwiddie County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that a fifty (50) foot segment of the easement of access, light or air so acquired on the south side of Route 460, from a point opposite approximate Station 852+54 (EBL centerline) to a point opposite approximate Station 853+04 (EBL centerline) is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the adjacent landowner has built a new home along Route 460 for which an entrance permit was secured; and

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WHEREAS, the new entrance and proposed access break is located in a better location as far as safety is concerned; and

WHEREAS, the access break originally granted between Station 844+02 (EBL centerline) and Station 844+52 (EBL centerline) will be closed.

NOW, THEREFORE, the said portion of the easement of access, light or air, is hereby declared abandoned as a part of the limited access feature pursuant to the provisions of Article 4, Chapter 1, Title 33.1 of the Code of Virginia (1950), as amended, and the Commonwealth Transportation Commissioner is hereby authorized to execute a quitclaim deed in the name of the Commonwealth releasing to the adjacent landowner of record any and all rights of access, light or air, owned by the Commonwealth between the aforementioned Stations in exchange for a deed closing the existing access break between Station 844+02 and Station 844+52, for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions and requirements as may be deemed appropriate.

Motion carried.

Moved by Mr. Wells, seconded by Dr. Thomas that

WHEREAS, in connection with Route 903, State Highway Project 0903-012-225, M-501, the Commonwealth acquired certain lands from Herman L. Wright and Ruth Wright by instrument dated May 24, 1990, recorded in Deed Book 247, Page 863 in the Office of the Clerk of the Circuit Court of Brunswick County; and

WHEREAS, in accordance with Section 33.1-155 of the Code of Virginia (1950), as amended, portions of Route 903 have been altered and a new road has been constructed and approved and the new road serves the same citizens as the old road; and

WHEREAS, by resolution passed by the Brunswick County Board of Supervisors dated September 18, 1991, a section of Route 903 was abandoned, effective October 10, 1991; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the land comprising 0.153 acre, more or less, land, lying south of and adjacent to the south normal right of way



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limits of Route 903, from a point approximately 30 feet opposite approximate Station 525+50 (Route 903 centerline) to a point approximately 30 feet opposite approximate Station 526+90 (Route 903 centerline) does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the Secondary System of State Highways; and

WHEREAS, the adjacent landowner has requested that the Commonwealth convey to them the excess land that is no longer required as part of a negotiated settlement.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-154 of the Code of Virginia (1950), as amended, the Commonwealth Transportation Commissioner is hereby authorized to execute a deed, without warranty, in the name of the Commonwealth conveying same to the adjoining landowner of record for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions as may be deemed appropriate.

Motion carried.

Moved by Mr. Bacon, seconded by Mr. Waldman, that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined the need to rehabilitate East River Mountain Tunnel, Bland County (Project 0077-010-1520), as it is deficient according to current AASHTO and ANSI/IES Standards and needs structural rehabilitation and rehabilitation of the mechanical, electrical and roadway lighting system.

WHEREAS, 55% of said tunnel is located in Bland County, Virginia and 45% in Mercer County, West Virginia, the cost of rehabilitation will be shared in the following proportions: Virginia Department of Transportation shall pay 55% of such cost and West Virginia Department of Transportation shall pay 45% thereof. This agreement shall be in accordance with a maintenance agreement dated December 18, 1964, executed between the two departments.

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NOW, THEREFORE, BE IT RESOLVED, that the Board authorizes the execution of the agreement with West Virginia Department of Transportation, Division of Highways for sharing the cost of rehabilitation of the tunnel.

Estimated total cost of rehabilitation will be six million dollars (\$6,000,000).

Motion carried.

Moved by Mr. Smalley, seconded by Mr. Bacon, that

WHEREAS, Section 33.1-221 of the Code of Virginia provides a fund to "...be expended by the Board for constructing, reconstructing, maintaining or improving access roads within counties, cities and towns to industrial sites on which manufacturing, processing or other establishments will be built under firm contract or are already constructed and to publicly owned airports"; and

WHEREAS, the Suffolk City Council has, by resolution, requested Industrial Access Funds to serve the Lakeview Industrial Park located off Route 135 in the City of Suffolk, and said access is estimated to cost \$802,800; and

WHEREAS, it appears that this request falls within the intent of Section 33.1-221 and complies with the provisions of the Commonwealth Transportation Board's policy on the use of Industrial Access Funds.

NOW, THEREFORE, BE IT RESOLVED, that \$302,000 (\$300,000 unmatched and \$2,000 matched) of the 1991-92 Fiscal Year Industrial Access Fund be allocated to provide adequate access to the proposed Lakeview Industrial Park located off Route 135 in the City of Suffolk, Project 0799-061-280, C501, contingent upon:

1. all necessary right of way and utility adjustments being provided at no cost to the Commonwealth; and
2. the execution of an appropriate contractual agreement, with bond, between the City of Suffolk (City) and the Virginia Department of Transportation (VDOT), to provide for:

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- a. the design, administration, and construction of this project;
- b. the City contributing the required \$2,000 matching funds;
- c. the City bearing any ineligible project costs and all eligible project costs in excess of \$304,000;
- d. the City bearing any portion of the project's cost to the Industrial Access Fund not justified by appropriate capital expenditures under the policy of the Commonwealth Transportation Board. If, by March 19, 1995, an establishment acceptable to the Board has not been constructed with an expenditure of at least \$3,040,000 for eligible capital outlay on eligible site(s) (Parcels 2-10) whose sole access to a road in the system of state highways is by virtue of this project, then
  - (1) an amount equal to 10% of eligible capital outlay will be credited toward the project's allocation, up to a maximum of \$3,000,000 of such outlay, and
  - (2) an amount equal to 5% of eligible capital outlay totaling between \$3,000,000 and \$3,040,000 will be credited toward the project's allocation
- e. VDOT determining eligible capital outlay and eligible project costs in accordance with current policy and procedures.

Motion carried.

Moved by Mr. Smalley, seconded by Mr. Waldman, that

WHEREAS, Section 33.1-223 of the Code of Virginia sets forth that the General Assembly of Virginia has found and declared that it is "...in the public interest that access roads and bikeways for public recreational areas and historical sites be provided...." reserves \$3,000,000 from highway funds for such purpose, and further provides that "The

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Commonwealth Transportation Board, with the concurrence of the Director of the Department of Conservation and Recreation, is hereby authorized to make regulations to carry out the provisions of this section."; and

WHEREAS, the Director of the Department of Conservation and Recreation and the Commonwealth Transportation Board have adopted a joint policy to govern the use of Recreational Access Funds pursuant to Section 33.1-223 of the Code of Virginia; and

WHEREAS, the Board of Supervisors of Frederick County has, by resolution, requested the use of Recreational Access Funds to provide adequate access to Sherando Park, located off Route 277 in Frederick County, and the said access is estimated to cost \$62,000; and

WHEREAS, this request has been considered by the Acting Director of the Department of Conservation and Recreation and has been found to comply fully with the provisions of Section 33.1-223; and

WHEREAS, the Director of the Department of Conservation and Recreation has recommended the construction of the aforementioned access road.

NOW, THEREFORE, BE IT RESOLVED, that \$62,000 from the 1991-92 Fiscal Year Recreational Access Fund be allocated to construct the access road to Sherando Park in Frederick County, Project 0726-034-221, M502, contingent upon:

1. all necessary right of way and utility adjustments being provided at no cost to the Commonwealth; and
2. adequate assurance from the County Board of Supervisors that the County has entered into a contract to construct the park and that it will be developed and operational by the approximate time of completion of this access facility; and
3. the County's payment of all ineligible project costs and of all eligible costs in excess of \$62,000 from sources other than those administered by the Virginia Department of Transportation.

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AND FURTHER, the project constructed in accordance with this resolution shall hereafter be known as a "Virginia Byway".

Motion carried.

Moved by Mr. Warner, seconded by Mr. Waldman, that

WHEREAS, the Commonwealth Transportation Board granted funds in the amount of \$140,000 to the Eastern Shore Railroad on August 16, 1990 for the purpose of improving the Little Creek Canal Bridge located in Virginia Beach and Norfolk; and

WHEREAS, the Commonwealth Transportation Board also granted funds in the amount of \$110,000 to the Eastern Shore Railroad on December 20, 1990 for the purpose of constructing weighing scales in Little Creek; and

WHEREAS, the actual cost on the Canal Bridge project was less than the consultant's estimate, a grant amount of \$38,721.35 will not be needed for this project; and

WHEREAS, the actual cost of the weighing scales exceeded the estimate by an amount greater than that remaining in the Canal Bridge grant; and

WHEREAS, the Eastern Shore Railroad has requested that the balance of the Canal Bridge grant be used to satisfy part of the increased cost of the weighing scales; and

WHEREAS, the requested changes in funding would not exceed the total amount previously granted; and

WHEREAS, it appears that this request is in accordance with the provisions of the Commonwealth Transportation Board's policy and procedures for the use of the funds established by Chapter 972, Item 738G, of the 1990 Acts of Assembly (Item 565, of the 1992 Acts of Assembly); and

WHEREAS, the Board has determined that these projects are for the common good of a region of the Commonwealth.

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NOW, THEREFORE, BE IT RESOLVED, that the Board approves using the balance of the funds from the Canal Bridge (\$38,721.35) to offset a portion of the increased cost of the weighing scales project.

Motion carried.

Moved by Mr. Nastracco, seconded by Mr. Waldman, that

WHEREAS, legislation enacted by the 1988 session of the General Assembly authorized the Commonwealth Transportation Board (this "Board") to issue Commonwealth of Virginia Transportation Contract Revenue Bonds in an aggregate principal amount not exceeding \$160,700,000 to finance the cost of the below-described project (the "Project") plus an amount for issuance costs, reserve funds, and other financing expenses;

WHEREAS, the Project consists of the acquisition and construction of roadways and related improvements on State Route 28 in Fairfax and Loudoun Counties from north of Interstate 66 to State Route 7, including interchanges at U.S. Route 50 and State Route 7 and the Dulles Toll and Access Roads;

WHEREAS, on September 29, 1988, this Board issued and sold the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (the "Series 1988 Bonds"), in the original aggregate principal amount of \$138,483,372.25, pursuant to a resolution adopted by this Board on August 18, 1988, and the Master Agreement of Trust, dated as of September 1, 1988 (the "Master Trust Agreement"), between this Board and Crestar Bank, as trustee (the "Trustee"), as supplemented by the First Supplemental Agreement of Trust, dated as of September 1, 1988 (the "First Supplemental Trust Agreement");

WHEREAS, this Board issued the Series 1988 Bonds to finance the costs of the Project, to establish a debt service reserve fund for the Series 1988 Bonds and to pay issuance costs;

WHEREAS, this Board now wishes to provide by this resolution pursuant to Section 33.1-293 of the Code of Virginia of 1950, as amended, for the issuance and sale of revenue refunding bonds for the purpose of

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refunding, along with certain other funds available under the Trust Agreement (as defined below), the outstanding Series 1988 Bonds;

WHEREAS, as authorized by a resolution of this Board adopted February 20, 1992, the revenue refunding bonds will be sold by the use of competitive bids;

WHEREAS, the foregoing arrangements will be reflected in the following documents, the most recent drafts of which have been presented to this meeting and will be filed with the records of this Board:

(1) a Second Supplemental Agreement of Trust, to be dated as of April 1, 1992 (the "Second Supplemental Trust Agreement"), between this Board and the Trustee;

(2) an Escrow Agreement, to be dated the date of its execution and delivery (the "Escrow Agreement"), between this Board and Crestar Bank, as escrow agent;

(3) a First Amendment to District Contract, to be dated as of April 1, 1992 (The "Amendment to District Contract"), between this Board and the State Route 28 Highway Transportation Improvement District (the "Route 28 District"), amending the Contract, dated as of September 1, 1988, between this Board and the Route 28 District, providing for the collection of special tax revenues from the Route 28 District and this Board's commitment to construct and complete the project;

(4) an Amended and Restated Payment Agreement, to be dated as of April 1, 1992 (the "Amendment to Payment Agreement"), between this Board and the Treasury Board of the Commonwealth of Virginia (the "Treasury Board"), amending and restating the Payment Agreement, dated as of September 1, 1988, between this Board and the Treasury Board to provide for the payment of principal and interest on the revenue refunding bonds;

(5) a Preliminary Official Statement of this Board, to be dated the date of its initial distribution (the "Preliminary Official Statement"), relating to the offering of the revenue refunding bonds; and

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(6) an Official Notice of Sale and Bid Form (the "Notice of Sale") relating to the terms of the competitive bidding process for the revenue refunding bonds;

WHEREAS, the Second Supplemental Trust Agreement the Escrow Agreement, the Amendment to District Contract and the Amendment to Payment Agreement will be referred to collectively in this resolution as the "Financing Documents" and the Master Trust Agreement, the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement will be referred to collectively in this resolution as the "Trust Agreement".

NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD THAT:

1. The issuance under the terms of this resolution and the Trust Agreement of revenue refunding bonds of the Commonwealth of Virginia to be known as the "Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) (the "Series 1992 Bonds")," is authorized. The series 1992 Bonds are to be issued in an original aggregate principal amount not to exceed \$130,000,000 and shall be in substantially the form attached as Exhibit A to the Second Supplemental Trust Agreement. The proceeds of the Series 1992 Bonds shall be used, along with certain other funds available under the Trust Agreement, in accordance with the Trust Agreement (i) to refund all of the outstanding Series 1988 Bonds, (ii) to establish a debt service reserve fund for the Series 1992 Bonds (if necessary) and (iii) to pay the issuance costs of the Series 1992 Bonds.

2. The Series 1992 Bonds shall be limited obligations of the Commonwealth of Virginia, payable solely from Revenues (as defined in the Trust Agreement) and from the proceeds of the Series 1992 Bonds and the investment earnings thereon not allocated to other purposes. Nothing in this Resolution, the Series 1992 bonds or the Trust Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions.



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3. The Chairman of this Board (the "Chairman") or any of such officers, employees or agents of this Board or the Department of Transportation as he may designate for such purpose (his "Designees") is authorized to determine and approve all of the final details of the Series 1992 Bonds, including without limitation, their dated date, original aggregate principal amount, interest rates, maturity dates, optional and mandatory redemption provisions, sale price and the principal amount of each maturity, provided that (i) the original aggregate principal amount of the Series 1992 Bonds shall not exceed \$130,000,000, (ii) the Series 1992 Bonds shall have a true interest cost that does not exceed 7.0%, and (iii) the final maturity of the last Series 1992 Bond to mature shall not be later than December 31, 2018. The Chairman or any of his Designees is authorized and directed to accept the bid for the purchase of the Series 1992 Bonds at the price and the interest rates that result in the lowest true interest cost to the Commonwealth of Virginia in accordance with the Notice of Sale, provided that such true interest cost shall not exceed the maximum set forth above and the sale price of the Series 1992 Bonds shall not be less than 97%, or greater than 103%, of the Series 1992 Bonds' original aggregate principal amount. The approval of the Chairman or his Designees of such details shall be evidenced conclusively by the execution and delivery of the Series 1992 Bonds.

4. The Commonwealth Transportation Commissioner (the "Commissioner") is authorized and directed to have the Series 1992 Bonds prepared and to execute them and the Secretary of this Board is authorized and directed to affix the official seal of this Board to the Series 1992 Bonds and to attest the seal, all in accordance with the Trust Agreement. The Chairman or any of his Designees is further authorized and directed to deliver the executed Series 1992 Bonds to Crestar Bank, as paying agent under the Trust Agreement, for authentication, and to cause the Series 1992 Bonds so executed and authenticated to be delivered to or for the account of the winning bidder for the Series 1992 Bonds upon payment of the purchase price specified in the winning bid.

5. The Chairman and his Designees are authorized and directed to call all of the callable Series 1988 Bonds for optional redemption on March 1, 1998. The redemption proceedings, including the giving of

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redemption notices to the holders of the callable Series 1988 Bonds, shall be done under the terms of the Series 1988 Bonds and the Trust Agreement.

6. The draft Financing Documents are approved. The Chairman is authorized to execute and deliver on this Board's behalf the Financing Documents in substantially the forms of the drafts submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman. This Board specifically authorizes the Chairman to approve changes to the dates of the Financing Documents and such changes to the Financing Documents as may be necessary to establish a debt service reserve fund for the Series 1992 Bonds if Standard & Poor's Corporation or Moody's Investors Service, Inc. requires one as a condition to granting the Series 1992 Bonds to "AA" or "Aa" rating, as applicable. The Chairman's approval shall be evidenced conclusively by the execution and delivery of the Financing Documents on the Board's behalf.

7. The draft Notice of Sale is approved. The Chairman is authorized and directed to cause the Notice of Sale to be published and distributed to potential bidders for the Series 1992 Bonds in substantially the form of the draft submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman. The Chairman's approval shall be evidenced conclusively by the distribution of the Notice of Sale to potential bidders.

8. The draft Preliminary Official Statement is approved. The Chairman is authorized and directed to cause the distribution of the Preliminary Official Statement to potential bidders for the Series 1992 Bonds in substantially the form of the draft submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman, and to "deem final" the Preliminary Official Statement on this Board's behalf for purposes of SEC Rule 15c2-12. After the winning bidder for the Series 1992 Bonds is selected, this Board authorizes and directs the Chairman to prepare and execute an Official Statement (the "Official Statement") in final form and to deliver it to the winning bidder. The Official Statement shall be substantially in the form of the Preliminary Official Statement as "deemed final" by the Chairman, with such completions, omissions, insertions and changes as may be approved

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by the Chairman. The Chairman's approval of all completions, omissions, insertions and changes to both the preliminary Official Statement and the Official Statement shall be evidenced conclusively by the execution and delivery of the Official Statement.

9. The Chairman and other appropriate officers and employees of this Board and the Department of Transportation are authorized and directed to execute and deliver simultaneously with the issuance of the Series 1992 Bonds a Non-Arbitrage Certificate and Tax Compliance Agreement setting forth the expected use and investment of the proceeds of the Series 1992 Bonds and containing such covenants as may be necessary to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Tax Code"), including the provisions of Section 148 of the Tax Code relating to "arbitrage bonds". This Board agrees on behalf of itself and the Commonwealth of Virginia that the proceeds from the issuance and sale of the Series 1992 Bonds will be invested and expended as set forth in the Non-Arbitrage Certificate and Tax Compliance Agreement and that this Board and the Commonwealth of Virginia will comply with the other covenants contained in it.

10. The Chairman and the other officers, employees and agents of this Board and the Department of Transportation are authorized and directed to execute and deliver on the Board's behalf such other instruments, documents or certificates, and take all such action as they may consider necessary or desirable in connection with the issuance and sale of the Series 1992 Bonds, and the refunding of the Series 1988 Bonds, including without limitation, such actions as may be necessary or desirable in connection with the sale of the Series 1992 Bonds by competitive bid. All of the foregoing previously done by the Chairman or any officer, employee or agent of this Board or the Department of Transportation are in all respects approved, ratified and confirmed.

11. The Chairman or any of his Designees is authorized and directed before the issuance date of the Bonds to determine the Completion Amount from the remaining proceeds of the Series 1988 Bonds on deposit in the Construction Fund established under the Trust Agreement. The "Completion Amount" means the amount of the remaining proceeds necessary to complete the Project and to be used for purposes relating to future

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planned expansion of the Project, including additional interchanges, as may be determined by this Board. After determining the Completion Amount, the Chairman or his Designee is then authorized and directed to prepare and submit to the Trustees a Completion Certificate (as defined in the Trust Agreement), directing the Trustee to reserve in the construction Fund the Completion Amount (to be used to complete the Project and the additional purposes determined by this Board) and to use the balance of the funds in the Construction Fund to refund the outstanding Series 1988 Bonds along with the proceeds of the Series 1992 Bonds and certain other funds available under the Trust Agreement.

12. This resolution shall take effect immediately.

Motion carried.

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**SECOND SUPPLEMENTAL AGREEMENT OF TRUST**

**BETWEEN**

**COMMONWEALTH TRANSPORTATION BOARD**

**AND**

**CRESTAR BANK, AS TRUSTEE**

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**COMMONWEALTH TRANSPORTATION BOARD  
COMMONWEALTH OF VIRGINIA TRANSPORTATION CONTRACT  
REVENUE REFUNDING BONDS, SERIES 1992  
(ROUTE 28 PROJECT)**

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**Dated as of April 1, 1992**

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## SECOND SUPPLEMENTAL AGREEMENT OF TRUST

THIS SECOND SUPPLEMENTAL AGREEMENT OF TRUST (this "Second Supplemental Trust Agreement") is made as of April 1, 1992, between the COMMONWEALTH TRANSPORTATION BOARD (the "Board"), and CRESTAR BANK, a Virginia banking corporation with its principal corporate trust office located in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, the "Trustee").

### RECITALS

A. The Board has the power under certain circumstances to issue revenue bonds to finance the cost of road improvements, including issuance costs, reserve funds and related expenditures, and to issue revenue refunding bonds to refund any outstanding bonds issued for such purpose.

B. The Board has entered into the District Contract with the District to provide for the levy of the Special Improvements Tax and the collection of Special Tax Revenues to finance the cost of certain road improvements in the District.

C. The Board and the Trustee have entered into the Master Agreement of Trust, dated as of September 1, 1988 (the "Master Trust Agreement"), to provide for the issuance of Bonds (1) to pay the Cost of a Project, the Cost of completion of any Project, or the Cost of planning or investigating the feasibility of a Project, that are of such nature as to be chargeable to a fixed capital account by generally accepted accounting principles, (2) to refund any of the Bonds, or (3) for a combination of such purposes.

D. Legislation enacted by the 1988 session of the General Assembly of Virginia authorized the Board to issue Commonwealth of Virginia Transportation Contract Revenue Bonds in an aggregate principal amount not exceeding \$160,700,000 to finance the cost of the below-described project (the "1988 Project") plus an amount for issuance costs, reserve funds, and other financing expenses. The 1988 Project consists of the acquisition and construction of roadways and related improvements on State Route 28 in Fairfax and Loudoun Counties from north of Interstate 66 to State Route 7, including interchanges at U.S. Route 50 and State Route 7 and the Dulles Toll Road and Access Roads.

E. On September 29, 1988, the Board issued and sold the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (the "Series 1988 Bonds"), in the original aggregate principal amount of \$138,483,372.25, pursuant to a resolution adopted by the Board on August 18, 1988, and the Master Trust



Agreement, as supplemented by the First Supplemental Agreement of Trust, dated as of September 1, 1988 (the "First Supplemental Trust Agreement"). The Board issued the Series 1988 Bonds to finance the costs of the 1988 Project, to establish a debt service reserve fund for the Series 1988 Bonds and to pay issuance costs.

F. Legislation enacted by the 1990 session of the General Assembly of Virginia permits proceeds of the Series 1988 Bonds remaining after providing for the financing of the 1988 Project to be used for purposes relating to future planned expansion of the 1988 Project including additional interchanges, as may be determined by the Board.

G. By a resolution adopted on March 19, 1992, the Board has determined to issue a Series of Bonds under the Master Trust Agreement (the "Series 1992 Bonds") to refund, along with certain other available funds, the Outstanding Series 1988 Bonds and to pay issuance costs.

H. The Master Trust Agreement provides that, in connection with the issuance of a Series of Bonds, the Board shall deliver to the Trustee an original executed Supplemental Trust Agreement authorizing the Series of Bonds and setting forth their terms and provisions. The Board also wishes to make certain amendments to the Master Trust Agreement and the First Supplemental Trust Agreement to facilitate the issuance of the Series 1992 Bonds and the refunding of the Series 1988 Bonds and to provide for the disposition of the remaining proceeds of the Series 1988 Bonds, among other things.

I. All things necessary to make the Series 1992 Bonds valid and binding limited obligations of the Commonwealth, when authenticated by the Trustee and issued as provided in this Second Supplemental Trust Agreement, and to constitute this Second Supplemental Trust Agreement a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the Series 1992 Bonds have been done and performed. The execution and delivery of this Second Supplemental Trust Agreement and the execution and issuance of the Series 1992 Bonds have in all respects been duly authorized.

NOW, THEREFORE, the Board covenants and agrees with the Trustee and with the Holders, from time to time, of the Series 1992 Bonds, as follows:

ARTICLE I

SECOND SUPPLEMENTAL TRUST AGREEMENT;  
AMENDMENTS TO TRUST AGREEMENT

Section 101. Second Supplemental Trust Agreement. This Second Supplemental Trust Agreement is entered into by the Board and the Trustee and delivered to the Trustee pursuant to and in accordance with Article III and Section 1101(g) of the Master Trust Agreement. All terms, covenants, conditions and agreements of the Trust Agreement apply with full force and effect to the Series 1992 Bonds and their Holders, except as otherwise provided in this Second Supplemental Trust Agreement.

Section 102. Definitions Used in Second Supplemental Trust Agreement. Each capitalized word and term used in this Second Supplemental Trust Agreement has the meaning given it in the Trust Agreement. In addition, the following words and terms have the following meanings in this Second Supplemental Trust Agreement unless the context clearly requires otherwise:

"Debt Service Reserve Requirement" for the Series 1992 Bonds means zero dollars (\$0.00) because the Series 1992 Bonds are not secured by the Debt Service Reserve Fund.

"DTC" has the meaning set forth in Section 203.

"Escrow Account" means the account by that name established under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement, dated April \_\_, 1992, between the Authority and Crestar Bank, as Escrow Agent.

"Letter of Representations" means the letter, dated \_\_\_\_\_, 1992, from the Board to DTC with respect to the Series 1992 Bonds, a copy of which is attached as Exhibit B to this Second Supplemental Trust Agreement and any amendment or supplement to it.

"Master Trust Agreement" means the Master Agreement of Trust, dated as of September 1, 1988, between the Board and the Trustee.

"Non-Arbitrage Certificate" means the Non-Arbitrage Certificate, dated the Series 1992 Closing Date, executed by certain authorized representatives of the Board.

"Second Supplemental Trust Agreement" means this Second Supplemental Agreement of Trust, dated as of April 1, 1992, between the Board and the Trustee, and any amendment or supplement to it.

"Series 1988 Bonds" means the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), issued on September 29, 1988, in the original aggregate principal amount of \$138,483,372.25.

"Series 1992 Bonds" mean the Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1992 (Route 28 Project) issued under Article II of this Second Supplemental Trust Agreement in the original aggregate principal amount of \$\_\_\_\_\_.

"Series 1992 Closing Date" means April \_\_, 1992.

"Series 1992 Costs of Issuance Account" means the account established under Section 401.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the Series 1992 Closing Date, executed by certain authorized representatives of the Board, as it may be amended or supplemented in accordance with its terms.

"TRIP II Escrow Agreement" means the Escrow Agreement, dated \_\_\_\_\_, 1991, among the Virginia Department of Transportation, Toll Road Investment Partners II and Crestar Bank, as escrow agent, a copy of which is attached as Exhibit C.

Section 103. Substitute Definitions in Master Trust Agreement. The following definitions of the following capitalized terms are substituted for the definitions of such terms set forth in Section 101 of the Master Trust Agreement:

"Authorized Representative of the Board" means the Chairman of the Board or such other person or persons as may be designated to act on behalf of the Board by a duly adopted resolution of the Board filed with the Trustee.

"Commissioner" means the Commonwealth Transportation Commissioner.

"District Contract" means the Contract, dated as of September 1, 1988, between the Board and the District, the First Amendment to District Contract, dated as of April 1, 1992, any and all modifications, alterations, amendments and supplements thereto and any additional contracts between the Board and the District concerning any Project.

"Government Certificates" means certificates representing ownership of United States treasury bond principal at maturity or coupons for accrued periods, which bonds or coupons are held by a bank or trust company reasonably acceptable to the Trustee. Such bank or trust company holding Government Certificates shall be

organized and existing under the laws of the United States of America or any of its states and shall hold such Government Certificates in the capacity of custodian, independent of the seller of such certificates.

"Gross Proceeds" means for any Series of Bonds the "gross proceeds" of such Series of Bonds within the meaning of Section 148(f) of the Code.

"Outstanding" shall mean, at any date, the aggregate of all Bonds authorized, issued, authenticated and delivered under this Second Supplemental Trust Agreement, except:

(a) Bonds cancelled or surrendered to the Paying Agent for cancellation;

(b) Bonds deemed to have been paid as provided in Section 1201; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Second Supplemental Trust Agreement unless proof satisfactory to the Paying Agent is presented that any such Bond is held by a bona fide Holder.

In determining whether Holders of a requisite aggregate principal amount of the Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Second Supplemental Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding Bonds shall be deemed also to be references to, to connote and to include the Accreted Value of Bonds of any Series as of the immediately preceding Compounding Date of such Bonds. Bonds which are owned by the Board shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. At the time of any such determination, the Board shall furnish the Trustee a certificate of an Authorized Representative of the Board describing all Bonds subject to such exclusion.

"Payment Agreement" means the Amended and Restated Payment Agreement, dated as of April 1, 1992, between the Board and the Treasury Board of the Commonwealth of Virginia providing for the request for appropriation of funds from the General Assembly of the Commonwealth of Virginia and payments of such funds to the Trustee for payment of debt service on the Bonds.

"Revenues" means the revenues, receipts and funds which have been appropriated from the Trust Fund by the General Assembly for payment of the Bonds.

Section 104. New Definitions in Master Trust Agreement. The following definitions of the following capitalized terms are added to Section 101 of the Master Trust Agreement:

"Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

"Trust Agreement" means, collectively, this Agreement as amended and supplemented by the First Supplemental Agreement of Trust, dated as of September 1, 1988, and the Second Supplemental Agreement of Trust, dated as of April 1, 1992, and as it may be amended or supplemented from time to time hereafter in accordance with its terms.

Section 105. Substitute Definitions in First Supplemental Trust Agreement. The following definition of the capitalized term "Project" is substituted for the definition of such term set forth in Section 102 of the First Supplemental Trust Agreement:

"Project" means the construction of State Route 28 to six lanes in Fairfax and Loudoun Counties from north of Interstate 66 to State Route 7, including interchanges at U.S. Route 50 and State Route 7 and the Dulles Toll and Access Roads, which has been approved by the General Assembly, consisting of the acquisition and construction of roadways and related improvements, including, without limitation, preliminary engineering and right of way acquisition, as more particularly described on Appendix B to the District Contract and as follows:

(a) Board project 0028-029-111, C501, which is the project running from U.S. Route 50 to Horsepen Road;

(b) Board project 0028-029-111, C502, which is the project running from Interstate 66 to south of U.S. Route 50;

(c) Board project 0028-029-111, C503, which is the U.S. Route 50 interchange project;

(d) Board project 0028-053-104, C501, which is the project running from Sterling Boulevard to south of State Route 7;

(e) Board project 0028-053-104, C502, which is the State Route 7 interchange project;

(f) Board project 0028-029-111, C504 and 0028-053-104, C503, which is the project running from Horsepen Road to Sterling Boulevard;

(g) Board project 0028-053-103, C501 and C502, which is the access road interchange project; and

(h) Board project 0028-053-103, C503, which is the project running from State Route 606 to State Route 846;

as such description may be amended from time to time by the Board. "Project" shall also mean any purposes relating to future planned expansion of the project described in the preceding sentence, including additional interchanges, as may be determined by resolution of the Board.

**Section 106. Rules of Construction.** Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Second Supplemental Trust Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Series 1992 Bonds shall not be deemed to refer to or connote the payment of Series 1992 Bonds at their stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Second Supplemental Trust Agreement.

(d) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Second Supplemental Trust Agreement nor shall they affect its meanings, construction or effect.

(e) All references herein to the payment of Series 1992 Bonds are references to payment of principal of and premium, if any, and interest on Series 1992 Bonds.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF SERIES 1992 BONDS

**Section 201. Authorization of Series 1992 Bonds.** There are authorized to be issued and sold pursuant to Article III of the Master Trust Agreement a Series of Commonwealth of Virginia transportation contract revenue bonds in the original aggregate principal amount of \$\_\_\_\_\_. The proceeds of such Bonds

shall be used, along with certain other funds available under the Trust Agreement, to refund the Outstanding Series 1988 Bonds and to pay issuance costs. Such bonds shall constitute Bonds, as defined in the Master Trust Agreement.

**Section 202. Details of Series 1992 Bonds.** The transportation contract revenue bonds authorized in Section 201 are designated "Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project)," and shall be issued as fully registered bonds.

The Series 1992 Bonds shall (i) be dated April 1, 1992, (ii) be issued in denominations of \$5,000 or any integral multiple of \$5,000, (iii) be numbered from R-1 upwards, sequentially, (iv) bear interest at the rates set forth below, payable on each April 1 and October 1, commencing October 1, 1992, and (v) mature, subject to prior redemption, on April 1 in the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1993	\$	‡	2006	\$	‡
1994			2007		
1995			2008		
1996			2009		
1997			2010		
1998			2011		
1999			2012		
2000			2013		
2001			2014		
2002			2015		
2003			2016		
2004			2017		
2005			2018		

The principal of and premium, if any, and interest on the Series 1992 Bonds are payable in lawful money of the United States of America, but only from the Revenues and other sources pledged for such purpose under the Trust Agreement.

The principal of and premium, if any, on the Series 1992 Bonds will be payable upon presentation and surrender of the Series 1992 Bonds at the Paying Agent's principal corporate trust office.

Each Series 1992 Bond will bear interest from April 1, 1992, if it is authenticated before October 1, 1992, or (b) otherwise, from the April 1 or October 1 that is, or immediately precedes, the date on which the Series 1992 Bond is authenticated (unless the payment of interest on the Series 1992 Bond is in default, in which case the Series 1992 Bond will bear interest from the date to which interest has been paid). Interest on the Series 1992

Bonds will be computed on the basis of a year of 360 days and twelve 30-day months. Interest on the Series 1992 Bonds will be paid by check or draft mailed by the Paying Agent on each interest payment date to the Holders of the Series 1992 Bonds at their addresses as they appear on the registration books for the Series 1992 Bonds maintained by the Paying Agent. The Holders will be determined on the March 15 or September 15, as appropriate, which next precedes each interest payment date. Notwithstanding the foregoing, if the Holder of any Series 1992 Bond (i) owns at least \$1,000,000 in aggregate principal amount of Series 1992 Bonds and (ii) has provided satisfactory notice regarding payment via wire transfer to the Paying Agent, then interest will be paid to such Holder by wire transfer.

If the date of maturity of the principal of the Series 1992 Bond or the date fixed for the payment of interest on or the redemption of the Series 1992 Bond is not a Business Day, then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such date of maturity or date fixed for redemption.

Notwithstanding any other provision of the Series 1992 Bonds or this Second Supplemental Trust Agreement, for so long as all of the Series 1992 Bonds are registered in the name of DTC or its nominee, the payment of principal, premium and interest on the Series 1992 Bonds, the providing of notices and other matters relating to the Series 1992 Bonds will be made as described in the Letter of Representations.

Section 203. Book Entry Provisions. The Series 1992 Bonds will be issued in fully registered form and registered in the name of Cede & Co., a nominee of DTC, and immobilized in the custody of DTC. One fully registered Series 1992 Bond for the original principal amount of each maturity will be registered to Cede & Co. Beneficial owners will not receive physical delivery of Series 1992 Bonds. Individual purchases of Series 1992 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000. Payments of the principal of and premium, if any, and interest on the Series 1992 Bonds will be made to DTC or its nominee as registered owner of the Series 1992 Bonds on the applicable payment date.

Transfer of the payments of the principal of and premium, if any, and interest on the Series 1992 Bonds to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants") is the responsibility of DTC. Transfer of the payments of the principal of and premium, if any, and



3/19/92

WHEREAS, careful review and consideration has been made of the scope of work and services required and just compensation has been established for these services and are set forth in the Memorandum of Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board authorize the execution of the Agreement with the firm of Woolpert Consultants which establishes a compensation of \$900,000.00 for services and expenses making the maximum total compensation not to exceed \$900,000.00.

Motion carried.

Moved by Mrs. Kincheloe, seconded by Mr. Smalley, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Combined Location and Design Public Hearing was held in the Germanna Community College on December 5, 1991, at 7:30 p.m., for the purpose of considering the proposed location and major design features of Route 3 from 2.49 mile west of Culpeper/Orange County Line (W.B.L.) to 0.33 mile west of Culpeper/Orange county Line (W.B.L.), in Culpeper County, State Project 0003-023-104, C-503; Federal Project F-088-1( ); and

WHEREAS, proper notice was given in advance, and all those present were given a full opportunity to express their opinions and recommendations for or against the proposed project as presented, and their statements being duly recorded; and

WHEREAS, the economic, social, and environmental effects of the proposed project have been examined and given proper consideration, and this evidence, along with all other, has been carefully reviewed;

NOW, THEREFORE, BE IT RESOLVED, that the location and major design features of this project be approved in accordance with the plan as proposed and presented at the said Location and Design Public hearing by the Department's Engineers with modification to address the crossover concerns expressed at the public hearing during the final design phase of the project.

Motion carried.

interest on the Series 1992 Bonds to their beneficial owners by the Participants is the responsibility of the Participants and other nominees of the beneficial owners.

Transfer of ownership interests in the Series 1992 Bonds will be made by DTC and its Participants, acting as nominees of the beneficial owners of the Series 1992 Bonds, in accordance with rules specified by DTC and its Participants. Neither the Board nor the Trustee makes any assurances that DTC, its Participants or other nominees of the beneficial owners of the Series 1992 Bonds will act in accordance with those rules or on a timely basis. For every transfer and exchange of beneficial ownership interest in the Series 1992 Bonds, the beneficial owner may be charged sums sufficient to cover any tax, fee or other governmental charge that may be imposed in relation to it.

THE BOARD AND THE TRUSTEE DISCLAIM ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 1992 BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST AGREEMENT TO BE GIVEN TO HOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 1992 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 1992 BONDS.

So long as Cede & Co., or its successor, is the registered owner of the Series 1992 Bonds, as nominee of DTC, references in the Trust Agreement to the Holders of the Series 1992 Bonds means Cede & Co. and does not mean the beneficial holders of the Series 1992 Bonds. Notwithstanding Section 206 of the Master Trust Agreement, the Series 1992 Bonds may be issued in typewritten form so long as Cede & Co., or its successor, is the registered holder of the Series 1992 Bonds, as nominee of DTC.

(b) Replacement Series 1992 Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 1992 Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the Series 1992 Bonds; or

(2) The Trustee or the Board (with the Trustee's consent) has advised DTC of its determination that DTC is incapable of discharging its duties or that it is otherwise in the best interests of the beneficial owners of the Series 1992 Bonds to discontinue the book-entry system of transfer.

If an event described in clause (1) or (2) should occur (the Trustee and the Board undertake no obligation to make any investigation regarding the matters described in clause (2)), the Board may attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed and the Trustee shall authenticate and deliver to the Participants the Replacement Series 1992 Bonds (substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by the Trust Agreement) to which the Participants are entitled for delivery to the beneficial owners of the Series 1992 Bonds. The Holders of the Replacement Series 1992 Bond shall be entitled to the lien and benefits of the Trust Agreement. The Trustee is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Series 1992 Bonds. The principal of and premium, if any, and interest on the Replacement Series 1992 Bonds will be payable as provided in Section 202, and the Replacement Series 1992 Bonds will be transferable and exchangeable in accordance with Section 204 of the Master Trust Agreement.

Section 204. Form of Series 1992 Bonds. The Series 1992 Bonds will be issued substantially in the form set forth in Exhibit A to this Second Supplemental Trust Agreement, with appropriate variations, omissions and insertions as permitted or required by the Trust Agreement. There may be endorsed on the Series 1992 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 205. Security for Series 1992 Bonds. The Series 1992 Bonds shall be equally and ratably secured as to Revenues under the Trust Agreement with any other Series of Bonds to be issued thereunder, without preference, priority or distinction of any Bonds over any other Bonds; provided, however, that the Series 1992 Bonds shall not be secured by any amounts in the Debt Service Reserve Fund. The Series 1992 Bonds shall be secured by the Construction Fund and the Bond Fund.

Section 206. Application of Series 1992 Bond Proceeds. On the Series 1992 Closing Date, the proceeds of the sale of the Series 1992 Bonds shall be paid to the State Treasurer by the initial purchaser or purchasers of the Series 1992 Bonds, delivered by the State Treasurer to the Trustee and applied by the Trustee as follows:

(a) The sum of \$ \_\_\_\_\_, representing accrued interest on the Series 1992 Bonds from their date to the Closing Date, shall be deposited in the Interest Account of the Bond Fund;

(b) The sum of \$ \_\_\_\_\_ shall be deposited in the Series 1992 Costg of Issuance Account; and

(c) The sum of \$ \_\_\_\_\_ shall be deposited in the Escrow Account.

Section 207. Transfer from Other Funds. On the Series 1992 Closing Date, the Trustee shall transfer to the Escrow Account the following amounts:

(a) The sum of \$ \_\_\_\_\_ from the Debt Service Reserve Fund, representing all of the amounts held in the Debt Service Reserve Fund on the Series 1992 Closing Date; and

(b) The sum of \$ \_\_\_\_\_ from the Construction Fund, representing all amounts in the Construction Fund in excess of the amount reserved pursuant to the Completion Certificate for the Project presented to the Trustee on the Series 1992 Closing Date.

### ARTICLE III

#### REDEMPTION OF SERIES 1992 BONDS

Section 301. Redemption of the Series 1992 Bonds. The Series 1992 Bonds may not be called for redemption at the Board's option or for mandatory redemption except as provided in this Article.

Section 302. Optional Redemption. The Series 1992 Bonds maturing before April 1, \_\_\_\_\_, are not subject to optional redemption. The Series 1992 Bonds maturing on and after April 1, \_\_\_\_\_, are subject to redemption before maturity at the Board's option at any time on or after April 1, \_\_\_\_\_, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Series 1992 Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
April 1, _____ to March 31, _____	
April 1, _____ to March 31, _____	
April 1, _____ and thereafter	

**Section 303. Mandatory Redemption.** (a) The Series 1992 Bonds maturing April 1, \_\_\_\_\_, are required to be redeemed in part before maturity pursuant to the following sinking fund requirements. The Trustee shall call for mandatory redemption the Series 1992 Bonds maturing on April 1, \_\_\_\_\_, on April 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of the Series 1992 Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
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(b) The Series 1992 Bonds maturing April 1, \_\_\_\_\_, are required to be redeemed in part before maturity pursuant to the following sinking fund requirements. The Trustee shall call for mandatory redemption the Series 1992 Bonds maturing on April 1, \_\_\_\_\_, on April 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of the Series 1992 Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
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(c) The amount of Series 1992 Bonds to be redeemed pursuant to this Section may be reduced in accordance with the provisions of Section 602 of the Master Trust Agreement.

**Section 304. Selection of Series 1992 Bonds for Redemption.** If less than all of the Series 1992 Bonds are to be called for optional redemption, the maturities to be called shall be as directed by the Board in such manner as the Board determines to be in its best interests. If less than all of any maturity of Series 1992 Bonds is to be called for optional or mandatory redemption, the Series 1992 Bonds within each maturity to be redeemed shall be selected by lot in such manner as the Trustee determines to be appropriate and fair.

#### ARTICLE IV

##### ESTABLISHMENT OF SERIES 1992 COSTS OF ISSUANCE ACCOUNT

Section 401. Series 1992 Costs of Issuance Account. There is established the Series 1992 Costs of Issuance Account to be held by the Trustee. The Trustee shall use the money in the Series 1992 Costs of Issuance Account to pay or to reimburse the Board for its payment of the expenses incident to the issuance of the Series 1992 Bonds and the refunding of the Series 1988 Bonds. Any money, including investment earnings, remaining in the Series 1992 Costs of Issuance Account after the earlier to occur of the date all such expenses are paid or April 1, 1993, shall be deposited in the Interest Account of the Bond Fund.

#### ARTICLE V

##### SPECIAL COVENANTS

Section 501. Redemption of Callable Series 1988 Bonds. The Board irrevocably exercises its option to redeem on March 1, 1998, all of the callable Series 1988 Capital Appreciation Bonds and all of the Series 1988 Current Interest Bonds remaining Outstanding on March 1, 1998. The Trustee agrees to send notices of optional redemption and take such other actions as may be required to effect this redemption in accordance with Article IV of the Master Trust Agreement and Article III of the First Supplemental Trust Agreement.

Section 502. Notice of Defeasance. The Board shall within ten (10) days after the Closing Date cause a copy of the notice attached as Exhibit D to this Second Supplemental Trust Agreement to be published in a newspaper of general circulation within the City of Richmond, Virginia, and in the Bond Buyer, and cause such notice to be mailed to the Holders of the Series 1988 Bonds, Standard and Poor's Corporation, Moody's Investor Service, Inc., and the CUSIP Service Bureau.

Section 503. Tax Covenants. The Board agrees that it will not take any action, or omit to take any action, if any such action or omission would adversely affect the exclusion from gross income of interest on the Series 1992 Bonds under Section 103 of the Code. The Board agrees that it will not directly or indirectly use or permit the use of any proceeds of the Series 1992 Bonds or any other of its funds or take or omit to take any action that would cause the Series 1992 Bonds to be "arbitrage bonds" under Section 148 of the Code. To these ends, the Board will comply with all requirements of Sections 141 through 150 of the Code, including the rebate requirement of Section 148(f), to the extent applicable to the Series 1992 Bonds.

Without limiting the generality of the foregoing, the Board agrees that (i) barring unforeseen circumstances, it will not directly or indirectly use or permit the use of the proceeds of the Series 1992 Bonds except in accordance with the Non-Arbitrage Certificate and (ii) insofar as the Non-Arbitrage Certificate and the Tax Compliance Agreement impose duties and responsibilities on the Board, the Non-Arbitrage Certificate and the Tax Compliance Agreement are specifically incorporated by reference into this Second Supplemental Trust Agreement.

The Trustee agrees to comply with all instructions of the Board given in accordance with the Non-Arbitrage Certificate and the Tax Compliance Agreement. The Trustee shall be entitled to receive and may request from time to time from the Board written directions from Bond Counsel regarding the interpretation of Sections 141 through 150 of the Code, and the Trustee agrees that it will comply with such directions (upon which the Trustee and the Board may conclusively rely) so as to enable the Board to perform its covenants under this Section.

Notwithstanding any provision of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel to the effect that any action required under this Section by incorporation or otherwise is no longer required to maintain the exclusion from gross income of the interest on the Series 1992 Bonds under Section 103 of the Code, the Board and the Trustee may rely conclusively on such opinion in complying with the provisions of this Section.

Section 504. TRIP II Escrow Agreement. The Board and the Trustee consent to (i) the establishment of the Special Account described in the TRIP II Escrow Agreement, (ii) the transfer to the Special Account on the "Closing Date" described in paragraph 2(c) of the TRIP II Escrow Agreement of \$3,600,000 of the amount remaining in the Construction Fund after the transfer described in Section 207(b) and (iii) the maintenance and disbursements of amounts in the Special Account in accordance with the terms of the TRIP II Escrow Agreement.

## ARTICLE VI

### MISCELLANEOUS

Section 601. Successors and Assigns. This Second Supplemental Trust Agreement is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 602. Severability. If any provision of this Second Supplemental Trust Agreement is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 603. Governing Law. This Second Supplemental Trust Agreement will be governed by and construed under the applicable laws of the Commonwealth.

Section 604. Counterparts. This Second Supplemental Trust Agreement may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 605. Parties Interested. Nothing in this Second Supplemental Trust Agreement expressed or implied is intended or will be construed to confer upon any person, other than the Board, the Trustee, and the Holders of the Bonds, any right, remedy or claim under or by reason of this Second Supplemental Trust Agreement, this Second Supplemental Trust Agreement being intended for the sole and exclusive benefit of the Board, the Trustee, and the Holders of the Bonds.

Section 606. Determination of No Material Prejudice. The Trustee determines that in its opinion the amendments to the Master Trust Agreement and the First Supplemental Trust Agreement set forth in this Second Supplemental Trust Agreement do not prejudice in any material respect the rights of the Holders of the Bonds Outstanding on the Series 1992 Closing Date.

Section 607. Affirmation of Trust Agreement. Except as expressly supplemented and amended in this Second Supplemental Trust Agreement, all of the terms, conditions and undertakings of the Board and the Trustee under the Trust Agreement are hereby ratified and affirmed and remain in full force and effect.

IN WITNESS WHEREOF, the Board and the Trustee have caused this Second Supplemental Trust Agreement to be executed on their behalf by their duly authorized officers.

COMMONWEALTH TRANSPORTATION BOARD

By: \_\_\_\_\_  
Chairman



**CRESTAR BANK, as Trustee**

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

\\CTB\CTB102.SAT

**EXHIBIT A**  
**FORM OF BOND**

R-\_\_\_

CUSIP

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA

COMMONWEALTH TRANSPORTATION BOARD  
COMMONWEALTH OF VIRGINIA TRANSPORTATION  
CONTRACT REVENUE REFUNDING BOND,  
SERIES 1992 (ROUTE 28 PROJECT)

INTEREST RATE	MATURITY DATE	DATED DATE
___%	April 1, ___	April 1, 1992

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The COMMONWEALTH TRANSPORTATION BOARD (the "Board") for value received, promises to pay, solely from the below-described revenues and other property pledged to the payment of this Bond, to the registered owner of this Bond or legal representative, the principal sum stated above on the maturity date stated above, and to pay, solely from such revenues and other property, interest on the principal amount of this Bond at the annual rate stated above, payable semi-annually on each April 1 and October 1, commencing on October 1, 1992, all subject to prior redemption as described in this Bond. Principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America, but only from such revenues and other property.

The principal of and premium, if any, on this Bond is payable upon presentation and surrender of this Bond at the principal corporate trust office of Crestar Bank, Richmond, Virginia, as Paying Agent under the Trust Agreement (as defined below), or its successor as paying agent under the Trust Agreement (the "Paying Agent").

This Bond will bear interest (i) from April 1, 1992, if this Bond is authenticated before October 1, 1992, or (ii) otherwise, from the April 1 or October 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless the payment

of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). Interest on this Bond will be computed on the basis of a year of 360 days and twelve 30-day months. Interest on this Bond will be paid by check or draft mailed to the person registered on the March 15 or September 15, as appropriate, next preceding the interest payment date as the registered owner of this Bond at the address of such person as it appears on the registration books maintained by the Paying Agent. Notwithstanding the foregoing, if (i) the registered owner of this Bond owns at least \$1,000,000 in aggregate principal amount of Bonds and (ii) such owner has provided satisfactory prior notice of a wire address to the Paying Agent, then interest on this Bond will be paid by wire transfer.

If the date of maturity of the principal of this Bond or the date fixed for the payment of interest on or the redemption of this Bond is not a Business Day (as defined in the Trust Agreement), then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such date of maturity or date fixed for redemption.

Notwithstanding any other provision of this Bond, this Bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC") and, for so long as this Bond is registered in the name of DTC or its nominee, the payment of principal, premium and interest on this Bond, the providing of notices and other matters relating to this Bond will be made as described in the Board's letter of representations to DTC.

This Bond is one of an issue of \$\_\_\_\_\_ Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) (the "Bonds"), of like tenor, except as to number, denomination, interest rate, privilege of redemption and maturity, authorized and issued pursuant to the State Revenue Bond Act, Chapter 3, Title 33.1 of the Code of Virginia of 1950, as amended, for the purpose of providing funds to refund, along with certain other funds available under the Trust Agreement, the outstanding Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), and to pay issuance costs.

This Bond and the premium, if any, and the interest on it are limited obligations of the Commonwealth of Virginia and are payable solely from the revenues, receipts and funds appropriated from the Transportation Trust Fund (the "Trust Fund") for such purpose by the General Assembly of Virginia (the "Revenues"), including, but not limited to, revenues deposited in the Trust Fund pursuant to a Contract, dated as of September 1, 1988,

between the Board and the State Route 28 Highway Transportation Improvement District, as amended by a First Amendment to District Contract, dated as of April 1, 1992 (collectively, the "District Contract"), and from bond proceeds and investment earnings thereon. This Bond, the premium, if any, and the interest on it shall not constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or of any of its political subdivisions. The Board and the Treasury Board of the Commonwealth of Virginia have entered into an Amended and Restated Payment Agreement, dated as of April 1, 1992 (the "Payment Agreement"), providing for the payment of Revenues from the Trust Fund to the Trustee in amounts and at times sufficient to pay principal of and interest on the Bonds; provided, however, that the obligation of the Treasury Board to make such payments is subject to and dependent on annual or biennial appropriations being made by the General Assembly of Virginia, which is not obligated to make such appropriations. Upon deposit of Revenues with the Trustee pursuant to the Payment Agreement, such Revenues are pledged to the payment of the Bonds.

The Bonds are issued under and are equally and ratably secured by the Master Agreement of Trust, dated as of September 1, 1988 (the "Master Trust Agreement"), between the Authority and Crestar Bank, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Agreement of Trust, dated as of September 1, 1988 (the "First Supplemental Trust Agreement"), and the Second Supplemental Agreement of Trust, dated as of April 1, 1992 (the "Second Supplemental Trust Agreement"). The Master Trust Agreement, the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement are referred to collectively in this Bond as the "Trust Agreement." Reference is made to the Trust Agreement for a description of, among other things, the provisions governing the nature and extent of the security for the Bonds, the rights and obligations of the Board and the Trustee, the terms on which the Bonds are issued, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights. Additional bonds ranking equally with the Bonds may be issued on the terms provided in the Trust Agreement.

The Bonds may not be called for redemption except as provided in the Trust Agreement and described in the succeeding numbered paragraphs.

(1) The Bonds maturing before April 1, \_\_\_\_\_, are not subject to optional redemption. The Bonds maturing on and after April 1, \_\_\_\_\_, are subject to redemption before maturity at the Board's option at any time on or after April 1, \_\_\_\_\_, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, during the following redemption periods, upon payment of the following

redemption prices, which are expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
April 1, ____ to March 31, ____	
April 1, ____ to March 31, ____	
April 1, ____ and thereafter	

(2) The Bonds maturing April 1, \_\_\_\_, are required to be redeemed in part before maturity on April 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

(3) The Bonds maturing April 1, \_\_\_\_, are required to be redeemed in part before maturity on April 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
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The amount of Bonds to be redeemed pursuant to paragraphs (2) and (3) above may be reduced in accordance with the provisions of Section 602 of the Master Trust Agreement.

If any of the Bonds are called for redemption, the Paying Agent will cause a notice of redemption to be sent by registered or certified mail not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of each Bond to be redeemed at his address as it appears on the registration books kept by the Paying Agent. If this Bond is duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from the

redemption date, and, from and after the redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the registered owner of this Bond will have no rights in respect of this Bond except to receive payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on this Bond.

The registered owner of this Bond has no right to enforce the provisions of the Trust Agreement or to take any action with respect to any Event of Default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect to the Trust Agreement, except as provided in the Trust Agreement. Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Trust Agreement, the principal of all of the Bonds issued under the Trust Agreement and then outstanding, together with any accrued interest on them, may become or may be declared due and payable before their stated maturities. Modifications or alterations in the Trust Agreement, or any supplements to it, may be made to the extent and under the circumstances provided by the Master Trust Agreement.

The Bonds are issued as registered bonds without coupons in denominations of \$5,000 or any integral multiple of \$5,000. Upon surrender of this Bond at the Paying Agent's principal corporate trust office, in the manner and subject to the limitations and conditions provided for in the Trust Agreement, this Bond may be exchanged for an equal aggregate principal amount of Bonds of like date and tenor and of authorized denominations and bearing interest at the same rate.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the Paying Agent's principal corporate trust office, but only in the manner and subject to the limitations and conditions provided for in the Trust Agreement and upon surrender and cancellation of this Bond. Upon the registration of any transfer, the Authority will execute and the Trustee will authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of like date and tenor and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. Before due registration of any transfer of this Bond, the Paying Agent will treat the registered owner shown the registration books maintained by the Paying Agent as the person exclusively entitled to payment of principal of and premium, if any, and interest on this Bond, and the exercise of all other rights and powers of the owner.

All acts and conditions required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Trust Agreement or be valid until the Paying Agent has executed the Certificate of Authentication appearing on this Bond.

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Bond to be executed by the [facsimile signature of] the Commonwealth Transportation Commissioner, [a facsimile of] its seal to be [printed] [affixed] on this Bond and attested by [the facsimile signature] of its Secretary, and this Bond to be dated April 1, 1992.

COMMONWEALTH TRANSPORTATION BOARD

By: \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Secretary

\* \* \* \* \*

AUTHENTICATION DATE:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Trust Agreement.

CRESTAR BANK, as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

---

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF TRANSFEREE)

---

this Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_, attorney, to transfer this Bond on the books kept for its registration, with full power of substitution.

Dated: \_\_\_\_\_ Tax I.D. No. \_\_\_\_\_

Signature Guaranteed:

(NOTE: The signature of the registered owner or owners must be guaranteed by a member firm of the New York Stock Exchange or by a commercial bank or trust company.)

Registered Owner  
(NOTE: The signature above must correspond exactly with the name of the registered owner as it appears on the front of this Bond.)



**EXHIBIT D**

**NOTICE OF ISSUANCE OF REFUNDING BONDS TO THE  
HOLDERS OF THE COMMONWEALTH OF VIRGINIA  
TRANSPORTATION CONTRACT REVENUE BONDS,  
SERIES 1988 (ROUTE 28 PROJECT),  
DATED SEPTEMBER 1, 1988**

Notice is given by the Commonwealth Transportation Board (the "Board") that on April \_\_, 1992, the Board issued the Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project), dated April 1, 1992 (the "Series 1992 Bonds"). The Board will use a portion of the Series 1992 Bonds to refund in advance of their stated maturities the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), dated September 1, 1988 (the "Series 1988 Bonds"), which were issued in the form of Current Interest Bonds and Capital Appreciation Bonds.

A portion of the proceeds of the Series 1992 Bonds have been deposited with Crestar Bank, Richmond, Virginia, as escrow agent (the "Escrow Agent"), to be held in trust and has been invested in certain noncallable direct obligations of the United States of America (the "Government Obligations"), as set forth in an Escrow Agreement, dated April \_\_, 1992 (the "Escrow Agreement"), between the Board and the Escrow Agent. The Government Obligations and uninvested Series 1992 Bond proceeds held by the Escrow Agent will assure sufficient moneys to pay (i) the interest on the Series 1988 Bonds as it becomes due through March 1, 2001, (ii) the principal of plus a redemption premium equal to 2% of the principal amount of the callable Series 1988 Current Interest Bonds, which are to be redeemed on March 1, 1998, (iii) 103% of the Accreted Value (as of the redemption date) of the callable Series 1988 Capital Appreciation Bonds, which are to be redeemed on March 1, 1998, and (iv) the principal of the non-callable Series 1988 Bonds through their final maturity on March 1, 2001.

The maturity dates, principal amounts, interest rates and CUSIP numbers for the Series 1988 Current Interest Bonds are as follows:

<u>Maturity Date (March 1 of Each Year Indicated)</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>	<u>CUSIP No.</u>
1993	\$ 4,150,000	6.3 %	928184 _____
1994	4,410,000	6.45	928184 _____
1995	4,695,000	6.60	928184 _____
1996	5,005,000	6.70	928184 _____
1997	5,340,000	6.80	928184 _____
2008	11,840,000	7.70	928184 _____
2016	69,845,000	7.80	928184 _____

The maturity dates, original principal amounts, Accreted Values at maturity, approximate yields to maturity and CUSIP numbers for the Series 1988 Capital Appreciation Bonds are as follows:

<u>Maturity Date</u> (March 1 of Each <u>Year Indicated</u> )	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Accreted</u> <u>Value at</u> <u>Maturity</u>	<u>Approximate</u> <u>Yield to</u> <u>Maturity</u>	<u>CUSIP No.</u>
1998	\$2,980,758.00	\$ 5,700,000	7.00%	928184 _____
1999	2,754,696.00	5,700,000	7.10	928184 _____
2000	2,540,889.00	5,700,000	7.20	928184 _____
2001	2,339,166.00	5,700,000	7.30	928184 _____
2002	2,121,654.00	5,700,000	7.50	928184 _____
2003	1,943,871.00	5,700,000	7.60	928184 _____
2004	1,790,769.00	5,700,000	7.65	928184 _____
2005	1,648,155.00	5,700,000	7.70	928184 _____
2006	1,511,470.95	5,685,000	7.75	928184 _____
2018	2,496,943.30	25,105,000	8.00	928184 _____

This Notice and the information contained in it are provided solely for informational purposes and is not a notice of redemption of the Series 1988 Bonds. The holders of the Series 1988 Bonds need not take any action with respect to the Series 1988 Bonds at the present time.

Dated: April \_\_, 1992

COMMONWEALTH TRANSPORTATION BOARD

By: John G. Milliken, Chairman

## ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is made April \_\_, 1992, by and between the COMMONWEALTH TRANSPORTATION BOARD (the "Board") and CRESTAR BANK, Richmond, Virginia, as escrow agent (the "Escrow Agent").

NOW, THEREFORE, in consideration of the mutual representations, warranties and agreements contained in this Agreement, the Board and the Escrow Agent agree as follows:

### ARTICLE I

#### DEFINITIONS

Unless otherwise defined, each capitalized term used in this Agreement shall have the meaning given it below unless the context or use clearly indicates another or different meaning:

"Agreement" means this Escrow Agreement dated April \_\_, 1992, as it may be amended or supplemented from time to time in accordance with its terms.

"Authorized Representative of the Board" shall have the meaning set forth in the Trust Agreement.

"Authorizing Resolution" means a resolution styled "RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD AUTHORIZING THE ISSUANCE AND SALE OF THE COMMONWEALTH OF VIRGINIA TRANSPORTATION CONTRACT REVENUE REFUNDING BONDS, SERIES 1992 (ROUTE 28 PROJECT)," which the Board adopted in final form on March 19, 1992, to authorize the issuance and sale of the Bonds and the execution and delivery of this Agreement.

"Board" means the Commonwealth Transportation Board.

"Bonds" means the Commonwealth of Virginia \$ \_\_\_\_\_ Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project), a portion of the proceeds of which are to be used, along with certain other funds available under the Trust Agreement, for the refunding of the outstanding Series 1988 Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including all applicable regulations and revenue rulings.

"Eligible Securities" means noncallable Government Obligations and/or noncallable Government Certificates.

**"Escrow Account"** means the segregated and irrevocable trust fund account established under the terms of this Agreement with the Escrow Agent-

**"Escrow Agent"** means Crestar Bank, a Virginia state banking corporation, with its principal corporate trust office located in Richmond, Virginia, or any successor thereto, in its capacity as escrow agent under this Agreement.

**"Government Certificates"** means certificates representing ownership of United States treasury bond principal at maturity or coupons for accrued periods, which bonds or coupons are held by a bank or trust company reasonably acceptable to the Trustee. Such bank or trust company holding Government Certificates shall be organized and existing under the laws of the United States of America or any of its states and shall hold such Government Certificates in the capacity of custodian, independent of the seller of such certificates.

**"Government Obligations"** means bonds, notes and other obligations of the United States of America and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America or any of its agencies.

**"Initial Cash Balance"** shall have the meaning set forth in Section 2.3.

**"Initial Securities"** means the Eligible Securities described in Exhibit B.

**"Redemption Date"** means March 1, 1998.

**"Series 1988 Bonds"** means the Series 1988 Capital Appreciation Bonds and the Series 1988 Current Interest Bonds.

**"State Treasurer"** means the Treasurer of the Commonwealth of Virginia.

**"Trust Agreement"** means the Master Agreement of Trust, dated as of September 1, 1988, between the Board and the Trustee, as amended and supplemented by the First Supplemental Agreement of Trust, dated as of September 1, 1988, and the Second Supplemental Agreement of Trust, dated as of April 1, 1992, and as it may be amended or supplemented from time to time hereafter in accordance with its terms.

**"Trustee"** means Crestar Bank, a Virginia state banking corporation, with its principal corporate trust office located in Richmond, Virginia, or any successor thereto, in its capacity as trustee under the Indenture.

"Verification Letter" means the report of \_\_\_\_\_, certified public accountants, attached as Exhibit A, concluding among other things that the Initial Cash Balance and the Principal of and interest on the Initial Securities, when received, will be sufficient at all times, without reinvestment, to pay all principal of and premium and interest on the Series 1988 Bonds when due.

"Series 1988 Capital Appreciation Bonds" means the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), which were issued as "Capital Appreciation Bonds" under the Trust Agreement, are dated September 29, 1988, and fall due on March 1 in each of the years and accrete in value as set forth below:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Amount at Maturity</u>	<u>Approximate Yield to Maturity</u>
1998	\$2,980,758.00	\$ 5,700,000	7.00%
1999	2,754,696.00	5,700,000	7.10
2000	2,540,889.00	5,700,000	7.20
2001	2,339,166.00	5,700,000	7.30
2002	2,121,654.00	5,700,000	7.50
2003	1,943,871.00	5,700,000	7.60
2004	1,790,769.00	5,700,000	7.65
2005	1,648,155.00	5,700,000	7.70
2006	1,511,470.95	5,685,000	7.75
2018	2,496,943.30	25,105,000	8.00

"Series 1988 Current Interest Bonds" means the Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), outstanding on the date of this Agreement, which were issued as "Current Interest Bonds" under the Trust Agreement, are dated September 1, 1988, and fall due on March 1 in each of the years and bear interest at the rates set forth below:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1993	\$ 4,150,000	6.30%
1994	4,410,000	6.45
1995	4,695,000	6.60
1996	5,005,000	6.70
1997	5,340,000	6.80
2008	11,840,000	7.70
2016	69,845,000	7.80

## ARTICLE II

### CREATION OF ESCROW

Section 2.1. Authorization of Series 1992 Bonds. The Board by the Authorizing Resolution has authorized the issuance and delivery of the Series 1992 Bonds, a portion of the proceeds of which are to be used, along with certain other funds available under the Trust Agreement, to refund and redeem in full the outstanding Series 1988 Bonds by depositing into the Escrow Account an amount sufficient for the Escrow Agent to purchase, on the Board's behalf, the Initial Securities and to establish the Initial Cash Balance.

Section 2.2. Refunding of Series 1988 Bonds; Sufficiency. All of the Series 1988 Bonds are hereby refunded in advance of maturity by the deposit with the Escrow Agent of moneys sufficient to purchase the Initial Securities and to establish the Initial Cash Balance as described in Section 2.3. The parties to this Agreement have been advised, in reliance upon the Verification Letter, that the Initial Securities and the Initial Cash Balance will provide all moneys necessary to pay all principal of and premium and interest on the Series 1988 Bonds on each interest payment date for the Series 1988 Bonds to their final maturity on March 1, 2001.

Section 2.3. Deposits; Purchase of Initial Securities. The Board has caused the irrevocable deposit with the Escrow Agent at the execution and delivery of this Agreement the sum of \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ is derived from the proceeds of the sale of the Series 1992 Bonds, \$ \_\_\_\_\_ is derived from excess moneys held in the Construction Fund established under the Trust Agreement and \$ \_\_\_\_\_ is derived from excess moneys in the Debt Service Reserve Fund established under the Trust Agreement. The Escrow Agent has used \$ \_\_\_\_\_ of this deposit for the purchase of the Initial Securities and \$ \_\_\_\_\_ to establish a beginning cash balance in the Escrow Account (the "Initial Cash Balance").

The Escrow Agent shall hold the Initial Securities and the Initial Cash Balance in an irrevocable trust fund account for the equal and ratable benefit of the holders of the Series 1988 Bonds to pay the principal of and premium and interest on the Series 1988 Bonds as the same mature and come due on each interest payment date for the Series 1988 Bonds to their final maturity on March 1, 2001.

ARTICLE III

COVENANTS OF ESCROW AGENT

Section 3.1. General Covenant. The Escrow Agent will purchase the Initial Securities as provided in Section 2.3 and additional Eligible Securities as provided in Section 3.2 and hold the Initial Securities and the other Eligible Securities and all interest, income, and profit derived therefrom and the Initial Cash Balance and all other uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Series 1988 Bonds until final payment of the Series 1988 Bonds.

Section 3.2. Reinvestments. The Escrow Agent will invest the Initial Cash Balance and reinvest all other available uninvested balances (rounded to an even \$100) on deposit from time to time in the Escrow Account, whenever said balances exceed \$1,000, but only in Eligible Securities selected by the State Treasurer after consultation with an Authorized Representative of the Board, each of which Eligible Securities shall have a "yield" as calculated under Section 148 of the Code not in excess of \_\_\_\_\_% to \_\_\_\_\_, 199\_, and not in excess of \_\_\_\_\_% on and after \_\_\_\_\_, 199\_. Investments so made shall be scheduled to mature by the next succeeding interest payment date on the Series 1988 Bonds on which such money will be required to pay principal of or premium or interest on the Series 1988 Bonds. The Escrow Agent shall hold all cash balances not invested or reinvested as provided above as cash on deposit in the Escrow Account and not invested for the benefit of any person, firm or entity (including the Escrow Agent) on demand and in trust for the purposes of this Agreement and shall secure the same in accordance with applicable Virginia law for the securing of public sinking funds.

Section 3.3. Disclaimers. The Escrow Agent shall not be liable or responsible (i) for the accuracy of the Verification Letter or (ii) for the sufficiency of the Escrow Account and earnings on it to pay the principal of and premium and interest on the Series 1988 Bonds.

Section 3.4. Tax Covenant. The Escrow Agent will not knowingly or intentionally take any action in the investment or securing of the proceeds of the Eligible Securities that would cause the Series 1992 Bonds to be classified as "arbitrage bonds" under Section 148 of the Code.

Section 3.5. Collection and Application of Income. The Escrow Agent will promptly collect the principal of, interest on, and income and profit from the Eligible Securities and promptly apply the same solely and only to the payment of the principal of

and premium and interest on the Series 1988 Bonds as the same become due and to the other purposes expressly stated in this Agreement.

Section 3.6. Payments to Trustee. The Escrow Agent will remit to the Trustee lawful funds on or before each interest payment date of the Series 1988 Bonds to their final maturity on March 1, 2001, moneys sufficient to pay such principal, redemption premium and interest as will meet the requirements for the timely payment of the Series 1988 Bonds as set forth in the schedule attached as Exhibit C, and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation with respect thereto under this Agreement.

Section 3.7. No Trustee Fees. The Escrow Agent will make no payment of fees, due or to become due, of the Trustee, and the Board covenants to pay the same as they become due from moneys lawfully available therefor.

Section 3.8. Fees and Expenses of Escrow Agent. [The Escrow Agent's initial annual fee of \$\_\_\_\_\_ has been paid on the date of this Agreement. The Escrow Agent will not charge the Board for any costs or expenses for the purchase of the Initial Securities. After the date of this Agreement, the Board will pay the Escrow Agent's annual fees and expenses from moneys lawfully available to the Board for such payment.] All charges, fees, or expenses of the Escrow Agent in carrying out any of the duties, terms, or provisions of this Agreement shall be paid solely from the amounts described in this Section and shall not be paid from the Escrow Account. The Escrow Agent has no right to make any claim or set-off against funds on deposit in the Escrow Account for the payment of such costs and expenses or for any other claims it may have against the Board.

Section 3.9. Indemnification. The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action, or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Board to its satisfaction against any and all costs and expenses, outlays, counsel fees, and other disbursements, including its own reasonable fees, and if any judgment, decree, or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree, or recovery.

Section 3.10. Liability of Escrow Agent. The Escrow Agent shall have no other responsibilities to the Board or any other person in connection with this Agreement except as specifically provided in this Agreement. So long as the Escrow Agent applies



any funds, the Eligible Securities and the earnings therefrom to pay the Series 1988 Bonds as provided in this Agreement and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Series 1988 Bonds.

**Section 3.11. Dealing in Bonds.** The Escrow Agent may in good faith buy, sell, or hold and deal in any of the Series 1992 Bonds or the Series 1988 Bonds.

**Section 3.12. Statements.** The Escrow Agent will submit to the Board and the State Treasurer a statement within fifteen (15) days after September 1 and March 1 of each calendar year, commencing September 1, 1992, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period, and also listing the Eligible Securities and cash balances on deposit in the Escrow Account and all moneys held by it received as interest on or profit from the collection of the Eligible Securities, as of the date of the report.

**Section 3.13. Insufficiency.** If at any time it shall appear to the Escrow Agent that the available proceeds of the Eligible Securities and cash balances in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Series 1988 Bonds, the Escrow Agent shall notify the Board not less than fifteen (15) days before such date, and the Board agrees that it will from any funds lawfully available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

#### ARTICLE IV

##### COVENANTS AND REPRESENTATIONS OF THE BOARD

**Section 4.1. Limitation of Escrow Agent's Liability.** The Escrow Agent shall have no responsibility or liability whatsoever for (i) any of the Board's recitals in this Agreement, and (ii) any undertaking or statement of the Board under this Agreement, the Authorizing Resolution or the Trust Agreement.

**Section 4.2. Optional Redemption of Series 1988 Bonds.** The Board has irrevocably exercised its option to redeem on the Redemption Date all of the callable Series 1988 Bonds remaining outstanding on the Redemption Date.

**Section 4.3. No Further Direction.** All payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement shall be

made and done by the Escrow Agent without any further direction or authority of the Board except as provided in Sections 3.2 and 5.1.

Section 4.4. Tax Covenant. The Board will take no action regarding the proceeds of the Bonds that would cause the Series 1992 Bonds to be classified as "arbitrage bonds" under Section 148 of the Code, and the Board will take any and all further action necessary to insure that adequate provision is made for the payment of the Series 1988 Bonds and that the Series 1992 Bonds are not classified as "arbitrage bonds" under Section 148 of the Code.

## ARTICLE V

### AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.1. Amendments. (a) This Agreement may be amended or supplemented for any one or more of the following purposes: (i) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement, or of severing any provision of this Agreement which has been determined to be illegal by a court of competent jurisdiction; (ii) to add to the covenants and agreements of the Board or the Escrow Agent contained in this Agreement, other covenants and agreements thereafter to be observed by the Board or the Escrow Agent, or to surrender any right or power herein reserved to or conferred upon the Board or the Escrow Agent, or to make any other provision for the purpose of protecting the rights of the owners of the Series 1988 Bonds or the Series 1992 Bonds; and (iii) to make provision for the sale, redemption, investment or reinvestment of the Initial Securities or the other Eligible Securities or any portion of the proceeds thereof (each such amendment, supplement or direction to sell, redeem, invest or reinvest to be referred to as a "Subsequent Action").

(b) No Subsequent Action shall be effective unless and until the Board submits to the Trustee the following items:

(1) A certified copy of proceedings of the Board authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Board and the Escrow Agent.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that (i) the Subsequent Action will not cause the interest on the Series 1988 Bonds or the Series 1992 Bonds to become includible in gross income under the laws of the United

States of America providing for taxation of income, and (ii) the Subsequent Action does not adversely affect the legal rights of the registered owner or owners of the Series 1988 Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants to the effect that the amounts (which will consist of cash and Eligible Securities, all of which shall be held hereunder) available or to be available for payment of the Series 1988 Bonds will remain sufficient to pay when due all principal of and interest and premium, if any, on the Series 1988 Bonds after the taking of the Subsequent Action.

**Section 5.2. Escrow Agent's Obligations Irrevocable.** Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

**Section 5.3. Board's Obligations Irrevocable.** Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of the Board under this Agreement shall be irrevocable and shall not be subject to amendment by the Board and shall be binding on any successors to the officials now comprising the Board during the term of this Agreement.

## ARTICLE VI

### NOTICES

**Section 6.1. Notices to Board.** All notices and communications to the Board shall be addressed in writing to:

Commonwealth Transportation Board  
1401 E. Broad Street  
Richmond, Virginia 23219  
Attention: Chairman

or at such other address as is furnished from time to time by the Board.

**Section 6.2. Notices to Escrow Agent.** All notices and communications to the Escrow Agent shall be addressed in writing to:

Crestar Bank  
P. O. Box 26665  
Richmond, Virginia 23226  
Attention: Corporate Trust  
Department

or at such other address as is furnished from time to time by the Escrow Agent.

Section 6.3. Notices to State Treasurer. All notices and communications to the State Treasurer shall be addressed in writing to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or at such other address as is furnished from time to time by the State Treasurer.

#### ARTICLE VII

##### REPLACEMENT OF ESCROW AGENT: ACTS BY ESCROW AGENT

Section 7.1. Reliance by Escrow Agent. The Escrow Agent may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other written or oral communication that the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent or communicated by the proper person or persons.

Section 7.2. Resignation and Discharge of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the trusts hereby created, by written notice mailed to the Board by registered or certified mail. Such resignation shall take effect upon the appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed, and the Escrow Agent may, after sixty (60) days subsequent to its resignation, petition the Circuit Court of the City of Richmond, Virginia, for the appointment of a successor Escrow Agent if one has not yet been appointed. If the Escrow Agent resigns before this Agreement expires, the Escrow Agent shall rebate to the Board the ratable portion of any fee theretofore paid by the Board to the Escrow Agent for its services under this Agreement.

ARTICLE VIII

← TERMINATION OF AGREEMENT

Section 8.1. Termination. Upon the final disbursement for the payment of the Series 1988 Bonds as provided for above, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Trustee for deposit in the Interest Account of the Bond Fund and thereupon this Agreement shall terminate. This Agreement is irrevocable prior to its termination.

IN WITNESS WHEREOF, the Board and the Escrow Agent have caused this Agreement to be executed on their behalf by their duly authorized officers.

COMMONWEALTH TRANSPORTATION BOARD

By: \_\_\_\_\_  
Chairman

CRESTAR BANK, Richmond, Virginia,  
as Escrow Agent

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBITS:

- A - Verification Letter
- B - List of Initial Securities
- C - Debt Service Schedule on Series 1988 Bonds

VCT8ACT8102.EA

**EXHIBIT A**

←  
**[Verification Letter to be Attached]**

**EXHIBIT B**

**DESCRIPTION OF INITIAL SECURITIES**

**EXHIBIT C**

**DEBT SERVICE SCHEDULE ON SERIES 1988 BONDS**



## FIRST AMENDMENT TO DISTRICT CONTRACT

THIS FIRST AMENDMENT TO THE DISTRICT CONTRACT (this "Amendment Agreement") is made as of April 1, 1992, between the COMMONWEALTH TRANSPORTATION BOARD (the "Board") and the STATE ROUTE 28 HIGHWAY TRANSPORTATION IMPROVEMENT DISTRICT (the "District").

### RECITALS

A. The Board and the District entered into a Contract, dated as of September 1, 1988 (the "Original Contract"), providing for improvements to State Route 28 in Fairfax and Loudoun Counties. Under the Original Contract, the District agreed to request the Boards of Supervisors of Fairfax and Loudoun Counties to levy a special improvements tax and collect special tax revenues in accordance with the District Act, and to have such revenues paid to or at the direction of the District to finance a portion of the costs of the improvements to State Route 28.

B. On September 29, 1988, the Board issued the \$138,483,372.25 Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988, (Route 28 Project) (the "Series 1988 Bonds"), to finance a portion of the costs of the improvements to State Route 28. The Board now intends to issue its \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) (the "Series 1992 Bonds") to refund, along with certain other funds available under the below-defined Trust Agreement, the outstanding Series 1988 Bonds and to pay issuance costs.

C. The Board and the District desire to enter into this Amendment Agreement to make changes necessary to reflect the issuance of the Series 1992 Bonds and the refunding of the Series 1988 Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and agreements contained in this Amendment Agreement, the Board and the District agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1. Definitions. Except as modified by or otherwise defined in this Amendment Agreement, terms used in this Amendment Agreement have the same meaning as set forth in the

Original Contract and the Trust Agreement. In addition, the following terms have the following meanings:

"Amendment Agreement" means this First Amendment to the District Contract, dated as of April 1, 1992, between the Board and the District.

"District Contract" means the Original Contract as amended by this Amendment Agreement.

"Second Supplemental Trust Agreement" means the Second Supplemental Agreement of Trust, dated as of April 1, 1992, between the Board and the Trustee, providing, among other things, for the issuance of the Series 1992 Bonds.

"Trust Agreement" means the Master Agreement of Trust, dated as of September 1, 1988, between the Board and Crestar Bank, as trustee, as amended and supplemented by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement, and as it may be amended or supplemented from time to time hereafter in accordance with its terms.

## ARTICLE II

### REPRESENTATIONS

Section 2.1. Representations of Board. The Board makes the following representations in connection with its undertakings under this Amendment Agreement:

(a) The Board is duly organized under the Board Statute.

(b) The Board (i) has the power to enter into and to carry out its obligations under the Trust Agreement, the District Contract and to issue the Series 1992 Bonds pursuant to the Board Statute and the Bond Act, and (ii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under the Trust Agreement and the District Contract and the issuance of the Series 1992 Bonds.

(c) The Board is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute or result in such an event of default.

(d) The execution and delivery or issuance of and compliance by the Board with the terms and conditions of the Trust Agreement, the District Contract and the Series 1992 Bonds will not conflict with or constitute or result in a default under, or violation of, (i) the Board Statute or any other existing law, rule or regulation applicable to the Board or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Board or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required as a condition precedent to the execution or delivery of or performance by the Board of its obligations under the Trust Agreement or the District Contract.

(f) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Board's knowledge, threatened against it with respect to (i) the creation and existence of the Board, (ii) its authority to execute and deliver or issue the Trust Agreement, the District Contract or the Series 1992 Bonds, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Board who executed such instruments, (v) the construction or operation of the Project in any material respect, or (vi) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Board, and no such authority or proceeding has been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 2.2. Representations of District. The District makes the following representations in connection with its undertakings under this Amendment Agreement:

(a) The District is duly organized under the District Act.

(b) The District (i) has the power to carry out its obligations under the Local Contract and the District Contract, (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under the Local Contract and the District Contract.

(c) The District has no outstanding indebtedness of any kind whatsoever.

(d) The execution, delivery and compliance by the District with the terms and conditions of the Local Contract and the District Contract will not conflict with, or constitute or result in a default under or violation of, (i) the District Act or any other existing law, rule or regulations applicable to the District or (ii) any lien, lease, contract, order, judgment, decree or other agreement, instrument or restriction of any kind to which the District or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required as a condition precedent to the execution or delivery of, or performance by the District in accordance with the terms and conditions of, the Local Contract or the District Contract.

(f) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the District's knowledge, threatened against it with respect to (i) the creation and existence of the District, (ii) its authority to execute and deliver the Local Contract or the District Contract, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the District who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the District, and no such authority or proceeding has been repealed, revoked, rescinded or amended, but each is in full force and effect.

### ARTICLE III

#### AMENDMENTS TO ORIGINAL CONTRACT

Section 3.1. Amendments to Definitions. (a) The definition of "Bonds" in Section 101 of the Original Contract is deleted and the following definition is substituted therefor:

(b) The definition of "Commissioner" in Section 101 of the Original Contract is deleted and the following definition is substituted therefor:

"Chairman" means the Chairman of the Commonwealth Transportation Board.

Any reference to Commissioner in the Original Contract is amended to refer to the Chairman.

"Bonds" means the Series 1988 Bonds and the Series 1992 Bonds.

Any reference to Bonds in Sections 302, 304 and 501 of the Original Contract is amended to refer to the Series 1988 Bonds.

(c) The definition of "District Act" in Section 101 of the Original Contract is deleted and the following definition is substituted therefor:

"District Act" means the Transportation Improvement District in Multi-County Areas Act, Chapter 32.1, Title 15.1 of the Code of Virginia of 1950, as amended, pursuant to which Fairfax and Loudoun Counties established the District.

(d) The following definitions are added to Section 101 of the Original Contract:

"Series 1988 Bonds" means the \$138,483,372.25 Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project), issued by the Board on September 28, 1988.

"Series 1992 Bonds" means the \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project), issued by the Board on April \_\_, 1992.

(e) The definitions of "Bond Act," "Present Value" and "Project" in Section 101 of the Original Contract are amended to read as follows:

"Bond Act" means the Commonwealth of Virginia Transportation Contract Revenue Bond Act of 1988, being Chapter 676 of the 1988 Acts of the General Assembly of the Commonwealth, as amended by Chapter 914 of the 1990 Acts of the General Assembly of the Commonwealth.

"Present Value" means an amount derived by discounting to September 1, 1988, actual payments made during the period from September 1, 1988 to March 31, 1992, at the rate of 7.75257% per year, which represents the true interest cost on the Series 1988 Bonds, compounded semiannually on March 1 and September 1, and actual payments made on or after April 1, 1992, at the rate of \_\_\_\_\_ % per year, which represents the true interest cost on the Series 1992 Bonds, compounded semiannually on April 1 and October 1.

"Project" means the construction of State Route 28 to six lanes in Fairfax and Loudoun Counties from north of Interstate 66 to State Route 7, including interchanges at U.S. Route 50 and State Route 7 and the Dulles Toll and Access Roads, which has been approved by the General Assembly, consisting of the acquisition and construction of roadways and related improvements, including, without limitation, preliminary engineering and right of way acquisition, as more particularly described on Appendix B and as follows:

(a) Board project 0028-029-111, C501, which is the project running from U.S. Route 50 to Horsepen Road;

(b) Board project 0028-029-111, C502, which is the project running from Interstate 66 to south of U.S. Route 50;

(c) Board project 0028-029-111, C503, which is the U.S. Route 50 interchange project;

(d) Board project 0028-053-104, C501, which is the project running from Sterling Boulevard to south of State Route 7;

(e) Board project 0028-053-104, C502, which is the State Route 7 interchange project;

(f) Board project 0028-029-111, C504 and 0028-053-104, C503, which is the project running from Horsepen Road to Sterling Boulevard;

(g) Board project 0028-053-103, C501 and C502, which is the access road interchange project; and

(h) Board project 0028-053-103, C503, which is the project running from State Route 606 to State Route 846;

as such description may be amended from time to time by the Board. "Project" shall also mean any purposes relating to future planned expansion of the project described in the preceding sentence, including additional interchanges, as may be determined by resolution of the Board.

Section 3.2. Amendments to Section 401. Section 401(a) and (b) of the Original Contract are amended to provide as follows:

(a) The District is required to pay, on a Present Value basis, and subject to the provisions of this Section, 80% of the Present Value of total Net Debt Service (the "District Obligation"). Subject to subsection (e), the District is required to pay to the Board a portion of the District Obligation in each Fiscal Year as set forth below. The District shall pay [to the Board for deposit in the Trust Fund] in each Fiscal Year an amount equal to the total of the Special Tax Revenues collected at the maximum permitted rate of the Special Improvements Tax, subject to the following provisions. On March 15 of the first Fiscal Year in which the Special Tax Revenues collected by such date equal or exceed 100% of the Net Debt Service for such Fiscal Year, the Board shall make the calculation set forth in the following paragraphs, assuming that the District will make 100% of the remaining Net Debt Service payments. The Present Value of all amounts paid and to be paid by the District shall be computed by the Board.

If on such March 15 (the "Calculation Date"):

(i) The Present Value of all such amounts previously paid and to be paid (assuming that the District will make 100% of the remaining Net Debt Service payments after the Calculation Date) by the District exceeds 80% of the Present Value of the total Net Debt Service, then the Board shall set aside an amount of money, which when credited to the District on a Present Value basis as of the Calculation Date, results in the payments of the District equalling 80% of the Present Value of the total Net Debt Service (the "Board Shortfall Amount"). If the Board does not have sufficient moneys to set aside the full Board Shortfall Amount, it shall set aside such moneys as are available. The Board shall set aside the remaining Board Shortfall Amount as soon as moneys are available with interest on the unpaid Board Shortfall Amount from the Calculation Date until such time as such moneys are set aside, at the rate of \_\_\_\_\_ % per year, which is the true interest cost on the Series 1992 Bonds. Such moneys shall be divided equally, to the extent practicable, over the remaining maturities or mandatory redemptions of the Series 1992 Bonds and shall be applied, together with actual interest earnings thereon up to the rate of \_\_\_\_\_ % per year [equal to arbitrage yield on Series 1992 Bonds] which have accrued to date, to debt service on the Series 1992 Bonds.

(ii) The Present Value of all moneys paid and to be paid (assuming that the District will make 100% of the remaining Net Debt Service payments after the Calculation Date) by the District is less than 80% of the Present Value of the total Net Debt Service, then an amount (the "District Shortfall Amount") equal to the difference between 80% of the Present Value of the Net Debt Service and the Present Value of all amounts previously paid and to be paid by the District together with interest on the unpaid District Shortfall Amount from September 1, 1988, until paid at the rate of 7.75257% per year until March 31, 1992, and \_\_\_\_\_% per year [equal to the TIC on Series 1992 Bonds] on and after April 1, 1992, shall become part of the District Obligation. The Special Tax Revenues shall be collected at the maximum permitted rate of the Special Improvements Tax until such time as the District Shortfall Amount together with accrued interest thereon is paid to the Board.

After the Calculation Date, the District shall pay 100% of the Actual Net Debt Service in each Fiscal Year, less any amounts applied to debt service on the Series 1992 Bonds pursuant to paragraph (i) of this subsection (a), and the Special Improvements Tax shall be set at a rate sufficient in each Fiscal Year to provide Special Tax Revenues sufficient to pay such amount. If the Special Tax Revenues are insufficient in any Fiscal Year to pay the Actual Net Debt Service in such Fiscal Year and no moneys are available pursuant to subsection (b), the Board shall make up such deficiency. Such amount, together with interest thereon at the rate of \_\_\_\_\_% per year [equal to TIC on Series 1992 Bonds] from the payment date on the Series 1992 Bonds with respect to which the deficiency occurs until paid, shall become part of the District Obligation.

Notwithstanding anything herein to the contrary, if the Board makes actual payments of \$51,875,000, the remaining Actual Net Debt Service shall become a part of the District Obligation.

(b) Notwithstanding anything herein to the contrary, the portion of the District Obligation due in any Fiscal Year shall not be less than an amount equal to the Special Tax Revenues expected to be generated by the levy of the Special Improvements Tax at the maximum permitted rate unless Special Tax Revenues in the two Fiscal Years immediately preceding the Fiscal Year in which the reduction occurs have been greater than Net Debt Service in such Fiscal Years, at which time the



rate may be reduced to a level sufficient to pay the portion of the District Obligation due in the next Fiscal Year. Any such excess Special Tax Revenues shall be deposited in a separate account with the Board and, together with actual interest earnings thereon so long as such interest earnings do not exceed \_\_\_\_\_ % per year [equal to arbitrage yield on Series 1992 Bonds], shall be applied against the District Obligation if Special Tax Revenues collected in such future Fiscal Year are insufficient to pay the portion of the District Obligation due in such future Fiscal Year, or, if none, and, upon receipt of an approving Opinion of Bond Counsel, (i) applied to the District Obligation in the last Fiscal Year it is outstanding or (ii) when the Bonds are paid in full, either (A) applied to improvements to State Route 28 within the District or (B) paid to the Boards of Supervisors for distribution to the landowners from which the Special Tax Revenues were collected. The rate of the Special Improvements Tax shall not be further reduced unless the Special Tax Revenues generated in the two Fiscal Years immediately preceding the Fiscal Year in which the reduction occurs were sufficient to pay the portion of the District Obligation due in such Fiscal Years.

Section 3.3. Amendments to Section 403. Section 403 of the Original Contract is amended to provide as follows:

The Board shall maintain adequate records of the outstanding balance of the District Obligation and shall forward to the District an invoice setting forth such balance by March 15 and September 15 of each year in substantially the form set forth in Appendix C. The invoice shall indicate the portion of the District Obligation for the current Fiscal Year and the portion, if any, of the District Obligation which has been carried forward from prior years.

Section 3.3. Amendment of Appendix A. Appendix A to the Original Contract is deleted and Appendix A to this Amendment Agreement is substituted therefor.

#### ARTICLE IV

#### MISCELLANEOUS

Section 4.1. Effect of Amendments. The Original Contract will be deemed to be modified and amended in accordance with the provisions of this Amendment Agreement. The respective rights, duties and obligations of the Board and the District under the Original Contract will hereafter be determined, exercised and

referenced in accordance with the provisions of the Original Contract as modified by this Amendment Agreement. Except as modified and amended by this Amendment Agreement, the Original Contract remains in full force and effect.

IN WITNESS WHEREOF, the Board and the District have caused this Amendment Agreement to be executed on their behalf by their duly authorized officers.

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
                        chairman

**STATE ROUTE 28 HIGHWAY  
TRANSPORTATION IMPROVEMENT DISTRICT**

By: \_\_\_\_\_  
                        chairman

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## APPENDIX A

Net Debt Service

<u>Date</u>	<u>Series 1988 Bonds Net Debt Service*</u>	<u>Series 1992 Bonds Net Debt Service</u>
3/1/89	\$ 3,622,185.33	\$
9/1/89	4,289,430.00	
3/1/90	7,769,430.00	
9/1/90	4,188,510.00	
3/1/91	7,873,510.00	
9/1/91	3,625,567.12	
3/1/92	7,530,567.12	
10/1/92		
4/1/93		
10/1/93		
4/1/94		
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10/1/05		
4/1/06		
10/1/06		
4/1/07		
10/1/07		
4/1/08		
10/1/08		

<u>Date</u>	<u>Series 1988 Bonds Net Debt Service*</u>	<u>Series 1992 Bonds Net Debt Service</u>
4/1/09	\$	\$
10/1/09		
4/1/10		
10/1/10		
4/1/11		
10/1/11		
4/1/12		
10/1/12		
4/1/13		
10/1/13		
4/1/14		
10/1/14		
4/1/15		
10/1/15		
4/1/16		
10/1/16		
4/1/17		
10/1/17		
4/1/18		
	<hr/>	<hr/>
	\$ 38,899,199.57	\$ <hr/> <u>                    </u>

\* Assumes interest earnings on Debt Service Reserve Fund at a rate of 7.5% per year.

## AMENDED AND RESTATED PAYMENT AGREEMENT

THIS AMENDED AND RESTATED PAYMENT AGREEMENT (this "Agreement") is made as of April 1, 1992, between the COMMONWEALTH TRANSPORTATION BOARD (the "Board") and the TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA (the "Treasury Board").

### RECITALS

A. On September 29, 1988, the Board issued the \$138,483,372.25 Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project) (the "Series 1988 Bonds"), to finance improvements to State Route 28 in Fairfax and Loudoun Counties. The Treasury Board is sales and paying agent for the Series 1988 Bonds. In connection with the issuance of the Series 1988 Bonds, the Board and the Treasury Board entered into a Payment Agreement, dated as of September 1, 1988 (the "Original Payment Agreement").

B. The Board now intends to issue the \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) (the "Series 1992 Bonds"), to refund all of the outstanding Series 1988 Bonds and to pay issuance costs.

C. The Board and the Treasury Board desire to enter into this Agreement to amend and restate in its entirety the Original Payment Agreement to reflect the issuance of the Series 1992 Bonds and the refunding of the Series 1988 Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and agreements contained in this Agreement, the Board and the Treasury Board agree as follows:

### ARTICLE I

#### DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. Unless otherwise defined, each capitalized term used in this Agreement shall have the meaning given it in the below-defined Trust Agreement. In addition, each of the following capitalized terms as used in this Agreement shall have the meaning given it below unless a different meaning clearly appears from the context:

"Agreement" means this Amended and Restated Payment Agreement, dated as of April 1, 1992, between the Board and the Treasury Board.

"Trust Agreement" means the Master Agreement of Trust, dated as of September 1, 1988, between the Board and Crestar Bank, as trustee, as amended and supplemented by the First Supplemental of Trust, dated as of September 1, 1988, and the Second Supplemental of Trust, dated as of April 1, 1992, and as it may be amended or supplemented from time to time hereafter in accordance with its terms.

Section 1.2. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(a) Words importing the singular number include the plural number and vice versa.

(b) Unless otherwise indicated, all references to particular Articles or Sections are references to Articles or Sections of this Agreement.

(c) The headings are solely for convenience of reference and do not constitute a part of this Agreement or affect its meaning, construction or effect.

## ARTICLE II

### REPRESENTATIONS

Section 2.1. Representations of Board. The Board makes the following representations in connection with its undertakings under this Agreement:

(a) The Board (i) is duly organized under the Board Statute, (ii) has the power to enter into and perform its obligations under this Agreement, and (iii) by proper action has duly authorized the execution and delivery of, and performance of its obligations under, this Agreement.

(b) The execution and delivery of and compliance by the Board with the terms and conditions of this Agreement will not conflict with, or constitute or result in a default under or violation of, (i) the Board Statute or any other existing law, rule or regulation applicable to the Board or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Board or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(c) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required as a condition precedent to the execution or delivery of, or performance by the Board of the terms and conditions of, this Agreement.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Board's knowledge, threatened against it with respect to (i) the creation and existence of the Board, (ii) its authority to execute and deliver this Agreement, (iii) the validity or enforceability of this Agreement, (iv) the title of the officer of the Board who is to execute this Agreement, or (v) any authority or proceedings related to the execution and delivery of this Agreement on behalf of the Board, and no such authority or proceeding has been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 2.2. Representations of Treasury Board. The Treasury Board makes the following representations in connection with its undertakings under this Agreement:

(a) The Treasury Board (i) is duly organized under the Virginia Code, (ii) has the power to enter into and to perform its obligations under this Agreement, and (iii) by proper action has duly authorized the execution and delivery of, and performance of its obligations under, this Agreement.

(b) The execution and delivery of and compliance by the Treasury Board with the terms and conditions of this Agreement will not conflict with, or constitute or result in a default under or violation of, (i) any existing law, rule or regulation applicable to the Treasury Board or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Treasury Board or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(c) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required as a condition precedent to the execution or delivery of, or performance by the Treasury Board of the terms and conditions of, this Agreement.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Treasury Board's knowledge, threatened against it with respect to (i) the creation and existence of the Treasury Board, (ii) its authority to execute and deliver this Agreement, (iii) the validity or enforceability of this Agreement, (iv) the

title of the officer of the Treasury Board who is to execute this Agreement, or (iv) any authority or proceedings related to the execution and delivery of this Agreement on behalf of the Treasury Board, and no such authority or proceeding has been repealed, revoked, rescinded or amended, but each is in full force and effect.

### ARTICLE III

#### OBLIGATIONS OF BOARD AND TREASURY BOARD

Section 3.1. Obligations of Board. (a) The Board agrees to deliver to the Governor and the Director of the Department of Planning and Budget of the Commonwealth, annually by December 1, a certificate setting forth the amount of principal and interest coming due on the Outstanding Bonds and all other amounts required to be paid under the Trust Agreement during the next succeeding fiscal or biennial period, whichever is applicable, and a request for an appropriation from the Trust Fund of such amount. The Board agrees to use its best efforts each legislative session to have (i) the Governor include in the biennial or any supplemental budget of the Commonwealth the amount so requested and (ii) the General Assembly of the Commonwealth appropriate such amount.

(b) The Board agrees to provide, by March 15 and September 15 of each year, all requisitions and documents and take all actions necessary to pay to the Treasury Board all amounts due under this Agreement from the Trust Fund and to request the Treasury Board to make from such payments all principal and interest payments due under the Trust Agreement to the Trustee on the Payment Dates. The Board will take all action to have such payments which are made from the Trust Fund charged against the proper appropriation made by the General Assembly.

Section 3.2. Obligations of Treasury Board. (a) The Treasury Board agrees to use its best efforts each legislative session to have (i) the Governor include in the biennial or any supplemental budget of the Commonwealth the amount requested by the Board in accordance with Section 3.1(a) and (ii) the General Assembly of the Commonwealth appropriate such amount.

(b) The Treasury Board agrees to use its best efforts to obtain the appropriate requisitions and documents needed from the Board by March 15 and September 15 of each year to make the payments to the Trustee in accordance with Section 3.1(b).



(c) The Treasury Board will make all principal and interest payments on the Outstanding Bonds to the Trustee on the Payment Dates solely from money made available to it by the Board.

#### ARTICLE IV

##### MISCELLANEOUS

Section 4.1. Term of Agreement. The term of this Agreement will commence on the Series 1992 Closing Date and will terminate on the date no Bonds remain Outstanding under the Trust Agreement.

Section 4.2. Trustee as Third Party Beneficiary. By its acceptance noted below, the Trustee will become a third party beneficiary of this Agreement and will be entitled to enforce, on behalf of the Holders of the Bonds, all of the obligations of the Board and the obligations and the rights of the Treasury Board to the same extent as if the Trustee were one of the contracting parties.

Section 4.3. Amendments. This Agreement may be amended by its parties.

Section 4.4. Successors. This Agreement is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors.

Section 4.5. Severability. If any provision of this Agreement is held to be illegal or invalid by any court of competent jurisdiction, such holding will not invalidate any other provision and this Agreement will be construed and enforced as if such illegal provision had not been contained in it.

Section 4.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute one and the same instrument.

Section 4.7. Notices. Unless otherwise provided in this Agreement, all notices, approvals, consents, requests and other communications under this Agreement will be in writing and will be deemed to be given when delivered in person, or when sent Federal Express or a comparable express courier service or, when mailed by registered or certified mail, postage prepaid, addressed (i) if to the Board, at 1401 East Broad Street, Richmond, Virginia 23219; Attention: Chairman, or (ii) if to the Treasury Board, at James Monroe Building, 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219; Attention: Director of Debt Management. The Board and the Treasury Board may, by notice

given under this Agreement, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests and other communications are to be sent.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf by their duly authorized officers.

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
Chairman

**TREASURY BOARD OF THE COMMONWEALTH  
OF VIRGINIA**

By: \_\_\_\_\_  
Chairman

**Accepted:**

**CRESTAR BANK, as Trustee**

By: \_\_\_\_\_  
Vice President

Draft as of 3/14/92

NEW ISSUE - COMPETITIVE  
BOOK-ENTRY ONLY

Ratings: Moody's \_\_\_  
Standard & Poor's \_\_\_  
(See "Rating" section)

*In the opinion of Bond Counsel, under current law and subject to conditions described in the section "Tax Exemption," interest on the Series 1992 Bonds (1) will not be included in gross income for federal income tax purposes, (2) will not be a specific item of tax preference for purposes of the federal alternative minimum income tax imposed on individuals and corporations, and (3) will be exempt from income taxation by the Commonwealth of Virginia. Such interest may be included in the calculation of a corporation's alternative minimum income tax, and a holder may be subject to other federal tax consequences as described in the section "Tax Exemption."*

## COMMONWEALTH TRANSPORTATION BOARD

### COMMONWEALTH OF VIRGINIA

#### Transportation Contract Revenue Refunding Bonds, Series 1992

(Route 28 Project)

Dated: April 1, 1992

Due: April 1, as shown below

The Transportation Contract Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds") will be issued only in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Series 1992 Bonds. Investors will not receive certificates representing the Series 1992 Bonds purchased by them. Individual purchases will be in principal amounts of \$5,000 or any integral multiple thereof. Interest on the Series 1992 Bonds is payable on beginning October 1, 1992 and semiannually thereafter on each April 1 and October 1.

The Series 1992 Bonds will be subject to redemption prior to maturity as described in the section "THE SERIES 1992 BONDS."

The Series 1992 Bonds will be issued pursuant to a Master Agreement of Trust dated as of September 1, 1985, and a Second Supplemental Agreement of Trust dated as of April 1, 1992 (collectively, the "Trust Agreement") and each between the Commonwealth Transportation Board and the Trustee. The proceeds of the Series 1992 Bonds will be used, together with certain other funds available under the Trust Agreement, to refund the outstanding portion of the Commonwealth Transportation Board, \$136,483,372.25 Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1986 (Route 28 Project) and to pay certain costs of issuance thereof. The Series 1992 Bonds are secured by and payable from revenues, receipts and funds appropriated for such purposes from the Transportation Trust Fund in accordance with an Amended and Restated Payment Agreement between the Commonwealth Transportation Board and the Treasury Board of the Commonwealth of Virginia. The Transportation Board's obligations to pay the Series 1992 Bonds and perform its duties under the Trust Agreement are subject to and dependent upon appropriations being made from time to time by the General Assembly of the Commonwealth of Virginia for such purpose, all as more fully described herein. The General Assembly is under no legal obligation to make any such appropriation. See the sections "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 1992 BONDS," "COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF TRANSPORTATION," "THE TRANSPORTATION TRUST FUND" and "SUMMARY OF THE PAYMENT AGREEMENT."

The Series 1992 Bonds will be limited obligations of the Commonwealth Transportation Board payable solely from the revenues, receipts and funds appropriated for their payment by the General Assembly of the Commonwealth of Virginia from the Transportation Trust Fund and will not be a debt of the Commonwealth of Virginia or any of its political subdivisions.

#### Maturities, Amounts, Interest Rates and Prices (or Yields)

Maturity April 1	Principal Amount	Interest Rate	Price/ Yield	Maturity April 1	Principal Amount	Interest Rate	Price/ Yield
1993				2006			
1994				2007			
1995				2008			
1996				2009			
1997				2010			
1998				2011			
1999				2012			
2000				2013			
2001				2014			
2002				2015			
2003				2016			
2004				2017			
2005				2018			

(Plus accrued interest)

*The Series 1992 Bonds are offered when, as and if issued subject to the approval of legality by McGuire, Woods, Bards & Boothé Richmond, Virginia, Bond Counsel. Certain legal matters will be passed upon for the Commonwealth of Virginia by the Office of the Attorney General of Virginia. It is expected that the Series 1992 Bonds will be available for delivery to DTC in New York, New York, on or about \_\_\_\_\_, 1992.*

March \_\_, 1992

\* Preliminary, subject to adjustment as described in the Notice of Sale

## COMMONWEALTH TRANSPORTATION BOARD

John G. Milliken, Chairman  
Ray D. Fethel, Vice Chairman

Edgar Bacon	Vincent J. Mastracco, Jr.
James K. Candler	Stephen A. Musselwhite
Lawrence A. Davies	Robert W. Smalley
Daniel A. Hoffer	Dr. Daphyse S. Thomas
Dr. M. Pillsbury Howlette	Byron E. Waldman
Constance R. Kinchloe	Mark K. Warner
C. Roger Malbon	G. Morris Wells, Jr.

## VIRGINIA DEPARTMENT OF TRANSPORTATION

Ray D. Fethel ..... Commissioner  
James W. Atwell ..... Assistant Commissioner for Finance

## TREASURY BOARD

Eddie N. Moore, Jr., Chairman and State Treasurer

Herrington J. Bryce	Palmer P. Gerson
Albert J. Dvoskin	William E. Lonsdale
William H. Forst	McLain T. O'Ferrall, Jr.

## OFFICE OF THE ATTORNEY GENERAL

Mary Sue Terry ..... Attorney General  
Richard L. Walton, Jr. .... Senior Assistant Attorney General  
Barbara Vann ..... Assistant Attorney General

## TRUSTEE & PAYING AGENT

Crestar Bank  
Richmond, Virginia

## BOND COUNSEL

McGuire, Woods, Battle & Boothe  
Richmond, Virginia

## FINANCIAL ADVISORS

Public Financial Management, Inc.  
Philadelphia, Pennsylvania

No dealer, broker, salesman or any other person has been authorized by the Board or the successful bidders to give any information or to make any representations with respect to the Board, the Commonwealth of Virginia or the Series 1992 Bonds, other than those contained in this Official Statement, and if given or made, such other information as representations must not be relied upon as having been authorized by the Board or the successful bidders.

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**OFFICIAL STATEMENT**  
**COMMONWEALTH TRANSPORTATION BOARD**  
§ \_\_\_\_\_\*  
**COMMONWEALTH OF VIRGINIA**  
**TRANSPORTATION CONTRACT REVENUE REFUNDING BONDS, SERIES 1992**  
**(ROUTE 28 PROJECT)**

**INTRODUCTORY STATEMENT**

**General**

This Official Statement is provided by the Commonwealth Transportation Board (the "Transportation Board"), a board created pursuant to the laws of the Commonwealth of Virginia (the "Commonwealth"), to furnish information with respect to the Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project), to be issued in the aggregate principal amount of \$\_\_\_\_\_\* (the "Series 1992 Bonds"). The issuance of the Series 1992 Bonds is authorized by the provisions of the State Revenue Bonds Act, Sections 33.1-267 *et seq.* (the "Revenue Bond Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), Chapter 676 of the Acts of the General Assembly of Virginia of 1988, as amended by Chapter 914 of the Acts of the General Assembly of Virginia of 1990 (the "Bond Legislation"), a resolution (the "Bond Resolution") adopted by the Transportation Board on March 19, 1992, and a resolution adopted by the Treasury Board of the Commonwealth (the "Treasury Board") on March 18, 1992. The Series 1992 Bonds are being issued pursuant to a Master Agreement of Trust dated as of September 1, 1988, and a Second Supplemental Agreement of Trust dated as of April 1, 1992 (collectively, the "Trust Agreement"), and each between the Transportation Board and Crestar Bank, Richmond, Virginia, as Trustee (the "Trustee"). The Trustee is also the initial Paying Agent for the Series 1992 Bonds.

The Series 1992 Bonds are being issued by the Transportation Board to refund all of the outstanding Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project) the "Series 1988 Bonds" and to pay certain costs of issuance thereof. See the subsection "The Refunding Plan" within the section "THE SERIES 1992 BONDS."

The Transportation Board will enter into an Amended and Restated Payment Agreement, dated as of April 1, 1992 (the "Payment Agreement"), with the Treasury Board which will provide, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the Series 1992 Bonds and the payment of such debt service. The Transportation Board entered into a contract, dated as of September 1, 1988 and amended as of April 1, 1992 (the "District Contract"), with the State Route 28 Highway Transportation Improvement District (the "District"), pursuant to which the Transportation Board will undertake the refunding and the District will agree to make certain payments to the Transportation Board of Special Tax Revenues, as defined in the subsection "Summary of the District Contract and the Local Contract". The District entered into a contract dated as of September 1, 1988 (the "Local Contract") with the Boards of Supervisors of the Counties of Fairfax and Loudoun, Virginia, to provide for the procedures for levying the Special Improvements Tax, as defined in the subsection "Summary of the District Contract and the Local Contract" and for collecting the Special Tax Revenues. See the section "THE ROUTE 28 PROJECT AND THE DISTRICT."

The Series 1992 Bonds are secured by and payable from revenues, receipts and funds appropriated by the General Assembly of the Commonwealth (the "General Assembly") for such purpose from the Transportation Trust Fund. The Transportation Board's obligations to pay the Series 1992 Bonds and perform its duties under the Trust Agreement are subject to and dependent upon appropriations being made by the General Assembly from time to time for such purposes. The General Assembly is under no legal obligation to make any such appropriation. If the Treasury Board or the Transportation Board fails to make any payment on the Series 1992 Bonds or under the Trust Agreement when due, the Trustee and the owners of the Series 1992 Bonds

will have no right to take possession of the Route 28 Project or to exclude the Commonwealth from possession of it.

There follows in this Official Statement a brief description of the Series 1992 Bonds, the sources of payment and security for the Series 1992 Bonds, the Transportation Board and the Virginia Department of Transportation, the Transportation Trust Fund, the Route 28 Project and the District, the Trust Agreement, the Payment Agreement and the Commonwealth. All financial and other data included in this Official Statement have been provided by the Commonwealth, except that which is attributed to other sources.

#### **Appropriations for Debt Service**

The Payment Agreement requires the Transportation Board to submit annually by December 1 to the Governor and the Director of the Department of Planning and Budget of the Commonwealth a certificate setting forth the amount of debt service coming due on the Series 1992 Bonds and all other amounts required to be paid under the Trust Agreement during the next succeeding fiscal or biennial period and a request for an appropriation from the Transportation Trust Fund in such amount. The Payment Agreement requires the Transportation Board and the Treasury Board to use their best efforts each legislative session to have (1) the Governor include the amount so certified in the biennial or any supplemental budget of the Commonwealth and (2) the General Assembly appropriate such amount. Once the amounts for debt service on the Series 1992 Bonds are appropriated by the General Assembly, the Transportation Board and the Treasury Board are required under the Payment Agreement to process the necessary requisitions and documents for payment of debt service on the Series 1992 Bonds to the Trustee.

#### **Authorized and Unissued Bonds**

The Revenue Bond Act permits the Transportation Board to issue transportation contract revenue bonds payable from appropriations made first from revenues received pursuant to contracts with a transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, from other legally available revenues of the Transportation Trust Fund to finance projects specifically authorized by the General Assembly.

**Route 28 Transportation Contract Revenue Bonds, Series 1988.** In the 1988 session, the General Assembly enacted the Bond Legislation, which authorizes the Transportation Board to issue transportation contract revenue bonds in an amount not to exceed \$160,700,000 to finance Route 28 Project costs, plus an amount for issuance costs, reserve funds and other financing expenses. Due to a subsequent reduction in the estimated project cost, the total bonds sold were \$138,483,372.25 with the balance of the authorization not required to complete Phase I of the project.

**Route 58 Transportation Revenue Bonds, Series 1989.** The 1989 session of the General Assembly established the U.S. Route 58 Corridor which extends from Cumberland Gap in Lee County in the west and runs generally a long the southern border of Virginia to the ocean front in Virginia Beach in the East. The Program is funded first from revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly (a \$40 million annual appropriation from general fund revenue sources); second, from revenues legally available from the Transportation Trust Fund; and third, from any other legally available funds which have been appropriated by the General Assembly.

The 1989 Special Session of the General Assembly authorized the issuance of \$600,000,000 in Transportation Revenue Bonds to provide funds for the improvements to the Corridor. The Transportation Board issued \$200,000,000 in bonds in November 1989, with the remaining authorization of \$400,000,000 to be issued as the program progresses.

**Route 234 Bypass Transportation Contract Revenue Bonds.** The 1990 Session of the General Assembly authorized the issuance of \$95,000,000 in Transportation Contract Revenue Bonds to provide funds for the construction of State Route 234 Bypass in Prince William County. The legislation was enacted in anticipation of the creation of a Transportation Improvement District in Prince William County. The authorization to issue the bonds is contingent upon the fulfillment of certain preconditions stipulated in the legislation.

Among the preconditions is the requirement for a finding by an independent consultant that the anticipated district tax proceeds along with other local revenues are adequate to support the debt issued for the project. To date all the preconditions have not been met. Thus far, no bonds have been issued pursuant to this act although the authorization remains.

#### **Transportation Economic Recovery Bonds.**

## **THE SERIES 1992 BONDS**

### **Description of Series 1992 Bonds**

The Series 1992 Bonds will be issued as fully registered bonds in book-entry form in the aggregate principal amount of \$\_\_\_\_\_. The Series 1992 Bonds will be dated April 1, 1992, will be issued in denominations of \$5,000 or integral multiples of \$5,000, and will bear interest from April 1, 1992, payable on October 1 and April 1, beginning October 1, 1992, at the rates and will mature on the dates set forth on the cover page of this Official Statement.

### **Refunding Plan**

The Transportation Board will use the proceeds of the Series 1992 Bonds, together with the accrued interest and certain other funds available to the Transportation Board under the Trust Agreement, to provide for the payment or redemption of all of the outstanding Series 1988 Bonds to the earlier of their final maturity or call date and to pay issuance expenses of the Series 1992 Bonds.

The Transportation Board will make a deposit to the Escrow created pursuant to the Escrow Agreement dated April \_\_, 1992 between the Transportation Board and Crestar Bank as escrow agent (the "Escrow Agent"). The Escrow Agent will apply the amount deposited in the Escrow Fund to purchase direct, non-callable obligations or certificates of the United States Treasury (the "Government Obligations") as directed thereby. The Government Obligations will bear interest and mature at times and in such amounts which, together with cash deposited in the Escrow Fund, will be sufficient to pay principal of, redemption premium, if any, and interest on the Series 1988 Bonds to their optional redemption or final maturity dates. As a result of the deposit of the Government Obligations to the credit of the Escrow Fund pursuant to the instructions in the Escrow Agreement, the Series 1988 Bonds will be deemed no longer outstanding. Amounts held by the Escrow Agent in the Escrow Fund are held as trust funds for the benefit of the holders of the Series 1988 bonds and will not constitute security for the payment of the Series 1992 Bonds.

### **Sources And Uses of Funds**

The sources and uses of Series 1992 Bond proceeds and certain other funds available for the refunding are as follows:



**SOURCES**

Principal of Series 1992 Bonds.....	\$
Transfer from Series 1988 Bonds Debt Service Reserve Fund.....	
Transfer from Series 1988 Bonds Construction Fund.....	
Accrued Interest.....	\$

**USES**

Deposit to the Escrow Account.....	
Deposit to the Bond Fund (1).....	
Original Issue Discount.....	
Costs of Issuance Account.....	\$

(1) Accrued interest on the Series 1992 Bonds.

**Optional Redemption**

The Series 1992 Bonds maturing on or after April 1, 2003, are subject to optional redemption on or after April 1, 2002, in whole at any time, or in part on any interest payment date in the amount of \$5,000 or integral multiples of \$5,000, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
April 1, 2002 to March 31, 2003.....	102.0%
April 1, 2003 to March 31, 2004.....	101.0
April 1, 2004 and Thereafter.....	100.0

**Mandatory Sinking Fund Redemption**

The Series 1992 Bonds maturing April 1, \_\_\_\_\_, are term bonds subject to mandatory sinking fund redemption in accordance with the provisions of the Trust Agreement on April 1 of the following years in the following principal amounts at a redemption price equal to 100% of the principal amount of the Series 1992 Bonds to be redeemed plus accrued interest thereon to the date of redemption as follows:

Term Bond Due April 1, \_\_\_\_\_:

<u>Year</u>	<u>Principal</u>
.....	\$

Term Bond Due April 1, \_\_\_\_\_:

<u>Year</u>	<u>Principal</u>
.....	\$

**Selection of Bonds Subject to Redemption**

Series 1992 Bonds subject to optional redemption may be called for redemption in such order of maturity as the Transportation Board may determine. If less than all of the Series 1992 Bonds of any maturity are called for optional or mandatory redemption, the Series 1992 Bonds to be redeemed shall be selected by lot in such manner

as the Trustee in its discretion may determine.

#### **Notice of Redemption**

Notice of redemption shall be given by the Paying Agent by registered or certified mail not less than 30 and no more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 1992 Bonds, to the substitute securities depository, or if none, to the respective registered owners of the Series 1992 Bonds to be redeemed at the address shown on the registration books maintained by the Paying Agent. Such notice of redemption also shall be given to certain securities depositories and certain national information services which disseminate such redemption notices. During the period that DTC or its nominee is registered owner of the Series 1992 Bonds, the Paying Agent shall not be responsible for mailing notices of redemption to the Beneficial Owners.

#### **Book-Entry Only System**

The Series 1992 Bonds initially will be issued only as one fully registered bond for each maturity in the name of Code & Co., nominee for The Depository Trust Company, New York, New York ("DTC"), as registered owner of all of the Series 1992 Bonds. The Series 1992 Bonds will be retained and immobilized in the custody of DTC. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need of physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (or their representatives) are owners of DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly.

Each DTC Participant will receive a credit in the records of DTC in the amount of the DTC Participant's interest in the Series 1992 Bonds. The ownership interest of the purchaser of each Series 1992 Bond (the "Beneficial Owner") will be recorded in the records of the DTC Participant. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of the Series 1992 Bonds acquired. Transfers of ownership in the Series 1992 Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC Participants and indirect participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 1992 Bonds so long as the book-entry system is used.

Neither the Transportation Board nor the Trustee will have any responsibility or obligation to the DTC Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of or premium, if any, or interest on the Series 1992 Bonds, (3) the delivery by DTC or any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Trust Agreement to be given to bondholders, (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 1992 Bonds, or (5) any consent given or other action taken by DTC as bondholder.

So long as Code & Co. is the registered owner of the Series 1992 Bonds, as nominee of DTC, the Beneficial Owners of the Series 1992 Bonds will not receive or have the right to receive physical delivery of Series 1992 Bonds, and references in this Official Statement to the holders or registered owners of the Series 1992 Bonds shall mean Code & Co. and shall not mean the Beneficial Owners of the Series 1992 Bonds. For every transfer and exchange of beneficial ownership interest in the Series 1992 Bonds, the Beneficial Owner may be charged sums sufficient to cover any related tax, fee or other governmental charge that may be imposed.

DTC may determine to discontinue providing its service with respect to the Series 1992 Bonds at any time by giving notice to the Trustee and the Transportation Board and discharging its responsibilities under applicable

law. The Trustee or the Transportation Board with the consent of the Trustee may also determine to discharge DTC from its duties by giving notice to DTC if the Trustee or the Transportation Board determines that DTC is incapable of discharging its duties or that it would adversely affect the interest of the Beneficial Owners to continue the book-entry system of transfer. In either situation, the Transportation Board will attempt to locate another qualified securities depository. If the Transportation Board fails to locate another qualified securities depository to replace DTC, Series 1992 Bond certificates will be delivered to each Beneficial Owner as provided for in the Trust Agreement.

Principal, premium and interest payments on the Series 1992 Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Series 1992 Bonds. Upon receipt of payments, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and indirect participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for accounts of customers in bearer form or registered in "street name," and will be the responsibility of each DTC Participant or indirect participant and not of DTC, the Transportation Board or the Trustee, subject to any statutory and regulatory requirements that may be in effect from time to time.

## **SOURCES OF PAYMENT AND SECURITY FOR SERIES 1992 BONDS**

### **Transportation Trust Fund**

The Trust Agreement provides that the Series 1992 Bonds are secured by and payable from funds appropriated by the General Assembly for such purpose from the Transportation Trust Fund. See the section "THE TRANSPORTATION TRUST FUND." The appropriations will be made from the following three sources in the Transportation Trust Fund: (1) Special Tax Revenues (as defined in the section "THE ROUTE 28 PROJECT AND THE DISTRICT - Summary Of The District Contract And The Local Contract") received under the District Contract, (2) money in the Transportation Trust Fund appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the Route 28 Project is located or to the Counties of Fairfax or Loudoun, and (3) other legally available money in the Transportation Trust Fund. The General Assembly is under no legal obligation to make any such appropriations.

The Series 1992 Bonds will be limited obligations of the Transportation Board payable solely from the revenues, receipts and funds appropriated for their payment by the General Assembly and will not be a debt of the Commonwealth or of any of its political subdivisions.

### **Additional Bonds**

The Transportation Board may issue one or more series of additional bonds under the Trust Agreement ("Additional Bonds") upon satisfaction of various conditions. The Trust Agreement provides that Additional Bonds may be issued only (1) to pay the cost of a Project, as defined in the section "SUMMARY OF THE TRUST AGREEMENT," the cost of completing a Project, or the costs of planning or investigating the feasibility of a Project, (2) to refund any Bonds issued under the Trust Agreement, or (3) for a combination of such purposes. The Revenue Bond Act requires that the General Assembly authorize the issuance of all Additional Bonds except for refunding Bonds.

Additional transportation improvement districts may be created pursuant to the District Act, as defined in the section "THE ROUTE 28 PROJECT AND THE DISTRICT." The General Assembly may authorize the issuance of bonds by the Transportation Board to pay the cost of transportation improvements in any such district, payable from special tax revenues of such district and from other amounts which may be appropriated by the General Assembly from the Transportation Trust Fund. See the section "INTRODUCTORY STATEMENT - Authorized and Unissued Bonds."

## COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF TRANSPORTATION

### Commonwealth Transportation Board

The Transportation Board was created pursuant to Chapter 1, Title 33.1 of the Code of Virginia of 1950, as amended, and is responsible for general policies for the construction and use of Virginia's highway system and for the efficient and economic development of transportation. The powers and duties of the Transportation Board include, among other things, the allocation of funds in the Transportation Trust Fund.

The Transportation Board consists of sixteen members from various areas of the Commonwealth appointed by the Governor, subject to confirmation by the General Assembly. One member is chosen from each of the Commonwealth's nine highway construction districts and three members are selected as urban at-large members and two members as rural at-large members with such at-large members representing the interests of seaport, airport, railway and mass transit users. The Chairman of the Transportation Board is the Commonwealth Secretary of Transportation. The Vice Chairman is the Commonwealth Transportation Commissioner, who is also the Chief Executive Officer of the Virginia Department of Transportation (the "Department"). The current membership of the Transportation Board, the expiration dates of the members' terms and the constituency represented by each member are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Constituency</u>
John G. Milliken .....	At the Pleasure of the Governor	Chairman, Transportation Board; Secretary of Transportation
Ray D. Pethel .....	At the Pleasure of the Governor	Vice Chairman, Transportation Board; Commonwealth Transportation Commissioner
Edgar Bacon .....	June 30, 1992	Bristol District
Robert W. Smalley .....	June 30, 1992	Staunton District
Daphyne S. Thomas, Dr. ....	June 30, 1992	Rural At-Large
Byron E. Waldman .....	June 30, 1992	Northern Virginia District
C. Roger Malbon .....	June 30, 1993	Suffolk District
Vincent J. Mastracco .....	June 30, 1993	Urban At-Large
Stephen A. Muschelwhite .....	June 30, 1993	Salem District
Lawrence A. Davira, Rev. ....	June 30, 1994	Fredericksburg District
Daniel A. Hoffer .....	June 30, 1994	Urban At-Large
Constance R. Kincheloe .....	June 30, 1994	Culpeper District
Mark R. Warner .....	June 30, 1994	Urban At-Large
G. Morris Wells, Jr. ....	June 30, 1994	Rural At-Large
James E. Candler .....	June 30, 1995	Lynchburg District
M. Philmore Howiecm, Dr. ....	June 30, 1995	Richmond District

### Virginia Department of Transportation

The Department has the responsibility for construction, maintenance and operation of the Virginia highway system under legislation enacted by the General Assembly and in accordance with policies and procedures adopted by the Transportation Board. It is currently responsible for administering rail and public transit programs developed at either the federal or state level.

The Department's budget for the fiscal year ending June 30, 1992 is approximately \$1.8 billion. The highway construction budget for the Department for such fiscal year is \$791,802,300. As of June 30, 1991, the Department had 419 construction projects underway for an aggregate amount of \$1,152,469,000, with an outstanding balance of construction costs to be paid of \$458,117,000.

Virginia has the nation's third largest system of state-maintained highways with a system totaling approximately 53,000 miles of Interstate, primary and secondary roads. The system includes more than 12,000 bridges. In addition, independent cities and towns maintain about 8,000 miles of local streets and receive funds from the Transportation Board for such purpose.

Virginia is divided geographically into nine construction districts for highway purposes as follows:

Culpeper District  
Salem District  
Fredericksburg  
Richmond District  
Suffolk District  
Lynchburg District  
Bristol District  
Staunton District  
Northern Virginia District

These districts are divided into 45 residencies, each typically consisting of one to four counties. The field organization is further subdivided into approximately 240 area maintenance headquarters. About 90% of the Department's approximately 10,840 employees are assigned to the field organization. The remainder are assigned to the central office in Richmond or to units associated with the central office.

At the senior management level, the Commonwealth Transportation Commissioner is the Chief Executive Officer of the Department. The senior management staff of the Department consists of the Chief Engineer, the Assistant Commissioner for Administration, the Assistant Commissioner for Operations, the Assistant Commissioner for Finance, the Assistant Commissioner for Planning and Programming, and the Assistant Commissioner for Rail and Public Transportation. The resumes of the persons currently filling these positions follow:

John G. Milliken has served as Secretary of Transportation and Chairman of the Commonwealth Transportation Board since being appointed to these positions by Governor Lawrence Douglas Wilder in 1990. Prior to his appointment, Secretary Milliken served for ten years on the Arlington County Board; on the Washington Metropolitan Area Transit Authority Board of Directors; and on the Northern Virginia Transportation Commission. He received a law degree from the University of Virginia and is the former managing partner of Winston & Strawn in Washington, D.C. Secretary Milliken is a member of the Policy Committee of the American Association of State Highway and Transportation Officials.

Ray D. Pethel has served as the Commonwealth Transportation Commissioner since being appointed to the position by Governor Gerald Baliles in 1986. Mr. Pethel's tenure as Commissioner has produced many programmatic, operation and leadership changes to effectively manage a 12 1/2 year, \$10 billion transportation program now underway in Virginia. Prior to his appointment, he served for 12 years as Director of the Joint Legislative Audit and Review Commission (JLARC), an oversight agency created by the Virginia General Assembly in 1973. As the first Director of JLARC, he established the agency's organization and led it to two national awards in its first six years. Before coming to Virginia, Mr. Pethel held positions with the New York State Division of the Budget, the Graduate School of Public Affairs at Albany (NY), the New York State Legislature and the American Society for Public Administration in Washington, D.C. Mr. Pethel, an Ohio native who was raised in Pennsylvania, received his Bachelor's and Master's Degrees from Pennsylvania State University. He has taught at Virginia Commonwealth University and has written numerous articles concerning the legislative oversight process. Mr. Pethel is a member of the Executive Committee and Policy Committee of the American Association of State Highway and Transportation Officials and chairs the public transportation committee of the organization.

Jack S. Hodge has served as the Department's Chief Engineer since January 1988. Beginning in 1957, he has served the Department as a Graduate Engineer Trainee, an Assistant Resident Engineer in Northern Virginia, as Assistant District Engineer in the Richmond District, a District Engineer in the Suffolk District and six years as Director of Engineering before being appointed to his present position. Born in Harrisonburg, Virginia, and raised in Stafford County, Mr. Hodge received a Bachelor's Degree in Civil Engineering from the University of Virginia in 1957. Among other career accomplishments, Jack Hodge directed the implementation of the computer-aided drafting and design (CADD) system that has made the Department a leader in the use of this technology. He is a registered Professional Engineer and a member of the American Association of State Highway and Transportation Officials and the American Society of Civil Engineers.

Albert W. Costas, Jr. has served as the Assistant Commissioner for Administration of the Department since 1985. Mr. Costas' career with the Department has included leaves of absence to serve for 18 months as Associate Press Secretary to Governor Mills E. Godwin and a more recent stint as Deputy Secretary of Transportation and Public Safety. His positions with the Department have included Public Information Officer, Special Assistant to the Commissioner and Management Review Officer. A native of Franklin, Virginia, and a 1953 graduate of the University of Richmond, Mr. Costas covered local government as a reporter for the Newport News Daily Press and the Richmond Times-Dispatch prior to joining the Department in 1965. He is a member of the American Association of State Highway and Transportation Officials' Special Committee on Disadvantaged Business Enterprise Programs.

David R. Gehr serves as the Assistant Commissioner for Operations for the Department. His 17 year career with the Department has included positions as Assistant Division Administrator and District Engineer in the Northern Virginia District and District Traffic Engineer in the Fredericksburg District and as Director of Operations for the Department. Mr. Gehr, a native of Rochester, New York, holds a Civil Engineering Degree from Virginia Military Institute and has done graduate work in transportation planning at George Washington University. He is a member of the Virginia Section of the Institute of Transportation Engineers, and the American Society of Civil Engineers, and the American Association of State Highway and Transportation Officials.

James W. Atwell has served as the Assistant Commissioner for Finance for the Department since 1985. His career with the Department began in 1960 and has included various financial management and auditing positions. In 1975, he became Assistant Management Services Officer and in 1980 was named Director of the Management Services Division. In 1981, Mr. Atwell was appointed Administrator of the newly created Budget Division and remained in that capacity until appointment to his present position. A native of Richmond, he earned an Accounting Degree from the University of Richmond. He is a member of the American Society for Public Administration and the American Association of State Highway and Transportation Officials.

The position of Director of Planning and Programming for the Department is currently vacant.

Sally H. Cooper has served as the Assistant Commissioner for Rail and Public Transportation for the Department since 1982. Prior to coming to Virginia in that year, the Philadelphia, Pennsylvania native had a long career in public transportation as Private Consultant, Senior Planner with the Southeastern Pennsylvania Transportation Authority and as a Regional Representative of the U.S. Department of Transportation in the region that includes Virginia. Ms. Cooper holds an honorary Bachelor's Degree from Brown University where she is a Trustee, a Bachelor's Degree from Tufts University and a Master's Degree in Transportation Planning from the University of Pennsylvania. She is a member of the American Institute of Certified Planners and has participated extensively in conferences and written papers on the subject of public transportation. She is active on committees of the American Public Transit Association, the American Association of State Highway and Transportation Officials and the Transportation Research Board.

## **THE TRANSPORTATION TRUST FUND**

### **General**

The Transportation Trust Fund was established by the General Assembly in Chapters 11, 12, 13 and 15 of the Acts of the Assembly, 1986 Special Session (the "1986 Special Session Acts") as a special non-reverting fund administered and allocated by the Transportation Board for the purpose of increased funding for construction, capital and other needs of state highways, airports, mass transportation and ports. The Transportation Trust Fund is funded primarily from additional revenues generated by increases in the retail sales tax and motor vehicle related taxes and fees effected by the 1986 Special Session Acts and designated for deposit in the Transportation Trust Fund. The 1986 Special Session Acts allocated 85% of these additional revenues to highway purposes with the balance being divided among airports (2.4%), mass transit (8.4%) and ports (4.2%). The investment of money in the Transportation Trust Fund is administered by the State Treasurer under guidelines adopted by the Transportation Board.

The Transportation Trust Fund was created by the General Assembly in 1986. The Transportation Board makes no representation that the General Assembly will maintain the Fund or that the General Assembly will not repeal or materially modify the 1986 Special Session Acts.

### **Highway Maintenance and Operating Fund**

Until January 1, 1987, both construction and maintenance of the Commonwealth's highway system were funded through the Highway Maintenance and Construction Fund. Upon the enactment of the 1986 Special Session Acts the Transportation Trust Fund became the source of funds for new construction, with the Highway Maintenance and Operating Fund (the "HMO Fund"), as successor to the Highway Maintenance and Construction Fund, continuing to fund maintenance.

The HMO Fund receives certain motor vehicle related taxes and fees (principally the fuel tax, vehicle tax, vehicle sales tax, vehicle registration fees and vehicle license fees) at the rates in effect before the 1986 Special Session Acts, while the increase in these taxes and fees was directed to the Transportation Trust Fund. See the subsection below "Sources of Revenues." In the fiscal year ending June 30, 1991, the HMO Fund received \$823,440,766 in revenues. At the end of each fiscal year, the balance remaining in the HMO Fund is transferred to the Transportation Trust Fund. The Department anticipates that this year-end balance in the HMO Fund may diminish if maintenance costs rise faster than revenues available for such purpose. As a consequence, the year-end transfer of the HMO Fund balance may not be a long-term source of revenue to the Transportation Trust Fund. If maintenance expenditures rise to the level of HMO Fund revenues, any additional maintenance costs will have to be funded from other sources, one of which may be the Transportation Trust Fund.

### **Sources of Revenues**

The following table summarizes the actual revenues for the fiscal years ending June 30, 1988 through 1991, and the estimated revenues for fiscal years ending June 30, 1992 through 1994, received or to be received in the Transportation Trust Fund.

**TRANSPORTATION TRUST FUND REVENUES**

(in Millions)

**Historical Results**

	<b>Fiscal Year</b>				
	<b>Ending June 30:</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>
Retail Sales and Use Tax .....	\$200.4	\$216.7	\$226.8	\$223.4	\$223.4
Motor Vehicle Sales and Use Tax (1).....	112.7	95.7	96.2	85.6	85.6
Motor Fuel Taxes (2) .....	89.3	84.9	87.5	82.8	82.8
Motor Vehicle Annual Registration Fees .....	14.9	15.3	15.0	14.7	14.7
Subtotal (3).....	\$417.3	\$412.6	\$425.5	\$406.5	\$406.5
85% Highway Construction Amount (4) .....	354.5	347.3	361.4	341.3	341.3
HMO Fund Transfer (5).....	66.4	131.6	104.7	50.6	50.6
<b>Total.....</b>	<b>\$420.9</b>	<b>\$478.9</b>	<b>\$466.1</b>	<b>\$398.1</b>	<b>\$398.1</b>

**TRANSPORTATION TRUST FUND REVENUES**

(in Millions)

**Projections**

	<b>Fiscal Year</b>			
	<b>Ending June 30:</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
Retail Sales and Use Tax .....	\$241.2	\$235.2	\$249.2	\$249.2
Motor Vehicle Sales and Use Tax (1).....	101.7	97.7	107.6	107.6
Motor Fuel Taxes (2) .....	85.3	87.1	88.3	88.3
Motor Vehicle Annual Registration Fees .....	16.3	15.5	15.9	15.9
Subtotal (3).....	\$444.5	\$435.5	\$461.0	\$461.0
85% Highway Construction Amount (4) .....	376.2	368.8	390.5	390.5
HMO Fund Transfer (5).....	6.0	40.8	40.2	40.2
<b>Total.....</b>	<b>\$392.2</b>	<b>\$402.6</b>	<b>\$430.7</b>	<b>\$430.7</b>

(1) Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax.

(2) Motor Fuel Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax.

(3) Does not reflect investment income credited to the Transportation Trust Fund.

(4) 85% of Transportation Trust Fund revenues less certain estimated expenses.

(5) Fiscal year-end transfer from HMO Fund. See section above "Highway Maintenance and Operating Fund."

Source: Department of Accounts and Department of Motor Vehicles for fiscal years 1988 through 1991

Department of Transportation Annual Budget for Fiscal Year 1992

Department of Motor Vehicles, Department of Taxation and Department of Transportation Revenue

Estimates for fiscal years 1993 and 1994

The following is a brief description of the taxes and fees that were increased by the 1986 Special Session Acts and designated for deposit into the Transportation Trust Fund. There is no assurance that any of these taxes or fees will remain in effect or that they will continue at their current levels. Even if the taxes or fees continue at their current levels, the General Assembly is under no obligation to continue the appropriation of the net additional revenues generated by the 1986 Special Session Acts to the Transportation Trust Fund.



**Retail Sales and Use Tax.** The retail sales tax is imposed on every person who (1) engages in the business of selling at retail or distributing tangible personal property in the Commonwealth; (2) leases or rents tangible personal property as part of an established business; (3) stores for use or consumption in the Commonwealth any item or article of tangible personal property or leases or rents such property within the Commonwealth; (4) furnishes transient accommodations; or (5) sells certain services. The tax on sales is based on the gross sales price of each item or article of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. The tax on accommodations, leases and rentals, which is based upon the lessor's gross proceeds from the leases and rentals, is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee. The tax on items or articles of tangible personal property stored in the Commonwealth for use or consumption in the Commonwealth is based on the cost price of each item or article. The tax on taxable services is based on the gross sales of services.

The use tax is imposed on the use or consumption of tangible personal property in the Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in the Commonwealth. This tax applies to (1) tangible personal property purchased outside Virginia that would have been subject to sales tax if purchased in Virginia and (2) purchases, leases or rentals made in Virginia if the sales tax was not paid at the time of purchase, lease or rental. In general, the tax is based on the cost price of each item or article of tangible personal property used or consumed in the Commonwealth or the cost price of each item or article of tangible personal property stored outside the Commonwealth for use or consumption in the Commonwealth. The Virginia Code provides various exclusions and exemptions to the retail sales and the use tax.

The state retail sales and use taxes were increased from 3.0% to 3.5% by the 1986 Special Session Acts, effective January 1, 1987. For the biennia ending June 30, 1988, 1990, 1992 and 1994, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

**Motor Vehicle Sales and Use Tax.** A tax based on the gross sales price or gross proceeds is levied upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business.

The tax applies to the sale price of motor vehicles, mobile homes and mobile offices not sold in Virginia but used or stored for use in Virginia. Under Virginia law, certain motor vehicles are exempt from the sales and use tax. In general, the minimum tax levied on the sale of any motor vehicle in the Commonwealth is \$35.00.

The tax on the sale or use of a motor vehicle is paid by the purchaser or user of the new motor vehicle and collected by the Commissioner of the Department of Motor Vehicles at the time the owner applies to that Department for, and obtains, a certificate of title. No tax is levied or collected upon the sale or use of a motor vehicle for which no certificate is required by the Commonwealth.

As a result of the 1986 Special Session Acts, this tax increased from 2% to 3%, effective January 1, 1987. For the biennia ending June 30, 1988, 1990, 1992 and 1994, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

**Motor Fuel Tax.** A tax is levied on all motor fuel sold and delivered or used in the Commonwealth. Fuel for the exclusive use by the United States is excepted from this provision. The motor fuel tax is collected by and paid to the Commonwealth only once in respect to any motor fuel. All aviation motor fuel that is sold and delivered or used in Virginia is taxed. Synthetic motor fuel produced in Virginia from coal is subject to an incremental tax. Likewise, motor fuel refined in Virginia exclusively from crude oil produced in Virginia in a refinery meeting certain specifications is subject to an incremental tax. Certain motor fuels are exempt from the motor fuel tax.

Each dealer or limited dealer in motor fuel must file monthly a report with the Commissioner of the Department of Motor Vehicles showing, among other things, the quantity of motor fuel and aviation fuel used, sold, or delivered during the preceding month. The tax must be paid at the time the report is rendered to the Commissioner.

All of these motor fuel taxes increased two and one-half cents per gallon as a result of the 1986 Special Session Acts. The motor fuel tax on gasoline increased from fifteen to seventeen and one-half cents per gallon. The increase took effect on January 1, 1987. For the bicennia ending June 30, 1988, 1990, 1992 and 1994, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

**Motor Vehicle Annual Registration Fees.** The annual registration fee collected by the Commissioner of the Department of Motor Vehicles for all motor vehicles, trailers and semi-trailers was increased \$3 per vehicle by the 1986 Special Session Act. The increase took effect January 1, 1987. For the bicennia ending June 30, 1988, 1990, 1992 and 1994, the General Assembly has appropriated the net additional revenues from this fee increase to the Transportation Trust Fund.

**Other Taxes.** The General Assembly increased certain other taxes and appropriated the net additional revenues generated from the increase to the Transportation Trust Fund for the bicennia ending June 30, 1988, 1990, 1992 and 1994. These taxes include a motor vehicle rental tax, a special fuel tax, an aviation special fuel tax and a road tax.

#### **Budgetary Process**

While the Virginia Constitution places the ultimate responsibility and authority for levying taxes and appropriating revenue upon the General Assembly, the Governor is provided with the authority, typically associated with a "strong Governor" concept, to ensure that the constitutional requirements of a balanced budget are met. The Governor is the chief planning and budget officer of the Commonwealth and has the responsibility for preparing and submitting to the General Assembly a budget to cover the financial operations of the Commonwealth for each biennium.

During each odd-numbered year, the Governor's budget bill is prepared, and it is presented to the General Assembly within five days after each even-year session convenes. The budget bill is then submitted to public hearings. After approval by the General Assembly's budget committees and passage by the House of Delegates and the Senate of the General Assembly any differences between the House and Senate versions are reconciled. The Governor may suggest alternatives to, or veto any appropriations contained in, the budget bill.

The signing of the budget bill by the Governor before the beginning of the biennium on July 1 completes the procedure for passage, and the budget bill becomes the Appropriations Act. In the odd-year sessions of the General Assembly, the Governor submits a budget bill including proposed amendments to the previous year's Appropriations Act, and that bill is considered in the same manner as the regular budget bill. The Appropriations Act enacted in the odd-year session is effective upon signing, while the regular biennial Appropriations Act is effective on July 1 of the year beginning the biennium.

Legislative appropriations for a particular purpose are made available for expenditure by the appropriate state agency at the beginning of each fiscal year. The Department of Planning and Budget and the Secretary of Finance monitor revenue collections and expenditures to ensure that a balanced budget (as required by the Constitution) is maintained. The Appropriations Act requires that if a projected revenue collections in the General Fund or in any non general fund, such as the Transportation Trust Fund, fall below amounts appropriated, the Governor must reduce agency expenditures and withhold allotments of appropriations among the General Fund and non general funds to the extent necessary to prevent any expenditure in excess of the estimated revenue. To that end, up to 25% of a General Fund or non general fund appropriation may be withheld if required to ensure a balanced budget.

Certain specified expenditures, including those for payment of debt service on the "state's bonded debt" and payment in fulfillment of any contract respecting, among other things, construction and furnishing of any state building, have historically been protected by the Appropriations Act from reduction in the event of a shortfall in revenues. The scope of the term "state's bonded debt" has never been judicially determined. It is the current position of the Department of Planning and Budget that the term includes debt of agencies of the Commonwealth, such as the Transportation Board, whether or not the full faith and credit of the Commonwealth has been pledged to its payment. In the absence of definitive deservation of the source of "state's bonded debt," no assurance can be given that its scope includes debt of the Transportation Board.

#### **1990-92 Biennium Budget Reduction Transfers**

Due to a decline in revenues during the 1990-92 Biennium, the Governor acted, pursuant to the Appropriation Act, to reduce expenditures to the extent necessary to prevent any expenditures in excess of the estimated revenues. As a result of general economic conditions, these reductions in revenue estimates affected both general fund and non general fund revenue sources. The 1991 session of the Virginia General Assembly amended and reenacted the Appropriation Act to provide budget reductions in order not to exceed the revised revenue estimates for the biennium.

During this process, the official revenue estimates for the Commonwealth Transportation Funds (the Highway Maintenance and Operating Fund and the Transportation Trust Fund) were revised downward and the amounts budgeted for the Department of Transportation for each year were reduced accordingly.

In addition, the General Assembly provided in the 1990-92 Appropriation Act for additional reductions in Commonwealth Transportation Funds with the savings generated to be transferred to the General Fund to help offset the shortfall in General Fund revenue sources.

For the year ending June 30, 1991, the amount of the transfer made from the Transportation Trust Fund was \$11,819,593. The Appropriation Act further provides for an additional transfer of \$19,233,679 from the Transportation Trust Fund to be made by June 30, 1992.

The Appropriation Act also directed the submission by the Secretaries of Finance and Transportation of a plan for the restoration of the transportation funds that were transferred to the General Fund in the 1990-92 Biennium. A plan identifying the options for restoring transportation funds was submitted in December of 1991. Although the 1992 General Assembly took no action on the plan, the 1992-94 Biennial Budget adopted by the General Assembly for the next biennium does not require any transfers of transportation funds to the general fund.

#### **Highway Allocation Formula**

The Transportation Board is required by Virginia Code Section 33.1-23.1 to allocate each yearly all funds made available for highway purposes in accordance with the priorities established by Section 33.1-23.1. Highway funds are allocated first for maintenance of Interstate, primary, secondary and certain local roads and highways, administrative and general expenses and certain other payments. Then certain funds are allocated for Interstate matching funds and for the paving of certain unpaved secondary roads. Of the remaining funds, 40% is allocated to the primary system and 30% each to the urban and secondary systems.

Primary system funds are apportioned among the nine highway construction districts based on a formula taking into account the following factors weighted as indicated: vehicle miles traveled on primary routes (70%), primary road lane mileage (25%) and need as determined by the Transportation Board (5%). Funds for urban systems are distributed based on population, and secondary system funds are distributed based on population (80%) and area (20%). The allocation formula was most recently changed in 1977 and 1983. There is currently a study underway on the allocation formula that will be reported to the 1992 Session of the General Assembly. The Transportation Board determines the projects on which primary system funds are spent. Secondary system funds are distributed to the counties and not designated by the Transportation Board for specific projects. The General

## THE ROUTE 28 PROJECT AND THE DISTRICT

The Route 28 Project which is substantially complete involved the improvement of State Route 28 in Fairfax and Loudoun Counties to six lanes from north of Interstate 66 to State Route 7, including the acquisition and construction of roadways and related improvements. The improved roadway will have interchanges at U.S. Route 50, State Route 7, and the Dulles Toll and Access Roads. If the General Assembly fails to appropriate funds to pay the debt service on the Series 1992 Bonds or the Transportation Board or the Treasury Board fails to make any such payment, neither the Trustee nor the owners of the Series 1992 Bonds will have any right to take possession of the Route 28 Project or to exclude the Commonwealth from possession of it.

The map on the following page shows the location of the Route 28 Project.

### The District

The District was created by resolutions of the Boards of Supervisors of the Counties of Fairfax and Loudoun, Virginia, pursuant to the Transportation Improvement District in Multi-County Areas Act, Chapter 32.1, Title 15.1 of the Virginia Code, as amended (the "District Act"). The District boundaries encompass approximately 14,800 acres of land located generally along State Route 28 in Fairfax and Loudoun Counties, Virginia. The District is governed by a commission of nine members composed of four of the elected members of the Board of Supervisors of Fairfax County, four of the elected members of the Board of Supervisors of Loudoun County, and the Chairman of the Transportation Board or his or her designee. The Chairman of the District is elected by and from among its members.

The District is empowered, among other things, to undertake the improvement of any primary highway located within the District and to enter into contracts with the Transportation Board to carry out such activity. Upon the request of the District commission, the Boards of Supervisors of Fairfax and Loudoun Counties have the power to levy the Special Improvements Tax and to collect the Special Tax Revenue. The District itself has no taxing power.

The Transportation Board commissioned a study by Hammer, Siler, George Associates to project the potential revenue to be generated by the District's Special Improvements Tax. The study involved a detailed analysis of past development patterns and assessed valuation trends and a forecasting of development and appreciation through the year 2020. Using the study's most conservative forecasts of development and appreciation, the potential revenues projected to be generated by the Special Improvements Tax over the term of the Series 1992 Bonds will be sufficient to satisfy the obligations of the District under the District Contract. See the section "SUMMARY OF THE DISTRICT CONTRACT AND THE LOCAL CONTRACT."

In furtherance of the purposes of the District Act, the District entered into the District Contract and the Local Contract.

[Insert map here]

## **SUMMARY OF THE DISTRICT CONTRACT AND THE LOCAL CONTRACT**

The following summarizes certain provisions of the District Contract and the Local Contract. These summaries do not purport to be comprehensive or definitive and are qualified by reference to the District Contract and the Local Contract in their entireties, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

In addition to the words previously defined in this Official Statement, the following words used in this summary shall have the following meanings unless a different meaning clearly appears from the context:

"Fiscal Year" shall mean the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year or such other fiscal year of twelve months as may be determined by the Transportation Board.

"Net Debt Service" shall mean payments equal to principal and interest due on the Series 1992 Bonds.

"Special Improvements Tax" shall mean a special improvements tax levied and collected not less frequently than annually on taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests zoned for commercial or industrial use or used for such purposes located within the District. The maximum rate shall be the maximum rate set forth in Section 15.1-1372.7 of the Virginia Code in effect as of the date hereof or such higher rate as may be established in the Virginia Code from time to time.

"Special Tax Revenues" shall mean the revenues collected from the levy of the Special Improvements Tax.

District Contract. The Transportation Board, either directly or through the Department, shall construct, complete, own, operate and maintain the Route 28 Project. The District will have no right to approve or otherwise exercise any control over the Route 28 Project.

Under the terms of the District Contract, the District is obligated to request the Boards of Supervisors of Fairfax and Loudoun Counties to levy the Special Improvements Tax and collect Special Tax Revenues at a rate up to the maximum rate so that over the term of the Series 1992 Bonds the Special Improvements Tax will generate Special Tax Revenues in an amount the present value of which is equal to 80% of the present value of the Net Debt Service on the Series 1992 Bonds (the "District Obligation"). These Special Tax Revenues are to be deposited into the Transportation Trust Fund and used, together with other money in such Fund, to pay debt service on the Series 1992 Bonds, subject to appropriation by the General Assembly. The District Obligation shall also include any amounts necessary to reimburse the Transportation Trust Fund for money paid from it the present value of which exceeds 20% of the present value of Net Debt Service on the Series 1992 Bonds or any amounts paid from it in excess of \$31,875,000. The District Contract provides the terms by which the rate of the Special Improvements Tax is set on an annual basis.

Notwithstanding anything in the District Contract to the contrary, the District Obligation is limited to collections of any Special Improvements Tax and the Transportation Board's obligations are subject to appropriations made by the General Assembly.

If bonds in addition to the Series 1992 Bonds are needed to complete the Route 28 Project, the obligation of the District as to such bonds will be pursuant to the same terms set forth above (see the section "INTRODUCTORY STATEMENT -- Authorized and Unissued Bonds"); provided, however, in no event shall the total obligation of the Transportation Board as to debt service on the Series 1992 Bonds and such completion bonds exceed actual payment of \$31,875,000.

Upon notice to and consent of the Transportation Board, which consent shall not be unreasonably withheld, the District may prepay from time to time the District Obligation. All terms of such prepayments are subject to the approval of the Transportation Board.

In the event that Fairfax or Loudoun County changes the classification of property within the District zoned for commercial or industrial use or used for such purposes, then the provisions of the District Act regarding the increase of the Special Improvements Tax up to the maximum rate in the event of a shortfall in Special Tax Revenues or any other applicable provision of the Virginia Code, as any such provision may be amended from time to time, shall apply.

If the District fails for a period of sixty days to request the Boards of Supervisors of Fairfax and Loudoun Counties to levy the Special Improvements Tax, to collect the Special Tax Revenues or to have paid over the Special Tax Revenues which have been collected in accordance with the terms of the Local Contract and for as long as any such failure continues, the provisions of the District Act regarding the withholding of highway allocation moneys to the Northern Virginia Highway Construction District and Fairfax and Loudoun Counties shall apply.

The term of the District Contract shall begin on the date of the original issuance and delivery of the Series 1992 Bonds and terminate at the earlier of (1) payment in full of the District Obligation or (2) September 1, 2018.

**Local Contract.** The District will request the Boards of Supervisors of Fairfax and Loudoun Counties to levy the Special Improvements Tax and collect Special Tax Revenues each Fiscal Year in an amount computed in accordance with the requirements of the District Contract. The District shall notify Fairfax and Loudoun Counties by March 1 of each year of the amount of the District Obligation for the next ensuing Fiscal Year and the rate of Special Improvements Tax which it desires to be levied and collected, respectively.

The Boards of Supervisors of Fairfax and Loudoun Counties have each agreed to notify the District by February 1 of each year of the County's estimate of the assessed/fair market value of all taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests zoned for commercial or industrial use or used for such purposes located in the County and within the District. The Boards of Supervisors of Fairfax and Loudoun Counties have further agreed that the County Executive, the County Administrator or such other officer charged with the responsibility for preparing each County's annual budget will include in the budget for each Fiscal Year all amounts to be paid by such County under the District Contract for such Fiscal Year. The Boards of Supervisors agree to pay all Special Tax Revenues to the Transportation Board by the first day of each month, but in no event later than 45 days after receipt.

The Boards of Supervisors of Fairfax and Loudoun Counties, while recognizing that they are not empowered to make any binding commitments to levy the Special Improvements Tax and to pay over the Special Tax Revenues in future Fiscal Years, state their intent as of the date of the Local Contract to make such levy, collection and payment in future Fiscal Years, and recommend that future Boards of Supervisors do likewise.

The term of the Local Contract shall begin on the date of the original issuance and delivery of the Series 1992 Bonds and terminate upon termination of the District Contract.

## **SUMMARY OF THE TRUST AGREEMENT**

The following, in addition to the information presented in the sections "The Series 1992 Bonds" and "Sources of Payment and Security for Series 1992 Bond," summarizes certain provisions of the Trust Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Trust Agreement and all supplemental agreements in their entireties, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

**Definitions.** In addition to the terms previously defined in this Official Statement, the following words used in this summary shall have the following meanings unless a different meaning clearly appears from the context:

"Bonds" shall mean any bonds, including the Series 1992 Bonds, issued from time to time pursuant to the Trust Agreement, and pending the issuance of such Bonds, any notes issued in anticipation thereof.

"Cost or Cost of a Project" shall mean the cost of construction, the cost of all lands, properties, rights, equipments and franchises acquired which are deemed necessary for such construction, the cost of all machinery and equipment, financing charges, interest on the Bond prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to the financing of a Project, the construction of a Project, the placing of a Project in operation, the condemnation of property necessary for such construction and operation and issuance costs, reserve funds and other financing expenses. Any obligation or expense incurred in connection with any of the foregoing items of Cost may be regarded as a part of such Cost and reimbursed to the Transportation Board out of the proceeds of the Bonds issued to finance such Project, including, but not limited to, any such obligation or expense incurred prior to the issuance of the Bonds.

"Government Certificates" shall mean certificates representing ownership of United States Treasury bond principal at maturity or coupons for accrued periods, which bonds or coupons are held by a bank or trust company reasonably acceptable to the Trustee. Such bank or trust company holding Government Certificates shall be organized and existing under the laws of the United States of America or any of its states and shall hold such Government Certificates in the capacity of custodian, independent of the seller of such certificates.

"Government Obligations" shall mean bonds, notes and other obligations of the United States of America and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America or any of its agencies.

"Outstanding" shall mean, at any date, the aggregate of all Bonds authorized, issued, authenticated and delivered under the Trust Agreement, except: (a) Bonds cancelled or surrendered to the paying agent for cancellation; (b) Bonds deemed to have been paid as provided in the Trust Agreement; and (c) Bonds in lieu of or, in substitution for which other Bonds have been authenticated and delivered pursuant to the Trust Agreement unless proof satisfactory to the paying agent for such Bonds is presented that any such Bond is held by a bona fide holder.

"Project" shall mean any one or more projects authorized by the General Assembly for the District which are financed by Bonds.

**Revenues.** The Bonds are limited obligations of the Commonwealth. Principal of and premium, if any, and interest on the Bonds are payable solely from the revenues, receipts and funds which have been appropriated by the General Assembly from the Transportation Trust Fund for payment of the Bonds (the "Revenues"), except to the extent payable from the proceeds of the Bonds, certain pledged reserves, or income from investments pursuant to the Trust Agreement, in the manner and to the extent provided in the Trust Agreement. The Trust Agreement pledges moneys in the funds held under it for the benefit of the owners of the Bonds, subject only to the provisions of the Trust Agreement permitting the application of such amounts for the purposes and on the terms and conditions set forth in the Trust Agreement.

**Provisions for Series 1992 Bonds.** The Trust Agreement provides for the issuance of the Series 1992 Bonds, the redemption of the Series 1992 Bonds and all other terms pertaining to the Series 1992 Bonds, as described in the section "The Series 1992 Bonds" in this Official Statement.

**Funds and Accounts.** The following funds and accounts are established under the Trust Agreement and the Escrow Agreement:

- (1) Construction Fund;
- (2) Bond Fund, in which there are established an Interest Account, a Principal Account and a Sinking Fund Account;
- (3) Series 1992 Costs of Issuance Account; and



**(4) Escrow Account**

Although the Trust Agreement establishes a Debt Service Reserve Fund, the Series 1992 Bonds are not secured by it.

**Application of Series 1992 Bond Proceeds.** The proceeds of the Series 1992 Bonds shall be paid to the State Treasurer by the initial purchaser or purchasers of the Series 1992 Bonds, delivered by the State Treasurer to the Trustee and applied by the Trustee as follows:

- (1) \$\_\_\_\_\_ which is an amount equal to the amount received as accrued interest on the Series 1992 Bonds from their date to the date of their delivery which shall be deposited in the Interest Account in the Bond Fund.
- (2) \$\_\_\_\_\_ shall be deposited in the Series 1992 Costs of Issuance Account to be used to pay the costs of issuance of the Series 1992 Bonds.
- (3) \$\_\_\_\_\_ shall be deposited in the Escrow Account and used as described in the subsection "Refunding Plan" in the section "THE SERIES 1992 BONDS."

**Application of Other Available Funds.** On the date of delivery of the Series 1992 Bonds, the Trustee will make the following transfers:

- (1) \$\_\_\_\_\_ will be transferred from the debt service reserve fund securing the Series 1988 Bonds to the Escrow Account; and
- (2) \$\_\_\_\_\_ of the remaining proceeds of the Series 1988 Bonds in the Construction Fund not needed for the Route 28 Project will be transferred from the Construction Fund to the Escrow Account.

Once transferred to the Escrow Account, these amounts will be applied as described in the subsection "Refunding Plan" in the section "THE SERIES 1992 BONDS."

**Construction Fund.** Money on deposit in the Construction Fund shall be used to pay Cost of a Project. The Trustee shall make payments from the Construction Fund upon receipt of a requisition signed by a representative of the Transportation Board providing information with respect to the use of the amounts requisitioned. The amount of the proceeds of the Series 1988 Bonds remaining in the Construction Fund after the transfer to the Escrow Account described in the preceding subsection, \$\_\_\_\_\_, is to be used to pay the Cost of the Route 28 Project. Excess money after completion of the Route 28 Project is to be applied, subject to the terms and limitations set forth in the Trust Agreement, to pay the Cost of other Projects to the extent needed, to redeem or purchase Bonds, to pay principal of or interest on Bonds or to fund other funds created under the Trust Agreement, to the extent such funds are not fully funded in accordance with the requirements of the Trust Agreement.

**Application of Revenues.** The Trustee shall deposit in the Bond Fund the following: (a) all amounts transferred from the Construction Fund after completion of Projects; (b) all payments received by the Trustee under the Payment Agreement (excluding any payments of Trustee's fees and expenses and the Rebate Amount, as defined in the Trust Agreement); and (c) all other amounts authorized to be deposited in the Bond Fund under any supplemental trust agreement. The Trustee shall use the moneys deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the Bonds then outstanding and to redeem or purchase Bonds in accordance with the provisions of the Bonds and the Trust Agreement.

**Permitted Investments.** The Trust Agreement contains certain provisions and limitations with respect to the types of investments in which money in the funds and accounts established under the Trust Indenture may be invested, including provisions related to repurchase agreements and limitations on the maturity of investments held in certain funds and accounts.

**Redemption.** For a description of the redemption provisions of the Series 1992 Bonds, see the subsections "Optional Redemption" and "Mandatory Sinking Fund Redemption" as described in the section "THE SERIES 1992 BONDS."

**Additional Bonds.** For a description of the provisions relating to the issuance of Additional Bonds, see the section "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 1992 BONDS- Additional Bonds."

**Operation and Maintenance.** The Transportation Board shall cause Projects to be maintained and operated in an efficient and economical manner, shall cause the Project to be maintained in good repair and sound operating condition, and shall cause all necessary repairs, replacements and renewals to be made.

**Insurance.** The Transportation Board shall continuously maintain insurance with recognized responsible commercial insurance companies to the extent that similar insurance is usually carried by public bodies operating highways and associated bridges against accidents, casualties or negligence, including insurance against liability for bodily injury, including resulting death, and for damage to property, including loss of its use, arising out of the ownership or operation of a Project.

In lieu of insurance written by commercial insurance companies, the Transportation Board may maintain a program of self insurance or participate in group risk financing programs; provided, however, that the Transportation Board shall obtain and maintain on file a favorable written opinion of either the Department of Risk Management of the Commonwealth or a qualified independent insurance consultant that such alternative is reasonably acceptable under all the circumstances.

**Sale of Encumbrance of Project.** No Project or any integral part thereof shall be leased, sold or otherwise disposed of without the prior consent of the registered owners of two-thirds in aggregate principal amount of Bonds then Outstanding unless the proceeds of such disposition, together with any other available proceeds of such disposition and any other available funds, are sufficient to pay the principal of and premium, if any, and interest on all of the Bonds then Outstanding and the proceeds are used for such purpose. The Transportation Board shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, all lawful claims and demands for labor, materials and supplies within 60 days after they become due which, if unpaid, might by law become a lien upon a Project, subject to certain exceptions as set forth in the Trust Agreement.

**Covenants as to District Contract.** The Transportation Board shall not suffer, permit, take or fail to take any action or do or fail to do anything that may result in the termination or cancellation of the District Contract by the District. The Transportation Board shall fulfill its duties and obligations, and shall require the District to perform its duties and obligations, under the District Contract, and the Transportation Board shall promptly notify the Trustee of any actual or alleged event of default under the District Contract that are materially adverse to the owners of the Bonds.

**Covenants with Credit Banks, Insurers, etc.** The Transportation Board may make such covenants and agreements as it may determine to be appropriate with any insurer, credit bank or other financial institution that shall agree to insure or to provide credit or liquidity support that shall enhance the security or the value of Bonds or any one or more series of Bonds and thereby reduce the principal or interest requirements for the Bonds, provided that such changes or agreements do not affect adversely the owners of Bonds then Outstanding. Such covenants and agreements may be set forth in the applicable supplement to the Trust Agreement and shall be binding on the Transportation Board and all the registered owners of Bonds the same as if such covenants were set forth in full in the Trust Agreement.

**Events of Default and Remedies upon Default.** Events of Default specified in the Trust Agreement include (1) failure to pay interest on any Bond when due, (2) failure to pay principal of or premium, if any, on any Bond when due, (3) failure of the Transportation Board to observe or perform any other covenants, conditions or agreements under the Trust Agreement or the Bonds for a period of 60 days after written notice from owners of

25% in principal amount of Bonds then Outstanding, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Transportation Board to proceed promptly to cure the same, (4) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and the funds established under the Trust Agreement or approval by a court of competent jurisdiction of a petition for reorganization of the Transportation Board or rearrangement or readjustment of the obligations of the Transportation Board under applicable bankruptcy law.

Upon the occurrence and continuation of any such Event of Default the Trustee may, and if requested by the owners of not less than 25% in principal amount of Bonds then Outstanding shall, by notice to the Transportation Board, declare the principal of and accrued interest on such Bonds then Outstanding due and payable, but only from the Revenues and other funds of the Transportation Board available and appropriated for such payment and from the funds held by the Trustee under the Trust Agreement. Pursuant to the conditions set forth in the Trust Agreement, such declaration may be rescinded upon payment of all principal of all Bonds that have matured or been called for redemption and of all arrears of interest. Upon the occurrence and continuation of an Event of Default the Trustee may, and if requested by the Holders of not less than 25% in principal amount of Bonds then Outstanding and if indemnified as to expenses and liability shall, proceed to protect its rights and the rights of Holders by mandamus or other suit, action or proceeding at law or in equity.

If an Event of Default occurs and has not been remedied, the Trustee (a) is entitled, upon the filing of a suit or other commencement of judicial proceedings, to have a receiver of the Revenues and the funds held under the Trust Agreement appointed, and (b) may, and if requested by the owners of not less than 25% in principal amount of Bonds then Outstanding and if indemnified as to expenses and liability shall, take such steps as the Trustee deems most expedient to enforce any of its rights or to perform any of its duties under the Trust Agreement.

Except to enforce certain rights set forth in the Trust Agreement, no owner of any Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Trust Agreement or any remedy under it, subject to certain exceptions set forth in the Trust Agreement.

**Defeasance of Bonds.** If all Bonds secured by the Trust Agreement have been paid in accordance with their terms or have been called for redemption, or if irrevocable instructions to call the bonds or pay them at maturity have been given by the Transportation Board to the Trustee and the Trustee holds in cash, noncallable Government Obligations or noncallable Government Certificates the principal of and the interest on which at maturity will be sufficient (1) to redeem in accordance with the Trust Agreement and the supplemental trust agreement authorizing such Bonds all Bonds that have been called for redemption on the date set for such redemption or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (2) to pay at maturity all Bonds not irrevocably called for redemption, (3) to pay interest accruing on all Bonds prior to their redemption or payment at maturity, (4) to make all payments to the United States of America required by any supplemental trust agreement, and (5) to pay to the Trustee its reasonable fees and expenses, and all other fees and expenses for which the Transportation Board is responsible, then the Trustee shall cancel and discharge the Trust Agreement and execute and deliver to the Transportation Board such instruments in writing as shall be necessary to cancel its lien, and assign and deliver to the Transportation Board any property at the time subject to the Trust Agreement which may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of and premium if any, and interest on the Bonds and other fees and expenses described above.

Bonds will be deemed to be paid and no longer Outstanding provided that cash, noncallable Government Obligations or noncallable Government Certificates the principal of and premium, if any, and interest on which will be sufficient therefore have been deposited with the Trustee; provided, however, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for such notice to be given.

**Amendments and Supplemental Trust Agreements.** The Transportation Board and the Trustee may, without the consent of or notice to any owners of Bonds, enter into supplemental trust agreements (1) to cure any

ambiguity, formal defect or omission in the Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the owners of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the owners of Bonds or the Trustee or either of them, (3) to add to the covenants and agreements of the Transportation Board in the Trust Agreement additional covenants and agreements, (4) to modify, amend or supplement the Trust Agreement as may be required by to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute or any state securities law, (5) to modify, amend or supplement the Trust Agreement to comply with any provisions relating to rebates to the United States of America of earnings derived from the investment of proceeds of Bonds, (6) to modify, amend or supplement the Trust Agreement in such manner as may be required by Moody's or Standard & Poor's to maintain their respective ratings on the Bonds, (7) to authorize the issuance of one or more series of Bonds pursuant to the provisions of the Trust Agreement, (8) to modify, amend or supplement the Trust Agreement to implement any covenants or agreements contemplated by credit banks, insurers, or similar entities provided such modification, amendment or supplement does not adversely affect the rights of the owners of any bonds then Outstanding, and (9) to make any other change in the Trust Agreement that in the opinion of the Trustee shall not prejudice in any material respect the rights of the owners of Bonds then Outstanding.

### **SUMMARY OF THE PAYMENT AGREEMENT**

The following, in addition to the information presented in the section "Introductory Statement," summarizes certain provisions of the Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Payment Agreement in its entirety, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

The Payment Agreement requires the Transportation Board to submit annually by December 1 to the Governor and the Director of the Department of Planning and Budget of the Commonwealth a certificate setting forth the amount of principal and interest coming due on the Series 1992 Bonds and all other amounts required to be paid under the Trust Agreement during the next succeeding fiscal or biennial period, whichever is applicable, and a request for an appropriation from the Transportation Trust Fund for such amount. The Transportation Board and the Treasury Board each shall use its best efforts each legislative session to have (1) the Governor include in the biennial or any supplemental budget of the Commonwealth the amount so request and (2) the General Assembly appropriate such amount.

The Transportation Board shall provide, by March 15 and September 15 of each year, all requisitions and documents and take all actions necessary to pay to the Treasury Board all amounts due under the Payment Agreement from the Transportation Trust Fund and to request the Treasury Board to make from such payments all principal and interest payments due under the Trust Agreement to the Trustee. The Transportation Board shall take all action necessary to have such payments which are made from the Transportation Trust Fund charged against the proper appropriation made by the General Assembly. The Treasury Board shall use its best efforts to obtain the appropriate requisitions and documents needed from the Transportation Board by March 15 and September 15 of each year to make all payments due under the Trust Agreement to the Trustee. The Treasury Board shall make all principal and interest payments on the Series 1992 Bonds to the Trustee solely from amounts made available to it by the Transportation Board.

The Trustee is a third party beneficiary of the Payment Agreement and is entitled to enforce, on behalf of the holders of the Series 1992 Bonds, all of the obligations of the Transportation Board and the obligations and the rights of the Treasury Board to the same extent as if the Trustee were one of the contracting parties.

### **TAX EXEMPTION**

#### **Opinion of Bond Counsel**

Bond Counsel's opinion will state that, under current law and assuming compliance with the Covenants (as defined below), interest on the Series 1992 Bonds is excludable from gross income for purposes of federal income

taxation and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) under Section 56 of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 1992 Bonds must be included in computing adjusted current earnings. Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Series 1992 Bonds. Bond Counsel's opinion will also state that interest on the Series 1992 Bonds is not includable in computing the Virginia income tax.

Bond Counsel's opinion will be given in reliance upon certifications of representatives of the Transportation Board as to facts material to the opinion. The Transportation Board has covenanted to comply with the provisions of the Code regarding, among other things, the use, expenditure and investment of proceeds of the Series 1992 Bonds, the arbitrage restrictions imposed by the Code and certain other actions which would cause interest on the Series 1992 Bonds to be includable in the gross income of their owners (the "Covenants"). Failure of the Transportation Board to comply with the Covenants could cause interest on the Series 1992 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue.

#### **Other Tax Matters**

In addition to the matters addressed above, prospective purchasers of the Series 1992 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, "S corporations", certain foreign corporations subject to the branch profits tax, corporations subject to the "environmental tax", individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 1992 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 1992 Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than Virginia.

#### **Tax Accounting Treatment of Original Issue Discount**

The initial public offering prices of the Series 1992 Bonds maturing on April 1, \_\_ and April 1, \_\_ (the "OID Bonds") are less than the principal amount payable on the OID Bonds at maturity or upon redemption. In the opinion of Bond Counsel, under current law, the difference between the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers, at which a substantial amount of such OID Bonds is sold and the principal amount payable at maturity or upon redemption constitutes original issue discount. For federal income tax purposes, accrued original issue discount will be treated as interest that is not included in gross income to the same extent as stated interest on the Series 1992 Bonds. The offering prices set forth on the cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such OID Bonds is sold.

Under the Code, for purposes of determining a holder's adjusted basis in OID Bonds, original issue discount treated as accruing while the holder has held such OID Bonds will be added to the holder's adjusted basis. Original issue discount will accrue on a constant yield to maturity method based on semiannual compounding. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of OID Bonds.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the calculation of accrued original issue discount and the state and local tax consequences of owning or disposing of OID Bonds.

### **LEGALITY FOR INVESTMENT**

The Bond Legislation provides that the Series 1992 Bonds are securities in which all public officers and bodies of the Commonwealth and its political subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth may properly and legally invest funds under their control. No representation is made as to the eligibility of the Series 1992 Bonds for investment or for any other purpose under the laws of any other state.

## CERTAIN LEGAL MATTERS

The issuance of the Series 1992 Bonds is subject to the delivery of the approving opinion of McGuire, Woods, Battle & Booth, Richmond, Virginia, Bond Counsel, substantially in the form set forth in Appendix D. Since Bond Counsel has not prepared this Official Statement and has not verified its accuracy, completeness or fairness, such opinion will make no statement of any kind as to the Official Statement and will be limited to matters relating to the authorization and validity of the Series 1992 Bonds and to the tax-exempt status of interest on the Series 1992 Bonds under current federal and Virginia income tax laws. Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia.

## LITIGATION

There is no litigation now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 1992 Bonds or in any way contest or affect the validity of the Series 1992 Bonds, any proceeding of the Transportation Board or the Treasury Board taken with respect to their issuance or sale, or any appropriation of funds to pay debt service on the Series 1992 Bonds.

## RATINGS

As noted on the cover page of this Official Statement, Moody's and Standard & Poor's have given the Series 1992 Bond ratings of \_\_\_\_ and \_\_\_\_, respectively.

Moody's issues ratings ranging from Aaa to C to designate the relative investment qualities of bonds. The Aa rating is the second highest of nine such ratings. Moody's describes its Aa rating as follows:

"Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds."

Standard & Poor's issues ratings ranging from AAA to D to designate the relative investment qualities of bonds. The AA rating is the second highest of ten ratings. Standard & Poor's describes its AA rating as follows:

"Debt rated 'AA' has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree."

Such ratings reflect only the respective views of such organization. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by such rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of the rating agencies if, in the judgement of either or both, circumstances so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the Series 1992 Bonds.

## VERIFICATION

\_\_\_\_\_, independent certified public accountants, will verify the accuracy of (1) certain mathematical computations as to the sufficiency of the moneys and investments deposited in the Escrow Account to pay

principal of, premium and interest on the Series 1988 Bonds from March 1, 1992 to their optional redemption or final maturity dates and (2) certain mathematical computations supporting the conclusions of Bond Counsel that the Bonds are not "arbitrage bonds" under Section 148 of the Code.

## FINANCIAL ADVISORS

Public Financial Management, Inc., Philadelphia, Pennsylvania, serves as financial advisors to the Transportation Board with respect to the sale of the Series 1992 Bonds and other matters. The financial advisors have assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 1992 Bonds. Public Financial Management, Inc. is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments. Public Financial Management, Inc. is a wholly-owned subsidiary of Marine Midland Bank, N.A., New York, New York.

## MISCELLANEOUS

The references in this Official Statement to the District Contract, the Local Contract, the Trust Agreement, the Payment Agreement and other documents are brief outlines of certain of their provisions. These outlines do not purport to be complete and reference is made to such documents, copies of which will be furnished by the Treasury Board, upon request made to Susan Dewey, Director of Debt Management, Department of the Treasury, James Monroe Building, 101 North 14th Street, Richmond, Virginia 23219 (Telephone 804-225-2142) or by the Transportation Board, upon request made to Mr. James W. Arwell, Assistant Commissioner for Finance, Virginia Department of Transportation, Room 305, 1401 East Broad Street, Richmond, Virginia 23219 (Telephone 804-786-5128) or by the Financial Advisors, upon request made to Christine Heim, Managing Consultant, Public Financial Management, Inc., Two Logan Square, Suite 1600, Philadelphia, PA 19103 (Telephone 415-567-6100).

Demographic, economic and financial information regarding the Commonwealth is contained in Appendices A, B and C to this Official Statement.

**NOTICE OF SALE**  
**Commonwealth Transportation Board**  
**\$ \_\_\_\_\_\***  
**Commonwealth of Virginia**  
**Transportation Contract Revenue Refunding Bonds, Series 1992**  
**(Route 28 Project)**

Scaled bids will be received by the Commonwealth Transportation Board (the "Board") at the office of the State Treasurer of the Commonwealth of Virginia, Third Floor, James Monroe Building, 101 North 14th Street, Richmond, VA 23219, until 11:00 A.M., Richmond Time,

April 7, 1992

such bids to be publicly opened and read at such time and place on said day for the purchase of the Commonwealth Transportation Board \$ \_\_\_\_\_\* Commonwealth of Virginia, Transportation Contract Revenue Refunding Bonds, Series 1992 (the "Bonds"). *The sale on April 7, 1992 may be postponed upon no less than twenty-four hours notice given prior to the time bids are to be received and as communicated by the Commonwealth Transportation Board through the Munifacts News Service. If such a postponement occurs, a public sale will be held at the hour and place set forth above on such date as communicated via the Munifacts News Service upon forty-eight hours notice. If the sale on such date is postponed, with the appropriate notice given as described above, the sale will occur on such date as communicated via the Munifacts News Service upon forty-eight hours notice.* The Bonds will be dated April 1, 1992, and will mature (subject to the right of redemption as hereinafter set forth) in the following years and in the following amounts respectively:

**INITIAL MATURITY SCHEDULE**

April 1	Principal Amount*	April 1	Principal Amount*
1993	\$	2006	\$
1994		2007	
1995		2008	
1996		2009	
1997		2010	
1998		2011	
1999		2012	
2000		2013	
2001		2014	
2002		2015	
2003		2016	
2004		2017	
2005		2018	

\* Preliminary, subject to change

The schedule of maturities set forth above (the "Initial Maturity Schedule") represents an estimate of the principal amount of bonds which will be sold. The Board reserves the right to change the Initial Maturity Schedule, based on market conditions immediately prior to the sale, by announcing any such change not later than 11:00 A.M., Richmond Time, on \_\_\_\_\_, 1992 by the Munifacts Wire System, Inc. The resulting schedule of maturities (the "Bid Maturity Schedule") may or may not be identical to the Initial Maturity Schedule. Furthermore, if no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule.



The Board further reserves the right to change the Bid Maturity Schedule after the determination of the winning bidder, by increasing or decreasing the principal amount of each maturity by an amount not to exceed \$\_\_\_\_\_ per maturity. In such event, the aggregate principal amount of the Bonds will be increased or decreased but the aggregate amount of such change, which, based on the Initial Maturity Schedule, will not exceed \$\_\_\_\_\_, and the purchase price will be increased or reduced proportionately. The calculation of this aggregate change, however, will be based on the Bid Maturity Schedule.

**PURPOSE:** The Bonds, together with accrued interest and certain other legally available funds, are being issued to provide for the payment or redemption of all outstanding Commonwealth Transportation Board, \$138,483,372.25 Commonwealth of Virginia, Transportation Contract Revenue Bonds, Series 1988 (Route 28 Project) (the "Series 1988 Bonds") to the earlier of their final maturity or call date and to pay issuance costs of thereon.

**AUTHORITY FOR ISSUANCE:** The Bonds are being issued pursuant to the Board Resolution duly adopted by the Board on March 19, 1992, and to a Master Agreement of Trust dated as of September 1, 1988 and a Second Supplemental Agreement of Trust dated as of April 1, 1992 (collectively, the "Trust Agreement"). Additional series of bonds may be issued from time to time, upon satisfaction of various conditions as described in the Trust Agreement. The General Assembly must authorize the issuance of all additional bonds except refunding bonds.

**SECURITY:** The Bonds are secured by and payable from funds appropriated by the General Assembly for such purpose from the Transportation Trust Fund. The Bonds are limited obligations of the Commonwealth Transportation Board payable solely from the revenues, receipts and funds appropriated for their payment by the General Assembly of the Commonwealth of Virginia from the Transportation Trust Funds and will not be a debt of the Commonwealth of Virginia or any of its political subdivisions.

**REGISTRATION AND DEPOSITORY PARTICIPATION:** The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on April 1 and October 1, beginning October 1, 1992, and principal of and any redemption premium on the Bonds will be payable, at maturity or upon optional redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and other nominees of beneficial owners. The Board will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Board determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Board will discontinue the book-entry system with DTC. If the Board fails to identify another qualified securities depository to replace DTC, the Board will deliver replacement bonds in the form of fully registered certificates.

**OPTIONAL REDEMPTION:** The Bonds maturing before April 1, 20\_\_\_, are not subject to optional redemption. The Bonds maturing on and after April 1, 20\_\_\_, are subject to redemption before maturity at the Board's option at any time on or after April 1, 20\_\_\_, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
April 1, 20__ to March 31, 20__	102.0%
April 1, 20__ to March 31, 20__	101.0
April 1, 20__ and thereafter	100.0

**MANDATORY REDEMPTION:** [Applicable to term bonds, if bid.] The Bonds maturing April 1, \_\_\_\_, are required to be redeemed in part before maturity pursuant to the following sinking fund requirements. The Trustee shall call for mandatory redemption the Bonds maturing on April 1, \_\_\_\_, on April 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
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**SELECTION OF BONDS FOR REDEMPTION.** If less than all of the Bonds are to be called for optional redemption, the maturities to be called shall be as directed by the Board in such manner as the Board determines to be in its best interests. If less than all of any maturity of Bonds is to be called for optional or mandatory redemption, the Bonds within each maturity to be redeemed shall be selected by lot in such manner as the Trustee determines to be appropriate and fair

**INTEREST RATE.** Interest on the Bonds is payable semiannually on April 1 and October 1 in each year beginning October 1, 1992. Each bidder must specify in its bid the rate or rates of interest which the Bonds hereby offered for sale shall bear. The Bonds maturing on the same date must bear interest at the same rate. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Maximum interest rate shall not exceed \_\_\_\_ percent per annum. Any number of interest rates may be named, provided that the interest rate specified for each maturity shall not be less than the interest rate specified for any earlier maturity.

**FORM OF BID.** No bid for less than 98% or greater than 101% of the par value of the aggregate principal amount of the Bonds, exclusive of accrued interest, will be considered. The successful bidder may designate two or more of the consecutive serial maturities as one or two (but not more than two) term bond maturities equal in aggregate principal amount to, and with amortization requirements corresponding to, such designated serial maturities. The Bonds will be awarded to the bidder offering to purchase the Bonds, based on the principal amounts and maturities set forth in the Bid Maturity Schedule, at the lowest true interest cost, such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount to the price bid (excluding the accrued interest from the date of the Bonds to the date of their delivery) all payments of principal of and interest on the Bonds from their payment dates to April 1, 1992, .

**SUBMISSION OF BID:** Each bid must be submitted on a form to be furnished by the undersigned, enclosed in a sealed envelope marked "Bid for Commonwealth Transportation Board, \$ \_\_\_\_\_ \* Commonwealth of Virginia, Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project)" and addressed to "Commonwealth Transportation Board, c/o State Treasurer of the Commonwealth of Virginia, Third Floor, James Monroe Building, 101 North 14th Street, Richmond, VA, 23219". Each bid must be accompanied by a certified or bank cashier's or treasurer's check payable to the order of the \_\_\_\_\_ for \$ \_\_\_\_\_. Award or rejection of bids will be made by the Board on the date above stated for the receipt of bids, and the proceeds will be held as security for the performance of its bid, but, in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds will be retained as and for the full liquidated damages.

**PUBLIC OFFERING PRICES:** The successful bidder shall, within 30 minutes after being notified of the award, advise the Board of the initial public offering prices of the Bonds. Upon the delivery of the Bonds, the successful bidder shall furnish a certificate acceptable to Bond Counsel as the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986 (attached as Exhibit A).

**DELIVERY:** The Bonds will be delivered on or about \_\_\_\_\_, 1992, in New York, New York at DTC against payment of the purchase price therefor (less the amount of the good faith check) in Federal Reserve funds.

**LEGAL OPINION:** The approving opinion of McGuire, Woods, Battle & Boothe, Richmond, Virginia, Bond Counsel to the Board, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers.

**POSTPONEMENT:** The Board reserves the right to postpone, from time to time, the date established for the receipt of bids. ANY SUCH POSTPONEMENT WILL BE ANNOUNCED BY MUNIFACTS NOT LATER THAN 10:00 A.M., RICHMOND TIME, ON THE BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced via Munifacts at least 48 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a sealed bid for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the date of sale and except for the changes announced by Munifacts at the time the sale date and time are announced.

**PRELIMINARY OFFICIAL STATEMENT.** The Preliminary Official Statement as its date is "deemed final" by the Board for purpose of SEC Rule 15c2-12. Copies of the Preliminary Official Statement in connection with the issuance of the Bonds and the Notice of Sale and Bid Form may be obtained from James W. Atwell, (804) 786-5128, Assistant Commissioner for Finance, Virginia Department of Transportation, 1401 East Broad Street, Richmond, VA 23219, or Arthur Bowen, (804) 225-2142, Debt Manager, Department of Treasury, 101 N. 14th Street, Richmond, VA 23215 or from Christine Hein, (215) 567-6100, Public Financial Management, Inc., Two Logan Square, 18th & Arch Streets, Philadelphia, PA 19103.

**OFFICIAL STATEMENT:** After the award of the Bonds, the Board will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the Board in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such offering. Final Official Statements will be provided to the successful bidder within seven business days after the award of the Bonds in such quantities as may be necessary for the successful bidder's regulatory compliance.

The Board expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to nationally recognized municipal securities information repositories. The successful bidder will be required to acknowledge receipt of such final Official Statements, to certify that it has made delivery of the final Official Statement to persons to whom such bidder initially sells the Bonds.

The right to reject any or all bids is reserved.

**COMMONWEALTH TRANSPORTATION BOARD**

By: **JOHN G. MILLIKEN, Chairman**

**BID FORM**  
**Commonwealth Transportation Board**  
 \$ \_\_\_\_\_ \*  
**Commonwealth of Virginia**  
**Transportation Contract Revenue Refunding Bonds, Series 1992**  
**(Route 28 Project)**

**COMMONWEALTH TRANSPORTATION BOARD**  
 Assistant Commissioner for Finance  
 c/o State Treasurer of the Commonwealth of Virginia  
 Third Floor, James Monroe Building  
 101 N. 14th Street  
 Richmond, VA 23219

We make the following bid for the bonds of the Commonwealth Transportation Board, mentioned below and described in the Notice of Sale, which Notice is hereby made a part of this bid, (this bid being for all of said Bonds and not for less than all).

For the purchase of \$ \_\_\_\_\_ \* Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project), dated April 1, 1992, and maturing on April 1 in each year and bearing interest as follows:

Year of Maturity	Initial Maturity Schedule*	Interest Rate	Year Maturity	Initial Maturity Schedule*	Interest Rate
1993			2006		
1994			2007		
1995			2008		
1996			2009		
1997			2010		
1998			2011		
1999			2012		
2000			2013		
2001			2014		
2002			2015		
2003			2016		
2004			2017		
2005			2018		

(Cross out the serial bond maturities being purchased as term bonds. If one or more term bonds are included in the Bid Form, the sinking fund installments and maturity of such term bond(s) must correspond to the principal amount shown above.)

Year of Maturity	Principal Amount	Interest Rate
_____	_____	_____
_____	_____	_____

We will pay (not less than 98% or greater than 101% of the par value of the aggregate principal amount of the bonds).

We will also apply accrued interest on the Bonds from their date of delivery and will accept delivery at The Depository Trust Company in New York, New York on or about \_\_\_\_\_.

We enclose herewith a certified or bank cashier's or treasurer's check for \$ \_\_\_\_\_ payable to the order of the \_\_\_\_\_, Virginia Department of Transportation, which check is to be applied in accordance with said Notice of Sale.

We, if the successful bidder, will, within 30 minutes after being notified of the award of the Bonds, advise the Board of the initial public offering prices of the Bonds. Upon the delivery of the Bonds, we will furnish a certificate substantially in the form attached and acceptable to Bond Counsel as the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986.

The closing papers referred to in said Notice of Sale are to include a certificate, dated as of the day of the delivery of the Bonds, stating there is no litigation pending or, to the knowledge of the signer of such certificate, threatened affecting the validity of the Bonds or the means provided for their payment.

**(No addition or alteration, except as provided above, is to be made to this bid.)**

(NOTE: The following is stated for information only and is not part of the above bid: The true interest cost as defined in the Notice of Sale, for the above bid is \_\_\_\_\_% and, if we are to be notified that we have been awarded the Bonds, the telephone number is to be used \_\_\_\_\_.)

The above good faith check has been returned and receipt thereof is duly acknowledged.

April \_\_\_\_\_, 1992

By: \_\_\_\_\_

EXHIBIT A

TO BE DELIVERED AT CLOSING, NOT ON DATE OF SALE

CERTIFICATE

RE: "Issue Price"

This certificate is furnished by (name of firm), as representative of the underwriters (the "Underwriters"), of the S. \_\_\_\_\_ Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) (the "Bonds") to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

The undersigned hereby CERTIFIES as follows:

1. Bonds offered and sold to the General Public at the initial offering prices. On the date that the Bonds were awarded to the Underwriters by the Commonwealth Transportation Board at competitive bidding (the "Award Date") the Underwriters:
  - (a) commenced making a bona fide public offering to the General Public of all the Bonds, and
  - (b) began selling the Bonds, and as of the Award Date sold or reasonably expected to sell all of the Bonds that had not been sold as of the Award Date, for cash to the General Public at the initial offering prices for the respective maturities as set forth in Schedule A.
2. General Public. The "General Public" means the general public, excluding bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers.
3. Prices are Fair Market Value. Except as may be set forth by footnote in Schedule A, the prices therein do not exceed the fair market value of the Bonds as of the Award Date.
4. Reliance. We understand that the representations contained herein will be relied upon by the Authority for purposes of making certain of the representations contained in the Arbitrage Certificates, dated hereof, executed by the Board in connection with the issuance of the Bonds and will be relied upon by \_\_\_\_\_, bond counsel to the Board, in rendering their opinion that interest on the Bonds is excludable from the gross income of the owners thereof for Federal income tax purposes.

We have relied on the undertakings and representations of the other Underwriters respecting the offering of the Bonds and set forth in the (agreement among underwriters/account letter). Although certain information furnished in this certificate has been derived from other underwriters, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect. No representation is made as to the legal sufficiency of this certificate for any purpose. We assume no obligation to advise you of any changes that come to our attention subsequent to the date hereof and that would have caused us to alter in any respect the information set forth herein.

Signed this \_\_\_\_ day of April 1992.

By: \_\_\_\_\_

3/19/92

Moved by Mr. Smalley, seconded by  
Mr. Musselwhite, that

WHEREAS, the Department has received a resolution adopted by the City Council of Petersburg, Virginia, on March 3 by which this Commonwealth Transportation Board was requested to name the bridge on Routes 1 and 301 over the Appomattox River as a memorial to the late Dr. Martin Luther King, Jr.; and

WHEREAS, it is anticipated that the City Council of Colonial Heights, Virginia, will adopt a resolution by which they will request the Commonwealth Transportation Board to name the bridge over the Appomattox River on Routes 1 and 301 linking the Cities of Petersburg and Colonial Heights the Dr. Martin Luther King, Jr. Memorial Bridge; and

WHEREAS, this Board considers it a fitting tribute to name the Bridge in honor of Dr. Martin Luther King, Jr.;

NOW, THEREFORE, BE IT RESOLVED that the Commonwealth Transportation Board, in accordance with the authority granted under Section 33.1-250 of the Code of Virginia, and in anticipation of appropriate resolution from the City of Colonial Heights and upon receipt of that resolution, does hereby name the bridge as herein described the Dr. Martin Luther King, Jr. Memorial Bridge; and

BE IT FURTHER RESOLVED, that appropriate markers, as directed by the Department's Engineers, shall be placed calling attention to its designation.

Motion carried.

3/19/92

Meeting adjourned at 10:30 a.m.

The next regular meeting will be held in  
Richmond, Virginia, on April 16, 1992.

Approved:

  
Chairman

Attested:

  
Secretary