

A G E N D A

MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD

Kiptopeke Elementary School  
24023 Fairview Road  
Cape Charles, Virginia  
August 21, 1997  
10:00 a.m.

1. Public Comment
2. Action on Additions, Abandonments or Other Changes in the Secondary System from July 1, 1997 through July 31, 1997
3. Action on Discontinuances in the Secondary System: Clarke County
4. Action on Abandonment in the Primary System: Essex County
5. Action on Transfer of State Route 44 to the Interstate System as Interstate Route 264 in Norfolk and Virginia Beach
6. Action on City Street Mileage
7. Conveyances: Route 464 - City of Chesapeake  
Route 601 - Albemarle County
8. Action on Bids Received July 29, 1997
9. Consultant Agreement: Route 29 Corridor Development Study  
(A) Combined Phases II & III  
(From North Carolina State Line to  
Charlottesville, Virginia)  
DeLeuw, Cather, and Company of Virginia
- Consultant Agreement: Route 58 - Lee County  
(B) Proj. 0058-052-B24,C501  
0058-052-B25,C501  
Provide services for construction  
inspection  
HNTB Corporation
10. Location: Route 15/29 and 17 (Opal Interchange) - Fauquier Co.  
Proj. 0015-030-117,PE101  
Route 15/29 Intersection Improvements at Intersection  
Route 17 (Opal)

Location: Route 17 (George Washington Highway) - City of  
Chesapeake  
Proj. 6017-131-F05, PE101, RW201, C501  
6017-131-F05, PE103, RW203, C503  
6017-131-F05, PE104, RW204, C504  
6017-131-F05, PE105, RW205, C505  
Fr: Virginia-North Carolina State Line  
To: Route 104 (Dominion Boulevard)

Location: Route 58 (Big Stone Gap Bypass) - Wise County  
Proj. 6058-097-E18, PE101, RW201, C501  
Fr: 0.80 Mile West of WCL Big Stone Gap  
To: Route 23

Location: Interstate 95 Access - Stafford County  
Proj. 0095-089-F08, PE101  
0095-089-F09, PE101, C501  
Fr: Route 627 - Mountain View Road Interchange  
To: Route 630 - Courthouse Road Interchange

Location: Route 208 (Spotsylvania Courthouse Bypass) -  
Spotsylvania County  
Proj. 0208-088, V14, PE100  
Fr: Ta River  
To: 1.0 Mile West N1 River

11. Design: Route 58 - Lee and Wise Counties  
Proj. 6058-097-E17, PE101, RW201, C501  
Fr: Lee County Line  
To: West End of Big Stone Gap Bypass  
Wise County

Proj. 6058-052-E29, PE101, RW201, C501  
Fr: 1.0 Mile East Route 620  
To: Wise County Line  
Lee County

Design: Interstate 95/395/495 - Fairfax County  
Proj. 0095-029-F20, PE101, PE102, PE103, PE104, PE105, PE106

Reconstruction of the I-95/Route 648 interchange;  
I-95/Route 644 interchange; I-95/395/495  
interchange; improvements to Old Keene Mill Road,  
Franconia Road, Loisdale Road, Commerce Street,  
Frontier Drive, Amherst Avenue and the Fairfax  
County Parkway

Design: Route 895 - Chesterfield and Henrico Counties  
Proj. 0895-020-F01, PE101, RW201, C501  
0895-043-F01, PE101, C501, C502  
Fr: Route 150/I-95  
To: Route I-295

12. Location Route 40 - Town of Rocky Mount and Franklin County  
& Design: Proj. 0040-033-V11, PE101, RW201, D610  
Fr: 0.02 Mile East Int. Route 220 Bypass  
To: 0.45 Mile East Int. Route 122

Location Route 58 - Mecklenburg County  
& Design: Proj. 6058-058-B20, PE101, RW201, C501, B622  
Fr: 0.601 Mile West of Route 1 (at Big Fork)  
To: 0.85 Mile South of the South Corporate Limits  
of South Hill

Location Route I-64 - City of Norfolk  
& Design: Proj. 0064-122-119, PE101  
0064-122-F19, RW201, C501  
Fr: 0.32 Mile West of I-64 eastbound lane bridge over  
Robin Hood Road  
To: I-64 eastbound lane bridge over Robin Hood Road

Location Route 460 (North Main Street) - City of Suffolk  
& Design: Proj. 0460-133-F01, PE101, RW201, C501  
Fr: 0.18 Mile North of Intersection Route 58 Business  
To: 0.67 Mile North of Intersection Route 58 Business

Location Route 661 (Phoenix Road) - Nelson County  
& Design: Proj. 0661-062-225, M501  
Fr: 0.09 mile South of Route 734  
To: 0.01 Mile South of Route 655

13. Joint Funding Agreements with the U.S. Geological Survey

14. Rail Industrial Access: Louisa County  
Tradewinds of Virginia, Ltd.

Rail Industrial Access: Spotsylvania County  
Dietrich Industries, Inc.

15. Rail Preservation Program: Buckingham County  
Buckingham Branch Railroad Company

Rail Preservation Program: City of Chesapeake  
Chesapeake and Albemarle Railroad Co.

Rail Preservation Program: City of Suffolk  
Commonwealth Railway, Inc.

- Rail Preservation Program: Counties of Accomack and Northampton  
and the City of Virginia Beach  
Eastern Shore Railroad, Inc.
- Rail Preservation Program: Southampton County  
North Carolina and Virginia Railroad  
Company
- Rail Preservation Program: Counties of Rockingham and Augusta and  
the City of Staunton  
Shenandoah Valley Railroad Company
- Rail Preservation Program: Counties of Prince Edward, Lunenburg,  
Nottoway, Charlotte and Mecklenburg  
Virginia Southern Railroad
- Rail Preservation Program: County of Frederick and City of  
Winchester  
Winchester and Western Railroad Co.

- 16. Industrial Access: Warren County  
Proj. 0675-093-182,M501  
Success Industrial Park
- 17. Recreational Access: City of Petersburg  
Proj. 9999-123-245,C501  
Petersburg Recreation Complex
- 18. Forest Highway Statewide Agreement
- 19. Through Truck Restriction: Routes 662 and 689  
Prince William County
- 20. Action on authorizing the issuance and sale of the Commonwealth  
of Virginia Transportation Program Revenue Refunding Bonds,  
Series 1997(B) (U.S. Route 58 Corridor Development Program)  
and Series 1997(C) (Northern Virginia Transportation District  
Program)
- 21. Support for Multi-year Federal Bill
- 22. Action on Disposal of Limited Access Control
- 23. New Business
- 24. Adjourn

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Addition to Item 8: Bids Received May 14 and July 15, 1997

New Business: Disruption of VRE Service

MINUTES  
OF  
MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD

Kiptopeke Elementary School  
24023 Fairview Road  
Cape Charles, Virginia  
August 21, 1997  
10:00 a.m.

The monthly meeting of the Commonwealth Transportation Board was held at the Kiptopeke Elementary School, 24023 Fairview Road, Cape Charles, Virginia, on August 21, 1997, at 10:00 a.m. The Chairman, Dr. Robert E. Martinez, presided.

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Present: Messrs. Gehr, Byrd, Cogbill, Grubb, Lee, Martin, Myers, Neale, Newcomb, Porter, Prettyman, Rich, Roudabush and White and Mrs. Lionberger.

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Item 2:

Moved by Mr. Porter, seconded by Mr. White, that the Board approve Additions, Abandonments or Other Changes in the Secondary System from July 1, 1997, through July 31, 1997, as shown on attached sheets numbered 1 A through 1 J.

Motion carried. (Mr. Prettyman was absent when vote was taken.)

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Item 3:

Moved by Mr. Porter, seconded by Mr. White, that

WHEREAS, by proper resolution, the Board of Supervisors of Clarke County has requested that certain roads which no longer serve as public necessities be discontinued as part of the Secondary System of State Highways.

REPORT TO  
THE COMMONWEALTH TRANSPORTATION BOARD  
MEETING OF  
AUGUST 21, 1997

SUMMARY OF CHANGES TO THE SECONDARY SYSTEM OF STATE HIGHWAYS  
EFFECTIVE DURING  
JULY 1997

**Table of Mileage Changes by District and Type of Change**

District	Addition	Abandonment	District Total
Bristol	3.29	0.00	3.29
Culpeper	0.34	0.00	0.34
Fredericksburg	1.81	0.00	1.81
Lynchburg	1.20	0.00	1.20
Northern Virginia	6.41	0.00	6.41
Richmond	4.01	0.00	4.01
Salem	9.11	0.00	9.11
Staunton	1.62	-0.23	1.39
Suffolk	2.53	0.00	2.53
<b>Statewide Total:</b>	<b>30.12</b>	<b>-0.23</b>	<b>29.89</b>

The following reports, for additions and abandonments affecting the Secondary System of State Highways, are submitted for approval by the Commonwealth Transportation Board.

Pertinent data relating to these reports are posted in the Central File Room of the Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219.

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date Rescission	Effective
<b>Accomack</b>									
Addition	Ross Country Estates	Ross Circle	2321	WE	Route 680 West	Net Change Reported Route 680 East	0.18	6/18/97	7/1/97
<b>Amherst</b>									
Addition	Hemlock, Section 2	Belmont Terrace	1404	WE	0.09 Mile Southwest Route 1401	Net Change Reported Route 1461	0.04	3/20/97	7/1/97
Addition	Hemlock, Section 2	Huntclub Drive	1401	SN	0.20 Mile Southeast Route 1403	0.03 Mile Southeast Route 1403	0.17	3/20/97	7/1/97
Addition	Scarborough Pair	Sage Lane	1415	WE	0.38 Mile Northwest Route 676	Route 676	0.38	5/28/97	7/1/97
<b>Bedford</b>									
Addition	Brookstone, Section 4	Irvine Drive	1513	WE	Route 1514	Net Change Reported 0.16 Mile Northeast Route 1514	3.23	6/21/97	7/1/97
Addition	Brookstone, Sections 3, 5	Hillwood Court	1508	WE	0.06 Mile West Route 1507	Route 1507	0.06	6/24/96	7/1/97
Addition	Brookstone, Sections 3, 5	Rocky Branch Drive	1507	WE	0.70 Mile Northwest Route 1514	Route 1514	0.70	6/24/96	7/1/97
Addition	Brookstone, Sections 3, 5	Somerset Court	1509	WE	Route 1507	0.08 West Route 1507	0.08	6/24/96	7/1/97
Addition	Forest Lakes, Section 5	Compton Place	1385	WE	Route 1240	Route 1384	0.18	6/21/97	7/1/97
Addition	Forest Lakes, Section 3	Cuddington Lane	1384	SN	0.20 Mile South Route 1383	Route 1383	0.20	6/23/97	7/1/97
Addition	Forest Lakes, Section 5	Swan Lane	1380	WE	Route 1384	0.02 Mile West Route 1381	0.07	6/23/97	7/1/97
Addition	Forest Lakes, Section 7	Deep Spring Circle	1247	SN	0.05 Mile South Route 1239	Route 1239	0.05	6/23/97	7/1/97
Addition	Forest Lakes, Section 7	Dry Run Court	1246	SN	Route 1239	0.04 Mile North Route 1239	0.04	6/23/97	7/1/97
Addition	Forest Lakes, Section 7	Spring Lakes Road	1239	WE	0.20 Mile East Route 1240	0.37 Mile East Route 1240	0.17	6/23/97	7/1/97
Addition	Kings Grant	Kings Grant Drive	1223	SN	Route 643	0.40 Mile Northeast Route 643	0.40	6/23/97	7/1/97
Addition	Kings Grant	Queens Court	1224	SN	0.13 Mile Southeast Route 1223	Route 1223	0.13	6/23/97	7/1/97
Addition	Running Cedar Ridge	Cedar Branch Road	1215	WE	0.08 Mile West Route 1213	Route 1213	0.08	6/23/97	7/1/97
Addition	Running Cedar Ridge	Chadwick Drive	1210	SN	Route 1212	0.31 Mile Northwest Route 1212	0.31	6/23/97	7/1/97
Addition	Running Cedar Ridge	Maulberry Place	1213	SN	0.26 Mile Southwest Route 1210	Route 1210	0.26	6/23/97	7/1/97

**Report to the Commonwealth Transportation Board  
 Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

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System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Resolution	Effective
Addition	Burning Cedar Ridge	Winding Cedar Way	1226	WE	0.10 Mile Southwest Route 1210	Route 1210	0.10	6/23/97	7/1/97
Addition	Westwood, Section 3	Iskleton Place	1563	WE	0.06 Mile West Route 1570	0.15 Mile Southeast Route 1570	0.23	6/23/97	7/1/97
Addition	0680-010-177, N501-Paradise Haven-Riv Star Rur Add	Laurel Dr./Brushy Mt. Rd./Smoky Mt. Rd./Jones St.	680	WE	Route 615	Net Mileage Change Reported 0.89 Mile Northeast Route 615	0.89	3/25/97	7/21/97
Addition	Highland Manor, Section 4	Monterey Circle	1099	SN	Route 1095	Net Mileage Change Reported 0.10 Mile Northwest Route 1095	0.10	3/18/97	7/1/97
Addition	0737-013-T14, N501 - Coal Sev Farms Rur Add	Airport Strip Road	737	SN	0.67 Mile Southeast Route 718	Route 718	0.67	7/7/97	7/29/97
Addition	0748-013-T13, N501 - Coal Sev Farms Rur Add	Hillcrest Street	748	WE	Route 609	Net Mileage Change Reported 0.23 Mile Northeast Route 609	0.23	7/7/97	7/29/97
Addition	None	None	996	WE	0.18 Mile Northwest Route 53	Net Mileage Change Reported Route 52	0.18	5/14/97	7/10/97
Addition	None	None	1106	SN	Route 1105	0.17 Mile Northeast Route 1105	0.17	5/14/97	7/10/97
Addition	Beckabam, Section C	Tweedshuir Court	4640	SN	Route 1243	Net Mileage Change Reported Route 1243	0.07	5/14/97	7/1/97
Addition	Beckabam, Section C	Tweedshuir Place	4641	SN	Route 1243	0.03 Mile Northeast Route 1243	0.03	5/14/97	7/1/97
Addition	Beckabam, Section C	Tweedshuir Road	1243	WE	0.19 Mile Northeast Route 1242	0.34 Mile Southeast Route 1242	0.34	5/14/97	7/1/97
Addition	Beckabam, Section C	Tweedshuir Terrace	4642	WE	Route 1243	0.03 Mile East Route 1243	0.03	5/14/97	7/1/97
Addition	Beckabam, Section C	Tweedshuir Turn	4643	WE	0.03 Mile Southwest Route 1243	Route 1243	0.03	5/14/97	7/1/97
Addition	Lippingham, Section 1	Lippingham Drive	4966	SN	0.31 Mile Southeast Route 4965	Route 4965	0.31	4/9/97	7/2/97
Addition	Lippingham, Section 1	Lippingham Lane	4967	WE	0.07 Mile Southwest Route 4966	Route 4966	0.07	4/9/97	7/2/97
Addition	Lippingham, Section 1	Lippingham Place	4965	SN	Route 4966	Route 4966	0.04	4/9/97	7/2/97

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C



**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

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System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Resolution	Effective
Addition	Lippingham, Section 1	Lippingham Terrace	4968	SN	Route 4967	0.08 Mile North Route 4967	0.08	4/9/97	7/2/97
Addition	Lippingham, Section 1	South Happy Hill Road	4964	WE	Route 4963	Route 4963	0.17	4/9/97	7/2/97
Addition	Old Stage Industrial Park	Coyote Drive	829	WB	Route 732	0.16 Mile East Route 732	0.16	5/14/97	7/1/97
Addition	Windsor Park, Section 4	Sylvan Ridge Road	4358	WB	0.54 Mile West Route 4356	0.38 Mile West Route 4356	0.16	10/23/96	7/1/97
<b>Clarke</b>						Met. Mileage Change Rejected	-0.45		
Abandonment	0604-021-P35, NS02 - Segment 1	None	604	SN	2.41 Miles Northeast Route 607	0.88 Mile Southwest Route 7	-0.23	8/20/96	7/15/97
Addition	0604-021-P35, NS02 - Segment 3	None	604	SN	2.30 Miles Northeast Route 670	0.88 Mile Southwest Route 7	0.18	8/20/96	7/15/97
<b>Fairfax</b>						Met. Mileage Change Rejected	4.44		
Addition	Ashlawn Hill	Stryker Avenue	2598	WB	0.14 Mile Southwest Route 672	Route 672	0.14	6/9/97	7/11/97
Addition	Chapel Lake Estates, Section 1	Aurora Lake Way	7966	SN	0.11 Mile Southeast Route 7965	Route 7965	0.11	7/7/97	7/28/97
Addition	Chapel Lake Estates, Section 1	Private Lane	7965	WB	Route 4491	0.20 Mile East Route 4491	0.20	7/7/97	7/28/97
Addition	Chapel Lake Estates, Section 2	Private Lane	7965	WB	0.20 Mile East Route 4491	0.48 Mile Southeast Route 4491	0.28	7/7/97	7/28/97
Addition	Clifton Farm	Blue Willow Place	8703	SN	Route 8701	0.17 Mile Northwest Route 8701	0.17	7/7/97	7/28/97
Addition	Clifton Farm	Willow Edge Court	8702	SN	Route 8701	0.21 Mile Northwest Route 8701	0.21	7/7/97	7/28/97
Addition	Clifton Farm	Willow Forest Court	8704	SN	Route 8703	0.11 Mile Northeast Route 8703	0.11	7/7/97	7/28/97
Addition	Clifton Farm	Willow Valley Road	8701	SN	Route 1283	0.38 Mile Northeast Route 1283	0.38	7/7/97	7/28/97
Addition	Dulles Business Park, Phase 2	Centerview Drive	7680	SN	Route 7679	0.24 Mile North Route 7679	0.24	6/9/97	7/11/97
Addition	Fairwinds, Section 1	Helmout Drive	8734	WE	Route 8735	Route 665	0.05	6/9/97	7/11/97
Addition	Fairwinds, Section 1	Saddle Creek Circle	8735	WE	0.30 Mile West Route 8734	0.06 Mile South Route 8734	0.36	6/9/97	7/11/97
Addition	Fairwinds, Section 1	Saddle Creek Lane	8737	SN	0.04 Mile South Route 8735	Route 8735	0.04	6/9/97	7/11/97

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D

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

66-Aug-97

System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length		Date BOS Resolution	Effective
							Miles	Miles		
Addition	Fairwinds, Section 2	Saddle Crescent Circle	8733	WE	0.31 Mile West Route 8734	0.06 Mile South Route 8734	0.25		6/9/97	7/11/97
Addition	Fairwinds, Section 2	Saddle Crest Lane	8737	SN	Route 8735 South	0.04 Mile South Route 8735 North	0.13		6/9/97	7/11/97
Addition	Fairwinds, Section 2	Saddlewood Court	8736	WB	Route 8735	0.07 Mile East Route 8735	0.07		6/9/97	7/11/97
Addition	Holly Crest, Section 1	Bent Oak Court	8507	WE	Route 8506	0.06 Mile East Route 8506	0.06		7/7/97	7/25/97
Addition	Holly Crest, Section 1	Holly Manor Drive	8506	SN	0.16 Mile Southeast Route 703	Route 703	0.16		7/7/97	7/25/97
Addition	Huntman Square	Huntman Court	7928	SN	Route 7100	0.12 Mile Northeast Route 7100	0.12		7/7/97	7/25/97
Addition	Monroe Manor, Section 2	Camberwell Court	8715	WE	Route 8711	0.11 Mile Northeast Route 8711	0.11		6/9/97	7/10/97
Addition	Monroe Manor, Section 2	Fox Woods Drive	8716	SN	Route 8715	0.15 Mile North Route 8715	0.15		6/9/97	7/10/97
Addition	Monroe Manor, Section 2	Monroe Manor Drive	8711	WE	0.06 Mile East Route 8712	0.21 Mile East Route 8712	0.15		6/9/97	7/10/97
Addition	Overlook Pointe	Dunham Drive	7672	SN	0.11 Mile Southeast Route 1 Service Drive	Route 1 Service Drive	0.11		6/9/97	7/11/97
Addition	Pole Fields, Section 2C	Hitchcock Court	8709	WE	0.14 Mile West Route 8708	0.06 Mile East Route 8708	0.20		6/9/97	7/10/97
Addition	Pole Fields, Section 2C	Hitchcock Drive	8708	SN	Route 8709	Route 5320	0.04		6/9/97	7/10/97
Addition	South Run, Section B	Community Lane	6486	SN	Route 643	Route 123	0.03		6/9/97	7/11/97
Addition	Sully Station, Phase 2, Section 12	Deer Pond Court	8312	WE	0.06 Mile West Route 8028	Route 8028	0.06		6/9/97	7/10/97
Addition	Sully Station, Phase 2, Section 12	Deer Pond Road	8028	WE	0.03 Mile North Route 8029	Route 7346	0.15		6/9/97	7/10/97
Addition	Waterford Road, Section 69	Waterford Road	8730	SN	0.24 Mile Southeast Route 7410	Route 7410	0.24		6/9/97	7/10/97
Addition	Zion Mews	Esabella Court	7964	SN	Route 654	0.12 Mile Northeast Route 654	0.12		6/9/97	7/10/97
1 60 Addition	Dam Shores	Dam Shores Drive	1399	SN	Route 1302	0.21 Mile Northwest Route 1302	0.21		6/7/97	7/1/97
Addition	Oakhill Estates	Oak-Clerden Drive	1519	SN	0.11 Mile South Route 684	Route 684	0.11		6/7/97	7/1/97

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

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System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Resolution	Effective
Addition	Pelican Point	Pelican Drive	1108	SN	Route 927	0.40 Mile Northwest Route 957	0.40	6/17/97	7/1/97
Addition	Shore Side	Shore Side Drive	1215	WE	Route 1216	0.36 Mile Southeast Route 1216	0.36	6/17/97	7/1/97
Addition	Southwind Key	Key West Street	1393	SN	0.49 Mile Southwest Route 1328	Route 1328	0.49	6/17/97	7/1/97
Addition	Southwind Key	Southern Key Drive	1394	SN	Route 1393 South	Route 1393 North Via Loop	0.19	6/17/97	7/1/97
Addition	The Boardwalk	North Palmia Lane	1364	SN	Route 1343	0.17 Mile North Route 1343	0.17	6/17/97	7/1/97
Addition	The Boardwalk	South Palmia Lane	1372	WE	Route 1343	0.10 Mile Southeast Route 1343	0.10	6/17/97	7/1/97
Addition	The Water's Edge	Driftwood Circle	1385	SN	0.04 Mile South Route 1381	Route 1381	0.04	6/17/97	7/1/97
Addition	The Water's Edge	Sackleridge Drive	1373	SN	0.34 Mile Southeast Route 1377	0.08 Mile Northwest Route 1377	0.42	6/17/97	7/1/97
Addition	The Waterfront	Blissade Drive	1391	SN	Route 654	0.20 Mile North Route 654	0.20	6/17/97	7/1/97
<b>Frederick</b>									
Addition	Woodside Estates	Barkwood Drive	1453	WE	Route 1450	0.18 Mile Southwest Route 1450	0.18	6/10/97	7/1/97
Addition	Woodside Estates	Big Lark Lane	1451	SN	Route 1453	Route 1450	0.16	6/10/97	7/1/97
Addition	Woodside Estates	Driftwood Drive	1450	WE	0.30 Mile Southwest Route 641	Route 641	0.30	6/10/97	7/1/97
Addition	Woodside Estates	Stump Court	1452	WE	Route 1451	0.07 Mile Southeast Route 1491	0.07	6/10/97	7/1/97
<b>Harvey</b>									
Addition	Boundary Run	Angela Grace Court	1389	WE	Route 1386	0.15 Mile Southwest Route 1386	0.15	8/28/96	7/22/97
Addition	Boundary Run	Boundary Run Drive	1386	WE	Route 619	1.49 Mile Southeast Route 619	1.49	8/28/96	7/22/97
Addition	Boundary Run	Danica Lynn Court	1387	SN	0.35 Mile South Route 1386	Route 1386	0.35	8/28/96	7/22/97
Addition	Boundary Run	Michael Ann Court	1388	WE	Route 1387	0.09 Mile Southeast Route 1387	0.09	8/28/96	7/22/97
<b>Lee</b>									
Addition	None	None	884	WE	0.15 Mile Southwest Route 421	Route 421	0.15	4/18/97	7/18/97
Addition	None	None	896	WE	0.18 Mile Southwest Route 663	Route 663	0.18	3/21/97	7/18/97
<b>Loudoun</b>									
Addition	Broad Run Farms	Rudress Drive	814	SN	Route 819	0.18 Mile North Route 819	0.18	11/20/96	7/14/97

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

6

System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Renomination	Effective
Addition	Bur-Wil Heights	Burke Circle	1114	SN	0.03 Mile South Route 1107 Loop	Route 1107 Loop	0.03	4/2/97	7/1/97
Addition	Bur-Wil Heights	Burke Circle	1107	SN	0.28 Mile South Route 7	0.10 Mile South Route 7 Via Loop	0.18	4/2/97	7/1/97
Addition	Cascade, Section 4B	Fathom Place	1654	WE	Route 1651	0.14 Mile East Route 1651	0.14	2/5/97	7/1/4/97
Addition	Cascade, Section 4B	Longpler Way	1655	SN	Route 1658	Route 1654	0.10	2/5/97	7/1/4/97
Addition	Cascade, Section 4B	Mariner Court	1657	WE	0.04 Mile Southwest Route 1655	Route 1655	0.04	2/5/97	7/1/4/97
Addition	Cascade, Section 4B	Rafter Court	1658	WE	0.09 Mile Southwest route 1655	Route 1655	0.09	2/5/97	7/1/4/97
<b>Louisa</b>									
Addition	Sailor's Rest	Juno Bag Lane	1029	WE	0.03 Mile Southwest Route 1028	Not Mileage Change Reported	0.04		
Addition	Sailor's Rest	Manny Drive	1028	SN	Route 701	Route 1029	0.17	5/19/97	7/1/97
<b>Montgomery</b>									
Addition	Auburn Acres	Playground Court	1341	WB	0.14 Mile Southeast Route 1340	Not Mileage Change Reported	0.14	6/23/97	7/1/97
Addition	Blackstone Country Club	Gentlestar Road	1254	SN	0.44 Mile South Route 723 Via Loop	Route 723	0.44	6/23/97	7/1/97
Addition	Luzerne Mill	Mill Pointe Road	1034	WE	Route 785	0.25 Mile East Route 785	0.25	6/23/97	7/1/97
Addition	Smith Creek	Falcon Run	1332	WE	0.21 Mile West Route 1331	Route 1331	0.21	6/23/97	7/1/97
Addition	Smith Creek	Red Hawk Run	1331	WE	Route 675	0.99 Mile Northeast Route 675	0.99	6/23/97	7/1/97
Addition	Smith Creek	Wild Turkey Run	1333	WE	Route 1331	0.15 Mile Southeast Route 1331	0.15	6/23/97	7/1/97
<b>Northampton</b>									
Addition	Sugar Hill	Sand Hill Drive	1905	SN	Route 1901	Not Mileage Change Reported	2.11		
Addition	Wilensia Harbor	Wilensia Drive	1141	SN	Route 628	0.62 Mile North Route 1901	0.62	6/9/97	7/1/97
Addition	Wilensia Harbor	Wilensia Harbor Lane	1142	SN	Route 1141	0.99 Mile Northeast Route 628	0.99	6/9/97	7/1/97
Addition	Wilensia Harbor	Wilensia Harbor Way	1143	SN	0.07 Mile Southeast Route 1142	Route 1143	0.20	6/9/97	7/1/97
Addition	Wilensia Harbor	Wilensia Harbor Way	1142	SN	0.23 Mile Northwest Route 1142	0.30 Mile Northwest Route 1142	0.30	6/9/97	7/1/97

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

7

System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Resolution	Effective
<b>Northumberland</b>									
Addition	Coxs Harbour Estates	Holly Court	841	SN	0.14 Mile South Route 840	Route 840	0.14	6/12/97	7/1/97
Addition	La Grange Estates	La Grange Avenue	1026	SN	0.21 Mile South Route 1025	0.13 Mile North Route 1025	0.34	6/12/97	7/1/97
Addition	La Grange Estates	La Grange Drive	1025	WE	Route 1026	Route 605	0.20	6/12/97	7/1/97
Addition	Summit Cove	Shermill Cove Drive	1209	SN	Route 644	0.46 Mile Southeast Route 644	0.46	6/12/97	7/1/97
Addition	Sherwood Forest Shores	Little John Street	1314	WE	Route 1309 West	Route 1309 East	0.17	6/12/97	7/1/97
<b>Pittsylvania</b>									
Addition	Ridgescreek 2	Ridge Road	1074	SN	0.16 Mile Southeast Route 1063	Route 1063	0.16	6/2/97	7/1/97
Addition	Tuscarora Farms	Adobe Court	1191	SN	0.05 Mile South Route 1185	Route 1185	0.05	6/2/97	7/1/97
Addition	Tuscarora Farms	Indian Trail	1185	WE	Route 1190	0.31 Mile Northeast Route 1190	0.31	6/2/97	7/1/97
Addition	Tuscarora Farms	Skyhawk Court	1192	SN	Route 1185	0.04 Mile North Route 1185	0.04	6/2/97	7/1/97
<b>Powhatan</b>									
Addition	Branchway Forest, Section 4	Branch Forest Way	1092	SN	Route 60	Route 1090	0.44	5/12/97	7/1/97
<b>Prince William</b>									
Addition	Airport Commerce Center, Phases 1, 2	Carolina Drive	1102	WE	Route 1101	0.14 Mile Northeast Route 1101	0.14	2/4/97	7/14/97
Addition	Airport Commerce Center, Phases 1, 2	Pennsylvania Avenue	1101	SN	0.26 Mile South Route 28	Route 28	0.26	2/4/97	7/14/97
Addition	Arrowood, Section 2	Dalrymple Court	2588	SN	Route 2587	0.04 Mile North Route 2587	0.04	6/17/97	7/25/97
Addition	Arrowood, Section 2	Dickinson Court	2589	WE	0.06 Mile Northwest Route 2594	Route 2594	0.06	6/17/97	7/25/97
Addition	Arrowood, Section 2	Folkstone Road	2587	WE	Route 2594	0.13 Mile East Route 2594	0.13	6/17/97	7/25/97
Addition	Arrowood, Section 2	Massachusetts Drive	2594	WB	0.03 Mile Northeast Route 2590	0.27 Mile Northeast Route 2590	0.24	6/17/97	7/25/97
Addition	Worford, Section 1	Redwing Drive	1060	SN	Route 610 South	0.22 Mile Southeast Route 610 North	0.34	12/3/96	7/25/97

**Report to the Commonwealth Transportation Board  
Abandonments and Additions to the Secondary System of State Highways**

06-Aug-97

8

System Change	Project/Subdivision	Street Name	Route	Dir.	From	To	Length Miles	Date BOS Resolution	Effective
<b>Pulaski</b>							0.14		
Addition	Parkview	Godfrey Court	1138	WE	0.14 Mile Southwest Route 807	Route 807	0.14	6/23/97	7/1/97
<b>Renoirke</b>							0.43		
Addition	Bear Ridge, Section 2	Warwood Drive	1336	SN	0.08 Mile Northwest Route 1337	0.16 Mile Northwest Route 1337	0.08	5/13/97	7/1/97
Addition	Summerfield, Section 3	Bloomfield Avenue	1212	WE	Route 1211	Route 1216	0.13	5/13/97	7/1/97
Addition	Summerfield, Section 3	Kellington Court	1216	SN	0.03 Mile South Route 1212	Route 1212	0.03	5/13/97	7/1/97
Addition	Summerfield, Section 4	Bridgeport Lane	1215	SN	0.08 Mile South Route 1212	Route 1212	0.08	2/11/97	7/1/97
Addition	Summerfield, Sections 1, 4	Bloomfield Avenue	1212	WE	0.11 Mile Southwest Route 1213	Route 1213	0.11	2/11/97	7/1/97
<b>Rockbridge</b>							0.45		
Addition	Manor View	Robert E. Lee Drive	955	WE	Route 782	0.45 Mile East Route 782	0.45	6/23/97	7/23/97
<b>Scott</b>							0.50		
Addition	None	None	929	SN	Route 722	0.50 Mile North Route 722	0.50	7/9/97	7/23/97
<b>Spotsylvania</b>							0.30		
Addition	Cavalry Ridge	Cavalry Ridge Court	1383	EW	Route 636	0.30 Mile East Route 636	0.30	5/27/97	7/1/97
<b>Warren</b>							0.28		
Addition	None	Shannon Woods Drive	689	WB	Route 624	0.28 Mile East Route 624	0.28	6/17/97	7/15/97
<b>Washington</b>							0.12		
Addition	Beechwood Hills	Beach Circle	1751	WB	0.10 Mile North Route 1753	0.22 Mile Northeast Route 1753	0.12	6/24/97	7/1/97
<b>Wise</b>							0.17		
Addition	None	Gardner Hollow	758	SN	0.23 Mile Northeast Route 808	0.40 Mile Northeast Route 808	0.17	6/12/97	7/17/97
<b>Wythe</b>							0.38		
Addition	0758-098-245, N501 Reynolds Shading Run Addition	Blue Sky Drive	758	SN	0.68 Mile Southeast Route F-042	0.30 Mile South Route F-042	0.38	5/20/97	7/23/97

Wisconsin Board  
of State Highways

Project/Section	Street Name	Route	Dist.	From	To	Length Miles	Date BCS Revised	Estimate
	Center Street Road	744	WIS	0.37 Mile East Route 680	0.51 Mile East Route 684	0.24	3/11/97	718,197

8-21-97

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

STAUNTON DISTRICT

Clarke County - Route 604  
Project: 0604-021-P35, N502 - Segment 2  
0.11 Mi

TOTAL MILEAGE            0.11 Mi

Motion carried.

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Item 4:

Moved by Mr. Byrd, seconded by Mrs. Lionberger,  
that

WHEREAS, Route 17, in Essex County has been altered and reconstructed as shown on the plans for Project: 646-A; and

WHEREAS, one section of the old road is 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 33.1-148 of the Code of Virginia of 1950, as amended, 0.34 mile of old Route 17, designated as Section 1 on the plat dated July 30, 1997, Project: 646-A, be abandoned as a part of the State Highway System.

Motion carried.

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8-21-97

Item 5:

Moved by Mr. Prettyman, seconded by Mr. Rich,  
that

WHEREAS, the Cities of Virginia Beach, Chesapeake and Norfolk did adopt resolutions in which the Commonwealth Transportation Board was petitioned and requested to redesignate Route 44 (Virginia Beach - Norfolk Expressway), which is part of the Primary System of State Highways, as Interstate Route 264; and

WHEREAS, if so redesignated, Route 44 would become an extension of existing Interstate Route 264 from Interstate Route 64/264 in Norfolk to Parks Avenue in Virginia Beach; and

WHEREAS, Section 33.1-52 of the Code of Virginia of 1950, as amended, authorizes the Commonwealth Transportation Board to transfer roads from the Secondary or Primary System of State Highways to the Interstate System of State Highways; and

WHEREAS, based on the resolutions presented to the Board it appears that a transfer of Route 44 to the Interstate System is proper;

NOW, THEREFORE, BE IT RESOLVED that pursuant to Section 33.1-52 of the Code of Virginia of 1950, as amended, the Commonwealth Transportation Board does hereby transfer Route 44, as described herein, to the Interstate System of Highways; and

BE IT FURTHER RESOLVED that the renumbering of the route as set forth herein shall become effective upon the approval of the American Association of State Highway and Transportation Officials Route Numbering Committee and the Federal Highway Administration.

Motion carried.

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8-21-97

Item 6:

Moved by Mr. Roudabush, seconded by Mr. Grubb,  
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 City of Roanoke are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the City of Roanoke for maintenance payments on Principal/Minor Arterial Roads, Collector Roads and Local Streets meeting the required criteria;

NOW, THEREFORE, BE IT RESOLVED that the road/street mileage eligible for quarterly payments to the City of Roanoke for Principal-Minor Arterial Roads, Collector Roads and Local Streets be increased by 1.71 centerline miles. This increase is a net result of additions and deletions of Principal-Minor Arterial Roads, Collector Roads and Local Streets as described on tabulation sheets numbered 1 through 3 for the City of Roanoke as functionally classified by the Transportation Planning Division dated June 16, 1997.

The tabulation sheets are on file in the Department's Urban Division.

The Principal Arterial Road additions totaling 1.33 miles increases the total mileage to 27.43 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

The Minor Arterial Road additions totaling 0.57 mile increases the total mileage to 47.17 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

The Collector Road deletions totaling 0.08 mile decreases the total mileage to 25.56 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

8-21-97

The Local Street deletions totaling 0.11 mile decreases the total mileage to 348.98 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1997.

Motion carried.

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Moved by Mr. Roudabush, seconded by Mr. Grubb, 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 Chincoteague are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the Town of Chincoteague 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 Chincoteague for Local Streets be increased by 0.42 centerline mile. This increase is a result of additions of Local Streets as described on tabulation sheets numbered 1 through 2 for the Town of Chincoteague as functionally classified by the Transportation Planning Division dated June 25, 1997.

The tabulation sheets are on file in the Department's Urban Division.

The Local Street additions totaling 0.42 mile increases the total mileage to 11.57 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1997.

Motion carried.

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8-21-97

Moved by Mr. Roudabush, seconded by Mr. Grubb,  
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 City of Colonial Heights are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the City of Colonial Heights for maintenance payments on Collector Roads and Local Streets meeting the required criteria.

NOW, THEREFORE, BE IT RESOLVED that the road/street mileage eligible for quarterly payments to the City of Colonial Heights for Collector Roads and Local Streets be increased by 0.37 centerline mile. This increase is a result of additions of Collector Roads and Local Streets as described on tabulation sheet numbered 1 through 1 for the City of Colonial Heights as functionally classified by the Transportation Planning Division dated June 20, 1997.

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

The Collector Road additions totaling 0.13 mile increases the total mileage to 7.90 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

The Local Street additions totaling 0.24 mile increases the total mileage to 66.10 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1997.

Motion carried.

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8-21-97

Moved by Mr. Roudabush, seconded by Mr. Grubb,  
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 City of Williamsburg are eligible for such payment; and

WHEREAS, under the authority of Section 33.1-41.1, request is made by the City of Williamsburg 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 Williamsburg for Local Streets be increased by 1.99 centerline miles. This increase is a result of additions of Local Streets as described on tabulation sheets numbered 1 through 2 for the City of Williamsburg as functionally classified by the Transportation Planning Division dated July 23, 1997.

The tabulation sheets are on file in the Department's Urban Division.

The Local Street additions totaling 1.99 miles increases the total mileage to 27.50 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1997.

Motion carried.

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Moved by Mr. Roudabush, seconded by Mr. Grubb,  
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 Leesburg are eligible for such payment; and

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WHEREAS, under the authority of Section 33.1-41.1, request is made by the Town of Leesburg for maintenance payments on Principal Arterial Roads and Collector Roads and Local Streets meeting the required criteria.

NOW, THEREFORE, BE IT RESOLVED that the road/street mileage eligible for quarterly payments to the Town of Leesburg for Principal Arterial Roads, Collector Roads and Local Streets be increased by 1.42 centerline miles. This increase is a result of additions of Principal Arterial Roads, Collector Roads and Local Streets as described on tabulation sheet numbered 1 through 1 for the Town of Leesburg, as functionally classified by the Transportation Planning Division dated July 25, 1997.

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

The Principal Arterial Road additions totaling 0.02 mile increases the total mileage to 3.31 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

The Collector Road additions totaling 0.39 mile increases the total mileage to 12.29 centerline miles of approved roads subject to maintenance payments effective for payment beginning July 1, 1997.

The Local Street additions totaling 1.01 miles increases the total mileage to 40.82 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1997.

Motion carried.

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Item 7:

Moved by Mr. Newcomb, seconded by Mr. White, that

WHEREAS, in connection with Route 464, State Highway Project 0464-131-101, RW-207, the Commonwealth acquired certain lands for borrow pit use from Sandwood, Incorporated, by instrument dated August 31, 1977, recorded in Deed Book 1781, Page 495, from Melvin J. Doxey, et al, by instrument dated November 14, 1977, recorded in Deed Book 1792, Page 309, from Nettie Pritchard Kilian by instrument dated November 3, 1977,

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recorded in Deed Book 1793, Page 567, from Gertrude W. Scott Grossman and W. Grossman by deed dated August 30, 1977, recorded in Deed Book 1794, Page 257, from Cora Virginia Kilian, et al, by instrument dated October 21, 1977, recorded in Deed Book 1787, Page 471, from Tavia F. Gordon and Freda H. Gordon by instrument dated November 23, 1977, recorded in Deed Book 1790, Page 147, and from Robert B. Barton, et al, by instrument dated December 6, 1977, recorded in Deed Book 1793, Page 784. These instruments are recorded in the Office of the Clerk of the Circuit Court of the City of Chesapeake; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the lands containing 140 acres, more or less, were acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 464 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, the City of Chesapeake has requested that 5.635 acres of the surplus lands shown on plat entitled "Acquisition Plat for Oak Grove Connector Property of State Highway Commissioner" dated October 30, 1996 be conveyed to it for construction of the Oak Grove connector; and

WHEREAS, the remaining portion will be disposed of in the best interests of the Commonwealth.

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, in the name of the Commonwealth, a deed or deeds, without warranty, conveying the lands for a consideration satisfactory to the Director of Right of Way and Utilities, subject to such restrictions as may be deemed appropriate.

Motion carried.

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8-21-97

Moved by Mr. Newcomb, seconded by Mr. White,  
that

WHEREAS, in connection with Route 601, State Highway Project 0601-002-150, RW-201, the Commonwealth acquired certain lands from Franklin and Marshall College of Lancaster, PA, by deed dated September, 1979, recorded in Deed Book 686, Page 680, in the Office of the Clerk of the Circuit Court of Albemarle County; and

WHEREAS, the Commonwealth is also the apparent owner of a portion of old Route 678 by dedication for public use recorded in Deed Book 553, Page 389 in the Office of the Clerk of the Circuit Court of Albemarle County; and

WHEREAS, in accordance with Section 33.1-155 of the Code of Virginia (1950), as amended, two sections of old Routes 601 and 678, were abandoned by the Board of Supervisors of Albemarle County by resolution dated November 11, 1981; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that a portion of the lands containing 1.02 acres, more or less, and lying southwest of and adjacent to the southwest right of way line of Route 601, from a point approximately 40 feet opposite approximate Station 46+90 (Route 601 centerline) to a point approximately 40 feet opposite approximate Station 49+30 (Route 601 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 surplus lands be conveyed.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-154 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, in the name of the Commonwealth, a deed, without warranty, conveying the lands for a consideration satisfactory to the Director of Right of Way and Utilities, subject to such restrictions as may be deemed appropriate.

Motion carried.

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8-21-97

Item 8:

Moved by Mr. White, seconded by Mr. Byrd, that the Board approve the bids received May 14, July 15 and July 29, 1997, listed for award on the attached sheets numbered 11 A through 11 O 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.

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# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rte. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
1	131-97A	264	<p>From: 0.352 MI. W. Military Hwy. (Rte. 13)</p> <p>To: 0.744 MI. E. Military Hwy. (Rte. 13)</p> <p>From: 0.203 MI. S. Rte. 264 &amp; 13</p> <p>To: 0.133 MI. N. Rte. 264 &amp; 13</p> <p>CITY OF NORFOLK</p> <p>1.058 MI. WIL. HOV Lm., Upgrade</p> <p>Inter. and Cr., Dr., Asp. Pav., Hyd. Conc. Pav., Signs, Light., TMS, Pav. Mntn., Sound Wall, New Br. &amp; 1 Br., W/M.</p>	AWARD	TIDEWATER CONSTRUCTION CORPORATION NORFOLK, VA.	6	\$21,444,206.55
2	185-97A	64	<p>(INFO)004-122-127, (WB) over E. Branch Elizabeth Rv.</p> <p>To: 0.104 MI. E. of W. End of Br. over E. Branch Elizabeth</p> <p>CITY OF NORFOLK</p> <p>Construct Sound Barrier Wall &amp; Deck.</p>	AWARD	CENTURY CONCRETE, INC. VIRGINIA BEACH, VA.	3	\$972,464.90
3	215-97A	164	<p>Rte. 164 over E. Branch Elizabeth Rv. (1.7 MI. W. Rte. 1463)</p> <p>CITY OF CHESAPEAKE</p> <p>Rampade Spout Open Steel Girder Deck Replacement</p>	AWARD	CORMAN CONSTRUCTION, INC. ANNAPOLIS JUNCTION, MD.	2	\$1,664,126.00
4	245-97A	64	<p>From: 0.1 MI. S. Rte. 635 (Rte. 608)</p> <p>To: 0.13 MI. N. WB On-Ramp (Rte. 608)</p> <p>0.55 MI. Asp. Pav. Widening</p> <p>ALBUQUERQUE CO.</p>	AWARD	B & S CONTRACTING, INC. STAUNTON, VA.	2	\$263,520.25

# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rie. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
5	3902	MRC-97-390A-301 MAINTENANCE FUNDS 64, 1-95 & 1- 295	Various Locations  HANOVER & HENRICO COS.  App. Paving of Conc. Pave.	AWARD	LANFORD BROTHERS COMPANY, INC. ROANOKE, VA.	2	\$387,161.00
6	3903	MRC-97-390B-304 MAINTENANCE FUNDS 1-85 & 1- 295	From: (2-85) Brunswick Ct., (1-299) E-95 To: (1-85) Rte. 1 Overpass M.P. 63.20, (1- 295) Rte. 19 PRINCE GEORGE & DINWIDDIE COS. Cons. Pave. Regr.	AWARD	DENTON CONCRETE SERVICES CO. GROSSE POINTE WOODS, MI	4	\$875,216.00
7	A10	795-127-496,2501 CONSTRUCTION FUNDS  84-005-(239)	From: Farmings Bl. To: Rte. 64 West  CITY OF RICHMOND Water & Sewer Const. & Desal. Lines	REJECT	MARJON CONTRACTING CO., INC. ASHLAND, VA.	1	\$757,708.00

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rie. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
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0 3873	2651-97-3873-802 MAINTENANCE FUNDS	64 & 564	Various Locations (16 Bns.) 564	INTERSTATE REJECT	LANFORD BROTHERS COMPANY, INC. ROANOKE, VA.	2	\$1,332,530.00
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JAMES CITY CO. & CITIES  
OF HAMPTON & NORFOLK  
By: Suzanne A. Sebar, Reps.

Awarded 6 Interstate projects @ \$25,416,594.59 & Rejected 2 @ \$2,090,218.00

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rte. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
1 250-96C	0035-004-101,CS04 CONSTRUCTION FUNDS	38	From: 0.019 MI. N. Int. Rte. 1003 To: 0.004 MI. S. Int. Rte. 360 Bus. AMELIA CO. 0.134 MI. Graded, Drain, Asp. Pave. & Inchls.	AWARD	BRAYOS CONCRETE, INC. MCLEAN, VA	2	\$296,410.20
2 71-97B	0050-029-555,CS01, 3065,3010,3011 CONSTRUCTION FUNDS STP-540(31B)	50	From: 0.159 MI. E. Centerville Rd. (Rte. 557) To: 0.116 MI. E. Springfield Rd. (Rte. 545) FAIRFAX CO. 1.487 MI. Graded, Drain, Asp. Pave., Signals, Landscaping, Util. & Enc. (3)	AWARD	MARTIN & GASS, INC. ALEXANDRIA, VA.	6	\$6,693,188.00
3 94-97B	0025-035-101,3091 MAINTENANCE FUNDS	28	1.5 MI. E. Rte. 93 GRAYSON CO. Rt. & Approaches over Fox Cr.	AWARD	ELK KNOB, INC. PENNINGTON GAP, VA.	4	\$837,602.61
4 127-97A	0065-065-003,CS01 CONSTRUCTION FUNDS STP-305-4(313)	3	From: 0.214 MI. W. South Rd. To: 0.152 MI. E. South Rd. HENRICO CO. Toss In.; Overlay Exlar. Pave. & Cem. Inlet, Grate, Drain, Asp. Pave., Signals & Pave. Markings	AWARD	ATAC-VERGINIA, INC. RICHMOND, VA.	4	\$307,449.60

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rte. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
3	102-97A 0005-018-105,CS01, 2603 CONSTRUCTION FUNDS	3	From: 0.115 MI. W. Int. Rtes. 155 & 644 To: 0.143 MI. E. Int. Rtes. 155 & 644  CHARLES CITY CO. 0.238 MI. Center, Davis, App. Pave., Signals & Bc.	AWARD	BRYANT CONTRACTING, INC. TOANO, VA	4	\$905,909.65
6	206-97A 0033-062-VZ1,N061 CONSTRUCTION FUNDS	33	From: WV State Line To: 3.9 MI. E. WV State Line  ROCKINGHAM CO. 3.9 MI. Guardrail Safety Project	AWARD	MAXCO, INC. CHARLOTTESVILLE, VA.	5	\$287,780.44
7	A01 0810-065-046- VZ1,CS01 CONSTRUCTION FUNDS	258	From: 0.33 MI. W. Int. Rte. 693 To: Int. Rte. 693  KLE OF WEST CO. 0.532 MI. Wid. & Overlay Proj. From: Includes Grade, Drain, App. Pave., Sew. Manholes, Utility & Inlets.	AWARD	HENRY S. BRANSCOMB, INC. WILLIAMSBURG, VA.	4	\$1,189,892.50
8	A04 0009-053-107,M090; 0087-053-184,M090 CONSTRUCTION FUNDS	9 & 281	Rtes. 9 & 281 over N. Post Cascade Cr.  LOUDOUN CO. Bridge Support Replacement	AWARD	EVER VIEW INVESTMENTS, INC. MAIDEN, VA.	5	\$415,002.75

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rte. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
9	3882 0019-092-1039.5800; 0019-092-1040.5800; 0019-092-1041.5800; 0019-092-1042.5800 MAINTENANCE FUNDS	19	Rte. 19 Ramp B at Rte. 16; Rte. 19 NBL over Rte. 16; Rte. 19 SBL over Rte. 16; Rte. 19 Ramp A at Rte. 16	AWARD	CLECO CORPORATION ROSEDALE, VA.	6	\$388,049.00
			TAZEWELL CO. Et. Deck Overlay, Superstr. & Substr. Repts. (4 Locations)				
10	196-97A 0031-098-1803.5203 MAINTENANCE FUNDS	21	1.4 MI. S. Int. Rte. 11	REJECT	FORT CHISWELL CONSTRUCTION CORPORATION BLUEFIELD, VA	6	\$615,711.50
			WYTHE CO. Et. Superstr. Replacement				
11	205-97A 0001-005-VZL6591 CONSTRUCTION FUNDS STP-3120312)	1	From: Oxyfield Ave. To: Park Lee Place (Tower Dr.) CROSBYFIELD CO. Lull Turn Lane & Usda.	REJECT	APAC-VIRGINIA, INC. RICHMOND, VA	1	\$723,710.33

1 Awarded 8 Primary Projects @ \$11,312,407.55 & Rejected 2 @ \$1,393,821.85

# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Ric. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
1 18-97A	0637-029-221,CS94 CONSTRUCTION FUNDS	657	From: Int. Rte. 2448 (near Dr.)  To: Int. Rte. 3026 (Laurel Oak Rd.)  CHESTERFIELD CO. 1.412 KM WILL-Creeds, Drains, Asp. Pave., Util. & Incids.	AWARD	INTERSTATE CONSTRUCTION CORPORATION RICHMOND, VA.	3	\$2,032,241.65
2 106-97A	0653-084-195,MS01. D626 CONSTRUCTION FUNDS	633	From: 0.122 MI. W. Rte. 620  To: 0.066 MI. E. Rte. 620  SCOTT CO. 0.188 MI. Creeds, Drains, Asp. Pave. & Drain. Str.	AWARD	ESTES BROTHERS CONSTR., INC. JONESVILLE, VA.	6	\$203,907.64
3 197-97A	0733-071-193,MS01 CONSTRUCTION FUNDS	775	From: Int. Rte. 793  To: Int. Rte. 794  PITTSYLVANIA CO. 2.7 MI. Creeds, Drain & Asp. S. I. Pave.	AWARD	NEKAY EARTHMOVERS, INC. RINGGOLD, VA.	9	\$413,542.56
4 198-97A	0652-095-267,MS01 CONSTRUCTION FUNDS	662	From: Rte. 804  To: E. Rte. 645  WASHINGTON CO. 0.587 MI. Creeds, Drain & Asp. S.T. Pave.	AWARD	D & D CONSTRUCTION COMPANY CHELLOWIE, VA.	10	\$146,750.50



# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rte. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
<b>SECONDARY</b>							
5	200-97A 0619-074-185-C-01, B&E CONSTRUCTION FUNDS	630	From: 0.624 MI. S. On Rte. 686 To: 0.608 MI. N. On Rte. 646  PRINCE GEORGE CO. 0.88 MI. Grade, Drain, Asp. Pav., Util. & Br. W&E	AWARD	ABERNATHY CONSTR. CORP. GILEN ALLEN, VA.	4	\$1,055,977.85
6	204-97A 0633-083-213-M-01 CONSTRUCTION FUNDS	635	From: 0.096 KM. S. Int. Rte. 647 To: 0.094 KM. N. Int. Rte. 647  AMHERST CO. Bent Culvert & Approaches at Miller Cr.	AWARD	CHARLES W. BARGER & SON CONSTR. CO., INC. LEXINGTON, VA.	4	\$131,496.60
7	311-97A 0643-085-064-N-01 CONSTRUCTION FUNDS	683	From: 0.35 MI. W. Rte. 683 (End of Bent Main) To: Rte. 681  WASHINGTON CO. 0.407 MI. Grade, Drain & Asp. S.T. Pave.	AWARD	PATRICK CONSTRUCTION, INC. ST. PAUL, VA.	11	\$119,762.20
8	213-97A 0612-010-080-M-02 CONSTRUCTION FUNDS	612	From: 1.7 MI. W. Rte. 637 To: 0.85 MI. W. Rte. 637  BLAND CO. 0.83 MI. Asp., Bent Curves & Asp. S.T. Pave.	AWARD	HUNTBR. PAVING, INC. FOUNDING MILL, VA.	3	\$40,967.40

# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rte. No.	Location and Work Type	RECOMMENDATION	Contractor	of	Bid
9	213-97A	758	From: Rte. 613 To: 0.73 MI. N. Rte. 613 LEE CO. 0.73 MI. Gravel, Drain & Asp. Pave.	AWARD	GLASS MACHINERY AND EXCAVATION, INC. JONESVILLE, VA.	6	\$276,408.50
10	214-97A	622	From: 0.4 MI. N. Rte. 600 To: Rte. 826 SCOTT CO. 1.19 MI. Gravel, Drain & Asp. S.T. Pave.	AWARD	PATRICK CONSTRUCTION, INC. ST. PAUL, VA.	7	\$219,229.55
11	218-97A	672	From: Rte. 605 To: Dead End POWHEATAN CO. 1.93 MI. Gravel, Drain & Asp. S.T. Pave.	AWARD	BISHOP & SETTLE CONSTR. CO., INC. ALBERTA, VA.	8	\$195,427.00
12	226-97A	652	From: 2 MI. E. Rte. 91 To: 3.45 MI. E. Rte. 91 SMYTH CO. 1.43 MI. Gravel, Drain & Asp. S.T. Pave.	AWARD	D & D CONSTRUCTION COMPANY CHELHOWIE, VA.	6	\$134,549.00

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rte. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
13 3886	0648-080-079-0001 CONSTRUCTION FUNDS	688	From: Int. Rte. 730 To: Dead End  GREENSVILLE CO. 0.75 MI. Gravel, Drain & Ty. D. Blocked Seal Coat	AWARD	J. H. LEE & SONS, INC. COURTLAND, VA.	3	\$116,427.50
14 3908	0701-054-284-0001 CONSTRUCTION FUNDS	701	From: Rte. 705 To: West Va. SL  FREDERICK CO. 1.82 MI. Gravel, Drain, Aggr. Sub. & Surf. with Hot Mix Asp. Treat. (HMA/T)	AWARD	L. F. FRANKLIN & SONS, INC. STEPHENSON, VA.	8	\$268,621.20
15 3809	0647-070-016-0001 CONSTRUCTION FUNDS	647	From: Rte. 645 To: 0.13 MI. N. Rte. 645  PATRICK CO. 0.73 MI. Gravel, Drain, Prev. & Inlets.	AWARD	CARNELL CONSTRUCTION CORPORATION MARTINSVILLE, VA.	7	\$221,394.00
16 3910	0734-081-002-0001 CONSTRUCTION FUNDS	734	From: Rte. 683 To: Rte. 11  ROCKBRIDGE CO. 1.9 MI. Gravel, Drain, Aggr. Sub. & Asp. S.T.	AWARD	ROBERTSON-FOWLER CO. BUCHANAN, VA.	10	\$631,592.75

# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rtc. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
17 3911	0919-070-5003; 044-400.N501; 1044- 044-401.N501; 1242- 044-402.N501; 1243- 044-402.N501	1002- Var.	Various Locations  HENRY & PATRICK COS. 1.13 MI. Grads, Drain, Pipe, & Inside.	AWARD	CARNELL CONSTRUCTION CORPORATION MARTINSVILLE, VA.	5	\$266,329.90
18 3912	0620-054-771.N502 CONSTRUCTION FUNDS	620	From: Rte. 692  To: 0.38 MI. W. Rte. 699  LOUISA CO. 2.0 MI. 1/8" x 1/4" Depth Aug. Base Mert. Ty. 1, No. 21A w/Ap. Coat. Ty. 246-3A Surf., Grads, Drain & Inside.	AWARD	EARTHWORKS LEASING CO., INC. T/A EARTHWORKS, INC. OUEN ALLEN, VA.	12	\$474,669.21
19 199-91A	0616-061-286.N401 CONSTRUCTION FUNDS	616	From: Int. Rte. 109  To: Int. Rte. 466  CITY OF SUFFOLK 0.96 MI. Grads, Drain & Asp. Pave.	DEFERRED	APAC-VIRGINIA, INC. RICHMOND, VA	4	\$552,772.65
20 A63	0648-051-155.N501 CONSTRUCTION FUNDS	686	From: 0.338 MI. N. Int. Rte. 707  To: Int. Rte. 675  LANCASTER CO. 0.48 MI. Grads, Drain & Asp. Pave.	AWARD	CALLAO GRADER SERVICE CALLAO, VA	6	\$365,062.47
11 K	Awarded 19 Secondary Projects @ \$7,495,016.99 a Deferral 1 @ \$552,772.65						

# BID RESULTS

JULY 29, 1997

Job Des.	Project No.	Rte. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
URBAN							
1	IB-97A UD00-100-V10, C501, B604 CONSTRUCTION FUNDS		From: Mt. Vernon Ave. To: N. West St.	AWARD	CHERRY HILL CONSTR., INC. FESSUP, MD.	10	\$6,261,576.75
	STP-440(248)		CITY OF ALEXANDRIA 0.143 MI. Grady Drive, App. Pav., Riddle, Paving, Signs & Br. (EXT over Braddock Rd.)				
1	203-97A UD00-301-106, C591 CONSTRUCTION FUNDS		From: Ing. Rte. 47(Alexandria St.) To: Mt. Chaplin Rd.	AWARD	LANCO PAVING, INC. VIRGINIA, VA.	4	\$974,669.74
			TOWN OF SOUTH HILL 1.395 KM Drive, Drive, App. Pav., Pave. Marking & Util.				
3	A02 0011-125-V03, B600; UD00-125-V10, B600 CONSTRUCTION FUNDS		Various Locations	AWARD	FORT CHRISWELL CONSTRUCTION CORPORATION BLUESFIELD, VA	5	\$2,968,643.50
	BR-011-2(008); BR-013(106); BR-013(107)		TOWN OF FULAKEE Br. & Approaches (?)				

Awarded 3 Urban Projects @ BID, 111,594.75

# BID RESULTS

JULY 29, 1997

Job Des.	Project No:	Rfd. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
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## MISCELLANEOUS

1 3400 1500-966-101, 9901, 1500-966-101, 9901 CONSTRUCTION FUNDS Var. Various Locations AWARD DORBY ELECTRIC COMPANY NORFOLK, VA. 3 \$137,335.00

FREDERICK SHUNG DISTRICT  
Overhead Signs

1 3904 1500-964-101, 9904, 1500-964-101, 9904 CONSTRUCTION FUNDS Var. Various Locations AWARD MIDASCO, INC. ELLICOTT CITY, MD. 4 \$330,990.00

SANDRITON RES.  
Innall Signs & Str.

1 3905 1500-97-08F-705 MAINTENANCE FUNDS Var. Various Locations AWARD DLB, INC. HILLSVILLE, VA. 1 \$505,261.00

FAUKNER & RAPPANNOCK CO'S  
Pipe Rehabilitation

; Awarded 3 Miscellaneous projects @ \$963,586.00

# BID RESULTS

BIDS RECEIVED BY CITY OF NEWPORT NEWS

JULY 14, 1997

Job Des.	Project No.	Rec. No.	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
1 1012-87	0068-12L-WIT,2001		Various Locations	AWARD	HIGHWAY ELECTRIC, INC. CHESAPEAKE, VA	7	\$46,899.00

**LEMAN**

CITY OF NEWPORT NEWS  
Permits & Install Traffic Signal Hoops  
@ 13 Intersections

# BID RESULTS

BIDS RECEIVED BY ARLINGTON COUNTY

MAY 14, 1997

Job Des.	Project No:	Req. No:	Location and Work Type	RECOMMENDATION	Contractor	No. of	Bid
1	M13-97	3300-000-091(249)	Various Locations	JURMAN AWARD	SIEEMENS ENERGY & AUTOMATION, INC. AUSTIN, TX	1	\$2,439,859.86

ARLINGTON COUNTY  
Traffic Signal System Upgrade

\*



8-21-97

Item 9:

Moved by Mrs. Lionberger, seconded by Mr. White,  
that

WHEREAS, in accordance with the Federal Metropolitan Planning Regulations, the Department has determined that in order to perform a complete and comprehensive study of the Route 29 corridor between the North Carolina state line and Charlottesville, Virginia, it is necessary to supplement its staff; and

WHEREAS, in accordance with Department policy and State procurement procedures, a firm proposal has been received from DeLeuw, Cather, and Company of Virginia, 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 is set forth in the Memorandum of Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of the Agreement with the firm of DeLeuw, Cather, and Company of Virginia, which established the maximum total compensation not to exceed \$1,596,360.

Motion carried.

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Moved by Mrs. Lionberger, seconded by Mr. White,  
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 providing construction inspection it is necessary to supplement its staff and will require the services of a project manager/office engineer and six inspectors for the grading, drainage, paving and a box culvert for a period of two years for Projects 0058-052-E24,C-501 and 0058-052-E25,C-501 in Lee County; and

WHEREAS, in accordance with Department policy and State procurement procedures, a firm proposal has been received from HNTB Corporation, for said services; and

8-21-97

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 is set forth in a Memorandum of Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of the Agreement with the firm of HNTB Corporation, which establishes a compensation of \$1,925,174.00 for services and expenses, plus a net fee of \$59,532.00, making the maximum total compensation not to exceed \$1,984,706.00.

Motion carried.

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Item 10:

Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held on Wednesday, March 19, 1997 between 5:00 p.m. and 8:00 p.m. in the Liberty High School, located on Route 17 in Fauquier County for the purpose of considering the proposed location of Route 15/29 and 17 Opal Interchange, Description: Route 15/29 - Intersection Improvements at Intersection Route 17 (Opal), State Project 0015-030-117, PE101 in Fauquier County, Virginia; and

WHEREAS, proper notice was given in advance, and all those concerned were given a full opportunity to express their opinions and recommendations for or against the proposed project; 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 location Alternate A be designated as the location of this project in accordance with the plan as proposed and presented at the Location Public Hearing by the Department's engineers with a modification to shift it north closer to the existing Route 17/29 intersection.

Motion carried.

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8-21-97

Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held at the Cedar Road Elementary School on Wednesday, March 19, 1997 between 4:00 p.m. and 8:00 p.m. for the purpose of considering the proposed location of Route 17-George Washington Highway, Projects 6017-131-F05, PE101, RW201, C501, 6017-131-F05, PE103, RW203, C503; 6017-131-F05, PE104, RW204, C504 and 6017-131-F05, PE105, RW205, C505, Federal Project STP-017-5 ( ), from Virginia-North Carolina state line to Route 104 (Dominion Boulevard) in the City of Chesapeake, Virginia; and

WHEREAS, proper notice was given in advance, and all those concerned were given a full opportunity to express their opinions and recommendations for or against the proposed project; 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 Alternate A-1 be designated as the location of this project in accordance with the plan as proposed and presented at the Location Public Hearing by the Department's engineers with a modification to miss the historic Wallaceton House.

Motion carried.

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8-21-97

Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held at the Powell Valley High School located in the Town of Big Stone Gap, Virginia, on Tuesday, April 22, 1997 between 4:00 p.m. and 7:00 p.m. for the purpose of considering the proposed location of Route 58 (Big Stone Gap Bypass) from 1.3 km (0.80 mile) west of W.C.L. Big Stone Gap to Route 23 from Wise County, Virginia, State Project 6058-097-E18, PE101, RW201, C501; 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 Option B location 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.

Motion carried.

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Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held in the Holiday Inn, in Stafford County, Virginia on Tuesday, July 15, 1997 between 5:00 p.m. and 8:00 p.m. for the purpose of considering the proposed location of improvements to Interstate 95 from Route 627, Mountain View Road Interchange, to Route 630, Courthouse Road Interchange, in Stafford County, State Projects 0095-089-F08, PE-101 and 0095-089-F09, PE-101, C-501; Federal Project NH-0095-2393; and

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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 of the Collector-Distributor roadways, with the inclusion of the location of Alternative "A" at Mountain View Road (Route 627) and improvements to the Courthouse Road (Route 630) interchange Alternative "D" location be approved as proposed and presented at the public hearing by the Department's Engineers.

BE IT FURTHER RESOLVED that in the interest of public safety, pedestrians, persons riding bicycles or mopeds, horsedrawn vehicles, self-propelled machinery or equipment, and animals led, ridden or driven on the hoof be prohibited from using this highway.

BE IT FURTHER RESOLVED that Interstate 95 be designated as a Limited Access Highway from the Route 627 interchange and the Route 630 interchange as proposed and presented at the Location Public Hearing in accordance with the statutes of Virginia and in accordance with the Commonwealth Transportation Board Policies.

Motion carried.

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Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held in the Spotsylvania High School, located in Spotsylvania County, Virginia, on Thursday, May 29, 1997 between 4:00 p.m. and 7:30 p.m. for the purpose of considering the proposed location of the Spotsylvania Courthouse Bypass, Route 208, from the Ta River to 1.0 mile (1.6 km) west Ni River in Spotsylvania County, State Project 0208-088-V14, PE-100, Federal Project: STP-092-1 ( ); and

8-21-97

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 designated as Corridor 'C' be approved in accordance with the plan as proposed and presented at the said Location Public Hearing by the Department's Engineers with that portion of the project between Route 613, and the end of the project in the Spotsylvania Courthouse area (1.0 mile west of the N1 River) be designated as a Limited Access Highway.

Motion carried.

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Item 11:

Moved by Mr. Cogbill, seconded by Mr. Myers, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Design Public Hearing was held at the Powell Valley High School located in the Town of Big Stone Gap on Tuesday, April 22, 1997 between 4:00 p.m. and 7:00 p.m. for the purpose of considering the proposed design of Route 58 from the Lee County line to the west end of Big Stone Gap Bypass in Wise County, Virginia, State Project 6058-097-E17, PE101, RW201, C501 and from 0.53 km (1 mile) east Route 620 (Lonesome Pine Road) at Olinger to Wise County line in Lee County, Virginia, State Project 6058-052-E29, PE101, RW201, C501; 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

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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 Design of this project be approved in accordance with the plan as proposed and presented at the said Design Public Hearing by the Department's engineers.

Motion carried.

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Moved by Mr. Cogbill, seconded by Mr. Myers, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Location Public Hearing was held on January 25, 1994 for the purpose of considering the proposed location of the I-95/395/495 Interchange Improvement in Fairfax County; and

WHEREAS, on June 23, 1994 the Commonwealth Transportation Board approved Alternative 12 as proposed and presented at the Location Public Hearing; and

WHEREAS, in that same resolution the Board directed that in the final design phase VDOT staff pursue access approval for Single Occupancy Vehicles between I-95 and the Franconia Springfield Parkway; and

WHEREAS, the Board further directed that in the final design phase consideration be given to interchange design alternatives for the Old Keene Mill/Franconia Road Interchange including, but not limited to ramp design, lane assignment, use of adjacent arterial roadways, operations, and safety enhancements, all to be within the interchange area; and

WHEREAS, the Board further directed that noise barriers be constructed to meet current design standards at project cost; and,

WHEREAS, the Board further directed that a congestion management team be established to develop improved traffic strategies during construction; and

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WHEREAS, the Board further directed that feasible adequate pedestrian and bicycle accommodation be provided on Commerce Street north and south of Route 644; and

WHEREAS, the Board further directed that improvements to Franconia Road include an overpass across Frontier Drive to enhance access to and from the Transportation Center; and

WHEREAS, the Board further directed that the design of the western leg of the Beltway be coordinated with the HOV project to minimize reconstruction, that construction of the fourth lane for southbound I-95 between Route 644 and the Newington Interchange be expedited, and that funds be provided in the Six Year Improvement Plan to allow for advanced acquisition; and

WHEREAS, the Board further directed that construction of the project will be in phases with each phase requiring Commonwealth Transportation Board approval; and

WHEREAS, by resolution dated November 21, 1996 the Board directed that the reconstruction of the I-95/395/495 interchange be designed and constructed to not preclude the future construction of the Single Occupancy Vehicle access between I-95 southbound to the Franconia-Springfield Parkway westbound and the Franconia-Springfield Parkway eastbound to I-95 northbound at a then estimated cost of approximately 21 million dollars; and

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Design Public Hearing was held in the Lee High School, located in Fairfax County, Virginia, on June 19 and 20, 1997 between 4:00 p.m. and 8:00 p.m. for the purpose of considering the proposed major design features of the I-95/395/495 Interchange Improvement project, said project includes the reconstruction of the I-95/Route 648 interchange; I-95/Route 644 interchange; I-95/395/495 interchange; improvements to Old Keene Mill Road, Franconia Road, Loisdale Road, Commerce Street, Frontier Drive, Amherst Avenue and the Fairfax County Parkway in Fairfax County, State Project 0095-029-F20, PE-101, PE-102, PE-103, PE-104, PE-105, PE-106 Federal Project: IM-095-2; and



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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; and

WHEREAS, the Fairfax County Board of Supervisors has endorsed this project in a letter dated July 31, 1997.

NOW, THEREFORE, BE IT RESOLVED that the major design features of this project be approved in accordance with the plan as proposed and presented at the said Design Public Hearing by the Department's Engineers and to include the incorporation of a bicycle facility along Commerce Street and design modifications jointly agreed to by VDOT and Fairfax County as circulated in the Fairfax County letter of August 14, 1997.

BE IT FURTHER RESOLVED that in the interest of public safety, pedestrians, persons riding bicycles or mopeds, horsedrawn vehicles, self-propelled machinery or equipment, and animals led, ridden or driven on the hoof be prohibited from using this highway.

BE IT FURTHER RESOLVED that the Limited Access designation be revised to include Franconia Road from station 212+60 (south east quadrant) to Commerce Street station 37+60; Old Keene Mill Road from station 16+50 to Backlick Road station; extension from Backlick Road ramp at Old Keene mill Road to Brandon Avenue ramp; and to encompass Ramp S-SM at Springmall Drive and Loisdale Road as designated and presented on the public hearing plans in accordance with the statutes of Virginia and in accordance with the Commonwealth Transportation Board Policies.

Motion carried.

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Moved by Mr. Cogbill, seconded by Mr. Myers, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Design Public Hearing was held in the Varina High School, in Henrico County, on June 17, 1997 and in the Meadowbrook High School in Chesterfield County, Virginia on June 18, 1997 both were held from 5:00 p.m. until 8:00 p.m. for the purpose of considering the proposed major design features of Route 895 from Route 150/Interstate 95, in Chesterfield County, to Interstate 295, in Henrico County, State Projects 0895-020-F01, PE-101, RW-201, C-501 and 0895-043-F01, PE-101, C-501, C-502; 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 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 the modifications approved by the Chief Engineer which were presented at the hearing as Value Engineering recommendations.

Motion carried.

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Item 12:

Moved by Mr. Byrd, seconded by Mrs. Lionberger,  
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 Rocky Mount Elementary School, in Rocky Mount, Virginia on December 9, 1996 between 5:00 p.m. and 8:00 p.m. for the purpose of considering the proposed location and major design features of Route 40, from 0.02 mile (0.04 km) east intersection Route 220 Bypass, to 0.45 mile (0.73 km) east intersection Route 122 in Town of Rocky Mount and Franklin County; State Project 0040-033-V11, PE-101, RW-201, C-501, D-610; 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.

Motion carried.

\*\*\*

Moved by Mr. Byrd, seconded by Mrs. Lionberger,  
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 Parkview Senior High School, in Mecklenburg County, Virginia on May 22, 1997 between 4:00 p.m. and 6:00 p.m. for the purpose of considering the proposed location and major design features of Route 58, from 0.601 mile west of Route 1 (at Big Fork), to 0.85 mile south of South Corporate Limits of South Hill in Mecklenburg County, State Project 6058-058-E28, PE-101, RW-201, C-501, B-622; and

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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.

Motion carried.

\*\*\*

Moved by Mr. Byrd, seconded by Mrs. Lionberger, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Willingness to Hold a Combined Location and Design Public Hearing was posted for the purpose of considering the proposed location and major design features of Interstate Route 64, State Projects 0064-122-119, PE101, Federal Project IR-64-3 (270) and 0064-122-F19, RW201, C501, Federal Project IN-064-3 ( ) from 0.32 mile (0.52 km) west of I-64 eastbound lane bridge over Robin Hood Road to I-64 eastbound lane bridge over Robin Hood Road in the City of Norfolk; and

WHEREAS, proper notice was given in advance, and all those concerned were given a full opportunity to express their opinions and recommendations for or against the proposed project; 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.

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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 by the Department's engineers.

BE IT FURTHER RESOLVED that the following additions and revisions to the limited access designation be made: Ramp A from 15.8 m right of E.P. Station 39+42 including the following points right of the existing Limited Access Line: 19 m Rt. of Station 39+80, 19 m Rt. of Station 40+20, 18 m Rt. of Station 40+50 and 16.5 m Rt. of Station 41+00, will form the new Limited Access Line that will tie into a point 12.20 m Rt. of Station 10+13 on Robin Hood Road. From 12.20 m Rt. of Station 10+13 to 12.20 m Rt. of Station 10+95 on Robin Hood Road will be established as new Limited Access. The existing right of way line beginning at 12.39 m Rt. of Station 10+16.27 and tying into the existing Limited Access at 21.44 m Rt. of Station 8+92.45 of Robin Hood Road will be redesignated as a Limited Access Line. Ramp D from 30.2 m Rt. of Station 57+55.98 on Robin Hood Road including the following points right of the existing right of way: 22.6 m Rt. of Station 57+60, 24 m Rt. of Station 58+20, will form the new Limited Access Line that will tie into a point 41.98 m Rt. of Station 58+20 on Robin Hood Road.

BE IT FURTHER RESOLVED that in the interest of public safety, pedestrians, persons riding bicycles or mopeds, horsedrawn vehicles, self-propelled machinery or equipment, and animals led, ridden or driven on the hoof be prohibited from using these revised segments of Interstate 64 from 0.32 mile (0.52 km) west of I-64 eastbound lane bridge over Robin Hood Road to I-64 eastbound lane bridge over Robin Hood Road in the City of Norfolk.

BE IT FURTHER RESOLVED that these revised segments of Interstate 64 be designated as a Limited Access Highway between 0.32 mile (0.52 km) west of I-64 eastbound lane bridge over Robin Hood Road to I-64 eastbound lane bridge over Robin Hood Road in the City of Norfolk in accordance with the statutes of Virginia and in accordance with Commonwealth Transportation Board policies.

Motion carried.

\*\*\*

Moved by Mr. Byrd, seconded by Mrs. Lionberger,  
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 Virginia Department of Transportation's Suffolk District Office in the City of Suffolk, Virginia, on April 1, 1997 for the purpose of considering the proposed location and major design features of Route 460/North Main Street, from 0.18 mile (0.294 km) north of intersection Route 58 Business to 0.67 mile (1.074 km) north of intersection Route 58 in the City of Suffolk, State Project 0460-133-F01, PE101, RW201, C501, Federal Project STP-460-5 ( ) and STP-087-1(132); 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.

Motion carried.

\*\*\*

Moved by Mr. Byrd, seconded by Mrs. Lionberger,  
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 New Mount Baptist Church, in Nelson County, Virginia on Tuesday, May 27, 1997 between 5:00 p.m. and 7:00 p.m. for the purpose of considering the proposed location and major design features of Route 661, from 0.09 mile (0.14 km) south of Route 734, to 0.01 mile (0.02 km) south of Route 655, in Nelson County, State Project 0661-062-225, C-501; and,

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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.

Motion carried.

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Item 13:

Moved by Mr. Rich, seconded by Mr. White, that

WHEREAS, pursuant to 33.1-12(5) of the Code of Virginia, the Board may enter into contracts with the United States Government; and,

WHEREAS, it is proposed that an agreement be entered into between the Board, acting by and through the Virginia Department of Transportation, and U. S. Geological Survey, United States Department of the Interior, for the investigation of water resources in the Commonwealth to provide for the collection of flood information used in flood frequency determinations and to document flood data for future bridge sites; and,

WHEREAS, it is proposed that an agreement be entered into between the Board, acting by and through the Virginia Department of Transportation, and U. S. Geological Survey, United States Department of the Interior, for the investigation of water resources in the Commonwealth to estimate flood hydrographs from small drainage basins and evaluation of the use of dimensionless hydrographs to estimate runoff volumes; and,

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WHEREAS, subject to the availability and appropriation of funds the Board believes that it is appropriate to enter into these agreements.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the Commissioner to enter into said agreements.

Motion carried.

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Item 14:

Action on use of Industrial Access Railroad Track funds for Tradewinds of Virginia, Ltd., Louisa County, was deferred.

\*\*\*

Motion made by Mr. Rich, seconded by Mr. Myers, to amend the resolution approving the use of Industrial Access Railroad Track funds for Dietrich Industries, Inc., Spotsylvania County, to include a statement that "Dietrich Industries, Inc., to work with its neighbor, A. Smith Bowman Distillery, to preserve, if practical, certain plantings adjacent to the right of way in question."

Motion carried; Mr. Newcomb and Mrs. Lionberger voting no. (Mr. Grubb was not present for the vote.)

Moved by Mr. Myers, seconded by Mr. Newcomb,

WHEREAS, Section 33.1-221.1:1 of the Code of Virginia declares it to be in the public interest that access railroad tracks and facilities be constructed to certain industrial or commercial sites; and

WHEREAS, the Spotsylvania County Board of Supervisors has, by resolution, requested \$47,500 in Industrial Access Railroad Track funds for Dietrich Industries, Inc.; and

WHEREAS, it appears that this request falls within the intent of Section 33.1-221.1:1 and is in accordance with the provisions of the Commonwealth Transportation Board's policy on the use of Industrial Access Railroad Track funds; and



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WHEREAS, in accordance with the funding formula established by said policy, funding may be allocated to this project; and

WHEREAS, pursuant to Chapter 924, Item 505.A.1., of the 1997 Acts of the General Assembly, funding is provided for Industrial, Airport, and Rail Access projects; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose; and,

WHEREAS, the Board encourages Dietrich Industries, Inc., to work with its neighbor, A. Smith Bowman Distillery, to preserve, if practical, certain plantings adjacent to the right of way in question.

NOW THEREFORE, BE IT RESOLVED that the Board hereby approves that \$11,400 of the Industrial, Airport, and Rail Access Fund be provided to construct new track to serve Dietrich Industries, Inc., located in Spotsylvania County contingent upon:

1. all necessary right of way and utility adjustments being provided at no cost to the Commonwealth;
2. all costs above \$11,400, which is allocated herein as an industrial rail access grant, being borne by Dietrich Industries, Inc.; and
3. execution of an agreement acceptable to the Department of Rail and Public Transportation.

Motion carried.

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Item 15:

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Buckingham County Board of Supervisors has, by resolution, requested consideration for funding of certain improvements for the Buckingham Branch Railroad Company; and

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WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$170,000 of the Rail Development Programs Fund be provided to implement the project located in Buckingham County contingent upon:

1. the execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$170,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the Buckingham Branch Railroad Company, unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the City Council of Chesapeake has, by resolution, requested consideration for funding of certain improvements for the Chesapeake & Albemarle Railroad Company; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; and

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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 Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$63,000 of the Rail Development Programs Fund be provided to implement the project located in the City of Chesapeake contingent upon:

1. the execution of an agreement acceptable to the Department of Rail and Public Transportation.
2. All costs above \$63,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the Chesapeake & Albemarle Railroad Company, unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the City Council of Suffolk has, by resolution, requested consideration for funding of certain improvements for Commonwealth Railway, Inc.; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

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WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$118,000 of the Rail Development Programs Fund be provided to implement the project located in the City of Suffolk contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$118,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by Commonwealth Railway, Inc., unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Accomack-Northampton Transportation District Commission has, by resolution, requested consideration for funding of certain improvements for Eastern Shore Railroad, Inc.; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

8-21-97

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$263,000 of the Rail Development Programs Fund be provided to implement the project located in Accomack and Northampton Counties and the City of Virginia Beach contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$263,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by Eastern Shore Railroad, Inc., unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Southampton County Board of Supervisors has, by resolutions, requested consideration for funding of certain improvements for the North Carolina and Virginia Railroad Company; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

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NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$46,000 of the Rail Development Programs Fund be provided to implement the project located in Southampton County contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$46,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the North Carolina and Virginia Railroad Company unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Counties of Rockingham and Augusta Board of Supervisors and the City Council of Staunton have, by resolution, requested consideration for funding of certain improvements for the Shenandoah Valley Railroad Company; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 funds established by Item 517.A. of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

8-21-97

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$500,000 of the Rail Development Programs Fund be provided to implement the project, located in Rockingham and Augusta Counties and the City of Staunton, contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$500,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the Shenandoah Valley Railroad Company unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Prince Edward, Lunenburg, Nottoway, Charlotte and Mecklenburg Counties Boards of Supervisors have, by resolutions, requested consideration for funding of certain improvements for the Virginia Southern Railroad; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

8-21-97

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$170,000 of the Rail Development Programs Fund be provided to implement the project located in Prince Edward, Lunenburg, Nottoway, Charlotte and Mecklenburg Counties contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$170,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the Virginia Southern Railroad unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

\*\*\*

Moved by Mr. Neale, seconded by Mr. Newcomb, that

WHEREAS, the Commonwealth Transportation Board considers railways and rail corridors as an important element of the statewide transportation system; and

WHEREAS, the Frederick County Board of Supervisors and the City Council of Winchester have, by resolutions, requested consideration for funding of certain improvements for the Winchester and Western Railroad Company; and

WHEREAS, the improvements will allow the railroad to increase productivity and efficiency, which will help ensure the continuation of rail service to the localities in this area; 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 Item 517.A of Chapter 924 of the 1997 Acts of the General Assembly; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.



8-21-97

NOW, THEREFORE, BE IT RESOLVED that the Board believing that this project is for the common good of a region of the Commonwealth hereby approves that \$170,000 of the Rail Development Programs Fund be provided to implement the project located in Frederick County and the City of Winchester contingent upon:

1. execution of an agreement acceptable to the Department of Rail and Public Transportation; and
2. all costs above \$170,000 incurred during the FY 98 funding cycle or above 70 percent of the project cost, whichever is less, being borne by the Winchester and Western Railroad Company, unless the Commonwealth Transportation Board or others provide additional funds.

Motion carried.

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Item 16:

Moved by Mr. Rich, seconded by Mr. White, 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 licensed, public-use airports;" and

WHEREAS, the Warren County Board of Supervisors has, by appropriate resolution, requested Industrial Access Funds to serve the Success Industrial Park, located in Warren County, and said access is estimated to cost \$1,118,700; and

WHEREAS, the eligible portion of this project is estimated to cost \$555,800; 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 Boards policy on industrial access.

8-21-97

NOW, THEREFORE, BE IT RESOLVED that \$427,900 (\$300,000 unmatched and \$127,900 matched) of the 1997-98 Fiscal Year Industrial, Airport and Rail Access Fund be allocated to provide adequate access to the Success Industrial Park, located in Warren County, Project 0675-093-182, M501, contingent upon:

1. all necessary right of way, environmental assessments, and utility adjustments being provided at no cost to the Commonwealth;
2. the execution of an appropriate contractual agreement between the County of Warren (County) and the Virginia Department of Transportation (VDOT), to provide for the design, administration, construction, and maintenance of this project;
3. the payment of all ineligible project costs, and of any eligible project costs in excess of this allocation, from sources other than those administered by VDOT;
4. the provision of an appropriate bond or other acceptable surety device by the County to VDOT, not to expire before September 21, 2000. Such surety device shall provide for reimbursement to VDOT of any expenses incurred by the Industrial, Airport and Rail Access Fund for this project's construction not justified by the eligible capital outlay of industries constructed or under firm contract to be constructed on eligible parcels of the Success Industrial Park. If, by August 21, 2000, qualified industry has not been constructed or entered into firm contract to expend at least \$5,558,000 of eligible capital outlay on parcels served exclusively by this project, then an amount equal to 10% of up to \$3,000,000 and 5% of between \$3,000,000 and \$5,558,000 of eligible capital outlay will be credited toward the project's allocation. This surety may be released at an earlier date if qualified industry, with an expenditure of at least \$5,558,000 in eligible capital outlay, is constructed on an eligible parcel;
5. the provision of the required \$127,900 in matching funds by the County; and
6. VDOT determining eligible capital outlay in accordance with current policy and procedure.

Motion carried.

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Item 17:

Moved by Mr. Newcomb, seconded by Mr. White, 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 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 Petersburg City Council has, by resolution, requested the use of Recreational Access Funds to provide adequate access to the Petersburg Recreation Complex, located off Birdsong Road, east of Johnson Road, in the City of Petersburg, and said access is estimated to cost \$443,900; and

WHEREAS, this request has been considered by the 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 \$346,950 (\$250,000 unmatched and \$96,950 matched) from the 1997-98 Fiscal Year Recreational Access Fund be allocated to construct the access road to the Petersburg Recreation Complex, Project 9999-123-245, C501, contingent upon:

1. all necessary right of way, environmental assessments, and utility adjustments being provided at no cost to the Recreational Access Fund;

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2. the execution of an appropriate contractual agreement between the City of Petersburg (City) and the Virginia Department of Transportation (VDOT), to provide for the design, administration, construction and maintenance of this project;

3. the provision of the required \$96,950 in matching funds by the City; and

4. the payment of all ineligible project costs and all eligible project costs in excess of \$346,950 from sources other than the Recreational Access Fund.

Motion carried.

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Item 18:

Moved by Mr. Neale, seconded by Mr. Byrd, that

WHEREAS, pursuant to Section 33.1-12 (5) of the Code of Virginia the Commonwealth Transportation Board may enter into Agreements with the United States government; and

WHEREAS, it is proposed that an Agreement be entered into between the Board, acting by and through the Virginia Department of Transportation; the Eastern Federal Lands Division of the Federal Highway Administration; and the Forest Service, U. S. Department of Agriculture, for the administration of the Forest Highway Program in the Commonwealth of Virginia; and

WHEREAS, said Agreement defines the roles of each of the parties in the cooperative planning, programming, survey, design, construction and maintenance of forest highways in Virginia, in accordance with current federal and state law, regulations and policies; and

WHEREAS, the Commonwealth Transportation Board believes that it is appropriate to enter into this Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the Commissioner to enter into the Agreement.

Motion carried.

8-21-97

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Item 19:

Moved by Mr. Porter, seconded by Mr. Grubb, that

WHEREAS, in response to a formal request by the Prince William County board of Supervisors that Route 662 (Moore Drive) and Route 689 (Signal Hill Road) between Route 616 (Blooms Road) and Route 3000 (Prince William Parkway) be considered for restriction of through truck traffic pursuant to the provisions of Section 46.2-809 of the Code of Virginia, this matter has been carefully reviewed; and

WHEREAS, the Prince William County Board of Supervisors has conducted a public hearing on this restriction; and

WHEREAS, the routes in question traverse a predominately non-commercial area; and

WHEREAS, a restriction on the proposed routes would not present any undue hardship; and

WHEREAS, proper notice was given by posting signs and publishing notices advising the public of the proposed restriction and requesting written comments; and

WHEREAS, careful consideration has been given to the recommendations received, the available alternate routes and the past practices of the Department.

NOW, THEREFORE, BE IT RESOLVED that Route 662 (Moore Drive) and Route 689 (Signal Hill Road) between Route 616 (Blooms Road) and Route 3000 (Prince William Parkway) be restricted to through truck traffic in accordance with Section 46.2-809 of the Code of Virginia.

Motion carried.

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8-21-97

Item 20:

Moved by Mr. White, seconded by Mr. Byrd, that

WHEREAS, on December 13, 1989, the Commonwealth Transportation Board (the "Board") issued and sold \$200,000,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1989 (U.S. Route 58 Corridor Development Program), (the "Series 1989 Bonds"), pursuant to a resolution adopted by the Board on November 16, 1989, and a Master Agreement of Trust dated as of November 1, 1989, (the "U.S. Route 58 Master Trust Agreement"), as supplemented by First Supplemental Agreement of Trust dated as of November 1989, each between the Board and Dominion Trust Company (currently First Union National Bank), as trustee; and

WHEREAS, on February 8, 1995, the Board issued and sold \$60,810,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Series 1995A Bonds"), pursuant to a resolution adopted by the Board on December 15, 1994, and a Master Agreement of Trust dated as of August 15, 1993 (the "NVTD Program Master Trust Agreement"), as supplemented by a Second Supplemental Agreement of Trust dated as of January 15, 1995, each between the Board and the First Union National Bank, as trustee (the "Trustee"); and

WHEREAS, the Board is authorized to issue revenue refunding bonds pursuant to the State Revenue Bond Act, Section 33.1-267 et. seq. of the Code of Virginia of 1950, as amended; and

WHEREAS, upon recommendation by Public Resources Advisory Group, in its capacity as financial advisor to the Board (the "Financial Advisor"), the Board has determined to effect a present value debt service savings by taking advantage of current low interest rates and issuing and selling (a) Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997B (the "Series 1997B Bonds"), to provide funds to pay costs of issuance and advance refund certain of the Series 1995A Bonds (the "NVTD Program Refunded Bonds"), and (b) Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (the "Series 1997C Bonds", collectively with Series 1997B Bonds, the "Refunding Bonds"), to provide funds to pay costs of issuance and advance refund certain of the Series 1989 Bonds (the "U.S. Route 58 Program Refunded Bonds", collectively with the NVTD Program Refunded Bonds, the "Refunded Bonds"); and

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WHEREAS, the Board is authorized to determine the method of sale that is in the best interest of the Commonwealth and it is the recommendation of the Financial Advisor that the Refunding Bonds be sold by competitive bidding; and

WHEREAS, there have been presented to this meeting the following documents which the Board proposes to approve and cause to be executed to carry out the issuance of the Refunding Bonds and the defeasance and advance refunding of the Refunded Bonds, copies of which shall be filed with the records of the Board:

(a) Draft dated August 14, 1997, of a Fourth Supplemental Agreement of Trust (the "Fourth Supplemental Trust Agreement" and collectively with the NVTB Program Master Agreement as previously supplemented, the "NVTB Program Trust Agreement"), providing for the issuance and details of the Series 1997B Bonds and the defeasance of the NVTB Program Refunded Bonds;

(b) Draft dated August 14, 1997, of a Fifth Supplemental Agreement of Trust (the "Fifth Supplemental Trust Agreement" and collectively with the U.S. Route 58 Program Master Agreement as previously supplemented, the "U.S. Route 58 Program Trust Agreement"), providing for the issuance and details of the Series 1997C Bonds and the defeasance of the U.S Route 58 Program Refunded Bonds;

(c) Draft dated August 14, 1997, of a Preliminary Official Statement of the Board relating to the offering of the Refunding Bonds (the "Preliminary Official Statement"); and

(d) Draft dated August 14, 1997, of a Notice of Sale and Bid Form (collectively the "Notice of Sale") relating to the terms of the competitive bidding process for the Refunding Bonds; and

WHEREAS, the Fifth Supplemental Trust Agreement and the Fourth Supplemental Trust Agreement will be referred to collectively in this resolution as the "Financing Documents".

NOW, THEREFORE, BE IT RESOLVED that:

1. Authorization of Issuance of Refunding Bonds. The Board determines that it is in the best interest of the Commonwealth to issue and sell the Refunding Bonds to pay costs of issuance thereof and to advance refund certain of the Series 1989 Bonds and the Series 1995A Bonds to effect a present value debt service savings by taking advantage of current low interest rates. The Board authorizes the issuance and sale of the Refunding Bonds by competitive bidding, pursuant to the following terms and conditions: (a) the aggregate principal amount of the Series 1997B Bonds shall not exceed \$50,000,000, and the aggregate amount of the Series 1997C Bonds shall not exceed \$110,000,000, (b) the final maturities of the Series 1997B Bonds, the Series 1997C Bonds shall not extend beyond May 15, 2020 and May 15, 2019, respectively, (c) the aggregate "true" interest cost of the Refunding Bonds shall not exceed 6.0% per annum, taking into account any original issue discount or premium, and (d) the present value debt service savings on the Refunded Bonds is at least 4.0% of the principal amount of the Refunded Bonds.

2. Determination of Details of Refunding Bonds. The Board authorizes and directs the Chairman or his designee, subject to the limitations set forth in paragraph 1, (a) to determine and approve all of the final details of the Refunding Bonds, including, without limitation, the aggregate principal amount, the maturity schedule, the interest rates and the redemption provisions of the Refunding Bonds, the price at which the Refunding Bonds are to be sold to, and the prices at which the Refunding Bonds are to be reoffered by, the initial purchasers thereof, (b) to approve the final form of all documents that are appropriate to carry out the contemplated financing and irrevocable instructions to the Trustee to redeem the Refunded Bonds, (c) to complete and execute the Preliminary Official Statement as an official statement in final form (the "Official Statement"), and (d) to take all such further action as may be necessary or desirable for the issuance and sale of the Refunding Bonds.

3. Preparation of Documents. The Board authorizes and directs the staff of the Virginia Department of Transportation, the Attorney General's Office, as counsel to the Board, the Financial Adviser, and Christian & Barton, L.L.P., as bond counsel to the Board, to prepare all documentation and take all actions necessary or desirable to bring the Refunding Bonds to market as soon as practicable.



4. Preliminary Official Statement. The Preliminary Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the Chairman or his designee in connection with the offering and sale of the Refunding Bonds, is approved and the distribution thereof is authorized. The Board authorizes the Chairman or his designee to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission and of such pricing and other information permitted to be omitted by the Rule.

5. Notice of Sale. The form of the Notice of Sale is approved. The Chairman or his designee is authorized and directed to cause the Notice of Sale to be published and distributed to potential bidders for the Refunding 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.

6. Acceptance of Bids. The Chairman or his designee is authorized and directed to accept the bids for the purchase of the Refunding Bonds and to award the Refunding Bonds to the bidder (the "Winning Bidder") whose bid offers to purchase the Refunding Bonds at the price and interest rates that result in the lowest true interest cost to the Commonwealth, as determined by the Financial Advisor, 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 Refunding Bonds shall not be less than 99%, or greater than 101%, of the Refunding Bonds' aggregate principal amount. The Chairman or his designee also is authorized to postpone the sale date or amend the terms of the offering as may be provided in the Notice of Sale.

7. Limited Obligations. The Refunding Bonds shall be limited obligations of the Board, payable solely from Revenues, as defined in the U.S. Route 58 Program Trust Agreement or the NVTID Program Trust Agreement, as applicable, and the Funds created thereunder, and nothing in the Refunding Bonds or in the U.S. Route 58 Program Trust Agreement or NVTID Program Trust Agreement, as applicable, shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision hereof.

8. Official Statement. The Board authorizes and directs the staff of the Virginia Department of Transportation and the Financial Advisor to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice-Chairman of the Board, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his approval of the Official Statement and that the Board has deemed it final within the meaning of the Rule. The Board authorizes and directs its staff to arrange for the delivery to the Winning Bidder of a reasonable number of copies of the Official Statement, within seven business days after the date hereof, for distribution by the Winning Bidder to each potential investor requesting a copy thereof and to each person to whom the Winning Bidder initially sells Refunding Bonds. The Board authorizes and approves the distribution of the Official Statement by the Winning Bidder.

9. Execution and Delivery of Refunding Bonds. The Board authorizes and directs its Chairman or its Vice-Chairman, the Commonwealth Transportation Commissioner, and the Secretary of the Board to have the Refunding Bonds prepared and executed pursuant to the U.S. Route 58 Program Trust Agreement, or the NVTD Program Trust Agreement, as applicable, to deliver them to the Trustee for authentication, and to cause the Refunding Bonds so executed and authenticated to be delivered to or for the account of the purchaser upon payment of the purchase price to be determined by the Chairman or his designee. The approval of the Chairman or his designee shall be evidenced conclusively by the execution and delivery of the Refunding Bonds.

10. Execution of Financing Documents. The Board authorizes and directs the Chairman or his designee to execute the Financing Documents in substantially the forms presented to this meeting, which are approved, with such completions, omissions, insertions and changes as may be approved by the Chairman or his designee, the execution by the Chairman or his designee to constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes.

11. Determination and Defeasance of Refunded Bonds. The Chairman or his designee is authorized and directed to determine which of the Series 1989 Bonds and the Series 1995A Bonds are to be defeased and the applicable redemption dates in accordance with the U.S. Route 58 Program Trust Agreement or the NVTD Program Trust Agreement, as applicable. Upon issuance of the

Refunding Bonds (a) the Board authorizes and directs the defeasance and the redemption on such redemption dates of the Refunded Bonds, with proceeds of the refunding Bonds to be held by the Trustee in escrow irrevocably therefor in accordance with the U.S. Route 58 Program Trust Agreement or the NVTD Program Trust Agreement, as applicable, and (b) the Board directs the Trustee to irrevocably call for redemption of the Refunded Bonds and to prepare and give notices of defeasance and redemption all in accordance with the provisions of the Fifth Supplemental Trust Agreement and the Fourth Supplemental Trust Agreement.

12. Authorization of Further Action. The Board authorizes and directs its officers and the employees of the Virginia Department of Transportation to execute and deliver all documents, certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Refunding Bonds and the defeasance and refunding of the Refunded Bonds, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Refunding Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Service Code of 1986, as amended, and regulations thereunder, applicable to "arbitrage bonds", (b) providing for the rebate of any "arbitrage rebate amounts" earned on investment of proceeds of the Refunding Bonds to the United States, and (c) execution and delivery of any agreements providing for investment of proceeds of the Refunding Bonds to be held in escrow by the Trustee to defease the Refunded Bonds.

13. Continuing Disclosure. The Board covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices", all as described in the Fifth Supplemental Trust Agreement or the Fourth Supplemental Trust Agreement, as applicable, for the benefit of holders of the Refunding Bonds to assist the Winning Bidder in complying with the Rule. The Board authorizes and directs its officers to execute any documents or agreements on behalf of the Board necessary or desirable to provide for such continuing disclosure.

14. Effective Date. This Resolution shall be effective immediately.

Motion carried.

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DRAFT DATED AUGUST 14, 1997

FOURTH SUPPLEMENTAL AGREEMENT OF TRUST

between

COMMONWEALTH TRANSPORTATION BOARD

and

FIRST UNION NATIONAL BANK,  
as Trustee

Dated as of \_\_\_\_\_, 1997

Authorizing the Issuance of \$ \_\_\_\_\_  
Commonwealth of Virginia Transportation Revenue Refunding Bonds,  
Series 1997B (Northern Virginia Transportation District Program)

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**THIS FOURTH SUPPLEMENTAL AGREEMENT OF TRUST** dated as of \_\_\_\_\_, 1997, between the **COMMONWEALTH TRANSPORTATION BOARD**, (the "Board"), and **FIRST UNION NATIONAL BANK**, a banking association organized and existing under the laws of the United States of America and having a corporate trust office in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, herein called the "Trustee"),

**W I T N E S S E T H :**

**WHEREAS**, pursuant to the State Revenue Bond Act, Sections 33.1-267 et seq. of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Board has the power to issue revenue bonds to finance the cost of projects authorized by the General Assembly of Virginia (the "General Assembly"), including expenses necessary or incident to the financing, and to issue bonds to refund such revenue bonds;

**WHEREAS**, the General Assembly in Section 33.1-221.1:3 of the Virginia Code declared it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Northern Virginia, which shall be known as the Northern Virginia Transportation District Program (the "Program");

**WHEREAS**, the General Assembly in Section 58.1-815.1 of the Virginia Code created in the Department of the Treasury a special nonreverting fund known as the Northern Virginia Transportation District Fund (the "Northern Virginia Transportation District Fund"), as part of the Transportation Trust Fund, consisting of transfers pursuant to Section 58.1-816 of the Virginia Code of a portion of the annual collections of the state recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun and Prince William;

**WHEREAS**, the funds on deposit in the Northern Virginia Transportation District Fund may be used to finance costs related to the Program, including payments of debt service on related Commonwealth of Virginia Transportation Revenue Bonds;

**WHEREAS**, the Board and the Trustee entered into a Master Agreement of Trust dated as of August 15, 1993 (the "Master Trust Agreement"), supplemented by a First Supplemental Agreement of Trust dated as of August 15, 1993, pursuant to which the Board issued \$134,060,000 principal amount of its Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"), a Second Supplemental Agreement of Trust dated as of January 15, 1995, pursuant to which the Board issued \$60,810,000 principal amount of its Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Series 1995A Bonds") and a Third

Supplemental Agreement of Trust dated as of November 1, 1996, pursuant to which the Board issued \$70,890,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1996A (Northern Virginia Transportation District Program) (the "Series 1996A Bonds", and collectively with the Series 1993C Bonds and the Series 1995A Bonds, the "Parity Bonds");

**WHEREAS**, the Board is not in default under the Agreement or in payment of the principal of or interest on the Parity Bonds;

**WHEREAS**, within the limitations of and in compliance with the Agreement, the Board is authorized to issue additional Bonds ("Additional Bonds"), secured on parity with the Parity Bonds to the extent provided in the Agreement, to refund any Bonds;

**WHEREAS**, the Board has determined to effect debt service savings by issuing a series of Additional Bonds under the Agreement the proceeds of which shall be used to advance refund certain of the Series 1995A Bonds and to pay for related costs of issuance;

**WHEREAS**, the Master Trust Agreement provides that, in connection with the issuance of Additional Bonds, the Board shall execute and deliver to the Trustee a supplemental agreement authorizing the issuance of such Additional Bonds and setting forth the provisions thereof; and

**WHEREAS**, the Board has taken all necessary action to make its Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997B (Northern Virginia Transportation District Program), when authenticated by the Trustee and issued by the Board, valid and binding limited obligations of the Board and to constitute this Fourth Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 1997B Bonds as a series of Additional Bonds;

**NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL AGREEMENT WITNESSETH** that the Board does covenant and agree with the Trustee and with the respective Holders, from time to time, of the outstanding Parity Bonds and Series 1997B Bonds, as follows:

#### **ARTICLE I**

##### **FOURTH SUPPLEMENTAL AGREEMENT; AMENDMENTS TO AGREEMENT**

**Section 101. Authorization of Supplemental Agreement.** This Fourth Supplemental Agreement is authorized and executed by the Board and delivered to the Trustee pursuant to and in accordance with Articles III and XI of the Master Trust Agreement. All covenants, conditions and agreements of the Agreement shall apply with full force and effect to the Series 1997B Bonds and to the Holders thereof, except as otherwise provided herein.

**Section 102. Definitions.** Except as otherwise defined herein, terms defined in the Agreement are used in this fourth



Supplemental Agreement with the meanings assigned to them in the Agreement. In addition, the following terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, subsection (b) of Section 701.

"Dissemination Agent" shall mean the Board, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Escrow Fund" shall mean the Escrow Fund established in Section 402.

"Fiscal Year" shall mean the twelve-month period, at the end of which the Board's financial position and the results of its operations for the preceding 12 months are determined. Currently, the Board's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Fourth Supplemental Agreement" means this Fourth Supplemental Agreement of Trust between the Board and the Trustee, which supplements and amends the Agreement.

"Letter of Representations" means the blanket Letter of Representations dated November 19, 1996, from the Board and the Trustee to the initial Securities Depository and any amendments thereto or any successor agreements between the Board and the Trustee and any successor Securities Depository, relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 1997B Bonds. Notwithstanding any provision of the Agreement, including Article XI of the Master Trust Agreement, the Trustee may enter into any such amendment or successor agreement without the consent of Holders of the Series 1997B Bonds.

"Listed Events" shall mean any of the events listed in subsection (b) (5) (i) (C) of the Rule, which as of the date hereof includes: (a) principal and interest payment delinquencies; (b) non-payment related defaults; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax options or events affecting the tax-exempt status of the security; (g) modifications to rights of security holders; (h) bond calls; (i) defeasances; (j) release, substitution or sale of property securing repayment of the securities; and (k) rating changes.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Official Statement" shall mean the Board's Official Statement dated \_\_\_\_\_, 1997, with respect to the offering of the Series 1997B Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Series 1997B Bonds required to comply with the Rule in connection with the offering of the Series 1997B Bonds.

"Rebate Amount" means the excess of the future value of all nonpurpose receipts with respect to the Series 1997B Bonds over the future value of all nonpurpose payments with respect to the Series 1997B Bonds, in each case calculated under Section 602 pursuant to the requirements of Section 148 of the Code, or such other amount of arbitrage required to be rebated to the United States of America under Section 148 of the Code.

"Rebate Amount Certificate" has the meaning set forth in Section 602.

"Refunded Bonds" shall mean the Series 1995A Bonds maturing on May 15 in years \_\_\_\_\_.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended and officially interpreted from time to time.

"Securities Depository" means The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 1997B Bonds appointed pursuant to Section 203 of this Fourth Supplemental Agreement, and their successors.

"Series 1997B Bonds" means the \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997B (Northern Virginia Transportation District Program), authorized to be issued by Article II of this Fourth Supplemental Agreement.

"State Repository" shall mean each National Repository and each State Repository.

Section 103. Reference to Articles and Sections. Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Fourth Supplemental Agreement.

**ARTICLE II**

**AUTHORIZATION, DETAILS AND FORM OF SERIES 1997B BONDS**

**Section 201. Authorization of Series 1997B Bonds.** There are authorized to be issued as Additional Bonds pursuant to Article III of the Master Trust Agreement a series of transportation revenue refunding bonds of the Board in the aggregate principal amount of \$\_\_\_\_\_ which shall be designated "Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997B (Northern Virginia Transportation District Program)" to provide funds to defease the Refunded Bonds in accordance with the provisions of Article IV and to pay costs of issuance of the Series 1997B Bonds and refunding the Refunded Bonds.

**Section 202. Details of Series 1997B Bonds.** (a) The Series 1997B Bonds shall be dated \_\_\_\_\_, 1997, shall be issued only as registered bonds in denominations of \$5,000 or multiples thereof, shall be numbered R-1 upward, shall bear interest at rates per year (calculated on the basis of a 360-day year composed of 12 months of 30 days each), payable semiannually on each May 15 and November 15, beginning May 15, 1998, and shall mature in installments on May 15 in years and amounts at such rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1998	\$		2010	\$	
1999			2011		
2000			2012		
2001			2013		
2002			2014		
2003			2015		
2004			2016		
2005			2017		
2006			2018		
2007			2019		
2008			2020		
2009					

Each Series 1997B Bond shall bear interest from its date. If any principal of or interest on any Series 1997B Bond is not paid when due (whether at maturity, by acceleration or call for redemption or other wise), the overdue installments of principal shall bear interest until paid at the same rate set forth in such Series 1997B Bond.

(b) Principal of the Series 1997B Bonds and the premium, if any, thereon shall be payable to the Holders thereof upon the surrender of such Bonds at a corporate trust operations office designated by the Trustee. Interest on the Series 1997B Bonds shall be payable by check or draft mailed to the Holders thereof at their addresses as they appear on the registration books kept by the Trustee [on the first day of the month in which the

interest payment date occurs) or, upon written request of a Holder of more than \$1,000,000 principal amount of Series 1997B Bonds, by wire transfer to such Holder's account as set forth on such request.

(c) Except as otherwise provided herein, the Series 1997B Bonds shall be payable, executed, authenticated, registered, exchangeable and secured, all as set forth in the Agreement.

**Section 203. Securities Depository Provisions.** (a) Initially, one bond certificate for each maturity of the Series 1997B Bonds will be issued and registered to the Securities Depository, or its nominee. The Board and the Trustee have entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 1997B Bonds.

(b) In the event that (i) the Securities Depository determines not to continue to act as a securities depository for the Series 1997B Bonds by giving notice to the Trustee and the Board discharging its responsibilities hereunder, or (ii) the Board in its sole discretion determines (A) that beneficial owners of Series 1997B Bonds shall be able to obtain certificated Series 1997B Bonds or (B) to select a new Securities Depository, then the Trustee shall, at the direction of the Board, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 1997B Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 204; provided, however, that such form shall provide for interest on the Bonds to be payable (x) from \_\_\_\_\_, 1997, if it is authenticated prior to May 15, 1998, or (y) otherwise from the May 15 or November 15 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case interest on such Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 1997B Bonds, the Trustee shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 1997B Bonds will then be registrable, transferable and exchangeable as set forth in Section 204 of the Master Trust Agreement.

(c) So long as there is a Securities Depository for the Series 1997B Bonds (i) it or its nominee shall be the registered owner of the Series 1997B Bonds, (ii) notwithstanding anything to the contrary in the Agreement, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (iii) the Board and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants

or persons acting through such participants, (iv) references in the Agreement to registered owners of the Series 1997B Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 1997B Bonds, and (v) in the event of any inconsistency between the provisions of the Agreement and the provisions of the Letter of Representations such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

**Section 204. Form of Series 1997B Bonds.** The Series 1997B Bonds shall be in substantially the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Agreement and this Fourth Supplemental Agreement.

**Section 205. Delivery of Series 1997B Bonds.** The Trustee shall authenticate and deliver the Series 1997B Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Trust Agreement.

### ARTICLE III

#### REDEMPTION OF SERIES 1997B BONDS

**Section 301. Redemption Dates and Prices.** The Series 1997B Bonds may not be called for redemption by the Board except as provided in this Article.

**Section 302. Optional Redemption.** The Series 1997B Bonds maturing on or after May 15, 2008, are subject to redemption prior to maturity at the option of the Board on or after May 15, 2007, in whole or in part, in increments of \$5,000 or integral multiples thereof, at any time, upon payment of the following redemption prices (expressed as a percentage of principal amount of the Series 1997B Bonds to be redeemed) plus accrued interest to the redemption date:

101% if redeemed May 15, 2007, through May 14, 2008, inclusive;  
100% if redeemed May 15, 2008, through May 14, 2009, inclusive;  
100% if redeemed May 15, 2009, or thereafter.

**Section 303. Mandatory Redemption.** (a) Series 1997B Bonds maturing on May 15, \_\_\_\_\_, are required to be redeemed prior to maturity on May 15 in years and amounts upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

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

(b) The Trustee shall credit against the amount of Series 1997B Bonds to be redeemed pursuant to this section an amount equal to the principal amount of any Series 1997B Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased or that have been purchased by the Board or by the Trustee on behalf of the Board and delivered to the Trustee for cancellation at least 70 days before such date, provided that such Series 1997B Bonds have not previously been applied as a credit against any mandatory redemption payment, in accordance with the provisions of Section 602 of the Master Trust Agreement.

**Section 304. Manner of Redemption.** If less than all of the Series 1997B Bonds are called for redemption, the maturities of Series 1997B Bonds to be redeemed shall be selected by the Board. If less than all of the Series 1997B Bonds of any maturity are called for redemption, the Series 1997B Bonds or portions thereof to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or if the book-entry system is discontinued, shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine, each portion of \$5,000 principal amount being counted as one Series 1997B Bond for such purpose. If a portion of a Series 1997B Bond shall be called for redemption, a new Series 1997B Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon surrender thereof.

**Section 305. Notice of Redemption.** Notice of redemption of Series 1997B Bonds shall be given in the manner set forth in Section 402 of the Master Trust Agreement.

#### ARTICLE IV

##### **ESTABLISHMENT OF A COSTS OF ISSUANCE ACCOUNT; PROCEEDS OF SERIES 1997B BONDS; ESCROW FUND**

**Section 401. Series 1997B Costs of Issuance Account.** There is established in the Bond Fund pursuant to Sections 305(a)(1) and 604 of the Master Trust Agreement the "Series 1997B Costs of Issuance Account" to be held by the Trustee. The Trustee shall use the money in the Series 1997B Costs of Issuance Account to pay or to reimburse the Board for its payment of the issuance costs and other financing expenses of the Series 1997B Bonds. Money in the Series 1997B Costs of Issuance Account may be invested by the Trustee, as directed by the State Treasurer after consultation with an Authorized Representative of the Board, in any investments in which money in the Bond Fund may be invested with a maturity not later than the date on which such money may be needed to pay the above-described costs and expenses, but in no event later than

April 15, 1998. As a condition precedent to each disbursement from the Series 1997B Costs of Issuance Account, the Board shall file or cause to be filed with the Trustee a requisition, stating the name of the person to whom the payment is to be made, the amount of the payment and the purpose in reasonable detail for which the obligation to be paid was incurred. Any money, including investment earnings, remaining in the Series 1997B Costs of Issuance Account after the earlier to occur of the date all such costs and expenses are paid or April 15, 1998, shall be transferred by the Trustee, upon receipt of a requisition signed by an Authorized Representative of the Board, to the Interest Account in the Bond Fund and credited against amounts required to be deposited therein for the payment of interest on the Series 1997B Bonds (which constitutes a Cost of the Program) on or before the next succeeding Payment Date.

**Section 402. Use of Proceeds of Series 1997B Bonds.** The proceeds of the Series 1997B Bonds shall be paid to the State Treasurer by the initial purchaser or purchasers of the Series 1997B Bonds, delivered by the State Treasurer to the Trustee and deposited by the Trustee simultaneously with the delivery of such Bonds as follows:

(a) the sum of \$ \_\_\_\_\_, representing accrued interest on the Series 1997B Bonds from their dated date to the date of the issuance thereof shall be deposited in the Interest Account of the Bond Fund and used to pay accrued interest on the Series 1997B Bonds on May 15, 1998;

(b) the sum of \$ \_\_\_\_\_ shall be deposited in the Escrow Fund to be invested and used, together with interest earnings thereon, by the Trustee for the sole purpose of paying principal of and premium, if any, and interest on the Refunded Bonds.

(c) the balance of the proceeds (\$ \_\_\_\_\_) shall be deposited in the Series 1997B Costs of Issuance Account.

**Section 403. Establishment of Escrow Fund.** Pursuant to Section 305(a)(3) of the Master Trust Agreement, there is created and established a special, irrevocable escrow fund designated the "Commonwealth Transportation Escrow Fund - Series 1995A Bonds" (the "Escrow Fund") to be held by the Trustee as a trust fund for the sole benefit of the Holders of the Refunded Bonds, separate and apart from other funds of the Board and the Trustee. Amounts in the Escrow Fund are irrevocably pledged to the payment of the Refunded Bonds. The deposit and pledge hereunder are made for the benefit of the Holders from time to time of the Refunded Bonds and may not be revoked by the parties hereto. Under no circumstances shall the Trustee ever assert a lien on any cash or securities held in the Escrow Fund for any of its fees or expenses.

**Section 404. Purchase of Escrow Obligations.** The Trustee, concurrently with the deposit of the funds described in Section

401(b) shall use moneys in the Escrow Fund to purchase the United States Treasury Securities (the "Escrow Obligations") described in Exhibit C and to provide an initial cash deposit of \$\_\_\_\_\_. Investments in mutual funds or unit investment trusts are prohibited.

**Section 405. Use of Moneys in Escrow Fund.** The Trustee shall collect the principal of and interest on the Escrow Obligations as the same become due. The Trustee shall use moneys in the Escrow Fund to pay principal of and redemption premium, if any, and interest on the Refunded Bonds on the dates and in the amounts shown in Exhibit D.

**Section 406. Notice of Defeasance.** The Trustee is directed to mail notice of the provision for payment of the Refunded Bonds, in substantially the form of Exhibit E, within five days after issuance of the Series 1997B Bonds to the registered owners of the Refunded Bonds at their addresses appearing on the registration books of the Trustee and to the organizations described in Section 402(b) and (c) of the Master Trust Agreement.

**Section 407. Redemption of Refunded Bonds; Irrevocable Instructions; Notice.** The Board irrevocably elects to redeem the Refunded Bonds on May 15, 2004, upon payment of the principal amount thereof plus interest accrued and unpaid to the redemption date, and a redemption premium of 10 1/8 percent of the principal amount. The Trustee is irrevocably authorized and directed to, and agrees that it will, at the expense of the Board, cause notice of the call for such redemption identifying the Refunded Bonds being called for redemption on such date, in substantially the form of Exhibit F, to be given in the manner and to the persons specified in Section 402 of the Master Trust Agreement.

**Section 408. Reinvestment upon Maturity of Escrow Obligations.** Any principal of or interest on the Escrow Obligations received by the Trustee and not needed when received to make the aforesaid payments on the Refunded Bonds shall remain in trust and shall be reinvested in noncallable direct obligations of the United States Treasury as directed by the Board that, based on their acquisition price, have a "yield" within the meaning of Section 148 of the Code of zero percent (0%) and that mature in an amount at least equal to their purchase price and not later than needed to make payments on the Refunded Bonds on or before the dates and in the amounts shown on Appendix B, for the benefit of the Holders of the Refunded Bonds until applied as described in Section 406. If such obligations are not available, such principal and interest received shall be held in cash uninvested. The Escrow Fund shall continue in effect to and including the date upon which the Trustee makes the payment of principal, premium and interest on the Refunded Bonds on May 15, 2004, pursuant to Section 406, whereupon the Trustee shall sell or redeem any investments remaining in the Escrow Fund and transfer the proceeds therefrom, together with any cash to the Principal Account in the Bond Fund.



**Section 409. Amendments; Substitute Obligations.** (a) This Article IV is irrevocable and shall not be amended without the consent of the Trustee and all Holders of the Refunded Bonds; provided, however, that the Board and the Trustee may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Article IV ("Amendments") as shall not adversely affect the rights of such Holders and as shall not be inconsistent with the intent of the terms and provisions of this agreement, for the purpose described in subsection (b) of this section or for any one or more of the following purposes:

(1) to cure any ambiguity or formal defect or omission in this Article IV;

(2) to grant to, or confer upon, the Trustee for the benefit of such Holders of any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Trustee;

(3) to subject to the Escrow Fund additional funds, securities or properties; and

(4) to sever any invalid provision from this Article IV.

The Trustee shall not undertake or execute any Amendment unless it has received an opinion of an independent certified public accountant reasonably acceptable to the Trustee that after such Amendment the interest on and maturing principal of the Escrow Obligations and any other funds then held pursuant to this Fourth Supplemental Trust Agreement will provide moneys in amounts and at times as necessary to pay when due without any further reinvestment all principal of and redemption premium and interest on the Refunded Bonds as the same are due or are called for redemption as set forth in Section 406, and an opinion of Bond Counsel that (i) if such Amendment had been adopted on the date of issuance of the Series 1997B Bonds such expectation would not have caused any of the Series 1997B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations and rulings thereunder applicable to such bonds on the date of the Amendment; (ii) the Amendment will not cause any of the Refunded Bonds to be "arbitrage bonds," and (iii) the Amendment complies with the requirements of this Section.

(b) At any time the Board provides the Trustee (1) cash and noncallable direct obligations of the United States of America (the "Substitute Obligations") for deposit in the Escrow Fund in substitution for any of the cash or Escrow Obligations described in Section 403, (2) a report of independent certified public accountants acceptable to the Trustee verifying that such Substitute Obligations, together with any remaining cash and Escrow Obligations, are sufficient to pay when due without any further reinvestment the principal of and premium and interest on the

Refunded Bonds through May 15, 2004, and to redeem on May 15, 2004, all of the Refunded Bonds, as set forth in Section 406, and (3) an opinion of Bond Counsel that such substitution of Substitute Obligations will not affect adversely the treatment of interest on the Series 1997B Bonds and the Refunded Bonds for purposes of Federal income taxation, then the Trustee shall accept such Substitute Obligations and release to the Board such of the cash and Escrow Obligations as are no longer necessary to provide for payment of the Refunded Bonds as described in Section 406.

(c) The Trustee shall provide draft copies of any proposed amendment or severance of this Article IV prior to its execution to (1) Moody's Investors Service, 99 Church Street, Attn: Public Finance Ratings Desk - Refunded Bonds, New York, New York 10007; (2) Standard & Poor's Ratings Group, 25 Broadway, New York, New York 10004; and (3) Fitch Investors Service, L.P., One State Street Plaza, New York, New York 10004.

#### ARTICLE V

##### SECURITY FOR SERIES 1997B BONDS

**Section 501. Security for Series 1997B Bonds.** The Series 1997B Bonds shall be issued pursuant to the Agreement and shall be equally and ratably secured under the Agreement with the Series 1993C Bonds, the Series 1995A Bonds, the Series 1996A Bonds and any other series of Bonds issued pursuant to Article III of the Master Trust Agreement, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Agreement; provided, however, that neither the Series 1997B Bonds nor any Bonds except the Refunded Bonds shall be secured by amounts in the Escrow Fund.

#### ARTICLE VI

##### ARBITRAGE REBATE; OTHER TAX RESTRICTIONS

**Section 601. Rebate Requirement.** Except with respect to earnings on funds and accounts qualifying for exceptions, to the rebate requirement of Section 148 of the Code, the Board shall determine and pay, from any legally available source, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this Article, and shall retain records of all such determinations until six years after payment of the Series 1997B Bonds.

**Section 602. Calculation and Report of Rebate Amount.** (a) The Board selects June 30 as the end of the "bond year" with respect to the Series 1997B Bonds pursuant to Treasury Regulations Section 1.148-8(b)(2).

(b) Within 45 days after the last day of the fifth bond year after issuance of the Series 1997B Bonds, unless the bond year is changed by the Board prior to the date that any amount with respect to the Series 1997B Bonds is paid or required to be paid to the United States of America as required by Section 148 of the Code (the "Initial Installment Computation Date"), and at least once every five years thereafter, the Board shall cause the Rebate Amount to be computed and will deliver a copy of such computation (the "Rebate Amount Certificate") to the Trustee. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, the Rebate Amount Certificate setting forth such Rebate Amount shall be prepared or approved by (i) a person with experience in matters of governmental accounting for federal income tax purposes, (ii) a bona fide arbitrage rebate calculation reporting service, or (iii) Bond Counsel experienced in preparing or approving such rebate calculation.

**Section 603. Payment of Rebate Amount.** (a) Not later than 60 days after the Initial Installment Computation Date, the Board shall pay to the United States of America at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the Initial Installment Computation Date and on or before 60 days after every fifth anniversary date thereafter until final payment of the Series 1997B Bonds, the Board shall pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after final payment of the Series 1997B Bonds, the Board shall pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 1997B Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments shall be made by the Board from any legally available source.

(b) Notwithstanding any provision of this Fourth Supplemental Agreement to the contrary, no such payment shall be made if the Board receives and delivers to the Trustee an opinion of Counsel experienced in preparing or approving such rebate calculation, to the effect that (i) such payment is not required under the Code in order to prevent the Series 1997B Bonds from becoming "arbitrage bonds" within the meaning of Section 148 of the Code or (ii) such payment should be calculated and paid on some alternative basis under the Code, and the Board complies with such alternative basis.

**Section 604. Reports by Trustee.** The Trustee shall provide the Board within 10 days after each June 30 or other computation date selected by the Board and within 10 days after the final payment of the Series 1997B Bonds with such reports and information with respect to earnings of amounts held under the Agreement as may

be requested by the Board in order to comply with the provisions of this Article.

**Section 605. Other Tax Covenants.** The Board covenants with the Holders of the Series 1997B Bonds as follows:

(a) The Board shall not take or omit to take any action or approve the Trustee's taking any action or making any investment or use of the proceeds of any Series 1997B Bonds (including failure to spend the same with due diligence) the taking or omission of which will cause the Series 1997B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including without limitation participating in any issue of obligations that would cause the Series 1997B Bonds to be part of an "issue" of obligations that are arbitrage bonds, within the meaning of Treasury Regulations Section 1.150-1(c) or successor regulation, or otherwise cause interest on the Series 1997B Bonds to be includable in the gross income for federal income tax purposes of the registered owners under existing law.

(b) Barring unforeseen circumstances, the Board shall not approve the use of the proceeds from the sale of any Series 1997B Bonds otherwise than in accordance with the Board's "non-arbitrage" certificate delivered immediately prior to the issuance of the Series 1997B Bonds.

(c) The Board shall not permit the proceeds of the Series 1997B Bonds to be used in any manner that would result in either (i) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (ii) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (iii) 5% or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Board receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 1997B Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Board need not comply with such restriction.

(d) The Board shall not take any other action that would affect adversely, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 1997B Bonds from gross income for federal income tax purposes.

## ARTICLE VII

### CONTINUING DISCLOSURE

**Section 701. Undertaking.** (a) This continuing disclosure undertaking is being made by the Board for the benefit of the Holders and to assist the Participating Underwriters in complying with the Rule. The Board acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Section 701.

(b) Not later than 10 months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 1997, the Board shall provide, or shall cause the Dissemination Agent (if different from the Board) to provide, to each Repository an Annual Report that is consistent with the requirements of Section 702. Not later than 10 days prior to such date, the Board shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report (1) may be submitted as a single document or as separate documents comprising a package, (2) may cross-reference other information as provided in Section 702, and (3) shall include such other information as may be required by the Rule.

(c) If the Board fails to provide an Annual Report to the Repositories by the date required in (b), the Board shall send, or shall cause the Dissemination Agent to send, an appropriate notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit B.

**Section 702. Content of Annual Reports.** Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting Participating Underwriters in complying with the Rule:

(a) updated information regarding the Program as set forth under the section "Northern Virginia Transportation District Program" in the Official Statement, including bond authorization for projects included in the Program; and

(b) updated information regarding (1) the Northern Virginia Transportation District Fund, the Transportation Trust Fund and State Recordation Tax Collections, all as set forth in sections bearing such headings in the Official Statement, and (2) any other funds appropriated by the Virginia General Assembly, including funds appropriated and allocated to the Northern Virginia Highway Construction District, with respect to the Bonds or the Program each as of the end of the preceding Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Board or the Commonwealth, which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so incorporated by reference.

**Section 703. Reporting of Listed Events.** The Board will provide, or cause the Dissemination Agent (if different from the Board) to provide, in a timely manner to the Municipal Securities Rulemaking Board and to each State Repository, if any, notice of any of the Listed Events with respect to the Bonds, if material.

**Section 704. Dissemination Agent.** The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its Undertaking and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Board shall be the Dissemination Agent.

**Section 705. Amendment.** Notwithstanding any other provision of the Agreement, the Board may amend its Undertaking as set forth in this Article VII if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

**Section 706. Additional Information.** Nothing in this Article VII shall be deemed to prevent the Board or the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Article VII or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Article VII. If the Board or the Dissemination Agent chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Article VII, the Board shall have no obligation under this Article VII to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 707. Default.** In the event of a failure of the Board to file its Annual Report, any person referred to in Section 708 may take such actions as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Board to file its Annual Report or to give notice of a Listed Event. In addition, Holders of not less than a majority in aggregate principal amount of Series 1997B Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Article VII or to enforce any other obligation of the Board hereunder. A default under this Article VII shall not be deemed an event of default under the Agreement or the Series 1997B Bonds, and the sole remedy under this Article VII in the event of any failure of the Board to comply with its Undertaking shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

**Section 708. Beneficiaries.** This Undertaking shall inure solely to the benefit of the Board, the Participating Underwriters, and Holders, which for all purposes of this Article VII shall include beneficial owners of Series 1997B Bonds registered to the Securities Depository, from time to time of the Series 1997B Bonds, and shall create no rights in any other person or entity.

**Section 709. Termination.** The obligations of the Board pursuant to its Undertaking shall terminate upon the earlier to occur of the legal defeasance or final retirement of all of the Series 1997B Bonds.

## ARTICLE VIII

### MISCELLANEOUS

**Section 801. Limitation of Rights.** With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Fourth Supplemental Agreement is intended or shall be construed to give any person other than the parties hereto and the Holders of the Series 1997B Bonds any legal or equitable right, remedy or claim under or in respect to this Fourth Supplemental Agreement or any covenant, condition and agreement herein contained; this Fourth Supplemental Agreement and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Series 1997B Bonds as herein provided.

**Section 802. Limitation of Liability of Members, etc., of Board.** No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member, officer, employee or agent of the Board in his individual capacity, and neither the members of the Board nor any officer thereof executing the Series 1997B Bonds shall be liable personally on the Series 1997B Bonds or be subject to any personal liability or accountability by reason of issuance thereof. No member, officer, employee, agent or advisor of the Board shall incur any personal liability with respect to any other action taken by him pursuant to the Agreement or the Board Statute, provided such member, officer, employee, agent or advisor acts in good faith.

**Section 803. Successors and Assigns.** This Fourth Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the Board and its successors and by the Trustee and its successors and assigns.

**Section 804. Severability.** If any provision of this Fourth Supplemental Agreement shall be held illegal or invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Fourth Supplemental Trust Agreement shall be construed and enforced as if such illegal provision had not been contained.

**Section 805. Applicable Law.** This Fourth Supplemental Agreement shall be governed by the applicable laws of the Commonwealth.

**Section 806. Counterparts.** This Fourth Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the Board and the Trustee have caused this Fourth Supplemental Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**COMMONWEALTH TRANSPORTATION BOARD**

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

**FIRST UNION NATIONAL BANK  
OF VIRGINIA,  
as Trustee**

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



EXHIBIT A

REGISTERED

REGISTERED

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\$ \_\_\_\_\_

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COMMONWEALTH TRANSPORTATION BOARD

Commonwealth of Virginia Transportation Revenue Refunding Bond,  
Series 1997B

(Northern Virginia Transportation District Program)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	May 15, _____	_____, 1997	928184 _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Commonwealth Transportation Board (the "Board"), for value received, hereby promises to pay upon surrender hereof at the corporate trust operations office designated by First Union National Bank of Virginia, Richmond, Virginia (the "Trustee"), solely from the sources and as herein after provided, to the registered owner hereof (the "Holder"), or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such sources, interest hereon semiannually on each May 15 and November 15, beginning May 15, 1998, at the annual rate stated above. Interest is payable by check or draft mailed to the Holder at his address as it appears, on the first day of the month in which the interest payment date occurs, on registration books kept by the Trustee. Notwithstanding the foregoing, if (a) the Holder owns at least \$1,000,000 in aggregate principal amount of Series 1997B Bonds, as herein defined, and (b) such Holder has provided satisfactory prior notice of a wire transfer address to the Trustee, then interest shall be paid by wire transfer. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 1997B Bond is subject to a book entry system maintained by The Depository Trust Company ("DTC") and the payment of principal, premium, if any, and interest, the providing of notices and other matters 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 Revenue Refunding Bonds, Series 1997B (Northern Virginia Transportation District Program) (the "Series 1997B Bonds") of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Series 1997B Bonds are authorized pursuant to the State Revenue Bond Act and Chapter 391 of the Acts of Assembly of 1993, as amended and reenacted by Chapters 470 and 597 of the Acts of Assembly of 1994 to provide funds to finance costs related to the Northern Virginia Transportation District Program as described in Section 33.1 221.1:3 of the Code of Virginia of 1950, as amended, and to refund the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) scheduled to mature on May 15 in years \_\_\_\_\_, including expenses necessary or incident to the financing and refunding.

This Series 1997B Bond and the premium, if any, and the interest hereon are limited obligations of the Board and are payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly ("Revenues"), first from (a) the Northern Virginia Transportation District Fund created pursuant to Section 58.1-815.1 of the Code of Virginia of 1950, as amended, a fund within the Transportation Trust Fund, (b) to the extent required, 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, (c) or to the city or county in which the project or projects to be to the extent required, legally available revenues of the Transportation Trust Fund, and (d) such other funds which may be appropriated by the General Assembly, and from moneys held by the Trustee in certain funds established under the Trust Agreement. Nothing in this Bond or the Trust Agreement shall be deemed to create or constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof.

The Board, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") and the Secretary of Finance of the Commonwealth of Virginia entered into a Second Supplemental Payment Agreement dated as of November 1, 1996 (the "Payment Agreement"), providing for the payment of Revenue as to the Trustee in amounts and at time sufficient to pay principal of and interest on the Series 1997B 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, which is not obligated to make such appropriations. The Trustee is a Fourth party beneficiary of the Payment Agreement and is entitled to enforce, on behalf of the Holders of the Series 1997B Bonds, all of the obligations and rights of the parties thereunder. Upon appropriation or allocation of Revenues, such Revenues are pledged to the payment of the Series 1997B Bonds.

The Series 1997B Bonds are issued under a Master Agreement of Trust dated as of August 15, 1993, between the Board and the Trustee, as supplemented by a First Supplemental Agreement of Trust dated as of August 15, 1993 (the "First Supplemental Agreement"), a Second Supplemental Agreement of Trust dated as of January 15, 1995 (the "Second Supplemental Agreement"), a Third Supplemental Agreement of Trust dated as of November 1, 1996 (the "Third Supplemental Agreement") and a Fourth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997 (the "Fourth Supplemental Agreement") and collectively with the Master Agreement of Trust, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, the "Trust Agreement"). The Series 1997B Bonds are secured on parity with the outstanding balance of (a) the Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program), authorized by and issued pursuant to the First Supplemental Agreement (the "Series 1993C Bonds"), (b) the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program), authorized by and issued pursuant to the Second Supplemental Agreement (the "Series 1995A Bonds") and (c) the Commonwealth of Virginia Transportation Revenue Bonds, Series 1996A (Northern Virginia Transportation District Program), authorized by and issued pursuant to the Third Supplemental Agreement (the "Series 1996A Bonds"). Reference is made to the Trust Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Board, the rights of the Holders of the Series 1997B Bonds and the terms upon which the Series 1997B Bonds are issued and secured. Additional bonds ranking equally with the Series 1993C Bonds, the Series 1995A Bonds, the 1996A Bonds and the Series 1997B Bonds may be issued on the terms provided in the Trust Agreement.

The Series 1997B Bonds may not be called for redemption except as provided in the Trust Agreement and as described in the succeeding numbered paragraphs.

(1) The Series 1997B Bonds maturing on or before May 15, 2007, are not subject to optional redemption prior to maturity.

(2) Series 1997B Bonds maturing on or after May 15, 2008, are subject to redemption prior to maturity at the option of the Board on or after May 15, 2007, in whole or in part, in increments of \$5,000 or integral multiples thereof, at any time, upon payment of the following redemption prices (expressed as a percentage of

principal amount of Series 1997B Bonds to be redeemed) plus interest accrued to the redemption date:

101% if redeemed May 15, 2007, through May 14, 2008, inclusive;  
100% if redeemed May 15, 2008, through May 14, 2009, inclusive;  
100% if redeemed May 15, 2009, or thereafter.

(3) Series 1997B Bonds maturing on May 15, \_\_\_\_\_, are required to be redeemed prior to maturity in part on May 15 in years and amounts, upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
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The Board shall receive credit against the amount of Series 1997B Bonds to be redeemed pursuant to paragraph (3) in accordance with provisions of the Trust Agreement.

If less than all the Series 1997B Bonds are called for optional redemption, the Series 1997B Bonds to be redeemed shall be called in such order as the Board may determine. If less than all of the Series 1997B Bonds of any maturity are called for redemption, the Series 1997B Bonds to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

If any of the Series 1997B Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Series 1997B Bonds or portions thereof to be redeemed, by registered or certified mail, not less than 30 nor more than 60 days prior to the redemption date, to the Holder of each Series 1997B Bond to be redeemed at his address as it appears on the registration books maintained by the Trustee. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 1997B Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured as set forth in the Trust Agreement and shall not be deemed to be outstanding under the provisions of the Trust Agreement. If a portion of this Series 1997B Bond shall be called for redemption, a new Series 1997B Bond in principal amount equal to the unredeemed portion hereof will be issued to the Holder upon the surrender hereof.

The Holder shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein 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 thereto, except as provided in the Trust Agreement. Modifications or alterations of the Trust Agreement, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Trust Agreement.

The Series 1997B Bonds are issuable as registered bonds in denominations of \$5,000 or integral multiples thereof. Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the Holder or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Board shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 1997B Bond or Series 1997B Bonds in the manner and subject to the limitations and conditions provided in the Trust Agreement, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate, and registered in the name or names as requested by the then registered owner hereof or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Board, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the Holder as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Holder, except that interest payments shall be made to the person shown as Holder on the first day of the month in which the interest payment date occurs.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 1997B Bond have happened, exist and have been performed.

This Series 1997B Bond shall not be valid or be entitled to any security or benefit under the Trust Agreement until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Series 1997B Bond to be signed by [facsimile signature of] the its Chairman and the Commonwealth Transportation Commissioner, [a facsimile of] its seal to be [printed] [affixed] hereon and attested by [the facsimile signature of] its Secretary, and this Series 1997B Bond to be dated \_\_\_\_\_, 1997.

**COMMONWEALTH TRANSPORTATION BOARD**

(SEAL)

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

By \_\_\_\_\_  
Commonwealth Transportation  
Commissioner

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

Date Authenticated: \_\_\_\_\_

This Series 1997B Bond is one of the Series 1997B Bonds described in the within-mentioned Trust Agreement.

**FIRST UNION NATIONAL BANK  
OF VIRGINIA**

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

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type Name and Address, including postal zip code of Transferee)

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Registered Owner**  
**NOTICE:** The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

**Signature guarantee**  
(The signature of the transferor of this Bond must be guaranteed by an institution participating in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.)

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date:

NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH TRANSPORTATION BOARD

in connection with  
Commonwealth Transportation Board's  
Transportation Revenue Refunding Bonds, Series 1997B  
(Northern Virginia Transportation District Program)

CUSIP NO. \_\_\_\_\_

Dated Date: \_\_\_\_\_, \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Commonwealth Transportation Board (the "Board") has not provided an Annual Report [Audited Annual Financial Statements] as required by Article VII of the Fourth Supplemental Agreement of Trust, dated as of \_\_\_\_\_, 1997, between the Board and First Union National Bank of Virginia, as trustee (the "Agreement of Trust") pursuant to which the above-referenced bonds were issued. The Board anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_.

FIRST UNION NATIONAL BANK  
OF VIRGINIA

By \_\_\_\_\_

Its \_\_\_\_\_



EXHIBIT C

ESCROW OBLIGATIONS  
COMMONWEALTH TRANSPORTATION BOARD

**EXHIBIT D**

**REFUNDED BONDS PAYMENT DETAILS  
COMMONWEALTH TRANSPORTATION BOARD**

**EXHIBIT E**

**NOTICE OF DEFEASANCE  
COMMONWEALTH TRANSPORTATION BOARD**

**EXHIBIT F**

**NOTICE OF REDEMPTION  
COMMONWEALTH TRANSPORTATION BOARD**

DRAFT DATED AUGUST 14, 1997

FIFTH SUPPLEMENTAL AGREEMENT OF TRUST

between

COMMONWEALTH TRANSPORTATION BOARD

and

FIRST UNION NATIONAL BANK  
(successor to Dominion Trust Company),  
as Trustee

Dated as of \_\_\_\_\_, 1997

Authorizing the Issuance of \$ \_\_\_\_\_  
Commonwealth of Virginia Transportation Revenue Refunding Bonds,  
Series 1997C (U.S. Route 58 Corridor Development Program)

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THIS FIFTH SUPPLEMENTAL AGREEMENT OF TRUST dated as of \_\_\_\_\_, 1997, between the COMMONWEALTH TRANSPORTATION BOARD, (the "Board"), and FIRST UNION NATIONAL BANK, a banking association organized and existing under the laws of the United States of America and having a corporate trust office in Richmond, Virginia, as successor to Dominion Trust Company, as trustee (in such capacity, together with any successor in such capacity, herein called the "Trustee"),

W I T N E S S E T H :

WHEREAS, pursuant to the State Revenue Bond Act, Sections 33.1-267 et seq. of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Board has the power to issue revenue bonds to finance the cost of projects authorized by the General Assembly of Virginia (the "General Assembly"), including expenses necessary or incident to the financing, and to issue bonds to refund such revenue bonds;

WHEREAS, the General Assembly has declared its intent in Section 33.1-221.1:2 of the Virginia Code, entitled U.S. Route 58 Corridor Development Program (the "Program"), that there shall be developed an adequate, modern, safe and efficient highway system generally along Virginia's southern border;

WHEREAS, the General Assembly, in Section 58.1-815 of the Virginia Code, established the U.S. Route 58 Corridor Development Fund (the "U.S. Route 58 Development Fund"), a special nonreverting fund as part of the Transportation Trust Fund, consisting of a specified amount of the first annual collections of state recordation taxes;

WHEREAS, the funds on deposit in the U.S. Route 58 Development Fund may be used to finance costs related to the Program, including payments of debt service on Commonwealth of Virginia Transportation Revenue Bonds;

WHEREAS, the Board and the Trustee entered into a Master Agreement of Trust dated as of November 1, 1989 (the "Master Trust Agreement"), supplemented by a First Supplemental Agreement of Trust dated as of November 1, 1989, pursuant to which the Board issued \$200,000,000 principal amount of its Commonwealth of Virginia Transportation Revenue Bonds, Series 1989 (U.S. Route 58 Corridor Development Program) (the "Series 1989 Bonds"), by a Second Supplemental Agreement of Trust dated as of May 15, 1993, pursuant to which the Board issued \$91,455,000 principal amount of its Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1993A (U.S. Route 58 Corridor Development Program) (the "Series 1993A Bonds"), which refunded a portion of the Series 1989 Bonds, by a Third Supplemental Agreement of Trust dated as of June 1, 1993, pursuant to which the Board issued \$98,715,000 principal amount of its Commonwealth of Virginia Transportation Revenue Bonds, Series 1993B (U.S. Route 58 Corridor Development



Program) (the "Series 1993B Bonds") and a Fourth Supplemental Agreement of Trust dated as of November 1, 1996, pursuant to which the Board issued \$114,285,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1996B (U.S. Route 58 Corridor Development Program) (the "Series 1996B Bonds" and collectively with the Series 1989 Bonds, the Series 1993A Bonds and the Series 1993B Bonds, the "Parity Bonds");

**WHEREAS**, the Board is not in default under the Agreement or in payment of the principal of or interest on the Parity Bonds;

**WHEREAS**, within the limitations of and in compliance with the Agreement, the Board is authorized to issue additional Bonds ("Additional Bonds"), secured on parity with the Parity Bonds to the extent provided in the Agreement, to Refund any Bonds;

**WHEREAS**, the Board has determined to effect debt service savings by issuing a series of Additional Bonds under the Agreement the proceeds of which shall be used to advance refund certain of the Series 1989 Bonds and to pay related costs of issuance;

**WHEREAS**, the Master Trust Agreement provides that, in connection with the issuance of Additional Bonds, the Board shall execute and deliver to the Trustee a supplemental agreement authorizing the issuance of such Additional Bonds and setting forth the provisions thereof; and

**WHEREAS**, the Board has taken all necessary action to make its Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (U.S. Route 58 Corridor Development Program), when authenticated by the Trustee and issued by the Board, valid and binding limited obligations of the Board and to constitute this Fifth Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 1997C Bonds as a series of Additional Bonds;

**NOW, THEREFORE, THIS FIFTH SUPPLEMENTAL AGREEMENT WITNESSETH** that the Board does covenant and agree with the Trustee and with the respective Holders, from time to time, of the outstanding Parity Bonds and Series 1997C Bonds, as follows:

#### **ARTICLE I**

##### **FIFTH SUPPLEMENTAL AGREEMENT**

**Section 101. Authorization of Supplemental Agreement.** This Fifth Supplemental Agreement is authorized and executed by the Board and delivered to the Trustee pursuant to and in accordance with Articles III and XI of the Master Trust Agreement. All covenants, conditions and agreements of the Agreement shall apply with full force and effect to the Series 1997C Bonds and to the Holders thereof, except as otherwise provided herein.

**Section 102. Definitions.** Except as otherwise defined herein, terms defined in the Agreement are used in this Fifth Supplemental Agreement with the meanings assigned to them in the Agreement. In addition, the following terms shall have the following meanings:

**"Annual Report"** shall mean any Annual Report provided by the Board pursuant to, and as described in, subsection (b) of Section 701.

**"Dissemination Agent"** shall mean the Board, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

**"Fifth Supplemental Agreement"** means this Fifth Supplemental Agreement of Trust between the Board and the Trustee, which supplements and amends the Agreement.

**"Fiscal Year"** shall mean the twelve-month period, at the end of which the Board's financial position and the results of its operations for the preceding 12 months are determined. Currently, the Board's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

**"Letter of Representations"** means the blanket Letter of Representations dated November 19, 1996, from the Board and the Trustee to the initial Securities Depository and any amendments thereto or any successor agreements between the Board and the Trustee and any successor Securities Depository, relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 1997C Bonds. Notwithstanding any provision of the Agreement, including Article XI of the Master Trust Agreement, the Trustee may enter into any such amendment or successor agreement without the consent of Holders of the Series 1997C Bonds.

**"Listed Events"** shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which as of the date hereof includes: (a) principal and interest payment delinquencies; (b) non-payment related defaults; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax options or events affecting the tax-exempt status of the security; (g) modifications to rights of security holders; (h) bond calls; (i) defeasances; (j) release, substitution or sale of property securing repayment of the securities; and (k) rating changes.

**"National Repository"** shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Official Statement" shall mean the Board's Official Statement dated \_\_\_\_\_, 1997, with respect to the offering of the Series 1997C Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Series 1997C Bonds required to comply with the Rule in connection with the offering of the Series 1997C Bonds.

"Rebate Amount" means the excess of the future value of all nonpurpose receipts with respect to the Series 1997C Bonds over the future value of all nonpurpose payments with respect to the Series 1997C Bonds, in each case calculated under Section 602 pursuant to the requirements of Section 148 of the Code, or such other amount of arbitrage required to be rebated to the United States of America under Section 148 of the Code.

"Rebate Amount Certificate" has the meaning set forth in Section 602.

"Refunded Bonds" shall mean the Series 1989 Bonds maturing on May 15 in years \_\_\_\_\_.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended and officially interpreted from time to time.

"Securities Depository" means The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 1997C Bonds appointed pursuant to Section 203 of this Fifth Supplemental Agreement, and their successors.

"Series 1997C Bonds" means the \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (U.S. Route 58 Corridor Development Program), authorized to be issued by Article II of this Fifth Supplemental Agreement.

"State Repository" shall mean each National Repository and each State Repository.

**Section 103. Reference to Articles and Sections.** Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Fifth Supplemental Agreement.

**ARTICLE II**

**AUTHORIZATION, DETAILS AND FORM OF SERIES 1997C BONDS**

**Section 201. Authorization of Series 1997C Bonds.** There are authorized to be issued as Additional Bonds pursuant to Article III of the Master Trust Agreement a series of transportation revenue refunding bonds of the Board in the aggregate principal amount of \$\_\_\_\_\_ which shall be designated "Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (U.S. Route 58 Corridor Development Program)" to provide funds to defease the Refunded Bonds in accordance with the provisions of Article IV and to pay costs of issuance of the Series 1997C Bonds and refunding of the Refunded Bonds.

**Section 202. Details of Series 1997C Bonds.** (a) The Series 1997C Bonds shall be dated \_\_\_\_\_, 1997, shall be issued only as registered bonds in denominations of \$5,000 or multiples thereof, shall be numbered R-1 upward, shall bear interest at rates per year (calculated on the basis of a 360-day year composed of 12 months of 30 days each), payable semiannually on each May 15 and November 15, beginning May 15, 1998, and shall mature in installments on May 15 in years and amounts at such rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1998	\$		2009	\$	
1999			2010		
2000			2011		
2001			2012		
2002			2013		
2003			2014		
2004			2015		
2005			2016		
2006			2017		
2007			2018		
2008			2019		

Each Series 1997C Bond shall bear interest from its date. If any principal of or interest on any Series 1997C Bond is not paid when due (whether at maturity, by acceleration or call for redemption or otherwise), the overdue installments of principal shall bear interest until paid at the same rate set forth in such Series 1997C Bond.

(b) Principal of the Series 1997C Bonds and the premium, if any, thereon shall be payable to the Holders thereof upon the surrender of such Bonds at a corporate trust operation office designated by the Trustee. Interest on the Series 1997C Bonds shall be payable by check or draft mailed to the Holders thereof at their addresses as they appear on the registration books

kept by the Trustee (on the first day of the month in which the interest payment date occurs) or, upon written request of a Holder of more than \$1,000,000 principal amount of Series 1997C Bonds, by wire transfer to such Holder's account as set forth on such request.

(c) Except as otherwise provided herein, the Series 1997C Bonds shall be payable, executed, authenticated, registered, exchangeable and secured, all as set forth in the Agreement.

**Section 203. Securities Depository Provisions.** (a) Initially, one bond certificate for each maturity of the Series 1997C Bonds will be issued and registered to the Securities Depository, or its nominee. The Board and the Trustee have entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 1997C Bonds.

(b) In the event that (i) the Securities Depository determines not to continue to act as a securities depository for the Series 1997C Bonds by giving notice to the Trustee and the Board discharging its responsibilities hereunder, or (ii) the Board in its sole discretion determines (A) that beneficial owners of Series 1997C Bonds shall be able to obtain certificated Series 1997C Bonds or (B) to select a new Securities Depository, then the Trustee shall, at the direction of the Board, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 1997C Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 204; provided, however, that such form shall provide for interest on the Bonds to be payable (x) from \_\_\_\_\_, 1997, if it is authenticated prior to May 15, 1998, or (y) otherwise from the May 15 or November 15 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case interest on such Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 1997C Bonds, the Trustee shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 1997C Bonds will then be registrable, transferable and exchangeable as set forth in Section 204 of the Master Trust Agreement.

(c) So long as there is a Securities Depository for the Series 1997C Bonds (i) it or its nominee shall be the registered owner of the Series 1997C Bonds, (ii) notwithstanding anything to the contrary in the Agreement, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (iii) the Board and the Trustee shall not be

responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (iv) references in the Agreement to registered owners of the Series 1997C Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 1997C Bonds, and (v) in the event of any inconsistency between the provisions of the Agreement and the provisions of the Letter of Representations such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

**Section 204. Form of Series 1997C Bonds.** The Series 1997C Bonds shall be in substantially the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Agreement and this Fifth Supplemental Agreement. There may be endorsed on the Series 1997C 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. Delivery of Series 1997C Bonds.** The Trustee shall authenticate and deliver the Series 1997C Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Trust Agreement.

### ARTICLE III

#### REDEMPTION OF SERIES 1997C BONDS

**Section 301. Redemption Dates and Prices.** The Series 1997C Bonds may not be called for redemption by the Board except as provided in this Article.

**Section 302. Optional Redemption.** The Series 1997C Bonds maturing on or after May 15, 2008, are subject to redemption prior to maturity at the option of the Board on or after May 15, 2007, in whole or in part, in increments of \$5,000 or integral multiples thereof, at any time, upon payment of the following redemption prices (expressed as a percentage of principal amount of the Series 1997C Bonds to be redeemed) plus accrued interest to the redemption date:

101% if redeemed May 15, 2007, through May 14, 2008, inclusive;  
100% if redeemed May 15, 2008, through May 14, 2009, inclusive;  
100% if redeemed May 15, 2009, or thereafter.

**Section 303. Mandatory Redemption.** (a) Series 1997C Bonds maturing on May 15, \_\_\_\_\_, are required to be redeemed prior to maturity on May 15 in years and amounts upon payment of 100% of the

principal amount thereof plus interest accrued to the redemption date, as follows:

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

(b) The Trustee shall credit against the amount of Series 1997C Bonds to be redeemed pursuant to this Section an amount equal to the principal amount of any Series 1997C Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased or that have been purchased by the Board or the Trustee on behalf of the Board and delivered to the Trustee for cancellation at least 70 days before such date, provided that such Series 1997C Bonds have not previously been applied as a credit against any mandatory redemption payment, in accordance with the provisions of Section 602 of the Master Trust Agreement.

**Section 304. Manner of Redemption.** If less than all of the Series 1997C Bonds are called for redemption, the maturities of Series 1997C Bonds to be redeemed shall be selected by the Board. If less than all of the Series 1997C Bonds of any maturity are called for redemption, the Series 1997C Bonds or portions thereof to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or if the book-entry system is discontinued, shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine, each portion of \$5,000 principal amount being counted as one Series 1997C Bond for such purpose. If a portion of a Series 1997C Bond shall be called for redemption, a new Series 1997C Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon surrender thereof.

**Section 305. Notice of Redemption.** Notice of redemption of Series 1997C Bonds shall be given in the manner set forth in Section 402 of the Master Trust Agreement.

#### ARTICLE IV

##### **ESTABLISHMENT OF A COSTS OF ISSUANCE ACCOUNT; PROCEEDS OF SERIES 1997C BONDS; ESCROW FUND**

**Section 401. Series 1997C Costs of Issuance Account.** There is established in the Bond Fund pursuant to Sections 305(a)(1) and 604 of the Master Bond Trust Agreement the "Series 1997C Costs of Issuance Account" to be held by the Trustee. The Trustee shall use the money in the Series 1997C Costs of Issuance Account to pay or

to reimburse the Board for its payment of the issuance costs and other financing expenses of the Series 1997C Bonds. Money in the Series 1997C Costs of Issuance Account may be invested by the Trustee, as directed by the State Treasurer after consultation with an Authorized Representative of the Board, in any investments in which money in the Bond Fund may be invested with a maturity not later than the date on which such money may be needed to pay the above-described costs and expenses, but in no event later than April 15, 1998. As a condition precedent to each disbursement from the Series 1997C Costs of Issuance Account, the Board shall file or cause to be filed with the Trustee a requisition, stating the name of the person to whom the payment is to be made, the amount of the payment and the purpose in reasonable detail for which the obligation to be paid was incurred. Any money, including investment earnings, remaining in the Series 1997C Costs of Issuance Account after the earlier to occur of the date all such costs and expenses are paid or April 15, 1998, shall be transferred by the Trustee, upon receipt of a requisition signed by an Authorized Representative of the Board, to the Interest Account in the Bond Fund and credited against amounts required to be deposited therein for the payment of interest on the Series 1997C Bonds (which constitutes a Cost of the Program) on or before the next succeeding Payment Date.

**Section 402. Use of Proceeds of Series 1997C Bonds.** The proceeds of the Series 1997C Bonds shall be paid to the State Treasurer, delivered by the State Treasurer to the Trustee and deposited by the Trustee simultaneously with the delivery of the Series 1997 Bonds as follows:

(a) the sum of \$ \_\_\_\_\_, representing accrued interest on the Series 1997C Bonds, shall be deposited in the Interest Account in the Bond Fund; and

(b) The sum of \$ \_\_\_\_\_ shall be deposited in the Escrow Fund to be invested and used, together with interest earnings thereon, by the Trustee for the sole purpose of paying principal of and premium, if any, and interest on the Refunded Bonds.

(c) the balance of the proceeds (\$ \_\_\_\_\_) shall be deposited in the Series 1997C Costs of Issuance Account.

**Section 403. Establishment of Escrow Fund.** Pursuant to Section 305(a)(3) of the Master Trust Agreement, there is created and established a special, irrevocable escrow fund designated the "Commonwealth Transportation Escrow Fund - Series 1989 Bonds" (the "Escrow Fund") to be held by the Trustee as a trust fund for the sole benefit of the Holders of the Refunded Bonds, separate and apart from other funds of the Board and the Trustee. Amounts in the Escrow Fund are irrevocably pledged to the payment of the Refunded Bonds. The deposit and pledge hereunder are made for the benefit of the Holders from time to time of the Refunded Bonds and may not be revoked by the parties hereto. Under no circumstances



shall the Trustee ever assert a lien on any cash or securities held in the Escrow Fund for any of its fees or expenses.

**Section 404. Purchase of Escrow Obligations.** The Trustee, concurrently with the deposit of the funds described in Section 401(b) shall use moneys in the Escrow Fund to purchase the United States Treasury Securities (the "Escrow Obligations") described in Exhibit C and to provide an initial cash deposit of \$\_\_\_\_\_. Investments in mutual funds or unit investment trusts are prohibited.

**Section 405. Use of Moneys in Escrow Fund.** The Trustee shall collect the principal of and interest on the Escrow Obligations as the same become due. The Trustee shall use moneys in the Escrow Fund to pay principal of and redemption premium, if any, and interest on the Refunded Bonds on the dates and in the amounts shown in Exhibit D.

**Section 406. Notice of Refunding to Holders of Refunded Bonds.** The Trustee is directed to mail notice of the provision for payment of the Refunded Bonds, in substantially the form of Exhibit E, within five days after issuance of the Series 1997C Bonds to the registered owners of the Refunded Bonds at their addresses appearing on the registration books of the Trustee and to the organizations described in Section 402(b) and (c) of the Master Trust Agreement.

**Section 407. Redemption of Refunded Bonds; Irrevocable Instructions; Notice.** The Board irrevocably elects to redeem the Refunded Bonds on May 15, 1998, upon payment of the principal amount thereof plus interest accrued and unpaid to the redemption date, and a redemption premium of 102% percent of the principal amount. The Trustee is irrevocably authorized and directed to, and agrees that it will, at the expense of the Board, cause notice of the call for such redemption identifying the Refunded Bonds being called for redemption on such date, in substantially the form of Exhibit F, to be given in the manner and to the persons specified in Section 402 of the Master Trust Agreement.

**Section 408. Reinvestment upon Maturity of Escrow Obligations.** Any principal of or interest on the Escrow Obligations received by the Trustee and not needed when received to make the aforesaid payments on the Refunded Bonds shall remain in trust and shall be reinvested in noncallable direct obligations of the United States Treasury as directed by the Board that, based on their acquisition price, have a "yield" within the meaning of Section 148 of the Code of zero percent (0%) and that mature in an amount at least equal to their purchase price and not later than needed to make payments on the Refunded Bonds on or before the dates and in the amounts shown on Appendix B, for the benefit of the Holders of the Refunded Bonds until applied as described in Section 406. If such obligations are not available, such principal and interest received shall be held in cash uninvested. The Escrow

Fund shall continue in effect to and including the date upon which the Trustee makes the payment of principal, premium and interest on the Refunded Bonds on May 15, 1998, pursuant to Section 406, whereupon the Trustee shall sell or redeem any investments remaining in the Escrow Fund and transfer the proceeds therefrom, together with any cash to the Principal Account in the Bond Fund.

**Section 409. Amendments; Substitute Obligations.** (a) This Article IV is irrevocable and shall not be amended without the consent of the Trustee and all Holders of the Refunded Bonds; provided, however, that the Board and the Trustee may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Article IV ("Amendments") as shall not adversely affect the rights of such Holders and as shall not be inconsistent with the intent of the terms and provisions of this agreement, for the purpose described in subsection (b) of this section or for any one or more of the following purposes:

(1) to cure any ambiguity or formal defect or omission in this Article IV;

(2) to grant to, or confer upon, the Trustee for the benefit of such Holders of any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Trustee;

(3) to subject to the Escrow Fund additional funds, securities or properties; and

(4) to sever any invalid provision from this Article IV.

The Trustee shall not undertake or execute any Amendment unless it has received an opinion of an independent certified public accountant reasonably acceptable to the Trustee that after such Amendment the interest on and maturing principal of the Escrow Obligations and any other funds then held pursuant to this Fifth Supplemental Trust Agreement will provide moneys in amounts and at times as necessary to pay when due without any further reinvestment all principal of and redemption premium and interest on the Refunded Bonds as the same are due or are called for redemption as set forth in Section 406, and an opinion of Bond Counsel that (i) if such Amendment had been adopted on the date of issuance of the Series 1997C Bonds such expectation would not have caused any of the Series 1997C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations and rulings thereunder applicable to such bonds on the date of the Amendment; (ii) the Amendment will not cause any of the Refunded Bonds to be "arbitrage bonds," and (iii) the Amendment complies with the requirements of this Section.

(b) At any time the Board provides the Trustee (1) cash and noncallable direct obligations of the United States of America (the "Substitute Obligations") for deposit in the Escrow Fund in substitution for any of the cash or Escrow Obligations described in Section 403, (2) a report of independent certified public accountants acceptable to the Trustee verifying that such Substitute Obligations, together with any remaining cash and Escrow Obligations, are sufficient to pay when due without any further reinvestment the principal of and premium and interest on the Refunded Bonds through May 15, 1998, and to redeem on May 15, 1998, all of the Refunded Bonds, as set forth in Section 406, and (3) an opinion of Bond Counsel that such substitution of Substitute Obligations will not affect adversely the treatment of interest on the Series 1997C Bonds and the Refunded Bonds for purposes of Federal income taxation, then the Trustee shall accept such Substitute Obligations and release to the Board such of the cash and Escrow Obligations as are no longer necessary to provide for payment of the Refunded Bonds as described in Section 406.

(c) The Trustee shall provide draft copies of any proposed amendment or severance of this Article IV prior to its execution to (1) Moody's Investors Service, 99 Church Street, Attn: Public Finance Ratings Desk - Refunded Bonds, New York, New York 10007; (2) Standard & Poor's Ratings Group, 25 Broadway, New York, New York 10004; and (3) Fitch Investors Service, L.P., One State Street Plaza, New York, New York 10004.

#### ARTICLE V

##### SECURITY FOR SERIES 1997C BONDS

Section 501. **Security for Series 1997C Bonds.** The Series 1997C Bonds shall be issued pursuant to the Agreement and shall be equally and ratably secured under the Agreement with the Series 1989 Bonds, the Series 1993A Bonds, the Series 1993B Bonds, the Series 1996B Bonds and any other series of Bonds issued pursuant to Article III of the Master Trust Agreement, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Agreement; provided, however, that neither the Series 1997C Bonds nor any Bonds except the Refunded Bonds shall be secured by amounts in the Escrow Fund.

#### ARTICLE VI

##### ARBITRAGE REBATE; OTHER TAX RESTRICTIONS

Section 601. **Rebate Requirement.** Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the Board shall determine and pay, from any legally available source, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this

Article, and shall retain records of all such determinations until six years after payment of the Series 1997C Bonds.

**Section 602. Calculation and Report of Rebate Amount.** (a) The Board selects June 30 as the end of the "bond year" with respect to the Series 1997C Bonds pursuant to Treasury Regulations Section 1.148-8(b)(2).

(b) Within 45 days after the last day of the fifth bond year after issuance of the Series 1997C Bonds, unless the bond year is changed by the Board prior to the date that any amount with respect to the Series 1997C Bonds is paid or required to be paid to the United States of America as required by Section 148 of the Code (the "Initial Installment Computation Date"), and at least once every five years thereafter, the Board shall cause the Rebate Amount to be computed and will deliver a copy of such computation (the "Rebate Amount Certificate") to the Trustee. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, the Rebate Amount Certificate setting forth such Rebate Amount shall be prepared or approved by (i) a person with experience in matters of governmental accounting for federal income tax purposes, (ii) a bona fide arbitrage rebate calculation reporting service, or (iii) Bond Counsel experienced in preparing or approving such rebate calculation.

**Section 603. Payment of Rebate Amount.** (a) Not later than 60 days after the Initial Installment Computation Date, the Board shall pay to the United States of America at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the Initial Installment Computation Date and on or before 60 days after every fifth anniversary date thereafter until final payment of the Series 1997C Bonds, the Board shall pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after final payment of the Series 1997C Bonds, the Board shall pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 1997C Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments shall be made by the Board from any legally available source.

(b) Notwithstanding any provision of this Fifth Supplemental Agreement to the contrary, no such payment shall be made if the Board receives and delivers to the Trustee an opinion of Counsel experienced in preparing or approving such rebate calculation, to the effect that (i) such payment is not required under the Code in order to prevent the Series 1997C Bonds from becoming "arbitrage

bonds" within the meaning of Section 148 of the Code or (ii) such payment should be calculated and paid on some alternative basis under the Code, and the Board complies with such alternative basis.

**Section 604. Reports by Trustee.** The Trustee shall provide the Board within 10 days after each June 30 or other computation date selected by the Board and within 10 days after the final payment of the Series 1997C Bonds with such reports and information with respect to earnings of amounts held under the Agreement as may be requested by the Board in order to comply with the provisions of this Article.

**Section 605. Other Tax Covenants.** The Board covenants with the Holders of the Series 1997C Bonds as follows:

(a) The Board shall not take or omit to take any action or approve the Trustee's taking any action or making any investment or use of the proceeds of any Series 1997C Bonds (including failure to spend the same with due diligence) the taking or omission of which will cause the Series 1997C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including without limitation participating in any issue of obligations that would cause the Series 1997C Bonds to be part of an "issue" of obligations that are arbitrage bonds, within the meaning of Treasury Regulations Section 1.150-1(c) or successor regulation, or otherwise cause interest on the Series 1997C Bonds to be includable in the gross income for federal income tax purposes of the registered owners under existing law.

(b) Barring unforeseen circumstances, the Board shall not approve the use of the proceeds from the sale of any Series 1997C Bonds otherwise than in accordance with the Board's "non-arbitrage" certificate delivered immediately prior to the issuance of the Series 1997C Bonds.

(c) The Board shall not permit the proceeds of the Series 1997C Bonds to be used in any manner that would result in either (i) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (ii) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (iii) 5% or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Board receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 1997C Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Board need not comply with such restriction.

(d) The Board shall not take any other action that would affect adversely, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 1997C Bonds from gross income for federal income tax purposes.

## ARTICLE VII

### CONTINUING DISCLOSURE

**Section 701. Undertaking.** (a) This continuing disclosure undertaking is being made by the Board for the benefit of the Holders and to assist the Participating Underwriters in complying with the Rule. The Board acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Section 701.

(b) Not later than 10 months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 1997, the Board shall provide, or shall cause the Dissemination Agent (if different from the Board) to provide, to each Repository an Annual Report that is consistent with the requirements of Section 702. Not later than 10 days prior to such date, the Board shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (1) may be submitted as a single document or as separate documents comprising a package, (2) may cross-reference other information as provided in Section 702, and (3) shall include such other information as may be required by the Rule.

(c) If the Board fails to provide an Annual Report to the Repositories by the date required in (b) the Board shall send, or cause the Dissemination Agent to send, an appropriate notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit B.

**Section 702. Content of Annual Reports.** Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting Participating Underwriters in complying with the Rule:

(a) updated information regarding the Program as set forth under the section "U.S. Route 58 Corridor Development Program" in the Official Statement, including bonds authorized with respect thereto; and

(b) updated information regarding (1) the U.S. Route 58 Corridor Development Fund, the Transportation Trust Fund and State Recordation Tax Collections, all as set forth in sections bearing such headings in the Official Statement, and (2) any other funds appropriated by the Virginia General Assembly with respect to Bonds or the Program each as of the end of the preceding Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Board or the Commonwealth, which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so incorporated by reference.

**Section 703. Reporting of Listed Events.** The Board will provide, or cause the Dissemination Agent (if different from the Board) to provide, in a timely manner to the Municipal Securities Rulemaking Board and to each State Repository, if any, notice of any of the Listed Events with respect to the Bonds, if material.

**Section 704. Dissemination Agent.** The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its Undertaking and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Board shall be the Dissemination Agent.

**Section 705. Amendment.** Notwithstanding any other provision of the Agreement, the Board may amend its Undertaking as set forth in this Article VII if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

**Section 706. Additional Information.** Nothing in this Article VII shall be deemed to prevent the Board or the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Article VII or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Article VII. If the Board or the Dissemination Agent chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Article VII, the Board shall have no obligation under this Article VII to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 707. Default.** In the event of a failure of the Board to file or cause to be filed its Annual Report, any person referred to in Section 708 may take such actions as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Board to file its Annual Report or to give notice of a Listed Event. In addition, Holders of not less than a majority in aggregate principal amount of Series 1997C Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Article VII, or to enforce any other obligation of

the Board hereunder. A default under this Article VII shall not be deemed an event of default under the Agreement or the Series 1997C Bonds, and the sole remedy under this Article VII in the event of any failure of the Board to comply with its Undertaking shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

**Section 708. Beneficiaries.** This Undertaking shall inure solely to the benefit of the Board, the Participating Underwriters, and Holders, which for all purposes of this Article VII shall include beneficial owners of Series 1997C Bonds registered to the Securities Depository, from time to time of the Series 1997C Bonds, and shall create no rights in any other person or entity.

**Section 709. Termination.** The obligations of the Board pursuant to its Undertaking shall terminate upon the earlier to occur of the legal defeasance or final retirement of all of the Series 1997C Bonds.

#### **ARTICLE VIII** **MISCELLANEOUS**

**Section 801. Limitation of Rights.** With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Fifth Supplemental Agreement is intended or shall be construed to give any person other than the parties hereto and the Holders of the Series 1997C Bonds any legal or equitable right, remedy or claim under or in respect to this Fifth Supplemental Agreement or any covenant, condition and agreement herein contained; this Fifth Supplemental Agreement and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Series 1997C Bonds as herein provided.

**Section 802. Limitation of Liability of Members, etc., of Board.** No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member, officer, employee or agent of the Board in his individual capacity, and neither the members of the Board nor any officer thereof executing the Series 1997C Bonds shall be liable personally on the Series 1997C Bonds or be subject to any personal liability or accountability by reason of issuance thereof. No member, officer, employee, agent or advisor of the Board shall incur any personal liability with respect to any other action taken by him pursuant to the Agreement or the Board Statute, provided such member, officer, employee, agent or advisor acts in good faith.

**Section 803. Successors and Assigns.** This Fifth Supplemental Agreement shall be binding upon, inure to the benefit of and be



EXHIBIT A

REGISTERED

REGISTERED

R - \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COMMONWEALTH TRANSPORTATION BOARD

Commonwealth of Virginia Transportation Revenue Refunding Bond,  
Series 1997C

(U.S. Route 58 Corridor Development Program)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	May 15, _____	_____ 1, 1997	928184 _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Commonwealth Transportation Board (the "Board"), for value received, hereby promises to pay upon surrender hereof at the corporate trust operations office designated by First Union National Bank of Virginia, Richmond, Virginia (the "Trustee"), solely from the sources and as hereinafter provided, to the registered owner hereof (the "Holder"), or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such sources, interest hereon semiannually on each May 15 and November 15, beginning May 15, 1998, at the annual rate stated above. Interest is payable by check or draft mailed to the Holder at his address as it appears, on the first day of the month in which the interest payment date occurs, on registration books kept by the Trustee. Notwithstanding the foregoing, if (a) the Holder owns at least \$1,000,000 in aggregate principal amount of Series 1997C Bonds, as herein defined, and (b) such Holder has provided satisfactory prior notice of a wire transfer address to the Trustee, then interest shall be paid by wire transfer. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

1997C Bond shall be called for redemption, a new Series 1997C Bond in principal amount equal to the unredeemed portion hereof will be issued to the Holder upon the surrender hereof.

The Holder shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein 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 thereto, except as provided in the Trust Agreement. Modifications or alterations of the Trust Agreement, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Trust Agreement.

The Series 1997C Bonds are issuable as registered bonds in denominations of \$5,000 or integral multiples thereof. Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the Holder or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Board shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 1997C Bond or Series 1997C Bonds in the manner and subject to the limitations and conditions provided in the Trust Agreement, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate, and registered in the name or names as requested by the then registered owner hereof or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Board, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the Holder as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Holder, except that interest payments shall be made to the person shown as Holder on the first day of the month in which the interest payment date occurs.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 1997C Bond have happened, exist and have been performed.

This Series 1997C Bond shall not be valid or be entitled to any security or benefit under the Trust Agreement until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Series 1997C Bond to be signed by the [facsimile signature of the] Commonwealth Transportation Commissioner, [a facsimile of] its seal to be [printed] [affixed] hereon and attested by [the facsimile signature of] its Secretary, and this Series 1997C Bond to be dated \_\_\_\_\_, 1997.

**COMMONWEALTH TRANSPORTATION BOARD**

(SEAL)

By \_\_\_\_\_  
Commonwealth Transportation  
Commissioner

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

Date Authenticated: \_\_\_\_\_

This Series 1997C Bond is one of the Series 1997C Bonds described in the within-mentioned Trust Agreement.

**FIRST UNION NATIONAL BANK  
OF VIRGINIA**

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

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type Name and Address, including postal zip code of Transferee)

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

**NOTICE:** The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

**Signature guarantee**

The signature of the transferor of this Bond must be guaranteed by an institution participating in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.)

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date:

NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH TRANSPORTATION BOARD

in connection with  
Commonwealth Transportation Board's  
Transportation Revenue Refunding Bonds, Series 1997C  
(U.S. Route 58 Corridor Development Program)

CUSIP NO. \_\_\_\_\_

Dated Date: \_\_\_\_\_, \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Commonwealth Transportation Board (the "Board") has not provided an Annual Report [Audited Annual Financial Statements] as required by Article VII of the Fifth Supplemental Agreement of Trust, dated as of \_\_\_\_\_, 1997, between the Board and First Union National Bank of Virginia, as trustee (the "Agreement of Trust") pursuant to which the above-referenced bonds were issued. The Board anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_.

FIRST UNION NATIONAL BANK OF VIRGINIA

By \_\_\_\_\_

Its \_\_\_\_\_

EXHIBIT C

ESCROW OBLIGATIONS  
COMMONWEALTH TRANSPORTATION BOARD

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_

NEW ISSUE  
BOOK-ENTRY ONLY

File:  
Moody's  
Standard & Poor's  
(See "RATINGS" herein)

*In the opinion of Bond Counsel, under current law and subject to conditions described in the section "Tax Matters", interest on the Bonds (1) will not be included in gross income for federal income tax purposes, (2) will not be an item of tax preference for purposes of the federal alternative minimum 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 Matters."*

Commonwealth Transportation Board  
\$ \_\_\_\_\_  
Commonwealth of Virginia  
Transportation Revenue Refunding Bonds

\$ \_\_\_\_\_  
Series 1997B

(Northern Virginia Transportation District Program)

\$ \_\_\_\_\_  
Series 1997C

(U.S. Route 58 Corridor Development Program)

Dated: \_\_\_\_\_, 1997

Due: May 15, as shown on the inside front cover

The Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997B (Northern Virginia Transportation District Program) (the "Series 1997B Bonds") and the Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (U.S. Route 58 Corridor Development Program) (the "Series 1997C Bonds"), (collectively, the "Bonds") will be issued only in book-entry form, initially registered in the name of Cofe & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Investors will not receive certificates representing the Bonds purchased by them. Individual purchases will be in principal amounts of \$5,000 or any integral multiple of \$5,000. Interest on the Bonds will be payable beginning on May 15, 1998, and semiannually thereafter on each May 15 and November 15. The Bonds will be subject to redemption prior to maturity as provided herein.

The Series 1997B Bonds will be issued pursuant to a Master Agreement of Trust dated as of August 15, 1993, as previously supplemented, and a Fourth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997, each between the Commonwealth Transportation Board and First Union National Bank of Virginia, Richmond, Virginia, as the trustee (the "Trustee"). The proceeds of the Series 1997B Bonds will be used to refund a portion of the Commonwealth Transportation Board Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) and to pay issuance costs and other financing expenses of the Series 1997B Bonds. The Series 1997B Bonds will be payable solely from revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth of Virginia, or allocated by the Commonwealth Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues of the Transportation Trust Fund, (4) such other funds which may be appropriated by the General Assembly, and from moneys in certain funds established under such Master Agreement of Trust, all as more fully described in this Official Statement.

The Series 1997C Bonds will be issued pursuant to a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented, and a Fifth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997, each between the Commonwealth Transportation Board and the Trustee. The proceeds of the Series 1997C Bonds will be used to refund a portion of the Commonwealth Transportation Board Commonwealth of Virginia Transportation Revenue Bonds, Series 1989 (U.S. Route 58 Corridor Development Program) and to pay issuance costs and other financing expenses of the Series 1997C Bonds. The Series 1997C Bonds are payable solely from funds appropriated for such purposes by the General Assembly of the Commonwealth of Virginia, or allocated by the Commonwealth Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Route 58 Corridor Development Fund, (2) to the extent required, revenues legally available in the Transportation Trust Fund, and (3) to the extent required, other legally available funds, and from moneys in certain funds established under such Master Agreement of Trust, all as more fully described in this Official Statement.

The Bonds will be limited obligations of the Commonwealth of Virginia and the Commonwealth Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly or allocated by the Commonwealth Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt, nor is there a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Bids will be taken for the Bonds as described in the Notice of Sale dated \_\_\_\_\_, 1997, attached hereto as Appendix F.

*The Bonds are offered when, as and if issued, subject to the approval of their legality by Christian & Barton, L.L.P., Richmond, Virginia, Bond Counsel, and to certain other conditions. 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 Bonds will be available for delivery to DTC in New York, New York, on or about \_\_\_\_\_, 1997.*

Dated: \_\_\_\_\_

\_\_\_\_\_  
\* Preliminary, subject to change

DRAFT - AUGUST 14, 1997

46 000

**COMMONWEALTH TRANSPORTATION BOARD**

\$ \_\_\_\_\_  
**Commonwealth of Virginia**  
**Transportation Revenue Refunding Bonds**

\$ _____ Series 1997B (Northern Virginia Transportation District Program)				\$ _____ Series 1997C (U.S. Route 58 Corridor Development Program)			
<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price/ Yield</u>	<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price/ Yield</u>
1998				1998			
1999				1999			
2000				2000			
2001				2001			
2002				2002			
2003				2003			
2004				2004			
2005				2005			
2006				2006			
2007				2007			
2008				2008			
2009				2009			
2010				2010			
2011				2011			
2012				2012			
2013				2013			
2014				2014			
2015				2015			
2016				2016			
2017				2017			
2018				2018			
2019				2019			
2020							

(Accrued interest to be added)

\* Preliminary, subject to change



**COMMONWEALTH TRANSPORTATION BOARD**

Robert E. Martinez, *Chairman and Secretary of Transportation*  
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This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesperson or any other person has been authorized by the Transportation Board or the underwriters to give any information or make any representation with respect to the Transportation Board, the Commonwealth of Virginia or the Bonds, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representation must not be relied upon as having been authorized by the Transportation Board or the underwriters. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the affairs of the Transportation Board or the other matters described herein since the date of this Official Statement.

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**OFFICIAL STATEMENT**  
**Commonwealth Transportation Board**  
**\$ \_\_\_\_\_ \***  
**Commonwealth of Virginia**  
**Transportation Revenue Refunding Bonds**  
**consisting of the combined offering of**  
**\$ \_\_\_\_\_ \* Series 1997B (Northern Virginia Transportation District Program)**  
**and**  
**\$ \_\_\_\_\_ \* Series 1997C (U.S. Route 58 Corridor Development Program)**

**INTRODUCTION**

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 offering of \$ \_\_\_\_\_ \* aggregate principal amount of the Commonwealth of Virginia Transportation Revenue Bonds consisting of the combined offering of (a) \$ \_\_\_\_\_ \* Series 1997B (Northern Virginia Transportation District Program) (the "Series 1997B Bonds") and (b) \_\_\_\_\_ \* Series 1997C (U.S. Route 58 Corridor Development Program) (the "Series 1997C Bonds" and collectively, with the Series 1997B Bonds, the "Bonds"). The Bonds will be offered for sale at competitive bidding on \_\_\_\_\_, 1997, see the section "Sale at Competitive Bidding."

*This Introduction contains certain information for summary purposes only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The information contained in this Official Statement is as of the date stated on the front cover.*

**Series 1997B Bonds**

The issuance of the Series 1997B Bonds is authorized by the provisions of the State Revenue Bond Act, §§ 33.1-267 *et seq.* (the "Revenue Bond Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"); Chapter 391 of the Acts of the General Assembly of Virginia, 1993 General Session, as amended by Chapters 470 and 597 of the Acts of the General Assembly of Virginia, 1994 General Session (the "NVTB Bond Legislation"); a resolution adopted by the Transportation Board on August 21, 1997 (the "Bond Resolution"); and a resolution adopted by the Treasury Board of the Commonwealth (the "Treasury Board") on \_\_\_\_\_, 1997. The Series 1997B Bonds are being issued pursuant to a Master Agreement of Trust dated as of August 15, 1993 (the "NVTB Master Trust Agreement"), as supplemented and amended by a Fourth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997, (the "Series 1997B Fourth Supplemental Trust Agreement" and collectively, with the NVTB Master Trust Agreement, the "NVTB Trust Agreement"), each between the Transportation Board and First Union National Bank of Virginia, Richmond, Virginia, as trustee (the "Trustee"). The Trustee is also the initial paying agent for the Series 1997B Bonds (the "Paying Agent").

The Series 1997B Bonds are the fourth series of bonds issued by the Transportation Board to finance costs related to the Northern Virginia Transportation District Program (the "NVTB Program"). See the section "Northern Virginia Transportation District Program." In 1993, the Transportation Board issued its \$134,060,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"). In 1995, the Transportation Board issued its \$60,810,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Series 1995A Bonds"). In 1996, the Transportation Board issued its \$70,890,000 Commonwealth of Virginia Transportation Revenue Bonds Series 1996A (Northern Virginia Transportation District Program) (the "Series 1996A Bonds") to finance additional costs of the NVTB Program. The Series 1993C Bonds, the Series 1995A Bonds, the Series 1996A Bonds, the Series 1997B Bonds and any additional bonds issued under the NVTB Trust Agreement are referred to in this Official Statement as the "NVTB Bonds".

\* Preliminary, subject to change

The NVTB Bonds are secured by and payable from revenues, receipts and funds appropriated by the General Assembly of the Commonwealth of Virginia (the "General Assembly") for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues of the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly, and from moneys held in certain funds established under the NVTB Trust Agreement. See the section "Sources of Payment and Security for the Bonds."

#### Series 1997C Bonds

The issuance of the Series 1997C Bonds is authorized by the provisions of the Revenue Bond Act of the Code of Virginia, Chapter 12 of the Acts of the General Assembly of Virginia, 1989 Special Session II (the "Route 58 Bond Legislation"), the Bond Resolution, and a resolution adopted by the Treasury Board on \_\_\_\_\_, 1997. The Series 1997C Bonds are being issued pursuant to a Master Agreement of Trust dated as of November 1, 1989 (the "Route 58 Master Trust Agreement"), as previously supplemented, and a Fifth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997 (the "Series 1997C Fifth Supplemental Trust Agreement" and collectively, with the Route 58 Master Trust Agreement, the "Route 58 Trust Agreement"), each between the Transportation Board and the Trustee. The Trustee is also the initial paying agent for the Series 1997C Bonds.

The Series 1997C Bonds are the fifth series of bonds issued by the Transportation Board to finance costs related to the U.S. Route 58 Corridor Development Program (the "Route 58 Program"). In 1989, the Transportation Board issued its \$200,000,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1989 (U.S. Route 58 Corridor Development Program) (the "Series 1989 Bonds") to finance the initial costs of the Route 58 Program. In 1993, the Transportation Board issued its \$91,455,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1993A (U.S. Route 58 Corridor Development Program) (the "Series 1993A Bonds") to refund a portion of the Series 1989 Bonds. Simultaneously with the issuance of the Series 1993A Bonds, the Transportation Board issued its \$98,715,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1993B (U.S. Route 58 Corridor Development Program) (the "Series 1993B Bonds") to finance additional costs of the Route 58 Program. In 1996, the Transportation Board issued its \$114,285,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1996B (U.S. Route 58 Corridor Development Program) (the "Series 1996 B Bonds") to finance additional costs of the Route 58 Program. Outstanding Series 1989 Bonds, Series 1993A Bonds, Series 1993B Bonds, Series 1996B Bonds, Series 1997C and any additional bonds issued in the future under the Route 58 Trust Agreement are referred to in this Official Statement as the "Route 58 Bonds."

The Route 58 Bonds are secured by and payable from revenues, receipts and funds appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the U.S. Route 58 Corridor Development Fund (the "Route 58 Corridor Development Fund"), (2) to the extent required, other revenues legally available from the Transportation Trust Fund, and (3) to the extent required, other legally available funds, and from moneys in certain funds established under the Route 58 Trust Agreement. See the section "Sources of Payment and Security for the Bonds."

#### Refunding Plan

The Transportation Board will use the proceeds of the Bonds (exclusive of accrued interest), to provide for (i) the payment to and redemption of the Series 1995A Bonds maturing May 15, \_\_\_\_\_, through and including May 15, \_\_\_\_\_ (the "Series 1995A Refunded Bonds") on the earliest redemption date, May 15, 2004 and to pay the issuance costs of the Series 1997B Bonds and (ii) the payment to and redemption of the Series 1989 Bonds maturing May 15, \_\_\_\_\_ and May 15, \_\_\_\_\_, through and including May 15, \_\_\_\_\_ (the "Series 1989 Refunded Bonds", and collectively with the Series 1995A Refunded Bonds, the "Refunded Bonds") on the earliest redemption date, May 15, 1998, and to pay the issuance costs of the Series 1997C Bonds.

The Transportation Board will deposit proceeds of the Bonds to the Escrow Funds established pursuant to the Series 1997B Fourth Supplemental Trust Agreement and the Series 1997C Fifth Supplemental Trust Agreement. The Trustee will apply the amount deposited in the Escrow Funds to purchase certain direct, non-callable obligations of the United States Treasury (the "Government Obligations"). The Government Obligations will bear interest and mature at times and in such amounts which, together with cash held in the Escrow Funds, will be sufficient to pay principal of, redemption

premium and interest on (i) the Series 1995A Refunded Bonds through their redemption date, May 15, 2004 and (ii) the Series 1989 Refunded Bonds through their redemption date, May 15, 1998. As a result of the deposit of the Government Obligations to the credit of the Escrow Funds pursuant to the instructions in the Series 1997B Fourth Supplemental Trust Agreement and the Series 1997C Fifth Supplemental Trust Agreement, the Refunded Bonds will be deemed no longer outstanding. Amounts held by the Trustee in the Escrow Funds are held as trust funds for the benefit of the holders of the related Refunded Bonds and will not constitute security for the payment of the Bonds, payment of the Series 1995A Bonds which are not being refunded or the payment of the Series 1989 Bonds which are not being refunded.

**General**

If the Treasury Board or the Transportation Board fails to make any payment on the NYTD Bonds or the Route 58 Bonds under the NYTD or Route 58 Trust Agreement when due, the Trustee and the owners of the NYTD Bonds and the Route 58 Bonds will have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of them.

The NYTD Bonds and Route 58 Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt, nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions.

All financial and other data included in this Official Statement have been provided by the Commonwealth, except that which is attributed to other sources.

**SOURCES AND USES OF FUNDS**

The estimated sources and uses for the Bonds are as follows:

<b>Sources:</b>	
Principal Amount of Series 1997B Bonds	\$
Series 1997B Original Issue Discount	
Series 1997B Accrued Interest	
Principal Amount of Series 1997C Bonds	
Series 1997C Original Issue Discount	
Series 1997C Accrued Interest	
Total	\$ <u>                    </u>
<b>Uses:</b>	
Deposits to Escrow Fund:	
Northern Virginia Transportation District Program	\$
U.S. Route 58 Corridor Development Program	
Subtotal	
Cost of Issuance	
Underwriters' Discount	
Deposit of Accrued Interest to the Interest Accounts	
Total	\$ <u>                    </u>

**THE BONDS**

**Description of the Bonds**

The Bonds will be issued as fully registered bonds in book-entry form. The Bonds will be dated \_\_\_\_\_, 1997, will be issued in denominations of \$5,000 or integral multiples of \$5,000, and will bear interest from \_\_\_\_\_, 1997, payable semiannually on each May 15 and November 15, beginning May 15, 1998 at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. Principal of, premium, if any, and

interest on the Bonds will be paid by the paying agent to DTC for distribution as described in the subsection "Book-Entry Only System" below.

#### Optional Redemption

The Bonds maturing on or before May 15, 2007 will not be subject to optional redemption. The Bonds maturing on and after May 15, 2008 will be subject to redemption before maturity at the Transportation Board's option on and after May 15, 2007, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, at any time 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 date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
May 15, 2007 through May 14, 2008	101 %
May 15, 2008 through May 14, 2009	100 %
May 15, 2009 and thereafter	100

#### Mandatory Sinking Fund Redemption

*[Mandatory redemption provisions will be included in the final official statement only if the successful bidder elects to combine, in accordance with the Notice of Sale, serial maturities into term bonds.]*

#### Series 1997B Bonds

Series 1997B Bonds maturing on May 15, \_\_\_\_\_, are required to be redeemed in part before maturity on May 15 in the years and in the amounts set forth below, upon payment of a redemption price equal to 100 percent of their principal amount, plus accrued interest to the date fixed for redemption.

\$\_\_\_\_\_ Term Bonds Maturing May 15, \_\_\_\_

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

The Series 1997B Fourth Supplemental Trust Agreement provides for a credit against payments required to be made on any mandatory redemption date in an amount equal to the principal amount of any Series 1997B Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased or that have been purchased and delivered to the Trustee for cancellation at least 70 days before such date, provided such Series 1997B Bonds have not previously been applied as a credit against any mandatory redemption payment.

#### Series 1997C Bonds

The Series 1997C Bonds maturing on May 15, \_\_\_\_\_, are required to be redeemed in part before maturity on May 15 in the years and in the amounts set forth below, upon payment of a redemption price equal to 100 percent of their principal amount, plus accrued interest to the date fixed for redemption.

\$\_\_\_\_\_ Term Bonds Maturing May 15, \_\_\_\_

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

The Series 1997C Fifth Supplemental Trust Agreement provides for a credit against payments required to be made on any mandatory redemption date in an amount equal to the principal amount of any Series 1997C Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased or that have been purchased and delivered to the Trustee for cancellation at least 70 days before such date, provided such Series 1997C Bonds have not previously been applied as a credit against any mandatory redemption payment.

### **Selection of Bonds for Redemption**

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by DTC, as hereafter defined, or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

### **Notice of Redemption**

Notice of redemption will be given by the paying agent by registered or certified mail not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or if none, to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books maintained by the Paying Agent. Such notice of redemption also will 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 the registered owner of the Bonds, the Paying Agent will not be responsible for mailing notices of redemption to the Beneficial Owners.

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

*The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payments of principal, premium if any, and interest on Bonds to DTC, its nominee, Participants (as defined herein) or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC and is not, and should not be construed as, a representation by the Transportation Board, the Trustee, the Paying Agent or Bond Counsel as to its accuracy, completeness or otherwise.*

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. as DTC's nominee. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies, that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.



To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Transportation Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, the Trustee, the Paying Agent or the Transportation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Transportation Board and the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Transportation Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

*The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Transportation Board believes to be reliable, but the Transportation Board takes no responsibility for its accuracy.*

The Trustee or the Transportation Board (with the Trustee's consent) may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The Transportation Board, the Commonwealth, the Treasury Board and the Trustee have an responsibility or obligation to the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (b) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, redemption premium, if any, and interest on the Bonds; (c) the delivery or timeliness of delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the resolution pursuant to which the Bonds are issued to be given to Bondholders or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Bonds or the Bondholders shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Bondholder of the Bonds for all purposes under the NYTD Trust Agreement and the Route 58 Trust Agreement.

The Transportation Board may enter into amendments to the agreement with DTC, or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of Beneficial Owners.

## DEBT SERVICE REQUIREMENTS

### Northern Virginia Transportation District Program Bonds

The following table sets forth for the fiscal years ending each June 30 the amounts needed in each annual period for payment of principal of and interest on the NVTB Bonds.

Fiscal Year	Outstanding Debt Service <sup>1</sup>	Series 1997B Bonds		Fiscal Year Debt Service	Total Fiscal Year Debt Service
		Principal	Interest		
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					

*Figures may not add due to rounding.*

<sup>1</sup> Outstanding Debt Service reflects the amounts needed in each annual period for payment of principal of and interest on the NVTB Bonds outstanding as of the date of this Official Statement and reflects the refunding of a portion of the Series 1995A Bonds.

**U.S. Route 58 Corridor Development Program Bonds**

The following table sets forth for the fiscal years ending each June 30 the amounts needed in each annual period for payment of principal of and interest on the Route 58 Bonds.

Series 1997C Bonds					
Fiscal Year	Outstanding Debt Service <sup>1</sup>	Principal	Interest	Fiscal Year Debt Service	Total Fiscal Year Debt Service
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					

*Figures may not add due to rounding.*

- <sup>1</sup> Outstanding Debt Service reflects the amounts needed in each annual period for payment of principal of and interest on the Route 58 Bonds outstanding as of the date of this Official Statement and reflects the refunding of a portion of the Series 1989 Bonds.

**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

The Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt, nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions.

**Series 1997B Bonds**

The NVTB Trust Agreement provides that the Series 1997B Bonds are equally and ratably secured by and payable solely from (a) "Revenues" defined as revenues, receipts and funds appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds

appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues in the Transportation Trust Fund and (4) such other funds which may be appropriated by the General Assembly, and (b) moneys in certain funds established under the NVTD Trust Agreement. See the sections "Northern Virginia Transportation District Fund," "Transportation Trust Fund" and "Summary of the Northern Virginia Transportation District Trust Agreement."

The Transportation Board previously entered into a Second Supplemental Payment Agreement, dated as of November 1, 1996 (the "NVTD Supplemental Payment Agreement"), with the Treasury Board and the Secretary of Finance of the Commonwealth (the "Secretary of Finance"), supplementing and amending the Payment Agreement dated as of August 15, 1993, previously supplemented and amended by a Supplemental Payment Agreement, dated as of January 13, 1995, (collectively the "NVTD Original Payment Agreement"), with the Treasury Board and the Secretary of Finance. The NVTD Supplemental Payment Agreement and the NVTD Original Payment Agreement will be referred to collectively as the "NVTD Payment Agreement." The NVTD Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the NVTD Bonds and for the payment of such debt service. If no appropriation is made to the Northern Virginia Transportation District Fund, as described in the section "Northern Virginia Transportation District Fund," or if any such appropriation is insufficient in amount, the Payment Agreement requires the Transportation Board to apply to the payment of debt service on the NVTD Bonds funds appropriated by the General Assembly and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located; however, the General Assembly could amend the statutory authority requiring the Transportation Board to make this allocation. See the section "Summary of the Northern Virginia Transportation District Payment Agreement."

#### **Series 1997C Bonds**

The Route 58 Trust Agreement provides that the Series 1997C Bonds are equally and ratably secured by and payable solely from (a) "Revenues" defined as revenues, receipts and funds appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available in the Transportation Trust Fund, and (3) to the extent required, other legally available funds, and (b) moneys in certain funds established under the Route 58 Trust Agreement. See the sections "U.S. Route 58 Corridor Development Fund," "Transportation Trust Fund" and "Summary of the U.S. Route 58 Corridor Development Program Trust Agreement."

The Transportation Board entered into a Payment Agreement, dated as of November 1, 1989 (the "Route 58 Payment Agreement"), with the Treasury Board and the Secretary of Finance. The Route 58 Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the Route 58 Bonds, and for the payment of such debt service. The Payment Agreement requires the Transportation Board and the Treasury Board to use their best efforts to have (a) the Governor include, among other things, the amount so certified in each biennial or any supplemental budget of the Commonwealth and (b) the General Assembly appropriate the amount requested by the Governor. Once the amounts for debt service on the Route 58 Bonds are appropriated by the General Assembly, the Transportation Board and the Treasury Board are required under the Route 58 Payment Agreement to process the necessary requisitions and documents for payment to the Trustee of debt service on the Route 58 Bonds and any other amounts required by the Route 58 Trust Agreement. See the section "Summary of the U.S. Route 58 Corridor Development Program Payment Agreement."

#### **Additional Debt**

The Transportation Board may issue one or more series of additional bonds under the NVTD Trust Agreement on a parity with the NVTD Bonds and one or more series of additional bonds under the Route 58 Trust Agreement on a parity with the Route 58 Bonds upon satisfaction of various conditions. The NVTD Trust Agreement and Route 58 Trust Agreement provide that additional bonds may be issued only (1) to pay costs of all or any portion of the NVTD Program or Route 58 Program, (2) to refund any NVTD Bonds or Route 58 Bonds issued under the NVTD Trust Agreement or Route 58 Trust Agreement, and (3) for a combination of such purposes.

All NVTD Bonds issued under the NVTD Trust Agreement to provide funds to pay additional costs of the NVTD Program must be authorized by the General Assembly. The NVTD Bond Legislation currently limits the amount of bonds to provide funds to pay additional costs of the NVTD Program, which may be issued for the NVTD Program to \$271,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses. Refunding bonds are not included in this limit. This limit could be changed by the General Assembly.

All Route 58 Bonds issued under the Route 58 Trust Agreement to provide funds to pay additional costs of the Route 58 Program must be authorized by the General Assembly. The Route 58 Bond Legislation currently limits the amount of bonds which may be issued for the Route 58 Program to \$600,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses. Refunding bonds are not included in this limit. This limit could be changed by the General Assembly. The Transportation Board expects to issue approximately \$139 million of Route 58 Bonds in a subsequent fiscal year to the extent that revenues are available in the Route 58 Corridor Development Fund for debt service and that debt service for additional bonds is anticipated to be appropriated by the General Assembly.

In addition to the NVTD Bonds and Route 58 Bonds authorized by the NVTD Bond Legislation and Route 58 Bond Legislation, the General Assembly may authorize the issuance of other bonds by the Transportation Board to pay the costs of other transportation improvements in the Commonwealth. Such bonds could be payable from amounts which may be appropriated by the General Assembly from the Northern Virginia Transportation District Fund, the Route 58 Corridor Development Fund, other legally available funds in the Transportation Trust Fund, and other legally available funds of the Commonwealth. See the section "Authorized, Issued and Unissued Bonds."

## AUTHORIZED, ISSUED AND UNISSUED BONDS

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities with credit structures similar to the credit structure for the Series 1996 Bonds. Descriptions of these financing programs and the authorized, issued and unissued bonds are set forth below.

### Transportation Revenue Bonds

**U.S. Route 58 Corridor Development Program.** The Revenue Bond Act permits the Transportation Board to issue Transportation Revenue Bonds payable from (1) appropriations made from the Route 58 Corridor Development Fund, (2) to the extent required, revenues legally available from the Transportation Trust Fund, and (3) other legally available funds to finance projects authorized by the General Assembly. In its 1989 Special Session II, the General Assembly enacted legislation which authorizes the Transportation Board to issue Transportation Revenue Bonds in an amount not to exceed \$600,000,000, plus an amount for issuance costs, reserve funds and other financing expenses, to finance a portion of the costs of the Route 58 Program. In 1989, the Transportation Board issued \$200,000,000 of Transportation Revenue Bonds, Series 1989 to finance a portion of the costs of the Route 58 Program. In June 1993, the Transportation Board issued its Transportation Revenue Refunding Bonds, Series 1993A, in the principal amount of \$91,455,000 to refund a portion of the Series 1989 Bonds and its Transportation Revenue Bonds, Series 1993B, in the principal amount of \$98,715,000 to finance additional costs of the Route 58 Program. In 1996, the Transportation Board issued \$114,258,000 of Transportation Revenue Bonds, Series 1996B to finance additional costs of the Route 58 Program. The Series 1997C Bonds are the fifth series of Route 58 Bonds to be issued by the Transportation Board under the Route 58 Corridor Program. See the sections "U.S. Route 58 Corridor Development Program" and "U.S. Route 58 Corridor Development Fund."

**Northern Virginia Transportation District.** The NVTD Bond Legislation authorizes the Transportation Board to sell Transportation Revenue Bonds, pursuant to the Revenue Bond Act, as amended, in the amount of \$271,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses for the NVTD Program. The NVTD Program currently includes the following projects: the Fairfax County Parkway, Route 234 Bypass, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station, Route 7 improvements in Loudoun County between Route 15 and Route 28, and the Route 50/Courthouse Road interchange improvements in Arlington County. It is expected that revenue for payment of the debt service on the Bonds will be provided from the Northern Virginia Transportation District Fund. The General Assembly also amended the Virginia Code to provide \$20,000,000 in fiscal year 1993-94 and \$40,000,000 in each fiscal year thereafter to be distributed to localities from the state recordation taxes. This annual distribution of \$40,000,000 of state recordation taxes to all cities and counties is based on their respective fractional share of the recordation tax collected attributable to each city and county. The legislation establishing the Northern Virginia Transportation District Fund provides that the quarterly payments of recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun and Prince William shall be transferred to the Fund for the Program. In 1993, the Transportation Board issued the \$134,060,000 Series 1993C Bonds for the Program. In 1995, the Transportation Board issued the \$60,810,000 Series 1995A Bonds. In 1996, the Transportation Board issued the \$70,890,000 Series 1996A Bonds to finance additional costs of the NVTD Program. The Series 1997B Bonds are the fourth series of NVTD Bonds to be issued by the

Transportation Board under the NVTD Program. See the sections "Northern Virginia Transportation District Program" and "Northern Virginia Transportation District Fund."

#### **Transportation Program Revenue Bonds**

*Transportation Improvement Program Set-aside Fund.* The 1993 Session of the General Assembly also authorized the creation of Transportation Improvement Program Set-aside Fund (the "Set-aside Fund") for transportation improvements endorsed by the requesting local jurisdiction or jurisdictions affected and to provide for the issuance of Transportation Program Revenue Bonds to finance those improvements. The jurisdiction or jurisdictions requesting participation in the Set-aside Fund and the issuance of bonds must agree that certain distributions of state recodation taxes attributable to them be deposited in the Set-aside Fund by the State Treasurer and used to pay debt service on any Transportation Program Revenue Bonds issued by the Transportation Board to finance the cost of the program. Before any bonds may be issued, the project or projects to be financed must be approved by the General Assembly.

The Transportation Program Revenue Bonds authorized by the 1994 Session of the General Assembly, described below, are the only bonds authorized to utilize the Set-aside Fund.

*Oak Grove Connector, City of Chesapeake.* The 1994 Session of the General Assembly authorized the issuance of \$32,500,000 Transportation Program Revenue Bonds, plus an additional amount for issuance costs, reserve funds and other financing expenses, to finance the cost of the Oak Grove Connector project. In July 1997, the Transportation Board issued \$33,075,000 of Transportation Program Revenue Bonds, Series 1997A (Oak Grove Connector, City of Chesapeake) (the "Oak Grove Connector Bonds"). This project consists of a four lane divided highway connecting Dominion Boulevard (Route 104) and the Great Bridge Bypass (Route 168) in the City of Chesapeake (the "City") and includes costs of environmental and engineering studies, right-of-way acquisition, improvements to all modes of transportation, construction and related improvements. The Oak Grove Connector are secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from the Set-aside Fund which shall have been transferred to and held in the Set-aside Fund for the account of the City, (ii) to the extent required, revenues received pursuant to a contract with the City or other financing mechanism acceptable to the Transportation Board, (iii) from funds appropriated and allocated pursuant to the allocation formula to the city in which the project to be financed is located, (iv) to the extent required, from legally available revenues of the Transportation Trust Fund, and (v) from other funds as may be appropriated by the General Assembly.

#### **Transportation Contract Revenue Bonds**

*Route 28 Transportation Contract Revenue Bonds, Series 1988.* In the 1988 Session, the General Assembly enacted legislation which authorized the Transportation Board to issue Transportation Contract Revenue Bonds in an amount not to exceed \$160,700,000 to finance the costs of Phase I of the Route 28 project, plus an amount for issuance costs, reserve funds and other financing expenses. Due to a subsequent reduction in the estimated Phase I cost, the Transportation Board issued \$138,483,372.25 of Transportation Contract Revenue Bonds, Series 1988 (the "Series 1988 Bonds"). The balance of the authorization was not required to complete Phase I of the Route 28 project. In the 1990 Session, the General Assembly amended the legislation to permit any proceeds of the Series 1988 Bonds remaining after the completion of Phase I and any of the unissued Transportation Contract Revenue Bonds authorized under the legislation to be applied to Phase II of the Route 28 project. No other bonds have been authorized for Phase II. In 1992, the Transportation Board refunded all of the outstanding Series 1988 Bonds by issuing \$111,680,000 of Transportation Contract Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"). At this time, the Transportation Board does not anticipate issuing any additional Transportation Contract Revenue Bonds pursuant to the remaining authorization. Series 1992 Bonds are payable from funds appropriated by the General Assembly for such purpose from the following three sources in the Transportation Trust Fund: (1) special tax revenues collected from a tax levied on commercial and industrial property in the Route 28 Transportation Improvement District, (2) money appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the Counties of Fairfax or Loudoun, and (3) other legally available money in the Transportation Trust Fund. The 1993 Session of the General Assembly provided for the rezoning of commercial and industrial property within the Route 28 Transportation Improvement District to residential property provided the property owner makes a one-time payment equal to the projected tax revenues over the life of the Series 1992 Bonds as if the property had remained zoned for commercial or industrial use.

*Route 234 Bypass Transportation Contract Revenue Bonds.* The 1990 Session of the General Assembly authorized the issuance of \$95,000,000, plus an additional amount for issuance costs, reserve funds and other financing expenses, of Transportation Contract Revenue Bonds to provide funds to support the construction of the State Route 234 Bypass in Prince William County. A Transportation Improvement District in Prince William County has been created to carry

out this financing. The authorization to issue the Transportation Contract Revenue 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 this precondition, along with several of the other preconditions, has not been met. Therefore, no Transportation Contract Revenue Bonds have been issued pursuant to this act although the issuance authorization remains. The 1993 Session of the General Assembly amended the bond authorization to permit the Transportation Board to finance the project in phases and prioritized the phases of the project, as applicable preconditions are met. The State Route 234 Bypass is being financed in part with proceeds of the NVTB 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 Virginia Code, 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, three members are selected as urban at-large members and two members are selected as rural at-large members. In addition to representing rural and urban transportation needs, the at-large members represent the interests of seaport, airport, railway and mass transit users. The Chairman of the Transportation Board is the Secretary of Transportation of the Commonwealth. 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 their terms and the constituency represented by each member are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Constituency</u>
Robert E. Martinez	At the Pleasure of the Governor	Chairman, Transportation Board; Secretary of Transportation
David R. Gehr	At the Pleasure of the Governor	Vice Chairman, Transportation Board; Commonwealth Transp. Commissioner
William W. Prettyman	June 30, 2001	Suffolk District
John H. Grubb, Jr.	June 30, 2000	Rural At-Large
Roy Parrish Byrd	June 30, 1999	Lynchburg District
John V. Cogbill, III	June 30, 1999	Richmond District
Lorinda G. Lionberger	June 30, 2001	Salem District
H. Carter Myers, III	June 30, 1998	Urban At-Large
Zeanious L. Newcomb	June 30, 1998	Fredericksburg District
Max B. Porter	June 30, 1998	Rural At-Large
L.C. Martin	June 30, 2000	Bristol District
James E. Rich	June 30, 1998	Urban At-Large
William S. Roudabush	June 30, 1998	Culpeper District
Harold E. Neale	June 30, 2000	Staunton District
Robert T. Lee	June 30, 2000	Northern Virginia District
Ulysses X. White	June 30, 2001	Urban At-Large

*Robert E. Martinez* has served as Secretary of Transportation and Chairman of the Commonwealth Transportation Board since being appointed to these positions by Governor George Allen effective January 16, 1994. Prior to his appointment, Secretary Martinez was a Manager of Strategic Planning at Norfolk Southern Corporation. Before joining Norfolk Southern, Dr. Martinez was with the U.S. Department of Transportation. He was Deputy Administrator of the Maritime Administration and later appointed by President Bush as Associate Deputy Secretary of Transportation and Director of the Office of Intermodalism. This Office, established by Dr. Martinez, was authorized under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Prior to joining the U.S. Department of Transportation, he served as Assistant Executive Director of the Business Roundtable. Dr. Martinez is a native of Havana, Cuba. He holds a B.A. from Columbia University, and a M.A. in International Relations and a Ph.D. in Political Science from Yale University.

#### Virginia Department of Transportation

The Department has the responsibility for construction, maintenance and operation of the Commonwealth highway system under legislation enacted by the General Assembly and in accordance with policies and procedures adopted by the Transportation Board.

The Department's budget for the fiscal year ending June 30, 1998, is approximately \$2.4 billion. As of June 30, 1997 the Department had 545 construction projects underway for an aggregate amount of approximately \$1.24 billion, with an outstanding balance of construction costs to be paid of approximately \$614 million.

The Commonwealth is the nation's third largest system of state-maintained highways with a system totaling approximately 55,400 miles of interstate, primary and secondary roads. The system includes more than 12,500 bridges. In addition, independent cities and towns maintain about 9,800 miles of local streets and receive funds from the Transportation Board for such purpose.

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

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

These districts are divided into 43 residencies, each typically consisting of one to four counties. The field organization is further subdivided into approximately 203 area maintenance headquarters. About 90 percent of the Department's 10,000 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 that serve an administrative function.

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 and the Assistant Commissioner for Finance. The resumes of the persons currently filling these positions follow:

*David R. Gehr* has served as the Commonwealth Transportation Commissioner since being appointed to the position by Governor George Allen in 1994. Mr. Gehr had served as the Assistant Commissioner for Operations for the Department since 1986. His 26-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, 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.



*James G. Browder, Jr.* was appointed on January 1, 1996 as the Department's Chief Engineer. A native of Brunswick County, Mr. Browder graduated from Virginia Military Institute in 1966 with a Bachelor of Science Degree in Civil Engineering. He has served the Department as an Engineer Trainee in the Richmond Central Office, Assistant Resident Engineer in the Fredericksburg District, Resident Engineer in the Richmond District, and as Assistant District Engineer in the Fredericksburg District. Also, in 1993 he was named Fredericksburg District Administrator. Among other career accomplishments, Mr. Browder has worked closely with the contracting industry, overseeing major highway construction contracts for large segments of Virginia's Interstate System. Mr. Browder has a distinguished career in the U.S. Army Reserve and in 1995 was named Brigadier General. More recently, Mr. Browder was recommended for promotion to Major General which will ultimately require recommendation by the U.S. President and approval by the U.S. Senate. Mr. Browder is the Commander for the 80th Division.

*Claude D. Garver, Jr.* has served as the Assistant Commissioner for Operations for the Department since 1994. Previously, Mr. Garver had served as Assistant Commissioner for Planning and Programming for the Department since 1992. His career with the Department began in 1963 as an Engineer Trainee and he served in the positions of Assistant Resident Engineer in Chesterfield and Powhatan Counties, Resident Engineer in Prince William County, Assistant District Engineer for Richmond District, State Construction Engineer, and Northern Virginia District Administrator. Mr. Garver, a native of Virginia, holds a Civil Engineering Degree from Virginia Polytechnic Institute and State University. He is a member of the American Association of State Highway and Transportation Officials.

*Peter R. Kolakowski* has served as the Assistant Commissioner for Administration for the Department since April 1996. Previously, he served the Department as the Financial Planning & Debt Management Director from 1993 and prior to that the Department's Budget Director from 1985. Mr. Kolakowski's previous positions include four years as City Manager as well as Assistant City Manager and Director of Planning & Community Development for Fredericksburg, Virginia. A native of New York, Mr. Kolakowski holds a Bachelor's Degree from Ripon College and Master's Degree in Public Administration from the American University. He is a member of the American Association of State Transportation and Highway Officials and the International City/County Management Association.

## NORTHERN VIRGINIA TRANSPORTATION DISTRICT PROGRAM

The NVTD Program includes projects located in the Northern Virginia Highway Construction District which are to be developed over several years depending upon the availability of funding. The projects are to be funded from several different sources, including federal, state and local money and the proceeds of NVTD Bonds issued pursuant to the NVTD Bond Legislation.

*Fairfax County Parkway.* The Fairfax County Parkway (the "Parkway") extends 34.6 miles from Route 7 (Leesburg Pike) to Route 1 (Jefferson Davis Highway) with interchanges at the Dulles Toll Road (Hirst-Brault Expressway), Route 50, Interstate 66, Route 29, Frontier Drive and Interstate 95 (High Occupancy Vehicle access only). Additional interchanges are currently planned. The Parkway is a four-lane facility with right-of-way for six lanes in some sections. When completed, the Parkway will cost an estimated \$544 million and will provide for future interchanges at Route 7, Telegraph Road and Route 1.

*Route 234 Bypass.* The Route 234 Manassas Bypass is proposed to be a four-lane facility constructed on a six-lane right-of-way extending from approximately 0.4 miles east of existing Route 649 (Brentsville Road) in a northwesterly direction for approximately 10 miles to an interchange with Interstate 66. When completed, the facility will cost an estimated \$147 million to include interchanges at Brentsville Road, Clover Hill Road, Route 28, Sudley Manor Drive, Balls Ford Road and Interstate 66. The interim facility will provide four lanes extending from Route 28 to Interstate 66 with partial interchanges at Route 28 and Interstate 66.

*Metro Capital Improvements.* The Northern Virginia Transportation District Commission, comprised of Arlington County, Fairfax County, Loudoun County, City of Alexandria, City of Fairfax, and City of Falls Church, (the "Localities"), among other things, coordinates financing for the Localities' portion of the Washington Metropolitan Area Transit Authority ("WMATA") capital improvements. The WMATA capital improvements are divided into two programs, the Rail Construction Program and the Capital Improvements Program (collectively, the "Metro Capital Improvements Program").

The Rail Construction Program is intended to complete the remaining 103-mile Metrolink system. The major activity in the jurisdictions of the Localities is the construction of the Franconia-Springfield segment, estimated to cost approximately \$230 million. This project includes continued construction on the line sections, construction of the

Franconia-Springfield Metrorail Station and parking structure, procurement and installation of trackwork, and completion of design for train control, traction power and communications.

The Capital Improvements Program is a six-year, \$823 million program of capital replacement and rehabilitation to enhance quality of service and maintain the Metro system in a state of good repair and safety. This program will include the overhaul of 300 rail cars, the purchase of 700 replacement buses, the construction of a new Metrobus garage, and other related capital improvements.

**Route 7 Improvements.** The Route 7 Improvements were added to the Program by the 1994 amendments (Chapters 470 and 397 of the 1994 Acts of Assembly) and consist of improvements to Route 7 in Loudoun County between Route 15 and Route 28.

The planned improvement projects for Route 7 will widen the current 4 lane facility to a 6 lane roadway from Leesburg to west of Route 28, a distance of approximately 5.4 miles. The widening of this vital link to western Loudoun County will relieve congestion during peak hours and improve air quality for the region. This improvement will create a safer traveling environment for the commuters and residents of this locality. Economic development will also be facilitated through improved access to the market area.

**Route 50/Courthouse Road.** The Route 50/Courthouse Road interchange project is located in Arlington County and will provide for needed improvements to reduce congestion and improve traffic safety. The project has been included in the Fiscal Year 1996-97 Six Year Improvement Program adopted by the Transportation Board. Preliminary engineering work has been initiated.

## NORTHERN VIRGINIA TRANSPORTATION DISTRICT FUND

### General

The Northern Virginia Transportation District Fund (the "NVTDFund") was established by the General Assembly in 1993, § 58.1-815.1 of the Virginia Code, as a special non-reverting fund of the Transportation Trust Fund which is held by the Department of Treasury. The legislation creating the NVTDFund currently provides that commencing on October 1, 1993 and annually thereafter on July 1, there is to be transferred to the NVTDFund, subject to appropriation by the General Assembly, a portion of the collections of the state recordation taxes which is attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William as described below. The General Assembly has previously provided for prior appropriations from state recordation tax collections to pay debt service on other Transportation Revenue Bonds issued by the Transportation Board to finance the Route 58 Program. See the Section "U.S. Route 58 Corridor Development Program" and "U.S. Route 58 Corridor Development Fund."

In the fiscal year ending June 30, 1997, there was distributed a total of \$40.0 million of the collections of the state recordation taxes among the counties and cities in Virginia based on the portion of the recordation tax collections attributable to each county or city as provided by the legislation creating the NVTDFund. The portion of this amount attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun and Prince William is to be transferred to the NVTDFund. This amount was approximately \$16.3 million for fiscal year 1995-96 and approximately \$17.0 million for fiscal year 1996-97 and each subsequent fiscal year. The NVTDFund will include such other amounts, if any, as may be appropriated from time to time by the General Assembly and all interest, dividends and appreciation which may accrue to amounts in the NVTDFund. For Fiscal Year 1998 the General Assembly has provided an additional \$3 million from General Funds to the NVTDFund. See the section "State Recordation Tax Collection" for the actual and projected Commonwealth recordation tax collections and the amounts appropriated to the NVTDFund.

Amounts in the NVTDFund may be used to pay the costs of the NVTDFund Program, including debt service on the outstanding Series 1993C Bonds, Series 1995A Bonds, Series 1996A Bonds and Series 1997B Bonds. The amended legislation creating the NVTDFund provides that once the bond authority for all Category I projects has been used, \$10,000,000 of bond authorization remaining may be used to finance the costs of Category II projects. Once all bond authority has been utilized, excess money in the NVTDFund in any fiscal year not needed to pay debt service on the NVTDFund Bonds issued for Category I or Category II project may be used to pay the costs of Category III projects. These Category III projects are unspecified as of this date and will require concurrence by the local jurisdictions participating in the NVTDFund Program subject to guidelines and conditions established by the Transportation Board.

The Transportation Board makes no representation that the General Assembly will maintain or continue to make transfers to the NVT'D Fund or that the General Assembly will not repeal or materially modify the legislation creating the Northern Virginia Transportation District Fund or imposing the recordation taxes.

## U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM

### General

The Route 58 Program contemplates the development of a modern, safe and efficient highway system generally along the U.S. Route 58 Corridor (the "Corridor"). This Corridor extends approximately 500 miles from Cumberland Gap in Lee County in the west and runs generally along the southern border of the Commonwealth to the ocean front in Virginia Beach in the east, connecting the communities, businesses, places of employment and residents of the southwestern-most portion of the Commonwealth to those of the southeastern-most portion. The Route 58 Program is intended to enhance economic development potential, employment opportunities, mobility and quality of life along the Corridor.

About 236 miles of the highway system are already four or more lanes. The Route 58 Program encompasses about 559 miles of highway in the Bristol, Lynchburg, Richmond, Salem and Suffolk highway construction districts. It includes planning, environmental and engineering studies, the acquisition of right-of-way, highway widening and improvement projects, the construction and improvement of by-passes, new highway construction and the construction and improvement of connector roads. To the maximum extent possible the Corridor will conform to the existing arterial highway network and will utilize existing four-lane divided highways and available rights-of-way. The most expensive alternatives being considered would cost an estimated \$1.2 billion, while the least expensive would cost \$638 million, both in 1988 dollars. The final location of the highway system will depend on a number of factors including engineering and environmental considerations, cost and economic developmental benefits.

### Route 58 Program Costs

The Route 58 Program is a multi-year effort. Portions of the Route 58 Program have been completed or are under construction. The Transportation Board anticipates major segments will be completed by about 1998. The funding for the Route 58 Program is expected to be derived from (1) the proceeds of the Series 1989 Bonds, the Series 1993B Bonds and the Series 1996B Bonds, (2) additional borrowing up to the aggregate \$600 million limit imposed by the Route 58 Bond Legislation (3) the amount, if any, of recordation taxes deposited to the Route 58 Corridor Development Fund which is not used to pay debt service on the Route 58 Bonds, (4) investment earnings on funds held by the Trustee and on balances in the Route 58 Corridor Development Fund held by the State Treasurer, and (5) money allocated to the Route 58 Program from the Transportation Trust Fund under the Transportation Board's six-year highway improvements program.

The Transportation Board presently forecasts that the cost of completing the Route 58 Program may exceed available and future funding sources. As the Route 58 Program is adjusted to reflect the results of engineering studies and alignment decisions, the capital outlay requirements will be better defined. At that time the Transportation Board may seek additional or alternative sources of funds to complete the Route 58 Program.

The Transportation Board presently anticipates issuing additional debt to meet Route 58 Program expenditures. The Transportation Board expects to issue approximately \$139 million of Route 58 Bonds in a subsequent fiscal year to the extent that revenues are available in the Route 58 Corridor Development Fund for debt service and that debt service for additional bonds are anticipated to be appropriated by the General Assembly. The size and timing of any additional future borrowing will be determined by the Route 58 Program's needs for cash, market conditions and available revenues.

## U.S. ROUTE 58 CORRIDOR DEVELOPMENT FUND

The Route 58 Corridor Development Fund was established by the General Assembly in 1989 by Virginia Code Section 58.1-815 as a special nonreverting fund of the Transportation Trust Fund which is held by the Department of Treasury. Although Section 58.1-815 directs that the first \$40 million of annual collections of the state recordation taxes imposed on deeds, deeds of trust, mortgages and certain other instruments be transferred to the Route 58 Corridor Development Fund, the 1990-92 and 1992-94 biennial budgets adopted by the General Assembly only provided for the appropriation of amounts needed to pay debt service on the bonds outstanding under the Route 58 Program. The 1994 session of the General Assembly appropriated the full \$40 million for each year of the 1994-96 biennium. The 1996 session of the General Assembly appropriated the full \$40 million for the first year of the 1996-98 biennium and \$42 million for the second year. The Route 58 Corridor Development Fund also includes such other funds as may be appropriated and designated for it from time to time by the General Assembly and all interest, dividends and appreciation which may accrue to money in the Route 58 Corridor Development Fund. See the section "State Recordation Tax Collections" for the actual and projected State recordation tax collections and the amounts appropriated to the Route 58 Corridor Development Fund.

The Transportation Board makes no representation that the General Assembly will maintain or continue to make transfers to the Route 58 Corridor Development Fund or that the General Assembly will not repeal or materially modify the legislation creating the Route 58 Corridor Development Fund or imposing the recordation taxes.

## STATE RECORDATION TAX COLLECTIONS

Recordation taxes are imposed on every deed and deed of trust (mortgage) admitted to record in the Commonwealth subject to certain exceptions and exemptions. The taxes are collected by the clerks of the courts where the instruments are admitted to record. The current rate of tax on deeds is 15 cents on every \$100 or fraction thereof of the consideration for or the actual value of the property conveyed, whichever is greater, payable by the transferee, and 50 cents on each \$500 or fraction thereof of the consideration for or the actual value of the property exclusive of the value of any lien or encumbrance on the property, payable by the transferor. The current rate of tax on deeds of trust (mortgages) is 15 cents on every \$100 or fraction thereof of the amount of the obligation secured. The following table shows the actual and projected State recordation tax collections and the amounts applied to, or anticipated to be applied to, the payment of debt service on the Route 58 Bonds, the NVTB Bonds and the Oak Grove Connector Bonds.

**Commonwealth of Virginia - State Recordation Tax Collections  
1988-1998 (in millions)**

<b>Fiscal Year Ending, June 30</b>	<b>Total Tax</b>	<b>Appropriated Route 58 Corridor Development Fund<sup>1</sup></b>	<b>Appropriated Northern Virginia Transportation District Fund<sup>2</sup></b>	<b>Appropriated Oak Grove Connector Bonds</b>
1988	\$92.3	\$0.0	\$0.0	\$0.0
1989	98.2	0.0	0.0	0.0
1990	88.5	0.0	0.0	0.0
1991	68.6	40.0 <sup>4</sup>	0.0	0.0
1992	80.3	16.2 <sup>5</sup>	0.0	0.0
1993	96.1	15.2 <sup>3</sup>	0.0	0.0
1994	111.2	22.2 <sup>3</sup>	9.5 <sup>6</sup>	0.0
1995	81.3	40.0 <sup>4</sup>	19.0 <sup>6</sup>	0.0
1996	91.4	40.0 <sup>4</sup>	19.0 <sup>6</sup>	0.0
1997	103.7	40.0 <sup>4</sup>	17.0 <sup>6</sup>	2.5 <sup>7</sup>
1998	96.1 <sup>3</sup>	42.0 <sup>7</sup>	20.0 <sup>7</sup>	2.5 <sup>8</sup>

<sup>1</sup> Fund was established in fiscal year 1990 and funded in fiscal year 1991.

<sup>2</sup> Fund was established in fiscal year 1994.

<sup>3</sup> Projected amounts.

<sup>4</sup> Appropriation by General Assembly. The appropriation was not used for debt service and the total appropriation reverted to the General Fund.

<sup>5</sup> Amount necessary for debt service was appropriated from the General Fund of the Commonwealth.

<sup>6</sup> Appropriation by General Assembly.

<sup>7</sup> Appropriation by General Assembly comprising State Recordation Tax distributions and other General Funds.

<sup>8</sup> Includes the amounts estimated from State Recordation Tax distributions and other City of Chesapeake revenues, needed to pay debt service.

*Source: Department of Taxation and Department of Planning and Budget.*

## 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 nonreverting fund administered and allocated by the Transportation Board for the purpose of increased funding for construction and other capital 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, motor fuel 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 percent of these additional revenues to highway purposes with the balance being divided among airports (2.4 percent), mass transit (8.4 percent) and ports (4.2 percent). The investment of money in the Transportation Trust Fund is administered by the State Treasurer under guidelines adopted by the Transportation Board. The Transportation Board has adopted the same guidelines as the Treasury Board for the investment of public funds.

The Transportation Board makes no representation that the General Assembly will maintain the Transportation Trust 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, money for construction and maintenance was separated into two funds; the Transportation Trust Fund became the source of funds

for new construction, while the Highway Maintenance and Operating Fund (the "HMO Fund") was created as successor to the Highway Maintenance and Construction Fund for 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 is directed to the Transportation Trust Fund. See the subsection below "Sources of Revenues." In the fiscal year ending June 30, 1996, the HMO Fund received \$1,020,072,000 in such taxes and fees.

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 the year-end balance in the HMO Fund may diminish if maintenance costs rise faster than such taxes and fees 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 taxes and fees, any additional maintenance costs will have to be funded from other sources, one of which may be the Transportation Trust Fund.

#### **Highway Allocation Formula**

The Transportation Board is required by Virginia Code §33.1-23.1 to allocate each year all funds made available for highway purposes in accordance with the priorities established by §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, forty (40) percent are allocated for the needs of the primary system and thirty (30) percent 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 percent), primary road lane mileage (25 percent), and need as determined by the Transportation Board (5 percent). Funds for urban systems are distributed based on population, and secondary system funds are distributed based on population (80 percent) and area (20 percent). The Transportation Board determines the projects on which primary, urban and Interstate system funds are spent. Secondary system funds are distributed to the counties and not designated by the Transportation Board for specific projects.

The allocation formula was most recently changed in 1977 and 1985. At the 1993 General Assembly session, the Department reported on a study of the financing of transportation and allocation formula for all modes of transportation. The recommendations of this study included a one-year interim allocation formula which provided for use of additional federal revenues, but the Transportation Trust Fund allocation formula enacted in the 1986 Special Session was not changed. Senate Joint Resolution 240, also enacted in the 1993 Session, established a Joint Legislative Select Committee to review the Department's funding and report on the sufficiency of private, federal, state and local revenue sources to meet long-term maintenance and construction needs of the state highways, public transit, rail, ports and airports transportation systems. The Joint Legislative Select Committee reported to the 1994 General Assembly on its review. The study was continued as a result of Senate Joint Resolution 143 of the 1994 Session.

There is currently underway a study on the allocation formula. The Commission on the Future of Transportation in Virginia, created by SJR 110/HJR 160 of the 1996 Session of the General Assembly, was established to review future transportation needs in Virginia, including funding sources for such needs. The General Assembly may, in the Appropriation Act, permit the Governor to make changes in the allocation formula set forth in Virginia Code §33.1-23.1 to increase amounts allocated to highway maintenance or highway construction or both.

## Sources of Revenues

The following tables summarize the actual revenues for the fiscal years ending June 30, 1993 through 1997, and the projected revenues for the fiscal year ending June 30, 1998, received or to be received in the Transportation Trust Fund.

### Historical Transportation Trust Fund Revenues (in millions)

Fiscal Year Ending June 30:	1993	1994	1995	1996	1997 <sup>1</sup>	1998 <sup>2</sup>
Retail Sales and Use Tax	\$238.3	\$256.1	\$277.5	\$289.4	\$387.2	\$316.4
Motor Vehicle Sales and Use Tax <sup>1</sup>	99.2	116.5	132.4	140.5	143.3	146.4
Motor Fuel Taxes <sup>2</sup>	87.2	93.3	91.0	93.4	102.6	98.9
Motor Vehicle Registration Fees	15.3	14.5	16.1	16.8	16.8	16.4
Total Transportation Trust Fund Revenues <sup>1</sup>	<u>\$440.0</u>	<u>\$480.4</u>	<u>\$517.0</u>	<u>\$539.1</u>	<u>\$649.9</u>	<u>\$578.1</u>
Highway Construction Amount <sup>3</sup>	\$372.3	\$373.6	\$409.5	\$458.2	\$550.6	\$489.6
HMO Fund Transfer <sup>4</sup>	22.6	63.0	113.8	28.0	69.4	45.6
Total Highway Portion of Transportation Trust Fund	<u>\$394.9</u>	<u>\$436.6</u>	<u>\$523.3</u>	<u>\$486.2</u>	<u>\$620.0</u>	<u>\$535.2</u>

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 on the Transportation Trust Fund, all of which is credited to the Transportation Trust Fund.

4 Eighty-five percent of total Transportation Trust Fund revenues less certain estimated expenses.

5 Fiscal year-end transfer from HMO Fund. See subsection "Highway Maintenance and Operating Fund."

6 Preliminary figures, subject to audit.

7 Projected revenues.

Sources: Department of Accounts and Department of Motor Vehicles for fiscal years 1993 through 1997; Department of Motor Vehicles, Department of Taxation and Department of Transportation for revenue estimates for fiscal year 1998.

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.

**Retail Sales and Use Tax.** The retail sales tax is imposed on every transaction involving (1) the business of selling at retail or distributing tangible personal property in the Commonwealth; (2) the leasing or rental of tangible personal property as part of an established business; (3) the storing for use or consumption in the Commonwealth of any item or article of tangible personal property or leasing or renting such property within the Commonwealth; (4) the furnishing of transient accommodations; or (5) the selling of certain services. The tax on sales is based on the gross sales price of each item or article of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. The tax on accommodations, leases and rentals, which is based upon the lessor's gross proceeds from the leases and rentals, is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee. The tax on items or articles of tangible personal property stored in the Commonwealth for use or consumption in the Commonwealth is based on the cost price of each item or article. The tax on taxable services is based on the gross sales 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 the Commonwealth that would have been subject to sales tax if purchased in the Commonwealth and (2) purchases, leases or rentals made in the Commonwealth if the sales tax was not paid at the time of purchase, lease or rental. In general, the 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 retail sales and use taxes were increased from 3.0 percent to 3.5 percent by the 1986 Special Session Acts, effective January 1, 1987. Since then, 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 the Commonwealth, 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 sold in the Commonwealth, with the exceptions noted above, and to the sale price of motor vehicles, mobile homes and mobile offices not sold in the Commonwealth but used or stored for use in the Commonwealth. Under Commonwealth 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 percent to 3 percent, effective January 1, 1987. Since then, 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 government 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 the Commonwealth is taxed. Synthetic motor fuel produced in the Commonwealth from coal is subject to an incremental tax. Likewise, motor fuel refined in the Commonwealth exclusively from crude oil produced in the Commonwealth 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.

These motor fuel taxes increased 2.5 cents per gallon as a result of the 1986 Special Session Acts. The motor fuel tax on gasoline increased from 15 to 17.5 cents per gallon. The increase took effect on January 1, 1987. Since then, 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 Acts. The increase took effect January 1, 1987. Since then, 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. These taxes include a motor vehicle rental tax, a special fuel tax, an aviation special fuel tax and a road tax.

There is no assurance that any of these taxes or fees will remain in effect or that they will 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.



## SUMMARY OF THE NORTHERN VIRGINIA TRANSPORTATION DISTRICT TRUST AGREEMENT

The following, in addition to the information present in the sections "The Bonds" and "Sources of Payment and Security for the Bonds," summarizes certain provisions of the NVTB Trust Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the NVTB Trust Agreement and any additional 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 will have the following meanings unless a different meaning clearly appears from the context:

"Cost" or "Cost of the NVTB Program" means the cost of construction, the cost of all lands, properties, rights, easements, and franchises acquired which are deemed necessary for such construction, the cost of all machinery and equipment, financing charges, interest on the NVTB Bonds before 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, administrative expense, and such other expenses necessary or incident to the financing of all or any portion of the NVTB Program, the construction of all or any portion of the NVTB Program, the placing of all or any portion of the NVTB Program in operation and 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 NVTB Bonds issued to finance all or any portion of the NVTB Program, including, but not limited to, any such obligation or expense incurred prior to the issuance of the NVTB Bonds.

"Government Certificates" means certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company reasonably acceptable to the Trustee. Such bank or trust company holding Government Obligations shall be organized under the laws of the United States of America or any of its states and shall hold such Government Obligations in the capacity of custodian of such certificates.

"Government Obligations" means (1) bonds, notes and other obligations of the United States of America, (2) securities unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or (3) bonds, notes and other obligations of any agency of the United States of America unconditionally guaranteed as to the timely payment of principal and interest by the United States of America. Government Obligations may be held directly by the Trustee, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to Government Obligations.

"NVTB Bonds" shall mean any outstanding bonds, including the Series 1993C Bonds, Series 1995A Bonds, Series 1996A Bonds and Series 1997B Bonds, issued from time to time pursuant to the NVTB Trust Agreement, and pending the issuance of such bonds, any notes issued in anticipation thereof.

"NVTB Bonds Outstanding" or "NVTB Bonds then Outstanding" means, at any date, the aggregate of all NVTB Bonds authorized, issued, authenticated and delivered under the NVTB Trust Agreement, except: (1) NVTB Bonds canceled or surrendered to the paying agent for cancellation; (2) NVTB Bonds deemed to have been paid as provided in the NVTB Trust Agreement; and (3) NVTB Bonds in lieu of or in substitution for which other bonds have been authenticated and delivered pursuant to the NVTB Trust Agreement unless proof satisfactory to the Paying Agent is presented that any such NVTB Bond is held by a bona fide holder.

In determining whether registered owners of NVTB Bonds of a requisite aggregate principal amount of the Outstanding NVTB Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the NVTB Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding NVTB Bonds will be deemed also to be references to, to connote and to include the accreted value of NVTB Bonds of any series as of the immediately preceding compounding date of such bonds. NVTB Bonds which are owned by the Transportation Board will be disregarded and deemed not to be Outstanding for the purpose of any such determination.

**Revenues.** The NVTB Bonds are limited obligations of the Commonwealth and the Transportation Board. Principal of and premium, if any, and interest on the NVTB Bonds are payable solely from revenues, receipts and funds which have been appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues in the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly (the "Revenues"). The NVTB Bonds are further secured by the Funds, in the manner and to the extent provided in the NVTB Trust Agreement. The NVTB Trust Agreement pledges the Revenues and money held in the Funds under it for the benefit of the owners of the NVTB Bonds, subject only to the provisions of the NVTB Trust Agreement permitting the application of such amounts for the purposes and on the terms and conditions set forth in the NVTB Trust Agreement.

**Provisions for Series 1997B Bonds.** The NVTB Trust Agreement provides for the issuance of the Series 1997B Bonds, the redemption of the Series 1997B Bonds and all other terms pertaining to the Series 1997B Bonds, as described in the section "The Bonds" in this Official Statement.

**Funds and Accounts.** The following Funds and Accounts are established under the NVTB Trust Agreement:

- (1) Construction Fund, in which there is established an Account for each NVTB Project, and a Series 1997B Costs of Issuance Account;
- (2) Bond Fund, in which there are established an Interest Account, a Principal Account and a Sinking Fund Account;
- (3) Escrow Fund, with respect to the Series 1995A Refunded Bonds.

**Construction Fund.** Money on deposit in the Construction Fund and the Series 1997B Costs of Issuance Account therein will be used to pay the Cost of the NVTB Program and the costs related to issuance of the Series 1997B Bonds, respectively. The Trustee will 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. Excess money after completion of the NVTB Program will be applied, subject to the terms and limitations set forth in the NVTB Trust Agreement, to redeem or purchase NVTB Bonds, or to pay principal of or interest on NVTB Bonds.

**Escrow Fund.** Money on deposit in the Escrow Fund will be used to defease and refund the Series 1995A Refunded Bonds as described in the subsection "Refunding Plan" within the section "Introduction."

**Application of Revenues.** The Trustee will deposit in the Bond Fund the following: (1) all amounts transferred from the Construction Fund after completion of the part of the Program to be financed with the NVTB Bonds; (2) 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 NVTB Trust Agreement); and (3) all other amounts authorized to be deposited in the Bond Fund under any supplemental trust agreement. The Trustee will use the money deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the NVTB Bonds then outstanding and to redeem or purchase NVTB Bonds in accordance with the provisions of the NVTB Bonds and the NVTB Trust Agreement.

**Permitted Investments.** The NVTB Trust Agreement permits the Trustee, as directed by the Treasurer of the Commonwealth after consultation with an authorized representative of the Transportation Board, to invest money held under the NVTB Trust Agreement in the following investments:

- (1) Government Obligations;
- (2) Government Certificates;
- (3) bonds, notes and other evidences of indebtedness of the Commonwealth and securities unconditionally guaranteed as to the timely payment of principal and interest by the Commonwealth;
- (4) bonds, notes and other evidences of indebtedness that are direct general obligations of any county, city, town, district, authority or other public body of the Commonwealth upon which there is no default, and revenue bonds issued by agencies or authorities of the Commonwealth or its political subdivisions upon which there

is no default, which in any case are rated within the two highest rating categories by the rating agencies rating the Bonds from time to time (the "Rating Agencies");

- (5) bonds, notes and other evidences of indebtedness of any state of the United States of America other than the Commonwealth upon which there is no default and which comply with the requirements of Virginia Code §26-40(3) or any successor provision of law which are rated within the two highest rating categories by the Rating Agencies;
- (6) bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States other than the Commonwealth upon which there is no default and which comply with the requirements of Virginia Code §26-40(3) or any successor provision of law which are rated within the two highest rating categories by the Rating Agencies;
- (7) commercial paper with a maturity of 270 days or less, which complies with the requirements of Virginia Code §2.1-328.1 or any successor provision of law;
- (8) bankers acceptances which comply with the requirements of Virginia Code §2.1-328.4 or any successor provision of law;
- (9) time deposits, certificates of deposit or other interest bearing accounts of any commercial bank within the Commonwealth that is approved for the deposit of funds of the Commonwealth or any of its political subdivisions, provided that such investments are secured in the manner required by Virginia Code §2.1-329 or any successor provision of law;
- (10) savings accounts and certificates of savings and loan associations which are under the supervision of the Commonwealth and are approved for the deposit of funds of the Commonwealth or any of its political subdivisions, or Federal associations organized under the laws of the United States which are under Federal supervision and are approved for deposit of funds of the Commonwealth or any of its political subdivisions, provided that such investments are secured in the manner required by Virginia Code §2.1-329 or any successor provision of law; and
- (11) repurchase agreements for obligations described in subparagraphs (1) and (2) above and otherwise qualifying under the NVTB Trust Agreement.

The NVTB Trust Agreement contain certain other provisions and limitations with respect to investments, including provisions related to open-end and closed-end investment companies or trusts, repurchase agreements and limitations on the maturity of investments held in certain funds.

**Redemption.** For a description of the redemption provisions of the Series 1997B Bonds, see the subsections "Optional Redemption" and "Mandatory Sinking Fund Redemption" in the section "The Bonds."

**Additional Bonds.** For a description of the provisions relating to the issuance of Additional Bonds, see the subsection "Additional Debt" in the section "Sources of Payment and Security for the NVTB Bonds."

**Use of Funds in Northern Virginia Transportation District Fund.** The Board will not expend any money in the Northern Virginia Transportation District Fund for any purpose other than payment of principal of or premium, if any, or interest on any NVTB Bonds for such period of time as the Board (1) fails to pay principal of or premium, if any, or interest on any NVTB Bonds when due or (2) fails to allocate funds to the payment of principal of or premium, if any, or interest on any NVTB Bonds at least 90 days prior to the date it is payable, if the General Assembly has not appropriated funds for such purpose.

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

**Events of Default and Remedies upon Default.** Events of Default specified in the NVTB Trust Agreement are (1) failure to pay interest on any NVTB Bond when due, (2) failure to pay principal of or premium, if any, on any NVTB Bond when due, (3) failure of the Transportation Board to observe or perform any other covenants, agreements or conditions under the NVTB Trust Agreement or the NVTB Bonds for a period of 60 days after written notice from the Trustee or the owners of 25 percent in principal amount of NVTB 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 default, (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 NVTB Trust Agreement or approval by a court of competent jurisdiction of any 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 percent in principal amount of NVTB Bonds then Outstanding will, by notice to the Transportation Board, declare the entire unpaid principal of and accrued interest on such NVTB Bonds then Outstanding due and payable, but only from the Revenues and from the Funds held by the Trustee under the NVTB Trust Agreement. Pursuant to the conditions set forth in the NVTB Trust Agreement, such declaration may be rescinded upon payment of all principal of all NVTB Bonds that have matured or been called for redemption pursuant to any sinking fund provision 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 percent in principal amount of NVTB Bonds then Outstanding and if indemnified as to expenses and liability will, proceed to protect its rights and the rights of the owners of the NVTB Bonds 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 (1) 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 NVTB Trust Agreement appointed, and (2) may, and if requested by the owners of not less than 25 percent in principal amount of NVTB Bonds then Outstanding and if indemnified as to expenses and liability will, take such steps as the Trustee deems most expedient in the interests of the owners of the NVTB Bonds.

Except to enforce certain rights set forth in the NVTB 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 NVTB Trust Agreement or any remedy under it, subject to certain exceptions set forth in the NVTB Trust Agreement.

**Discharge of Bonds.** If all NVTB Bonds secured by the NVTB Trust Agreement have been paid in accordance with their terms or have been called for redemption, or if irrevocable instructions to call the NVTB Bonds or pay them at maturity have been given by the Transportation Board to the Trustee and the Trustee holds in cash or 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 NVTB Trust Agreement and any supplemental trust agreement, all NVTB 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 NVTB Bonds not irrevocably called for redemption, (3) to pay interest accruing on all NVTB 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 will cancel and discharge the NVTB Trust Agreement and execute and deliver to the Transportation Board such instruments in writing as are necessary to cancel its lien and assign and deliver to the Transportation Board any property at the time subject to the NVTB 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 NVTB Bonds and other fees and expenses described above.

NVTB 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 therefor have been deposited with the Trustee; provided, however, if such NVTB Bonds are to be redeemed prior to their maturity, notice of such redemption shall have been given or arrangements satisfactory to the Trustee will have been made for such notice to be given.

**Amendments and Supplemental NVTB Trust Agreements.** The Transportation Board and the Trustee may, without the consent of or notice to any owners of NVTB Bonds, enter into supplemental trust agreements (1) to cure any ambiguity, formal defect or omission in the NVTB Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the owners of NVTB Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the owners of NVTB Bonds or the Trustee or either of them, (3) to add to the covenants and agreements of the Transportation Board in the NVTB Trust Agreement additional covenants and agreements, (4) to modify,

supplement or amend the NVTB Trust Agreement as may be required by or 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, supplement or amend the NVTB Trust Agreement to comply with any provisions relating to rebate to the United States of America of earnings derived from the investment of proceeds of NVTB Bonds, (6) to modify, amend or supplement the NVTB Trust Agreement in such manner as may be required by the Rating Agencies to maintain their respective ratings on the NVTB Bonds, (7) to authorize the issuance of one or more series of NVTB Bonds pursuant to the provisions of the NVTB Trust Agreement, (8) to modify, amend or supplement the NVTB Trust Agreement to implement any covenants or agreements contemplated by credit banks, insurers, or similar entities provided such modification, amendment or supplement does not materially adversely affect the rights of the owners of any bonds then Outstanding, and (9) to make any other change in the NVTB Trust Agreement that in the opinion of the Trustee will not prejudice in any material respect the rights of the owners of NVTB Bonds then Outstanding.

Any of the provisions of the NVTB Trust Agreement may be amended by the Transportation Board by a supplemental trust agreement upon the consent of the owners of a majority in aggregate principal amount of NVTB Bonds then Outstanding in accordance with the provisions of the NVTB Trust Agreement, provided that no such supplemental trust agreement will permit (1) an extension of the maturity of the principal of or the interest on any Bond, (2) a reduction in the principal amount of or premium, if any, on any Bond or its rate of interest, (3) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bond, (4) a privilege or priority of any NVTB Bond or NVTB Bonds over any NVTB Bond or NVTB Bonds, or (5) a reduction in the aggregate principal amount of NVTB Bonds required for consent to such supplemental trust agreement, without the consent of the owners of all the NVTB Bonds then Outstanding.

## **SUMMARY OF THE NORTHERN VIRGINIA TRANSPORTATION DISTRICT PAYMENT AGREEMENT**

The following, in addition to the information presented in the section "Sources of Payment and Security for the Bonds", summarizes certain provisions of the NVTB Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the NVTB 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 NVTB 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 the following:

- (a) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be deposited in the Northern Virginia Transportation District Fund the collections of state recordation taxes as set forth in Virginia Code § 58.1-815.1 or any successor provision and to retain in such Fund the unexpended amounts on deposit in such fund.
- (b) A statement of the amount of principal and interest coming due on the NVTB Bonds and all other amounts required to be paid under the NVTB Trust Agreement during the next succeeding fiscal or biennial period, as applicable, and a request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be appropriated such amount for such purpose (1) from the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues of the Transportation Trust Fund, or (4) such funds which may be appropriated by the General Assembly for such purpose.
- (c) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that the balance remaining in the Northern Virginia Transportation District Fund, after the appropriation, if any, described in paragraph (b) above is made, be appropriated for Costs of the NVTB Program.

The Transportation Board shall use its best efforts to have (1) the Governor include in each biennial or any supplemental budget presented to the General Assembly the amounts so requested and (2) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Treasury Board and the Secretary of Finance shall use their best efforts to have (i) the Governor include in each biennial or any supplemental budget presented to the General Assembly the amounts described in paragraph (b) the above, and (ii) the General Assembly appropriate such amounts.

The Commonwealth's budgetary process, which guides the NVTB Payment Agreement, is described in the subsection "Budgetary Process" within the section "Financial Factors" in Appendix B - Commonwealth of Virginia, Financial and Other Factors.

If no appropriation is made for the amount of principal and interest coming due on the NVTB Bonds and all other amounts required to be paid under the NVTB Trust Agreement from the Northern Virginia Transportation District Fund, or if any such appropriation is insufficient in amount, the Transportation Board shall take all action necessary to (1) have such amounts set aside from funds appropriated and allocated, to the extent required, and pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the city or county in which the project or projects to be financed are located, and (2) cause the amounts set aside to be paid by the Treasury Board to the Trustee. Notwithstanding the provisions of the NVTB Payment Agreement, the General Assembly could change the statute so that the Transportation Board would not be authorized or permitted to set aside funds so appropriated and allocated to pay debt service on the NVTB Bonds.

The Transportation Board will provide to the Treasury Board, by May 1 and November 1 of each year, all requisitions and documents and take all actions necessary to have paid to the Treasury Board from funds appropriated from the sources described in paragraph (b) above or from funds set aside by the Transportation Board from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the city or county in which the project or projects to be financed are located, all amounts due under the Payment Agreement for the payment of principal and interest payments due under the NVTB Trust Agreement, and to direct the Treasury Board to make such payments to the Trustee. The Transportation Board will take all action necessary to have such payments charged against the proper appropriation made by the General Assembly.

The Treasury Board will use its best efforts to obtain by May 1 and November 1 of each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the NVTB Trust Agreement to the Trustee. The Treasury Board will make all principal and interest payments on the NVTB Bonds to the Trustee solely from amounts available to it for such purpose.

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

## **SUMMARY OF THE METRO CAPITAL IMPROVEMENTS AGREEMENT**

The following, in addition to the information presented in the section "Northern Virginia Transportation District Program," summarizes certain provisions of the Metro Capital Improvements Agreement (the "Metro Agreement") between the Transportation Board and the Northern Virginia Transportation District Commission (the "Commission"). This summary does not purport to be comprehensive or definitive and is qualified by reference to the Metro Agreement in its entirety, copies of which may be obtained at the office of the Transportation Board.

Under the terms of the Metro Agreement, the Transportation Board is transferring portions of the proceeds of the NVTB Bonds to the Commission to be used by the Commission on the Localities' behalf and at their direction to pay the Localities' share of the costs of the Metro Capital Improvements Project. The Metro Agreement provides for the creation with the Commission of a project fund to be maintained by it as a trust fund separate and apart from all other funds and accounts of the Commission (the "Project Fund"). The Transportation Board will cause to be paid to the Commission for deposit in the Project Fund the portion of the proceeds of the NVTB Bonds allocated to the Metro Capital Improvements Project. Such proceeds, pending their disbursement, shall be invested by the Commission as directed by the State Treasurer in certain specified investments which are the same types of investments permitted under the Master NVTB Trust Agreement for money held by the Trustee in the Construction Fund. Any money in the Project Fund not needed to pay costs of the Metro Capital Improvements Project will be returned by the Commission to the Trustee.

The Trustee is a third party beneficiary of the Metro Agreement and is entitled to enforce, on behalf of the holders of the NVTD Bonds, all of the obligations and the rights of the parties thereto, except for the Transportation Board's right to withhold payment of certain funds to the Commission, to the same extent as if the Trustee were one of the contracting parties.

## **SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM TRUST AGREEMENT**

The following, in addition to the information presented in the sections "The Bonds" and "Sources of Payment and Security for the Bonds," summarizes certain provisions of the Route 58 Trust Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Route 58 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 will have the following meanings unless a different meaning clearly appears from the context:

"Cost" or "Cost of the Route 58 Program" means the cost of construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of all machinery and equipment, financing charges, interest on the Route 58 Bonds before 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 administrative expense, other expenses necessary or incident to the financing of all or any portion of the Route 58 Program, the construction of all or any portion of the Route 58 Program, the placing of all or any portion of the Route 58 Program in operation and 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 Route 58 Bonds issued to finance all or any portion of the Route 58 Program, including, but not limited to, any such obligation or expense incurred prior to the issuance of the Route 58 Bonds.

"Government Certificates" means certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company reasonably acceptable to the Trustee. Such bank or trust company holding Government Obligations shall be organized under the laws of the United States of America or any of its states and shall hold such Government Obligations in the capacity of custodian of such certificates.

"Government Obligations" means (a) bonds, notes and other obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or (c) bonds, notes and other obligations of any agency of the United States of America unconditionally guaranteed as to the timely payment of principal and interest by the United States of America. Government Obligations may be held directly by the Trustee, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to Government Obligations.

"Route 58 Bonds" shall mean any outstanding bonds, including the Series 1989 Bonds, the Series 1993A Bonds, the Series 1993B Bonds, the Series 1996B Bonds and the Series 1997C Bonds, issued from time to time pursuant to the Route 58 Trust Agreement, and pending the issuance of such Route 58 Bonds, any notes issued in anticipation thereof.

"Route 58 Bonds Outstanding" or "Route 58 Bonds then Outstanding" means, at any date, the aggregate of all Route 58 Bonds authorized, issued, authenticated and delivered under the Route 58 Trust Agreement; except: (1) Route 58 Bonds canceled or surrendered to the paying agent for cancellation; (2) Route 58 Bonds deemed to have been paid as provided in the Route 58 Trust Agreement; and (3) Route 58 Bonds in lieu of or in substitution for which other Route 58 Bonds have been authenticated and delivered pursuant to the Route 58 Trust Agreement unless proof satisfactory to the Paying Agent is presented that any such Route 58 Bond is held by a bona fide holder.

In determining whether registered owners of Route 58 Bonds of a requisite aggregate principal amount of the Outstanding Route 58 Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Route 58 Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding Route 58 Bonds will be deemed also to be references to, to connote and to include the accredit value of Route 58 Bonds

of any series as of the immediately preceding compounding date of such Route 58 Bonds. Route 58 Bonds which are owned by the Transportation Board will be disregarded and deemed not to be Outstanding for the purpose of any such determination.

**Revenues.** The Route 58 Bonds are limited obligations of the Commonwealth. Principal of and premium, if any, and interest on the Route 58 Bonds are payable solely from revenues, receipts and funds which have been appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available from the Transportation Trust Fund, and (3) to the extent required, other legally available funds (the "Revenues"), and from money in certain funds, in the manner and to the extent provided in the Route 58 Trust Agreement. The Route 58 Trust Agreement pledges the Revenues and money held in the funds under it for the benefit of the owners of the Route 58 Bonds, subject only to the provisions of the Route 58 Trust Agreement permitting the application of such amounts for the purposes and on the terms and conditions set forth in the Route 58 Trust Agreement.

**Provisions for Series 1997C Bonds.** The Route 58 Trust Agreement provides for the issuance of the Series 1997C Bonds, the redemption of the Series 1997C Bonds and all other terms pertaining to the Series 1997C Bonds, as described in the section "The Bonds" in this Official Statement.

**Funds and Accounts.** The following Funds and Accounts are established under the Route 58 Trust Agreement:

- (1) Construction Fund;
- (2) Bond Fund, in which there are established an Interest Account, a Principal Account and a Sinking Fund Account;
- (3) Escrow Fund, with respect to the Series 1989 Refunded Bonds.

**Construction Fund.** Money on deposit in the Construction Fund will be used to pay the Cost of the Route 58 Program. The Trustee will 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. Excess money after completion of the Route 58 Program will be applied, subject to the terms and limitations set forth in the Route 58 Trust Agreement, to pay the Cost of other projects to the extent needed, to redeem or purchase Route 58 Bonds, to pay principal of or interest on Route 58 Bonds or to fund other funds created under the Route 58 Trust Agreement, to the extent such funds are not fully funded in accordance with the requirements of the Route 58 Trust Agreement.

**Escrow Fund.** Money on deposit in the Escrow Fund will be used to defease and refund the Series 1989 Refunded Bonds as described in the subsection "Refunding Plan" within the section "Introduction."

**Application of Revenues.** The Trustee will deposit in the Bond Fund the following: (1) all amounts transferred from the Construction Fund after completion of the part of the Route 58 Program to be financed with the Route 58 Bonds; (2) all payments received by the Trustee under the Route 58 Payment Agreement (excluding any payments of Trustee's fees and expenses and the Rebate Amount, as defined in the Route 58 Trust Agreement); and (3) all other amounts authorized to be deposited in the Bond Fund under any supplemental trust agreement. The Trustee will use the money deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the Route 58 Bonds then outstanding and to redeem or purchase Route 58 Bonds in accordance with the provisions of the Route 58 Bonds and the Route 58 Trust Agreement.

**Permitted Investments.** The Route 58 Trust Agreement permits the Trustee, as directed by the Treasurer of the Commonwealth after consultation with an authorized representative of the Transportation Board, to invest money held under the Route 58 Trust Agreement in the following investments:

- (1) Government Obligations;
- (2) Government Certificates;
- (3) bonds, notes and other evidences of indebtedness of the Commonwealth and securities unconditionally guaranteed as to the timely payment of principal and interest by the Commonwealth;



- (4) bonds, notes and other evidences of indebtedness that are direct general obligations of any county, city, town, district, authority or other public body of the Commonwealth upon which there is no default, and revenue bonds issued by agencies or authorities of the Commonwealth or its political subdivisions upon which there is no default, which in any case are rated within the two highest rating categories by the rating agencies rating the Route 58 Bonds from time to time (the "Rating Agencies");
- (5) bonds, notes and other evidences of indebtedness of any state of the United States of America other than the Commonwealth upon which there is no default and which comply with the requirements of Virginia Code §26-40 (3) or any successor provision of law which are rated within the two highest rating categories by the Rating Agencies;
- (6) bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States other than the Commonwealth upon which there is no default and which comply with the requirements of Virginia Code §26-40 (3) or any successor provision of law which are rated within the two highest rating categories by the Rating Agencies;
- (7) commercial paper with a maturity of 270 days or less, which complies with the requirements of Virginia Code §2.1-328.1 or any successor provision of law;
- (8) bankers acceptances which comply with the requirements of Virginia Code §2.1-328.4 or any successor provision of law;
- (9) time deposits, certificates of deposit or other interest bearing accounts of any commercial bank within the Commonwealth that is approved for the deposit of funds of the Commonwealth or any of its political subdivisions, provided that such investments are secured in the manner required by Virginia Code §2.1-329 or any successor provision of law;
- (10) savings accounts and certificates of savings and loan associations which are under the supervision of the Commonwealth and are approved for the deposit of funds of the Commonwealth or any of its political subdivisions, or Federal associations organized under the laws of the United States which are under Federal supervision and approved for deposit of funds of the Commonwealth or any of its political subdivisions, provided that such investments are secured in the manner required by Virginia Code §2.1-329 or any successor provision of law; and
- (11) repurchase agreements for obligations described in subparagraphs (1) and (2) above and otherwise qualifying under the Route 58 Trust Agreement.

The Route 58 Trust Agreement contains certain other provisions and limitations with respect to investments, including provisions related to open-end and closed-end investment companies or trusts, repurchase agreements and limitations on the maturity of investments held in certain funds.

**Redemption.** For a description of the redemption provisions of the Series 1996B Bonds, see the subsections "Optional Redemption" and "Mandatory Sinking Fund Redemption" in the section "The Series 1996 Bonds."

**Additional Bonds.** For a description of the provisions relating to the issuance of additional bonds, see the subsection "Additional Debt" in the section "Sources of Payment and Security for the Series 1996 Bonds."

**Operation and Maintenance.** The Transportation Board will cause the Route 58 Program to be maintained and operated in an efficient and economical manner, will cause the Route 58 Program to be maintained in good repair and sound operating condition, and will cause all necessary repairs, replacements and renewals to be made.

**Insurance.** The Transportation Board will continuously maintain insurance with recognized responsible commercial insurance companies to the extent that similar insurance is usually carried by public bonds 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 the Route 58 Program.

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 will obtain and maintain on file a favorable written opinion of either the Division of Risk Management of the Commonwealth or qualified independent insurance consultant that such alternative is reasonable acceptable under all the circumstances.

***Sale or Encumbrance of the Route 58 Program.*** If no Event of Default exists, the Transportation Board may sell, transfer, lease or otherwise encumber all or any portion of the Route 58 Program if the Transportation Board has determined by resolution that such sale, transfer, lease or encumbrance is necessary or desirable. The Transportation Board will not create or suffer to be created any lien or charge upon all or any portion of the Route 58 Program except such liens or charges created in the ordinary course of business of the Transportation Board. The Transportation Board will pay or cause to be discharged, or will 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 the Route 58 Program subject to certain exceptions as set forth in the Route 58 Trust Agreement.

***Use of Funds in U.S. Route 58 Corridor Development Fund.*** The Board will not expend any money in the U.S. Route 58 Corridor Development Fund for any purpose other than payment of principal of or premium, if any, or interest on any Route 58 Bonds for such period of time as the Board (1) fails to pay principal of or premium, if any, or interest on any Route 58 Bonds when due or (2) fails to allocate funds to the payment of principal of or premium, if any or interest on any Route 58 Bonds at least 90 days prior to the date it is payable, if the General Assembly has not appropriated funds for such purpose.

***Covenants with Credit Banks, Insurers, etc.*** The Transportation Board may make such covenants and agreements as it may determine to be appropriate with any credit bank, insurer or other financial institution that will agree to insure or to provide credit or liquidity support that enhances the security or the value of Route 58 Bonds of any one or more series of Route 58 Bonds and thereby reduce the principal or interest requirements for the Route 58 Bonds, provided that such covenants or agreements do not affect adversely the owners of Route 58 Bonds then Outstanding. Such covenants and agreements may be set forth in the applicable supplement to the Route 58 Trust Agreement and shall be binding on the Transportation Board and all the registered owners of Route 58 Bonds the same as if such covenants were set forth in full in the Route 58 Trust Agreement.

***Events of Default and Remedies upon Default.*** Events of Default specified in the Route 58 Trust Agreement include (1) failure to pay interest on any Route 58 Bond when due, (2) failure to pay principal of or premium, if any, on any Route 58 Bond when due, (3) failure of the Transportation Board to observe or perform any other covenants, agreements or conditions under the Route 58 Trust Agreement or the Route 58 Bonds for a period of 60 days after written notice from the Trustee or the owners of 25% in principal amount of Route 58 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 default, (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 Route 58 Trust Agreement or approval by a court of competent jurisdiction of any petition for reorganization of the Transportation Board or rearrangement or adjustment 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 Route 58 Bonds then Outstanding will, by notice to the Transportation Board, declare the principal of and accrued interest on such Route 58 Bonds then Outstanding due and payable, but only from the Revenues and other funds of the Transportation Board available and appropriate for such payment and from the funds held by the Trustee under the Route 58 Trust Agreement. Pursuant to the conditions set forth in the Route 58 Trust Agreement, such declaration may be rescinded upon payment of all principal of all Route 58 Bonds that have matured or been called for redemption pursuant to any sinking fund provision 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 Route 58 Bonds then Outstanding and if indemnified as to expenses and liability will, proceed to protect its rights and the rights of the Owners of the Route 58 Bonds 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 Route 58 Trust Agreement appointed, and (b) may, and if requested by the owners of not less than 25% in principal amount of Route 58 Bonds then Outstanding and if indemnified as to expenses and liability will, take such steps as the Trustee deems most expedient in the interests of the owners of the Route 58 Bonds.

Except to enforce certain rights set forth in the Route 58 Trust Agreement, no owner of any Route 58 Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Route 58 Trust Agreement or any remedy under it, subject to certain exceptions set forth in the Route 58 Trust Agreement.

**Defeasance of Route 58 Bonds.** If all Route 58 Bonds secured by the Route 58 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 or 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 Route 58 Trust Agreement and any supplemental trust agreement, all Route 58 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 Route 58 Bonds not irrevocably called for redemption, (3) to pay interest accruing on all Route 58 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 will cancel and discharge the Route 58 Trust Agreement and execute and deliver to the Transportation Board such instruments in writing as are necessary to cancel its lien and assign and deliver to the Transportation Board any property at the time subject to the Route 58 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 Route 58 Bonds and other fees and expenses described above.

Route 58 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 Route 58 Bonds are to be redeemed prior to their maturity, notice of such redemption shall have been given or arrangements satisfactory to the Trustee will have been made for such notice to be given.

**Amendments and Supplemental Route 58 Trust Agreements.** The Transportation Board and the Trustee may, without the consent of or notice to any owners of Route 58 Bonds, enter into supplemental trust agreements (1) to cure any ambiguity, formal defect or omission in the Route 58 Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the owners of Route 58 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the owners of Route 58 Bonds or the Trustee or either of them, (3) to add to the covenants and agreements of the Transportation Board in the Route 58 Trust Agreement additional covenants and agreements, (4) to modify, supplement or amend the Route 58 Trust Agreement as may be required by or 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, supplement or amend the Route 58 Trust Agreement to comply with any provisions relating to rebate to the United States of America of earnings derived from the investment of proceeds of Route 58 Bonds, (6) to modify, amend or supplement the Route 58 Trust Agreement in such manner as may be required by Moody's or Standard & Poor's to maintain their respective ratings on the Route 58 Bonds, (7) to authorize the issuance of one or more series of Route 58 Bonds pursuant to the provisions of the Route 58 Trust Agreement, (8) to modify, amend or supplement the Route 58 Trust Agreement to implement any covenants or agreements contemplated by credit banks, insurers, or similar entities provided such modification, amendment or supplement does not materially adversely affect the rights of the owners of any Route 58 Bonds then Outstanding, and (9) to make any other change in the Route 58 Trust Agreement that in the opinion of the Trustee will not prejudice in any material respect the rights of the owners of Route 58 Bonds then Outstanding.

Any of the provisions of the Route 58 Trust Agreement may be amended by the Transportation Board by a supplemental trust agreement upon the consent of the owners of a majority in aggregate principal amount of Route 58 Bonds then Outstanding in accordance with the provisions of the Route 58 Trust Agreement, provided that no such supplemental trust agreement will permit (1) an extension of the maturity of the principal of or the interest on any Route 58 Bond, (2) a reduction in the principal amount of or premium, if any, on any Route 58 Bond or its rate of interest, (3) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Route 58 Bond, (4) a privilege or priority of any Route 58 Bond or Route 58 Bonds over any other Route 58 Bond or Route 58 Bonds, or (5) a reduction in the aggregate principal amount of Route 58 Bonds required for consent to such supplemental trust agreement, without the consent of the holders of all the Route 58 Bonds then Outstanding.

## SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM PAYMENT AGREEMENT

The following, in addition to the information presented in the section "Sources of Payment and Security for the Bonds" summarizes certain provisions of the Route 58 Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Route 58 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 Route 58 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 the following:

(1) A request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that there be deposited in the Route 58 Corridor Development Fund the amounts set forth in Virginia Code §58.1-815 or any successor provision and to retain in such Fund the unexpended amounts on deposit in such Fund.

(2) A statement of the amount of principal and interest coming due to the Route 58 Bonds and all other amounts required to be paid under the Route 58 Trust Agreement during the next succeeding fiscal or biennial period, as applicable, and a request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that there be appropriated such amount for such purpose (i) from the Route 58 Corridor Development Fund (ii) to the extent required, from other legally available funds in the Transportation Trust Fund, and (iii) to the extent required, from other legally available funds.

(3) A request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that the balance remaining in the Route 58 Corridor Development Fund, after the appropriation, if any, described in paragraph (2) above is made, be appropriated for Costs of the Route 58 Program.

The Transportation Board will use its best efforts to have (i) the Governor include in each biennial or any supplemental budget he presents to the General Assembly the amounts so requested and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Treasury Board will use its best efforts to have (i) the Governor include in each biennial or any supplemental budget he presents to the General Assembly the amounts described in section (2) above and (ii) the General Assembly appropriate such amounts.

The Commonwealth's budgetary process, which guides the Route 58 Payment Agreement, is described in the subsection "Budgetary Process" within the section "Financial Factors" in Appendix B - Commonwealth of Virginia, Financial and Other Factors.

The Transportation Board will provide to the Treasury Board, by May 1 and November 1 of each year, all requisitions and documents and take all actions necessary to have paid to the Treasury Board (1) from the Route 58 Corridor Development Fund, (2) to the extent required, from other legally available funds in the Transportation Trust Fund, and (3) to the extent required, from other legally available funds, all amounts due under the Route 58 Payment Agreement for the payment of principal and interest payments due under the Route 58 Trust Agreement, and to request the Treasury Board to make such payments to the Trustee. The Transportation Board will take all action necessary to have such payments which are made from the Route 58 Corridor Development Fund, other legally available funds in the Transportation Trust Fund and other legally available funds charged against the proper appropriation made by the General Assembly.

The Treasury Board will use its best efforts to obtain by May 1, and November 1 of each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the Route 58 Trust Agreement to the Trustee. The Treasury Board will make all principal and interest payments on the Route 58 Bonds to the Trustee solely from amounts available to it for such purpose.

So long as treasury loans are authorized by Virginia Code §33.1-221.1:2 or any successor provision, the Secretary of Finance has agreed in the Payment Agreement that, if there is appropriated in any fiscal year to the Route 58 Corridor Development Fund, all or any portion of the amount set forth in Virginia Code §58.1-815, or any successor provision, he will authorize and cause to be made a treasury loan from the general fund of the Commonwealth in an amount not less than the debt service due on the Route 58 Bonds in such fiscal year to the Route 58 Corridor Development Fund (or such

lesser amount equal to the amount appropriated to such fund) on the first day of such fiscal year or as soon thereafter as the appropriation is made.

The Trustee is a third party beneficiary of the Route 58 Payment Agreement and is entitled to enforce, on behalf of the holders of the Route 58 Bonds, all of the obligations of the Transportation Board and the obligations and the rights of the parties thereto the same extent as if the Trustee were one of the contracting parties.

## CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion (the "Bond Opinion") of Christian & Barton, L.L.P., Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Transportation Board upon delivery of the Bonds substantially in the form set forth in *Appendix D*. The Bond Opinion will be limited to matters relating to authorization and validity of the Bonds and to the tax-exempt status of interest thereon as described in the section "Tax Matters." Bond Counsel has not been engaged to investigate the financial resources of the Transportation Board, the Commonwealth or the ability to provide for payment of the Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the Bonds.

Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia.

## TAX MATTERS

### *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 Bonds, including any accrued "original issue discount" ("OID") properly allocable to the owners of the Series 1996 Bonds maturing on May 15 in the years \_\_\_\_\_ through \_\_\_\_\_ and \_\_\_\_\_ (the "OID Bonds"), will not be included in gross income for purpose of federal income taxation and will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), subject to the alternate minimum income tax, such interest is taken into account in determining adjusted current earnings for purposes of computing such tax. Bond Counsel's opinion also will state that interest on the Bonds is exempt from income taxation by the Commonwealth. No other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of, or the receipt or accrual of interest, on the Bonds.

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 investments of proceeds of the Bonds, the arbitrage restrictions imposed by the Code and certain other actions which would cause interest on the Bonds to be includable in gross income of their owners (the "Covenants"). Failure of the Transportation Board to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue.

### *Original Issue Discount Bonds*

The OID Bonds have been offered and sold to the public at an original issue discount. In the case of the OID Bonds, the difference between (a) the stated principal amount of each maturity of the OID Bonds and (b) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of such maturity is sold will constitute OID. OID will accrue for federal income tax purposes on a constant-yield-to-maturity method based on a semi-annual compounding. A holder's basis in such an OID Bond will be increased by the amount of OID treated for federal income tax purposes as having accrued on the OID Bond while the holder holds the OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

## **Other Tax Matters**

In addition to the matters addressed above, prospective purchasers of the 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, subchapter S corporations, foreign corporations subject to the branch profits tax, corporations subject to the environmental tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the 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.

## **LEGALITY FOR INVESTMENT**

The NVTB Bond Legislation and Route 58 Bond Legislation provide that the 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 Bonds for investment or for any other purpose under the laws of any other state.

## **LITIGATION**

There is no litigation now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contest or affect the validity of the 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 Bonds.

See the section "Litigation of the Commonwealth" in *Appendix B* for a discussion of litigation pending against the Commonwealth.

## **CERTIFICATE CONCERNING OFFICIAL STATEMENT**

Concurrently with the delivery of the Bonds, officials who signed the Bonds, including the Chairman of the Transportation Board, will certify that, to the best of his knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that the Chairman of the Transportation Board did not independently verify the information in the Official Statement from sources other than the Transportation Board and the Department but that he has no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

## **CONTINUING DISCLOSURE**

Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), prohibits an underwriter from purchasing or selling municipal securities unless it has determined that the issuer of such securities and/or other persons deemed to be "materially obligated persons" (hereinafter referred to as "MOPs" and each, a "MOP") have committed to provide (i) on an annual basis, certain financial information, including audited financial information and operating data ("Annual Reports"), to each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") and the relevant state information repository (if any) and (ii) notice of various events described in Rule 15c2-12 if material ("Event Notices"), to each NRMSIR or the MSRB and to any such state information

repository. The events described in Rule 15c2-12 which, if material, may result in Event Notices are as follows: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the security; (vii) modifications to rights of security holders; (viii) bond calls; (ix) defeasances; (x) release, substitution or sale of property securing repayment of the securities; and (xi) rating changes.

The Transportation Board will covenant in the Series 1997B Fourth Supplemental Trust Agreement and in the Series 1997C Fifth Supplemental Trust Agreement for the benefit of the holders of the Series 1997B Bonds and Series 1997C Bonds, respectively, to provide to each NRMSIR and to any Virginia information repository that has been forwarded Annual Reports with respect to itself as issuer and the NVTB Program and the Route 58 Program. Similarly, the Transportation Board will provide Event Notices to each such NRMSIR or the MSRB and to any Virginia information repository. The State Treasurer of the Commonwealth will covenant in a Continuing Disclosure Agreement to be executed prior to the issuance of the Bonds for the benefit of the holders of the Bonds to provide to each NRMSIR and to any Virginia information repository that has been formed Annual Reports with respect to the Commonwealth, which the Transportation Board has determined to be a MOP for purposes of Rule 15c2-12. Similarly, the State Treasurer will provide Event Notices to each such NRMSIR or the MSRB and to any Virginia information repository on rating changes with respect to the Commonwealth's general obligation bonds. The State Treasurer will represent that the Commonwealth is in compliance with its other undertakings regarding the Amendments.

## RATINGS

Fitch Investors Service, Inc., Moody's Investors Service and Standard & Poor's Corporation have assigned the Bonds ratings of \_\_, \_\_ and \_\_, respectively.

Such ratings reflect only the respective views of such organizations. 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 judgment 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 Bonds.

## SALE AT COMPETITIVE BIDDING

The Bonds will be offered for sale at competitive bidding on \_\_\_\_\_, 1997, unless postponed as described in the Notice of Sale set forth as Appendix F to this Official Statement. This Preliminary Official Statement has been deemed final as of its date by the Transportation Board in accordance with the meaning and requirements of Rule 15c2-12. After the Bonds have been awarded, the Transportation Board will deem the Official Statement final as of its date, and the Official Statement as so completed will be a final official statement within the meaning of Rule 15c2-12 (the "Final Official Statement"). The Final Official Statement will include, among other matters, the identity of the winning bidder and the managers of the syndicate, if any, submitting the winning bid, the expected selling compensation to the underwriters of the Bonds and other information on the interest rates and offering prices or yields of the Bonds, as supplied by the winning bidder.

## VERIFICATION

\_\_\_\_\_ will verify, from the information provided to them by the financial advisor, the mathematical accuracy as of the date for the closing on the Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the Financial Advisor's schedules, to be held in the Escrow Fund, will be sufficient to pay, when due, the principal, interest and call premium payment requirements of the Refunded Bonds, and (2) the computations of yield on both the Government Obligations and the Bonds contained in the provided schedules used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income. \_\_\_\_\_ will express no opinion on the information provided to them, nor as to the exemption from taxation of the interest on the Bonds.

## FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. ("PRAG"), New York, New York, is serving as financial advisor to the Transportation Board on the issuance of the Bonds. PRAG has assisted in the preparation of this Official Statement and in matters relating to the planning, structuring and issuance of the Bonds and has provided other advice. PRAG is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal or any other negotiable instruments.

## MISCELLANEOUS

The references in this Official Statement to the NYTD Trust Agreement, the Route 58 Trust Agreement, the NYTD Payment Agreement, Route 58 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 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).

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The execution and delivery of this Official Statement has been duly authorized by the Transportation Board.

COMMONWEALTH TRANSPORTATION BOARD

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



**COMMONWEALTH OF VIRGINIA**

**FINANCIAL STATEMENTS OF THE COMMONWEALTH  
FOR THE YEAR ENDED JUNE 30, 1996**

**COMMONWEALTH OF VIRGINIA**

**FINANCIAL AND OTHER  
INFORMATION**

**COMMONWEALTH OF VIRGINIA**

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**FORM OF BOND COUNSEL OPINION**

**FORM OF COMMONWEALTH OF VIRGINIA  
CONTINUING DISCLOSURE AGREEMENT**

**NOTICE OF SALE**

**NOTICE OF SALE**  
**Commonwealth Transportation Board**  
**\$ \_\_\_\_\_**  
**Commonwealth of Virginia**  
**Transportation Revenue Refunding Bonds**

\$ \_\_\_\_\_  
**Series 1997B**  
**(Northern Virginia Transportation District Program)**

\$ \_\_\_\_\_  
**Series 1997C**  
**(U.S. Route 58 Corridor Development Program)**

Scaled bids for the purchase of \$ \_\_\_\_\_ preliminary aggregate principal amount of Commonwealth of Virginia Transportation Revenue Refunding Bonds consisting of (a) \$ \_\_\_\_\_ Series 1997B (Northern Virginia Transportation District Program) (the "Series 1997B Bonds") and (b) \$ \_\_\_\_\_ Series 1997C (U.S. Route 58 Corridor Development Program) (the "Series 1997C Bonds" and collectively, with the Series 1997B Bonds, the "Bonds") will be received by the Commonwealth Transportation Board (the "Transportation Board") until the following time at the following location:

Time: \_\_\_\_\_ (Richmond Time)  
 \_\_\_\_\_, 1997  
 Unless postponed as described below

Location: Treasury Board Conference Room  
 James Monroe Building  
 3rd Floor  
 101 North 14th Street  
 Richmond, VA 23219

Such bids will be publicly opened at such time and such location.

**Description of Bonds; Interest Payment Dates**

The Bonds will be dated \_\_\_\_\_, 1997 and will be issued only as fully registered bonds in book-entry form. Interest on the Bonds will be calculated on a 30/360 basis and will be payable semiannually on May 15 and November 15, commencing May 15, 1998.

**Principal Amortization**

Principal on the Bonds will be paid (subject to the right of prior redemption) through serial maturities and/or term maturities with annual sinking fund redemptions on the following dates and in the following amounts:

	Series 1997B Bonds*	Series 1997C Bonds*	Preliminary Annual Principal Amounts*		Series 1997B Bonds*	Series 1997C Bonds*	Preliminary Annual Principal Amounts*
<u>May 15</u>			<u>Amounts*</u>	<u>May 15</u>			<u>Amounts*</u>
1998				2010			
1999				2011			
2000				2012			
2001				2013			
2002				2014			
2003				2015			
2004				2016			
2005				2017			
2006				2018			
2007				2019			
2008				2020			
2009							

\* Preliminary, subject to adjustment both before and after award of the Bonds as described herein under "Adjustment to Principal Amount"

### **Optional Redemption**

The Bonds maturing on or before May 15, 2007 will not be subject to optional redemption. The Bonds maturing on and after May 15, 2008 will be subject to redemption before maturity at the Transportation Board's option on and after May 15, 2007, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, at any time 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 date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
May 15, 2007 through May 14, 2008	101 %
May 15, 2008 through May 14, 2009	100 1/2
May 15, 2009 and thereafter	100

### **Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemption**

The successful bidder may provide in the bid form for all of the Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Bonds to be combined into up to two term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on May 15 of the first year which has been combined to form such term bond and continuing on May 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the appropriate amortization schedule, as adjusted in accordance with the provisions described above under the caption "Adjustments to Principal Amount." Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Bonds of the same maturity.

### **Selection of Bonds for Redemption**

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by DTC, as hereafter defined, or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

### **Notice of Redemption**

Notice of redemption will be given by the paying agent by registered or certified mail not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or if none, to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books maintained by the Paying Agent. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. During the period that DTC or its nominee, or any substitute securities depository or its nominee, is the registered owner of the Bonds, the paying agent will not be responsible for mailing notices of redemption to the Beneficial Owners:

### **Book-Entry Only**

Initially, one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") or its nominee, which will be designated as the securities depository for the Bonds. So long as DTC is acting as securities depository for the Bonds, a book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal of, redemption premium, if any, and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable in lawful money of the United States of America by the Paying Agent.

Transfer of principal, redemption premium, if any, and interest payments to beneficial owners (the "Beneficial Owners") will be the responsibility of such participants and other nominees of the Beneficial Owners. The Transportation Board will not be responsible or liable 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 Transportation Board in its sole discretion determines (1) that Beneficial Owners will be able to obtain certificated bonds or (2) to select a new securities depository the Transportation Board will discontinue the book-entry system with DTC. If the Transportation Board fails to identify another qualified securities depository to replace DTC, the Transportation Board will cause the execution and delivery of replacement bonds in the form of fully registered certificates.

#### **Authorization and Security**

The Bonds consist of the combined offering of (a)\$\_\_\_\_\_ Series 1997B (Northern Virginia Transportation District Program) and (b)\$\_\_\_\_\_ Series 1997C (U.S. Route 58 Corridor Development Program).

The issuance of the Series 1997B Bonds has been authorized by the provisions of the State Revenue Bond Act, §§ 33.1-267 et seq. (the "Revenue Bond Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"); Chapter 391 of the Acts of the General Assembly of Virginia, 1993 General Session, as amended by Chapters 470 and 597 of the Acts of the General Assembly of Virginia, 1994 General Session; a resolution adopted by the Transportation Board on August 21, 1997 (the "Bond Resolution"); and a resolution adopted by the Treasury Board of the Commonwealth (the "Treasury Board") on \_\_\_\_\_, 1997. The Series 1997B Bonds are being issued pursuant to a Master Agreement of Trust dated as of August 15, 1993, as supplemented and amended by a Fourth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997, (the "Fourth Supplemental Agreement") each between the Transportation Board and First Union National Bank of Virginia, Richmond, Virginia, as trustee (the "Trustee").

The Series 1997B Bonds will be equally and ratably secured by and payable from revenues, receipts and funds appropriated by the General Assembly of the Commonwealth of Virginia (the "General Assembly") for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues of the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly, and from moneys in certain funds established under the NVTB Trust Agreement.

The issuance of the Series 1997C Bonds is authorized by the provisions of the Revenue Bond Act of the Virginia Code, Chapter 42 of the Acts of the General Assembly of Virginia, 1989 Special Session II, the Bond Resolution, and a resolution adopted by the Treasury Board on \_\_\_\_\_, 1997. The Series 1997C Bonds are being issued pursuant to a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented, and a Fifth Supplemental Agreement of Trust dated as of \_\_\_\_\_, 1997 (the "Fifth Supplemental Agreement"), each between the Transportation Board and the Trustee.

The Series 1997C Bonds will be equally and ratably secured by and payable from revenues, receipts and funds appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, from (1) the U.S. Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available from the Transportation Trust Fund, and (3) to the extent required, other legally available funds, and from moneys in certain funds established under the U.S. Route 58 Trust Agreement.

**The Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt, nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions.**

#### **Bid Specifications**

Bidders are invited to name the rate or rates of interest that the Bonds are to bear, in multiples of 1/8 or 1/20 of one percent. Any number of rates may be named. Each bidder must specify in its bid a single rate for each maturity date. For maturities in the years 2008 to 2020, no interest rate named may exceed the interest rate in a subsequent year. Bids must be for not less than 99% or greater than 101% of the par value of the aggregate principal amount of the Bonds (based on the Revised Amounts as described below), plus accrued interest from the dated date (\_\_\_\_\_, 1997) to the date of delivery of the Bonds. No bid for other than all of the Bonds will be considered.

All bids must be unconditional and must be on the official bid form which may be obtained from the Commonwealth Transportation Board or the office of the financial adviser at the addresses shown in the last paragraph of this Notice of Sale. Each bid should be enclosed in a sealed envelope, marked on the outside "Bid for Commonwealth of Virginia Transportation

Revenue Refunding Bonds", addressed to the Commonwealth Transportation Board, Treasury Board Conference Room, James Monroe Building 101 North 14th Street, 3rd Floor, Richmond, VA 23219. A good faith deposit (the "Deposit"), in the form of a certified or bank cashier's check payable unconditionally to the order of the Transportation Board or a Financial Surety Bond, in the amount of \$\_\_\_\_\_ is required for each bid to be considered. If a check is used, it must be drawn upon an incorporated bank or trust company, and it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company acceptable to the Transportation Board and licensed to issue such a bond in the Commonwealth of Virginia, and such Financial Surety Bond must be submitted to the Transportation Board prior to the opening of the bids and must be in the form and substance acceptable to the Transportation Board. The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such successful bidder is required to submit its Deposit to the Transportation Board in the form of a wire transfer not later than 12:00 P.M. Richmond time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Transportation Board to satisfy the Deposit requirement.

The Deposit of the successful bidder will be deposited and credited to the purchase price and no interest will be allowed thereon. Proceeds of the Deposit will be retained by the Transportation Board as liquidated damages in case the successful bidder fails to comply with the terms of its bid. Checks of unsuccessful bidders will be returned upon award of the Bonds to the successful bidder.

#### **Adjustments to Principal Amount**

*Changes Prior to Bidding.* The preliminary aggregate principal amount of the Bonds and the preliminary annual principal amounts as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively; collectively, the "Preliminary Amounts") may be revised before the opening of sealed bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") WILL BE ANNOUNCED ON THOMSON MUNICIPAL NEWS NOT LATER THAN 1:00 P.M. (RICHMOND TIME) ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

*Changes to the Winning Bid.* After selecting the winning bid, the Transportation Board will determine the final aggregate principal amount of the Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the Transportation Board will not reduce or increase the Revised Aggregate Principal Amount by more than 10% of such amount or increase or reduce any Revised Annual Principal Amount by more than 10% of such amount or \$100,000, whichever is greater. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREIN DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity as the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder by 10:00 a.m. (Richmond Time) on the date following the sale.

#### **Basis of Award**

ALL BIDS SHALL REMAIN FIRM UNTIL 4:00 P.M. (RICHMOND TIME) ON THE DATE OF THE SALE. An award of the Bonds, if made, will be made by the Transportation Board within such five hour period of time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Transportation Board, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Bonds (\_\_\_\_\_, 1997). In case of a tie, the Transportation Board may select the successful bidder. THE TRANSPORTATION BOARD RESERVES THE RIGHT TO WAIVE IRREGULARITIES IN ANY BID AND TO REJECT ANY OR ALL BIDS.

### **Undertakings of the Successful Bidder**

The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the Transportation Board in writing (via facsimile transmission) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the Transportation Board within 24 hours after notification of the Final Amounts, furnish the following information to the Transportation Board to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields at which the successful bidder advised the Transportation Board that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the Transportation Board determines is necessary to complete the Official Statement in final form.

Prior to the delivery of the Bonds, the successful bidder shall furnish to the Transportation Board a "Certificate Regarding Issue Price," substantially in a form acceptable to Bond Counsel, establishing that the successful bidder has made a bona fide public offering of the Bonds at the Initial Reoffering Prices set forth in such certificate and that a substantial amount of the Bonds of each maturity was sold to the public (excluding bond houses, brokers and other intermediaries) at such Initial Reoffering Prices.

### **Delivery of Bonds**

The Bonds are expected to be delivered on or about \_\_\_\_\_, 1997 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS ANNOUNCED ON THOMSON MUNICIPAL NEWS NOT LATER THAN 1:00 P.M. (RICHMOND TIME) ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BONDS) in New York City at DTC against payment of the purchase price therefor (less the amount of the good faith Deposit) in Federal Funds.

There will also be furnished the usual closing papers, including a certificate by the officials who signed the Bonds (1) stating that no litigation of any kind is now pending or, to their information, knowledge or belief, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Bonds are issued, or affecting the validity of the Bonds and (2) relating to the Official Statement, as described in the Preliminary Official Statement.

### **Legal Opinion**

The approving opinion of Christian & Barton, L.L.P., Richmond, Virginia, Bond Counsel, in substantially the form set forth in the Preliminary Official Statement, will be furnished at no expense to the successful bidder. The Preliminary Official Statement contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Bonds and a discussion of Bond Counsel's opinion insofar as it concerns such exclusion.

### **CUSIP Numbers**

CUSIP numbers will be applied for with respect to the Bonds, but the Transportation Board will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

### **Official Statement**

The Preliminary Official Statement dated the date hereof and the information contained therein have been deemed final by the Transportation Board as of its date within the meaning of the Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Official Statement in final form (the "Final Official Statement").

The Transportation Board, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds, within seven business days of the award of the

Bonds, provided that the successful bidder cooperates in a timely manner in providing the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), including an obligation, if any, to update the Final Official Statement.

#### **Continuing Disclosure**

Rule 15c2-12 prohibits an underwriter from purchasing or selling municipal securities, such as the Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material "obligated persons" (hereinafter referred to as "MOPs") have committed to provide (i) on an annual basis, certain financial and operating data ("Annual Reports") and, if available, audited financial statements, to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") and the relevant state information depository (if any) and (ii) notice of various events described in Rule 15c2-12, if material ("Event Notices"), to each NRMSIR or the MSRB and to any such state information depository.

The Transportation Board will covenant, as described in the Fourth Supplemental Agreement and the Fifth Supplemental Agreement, as applicable, for the benefit of the holders of the Bonds, to provide, to each NRMSIR and to any Virginia information depository that has been formed, Annual Reports with respect to itself, as issuer. Similarly, the Authority will provide Event Notices to the MSRB and to any Virginia information depository. The continuing disclosure undertaking of the Commonwealth, which the Authority has determined to be a MOP for purposes of the Amendments, will be evidenced by a Continuing Disclosure Agreement, for the benefit of the holders of the Bonds, to be executed and delivered prior to the delivery of the Bonds, pursuant to which the Commonwealth also will provide Annual Reports and Event Notices.

#### **Change of Date and Time for Receipts of Bids**

The Transportation Board expects to take bids on the Bonds on \_\_\_\_\_, 1997. However, the Transportation Board reserves the right to change the date and time established for the receipt of bids, and will undertake to notify potential bidders of such changes in the date or time for the receipt of bids. Prospective bidders may request notification by facsimile transmission of any such change by so advising, and furnishing their telecopier numbers to: Public Resources Advisory Group of 212-366-7800 by 12 o'clock Noon on \_\_\_\_\_. 1997.

If such revised date for receipt of bids is to be subsequent to \_\_\_\_\_, 1997, the revised date and time for receipt of bids will be announced by Thomson Municipal News no later than 1:00 p.m. (Richmond Time), on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced by Thomson Municipal News at least 48 hours prior to such alternative sale date.

On any such alternative sale date and time, the Transportation Board will accept sealed bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time of sale and any other changes announced by Thomson Municipal News at the time the sale date and time are announced.

#### **Additional Information**

For further information relating to the Bonds, reference is made to the Preliminary Official Statement, dated the date hereof, prepared for and authorized by the Transportation Board. Bidders are required to use the Bid Form which, together with the Preliminary Official Statement, may be obtained from the undersigned at the Commonwealth Transportation Board, 1401 East Broad Street, Richmond, VA 23219 (telephone 804-786-5128; telecopy 804-786-6250) or from the financial advisor Public Resources Advisory Group, 40 Rector Street, Suite 1600, New York, NY 10006 (telephone 212-366-7800; telecopy 212-366-7816).

Dated: \_\_\_\_\_

Commonwealth Transportation Board  
By: Robert E. Martinez

Commonwealth Transportation Board  
 Commonwealth of Virginia  
 Transportation Revenue Refunding Bonds

\$ \_\_\_\_\_  
 Series 1997B  
 (Northern Virginia Transportation District Program)

\$ \_\_\_\_\_  
 Series 1997C  
 (U.S. Route 58 Corridor Development Program)

1997\*

Commonwealth Transportation Board  
 Treasury Board Conference Room  
 James Moore Building, Third Floor  
 101 North 14th Street  
 Richmond, VA 23219

Dear Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the official Notice of Sale, dated \_\_\_\_\_, 1997 which is hereby made a part of this bid, we hereby offer to purchase the \$ \_\_\_\_\_ Commonwealth of Virginia Transportation Revenue Refunding Bonds consisting of (a) \$ \_\_\_\_\_ Series 1997B (Northern Virginia Transportation District Program) (the "Series 1997B Bonds") and (b) \$ \_\_\_\_\_ Series 1997C (U.S. Route 58 Corridor Development Program) (the "Series 1997C Bonds" and collectively, with the Series 1997B Bonds, the "Bonds"), described in said Notice of Sale and in the Preliminary Official Statement which has been furnished to us and as revised through Thurston Municipal Notes on later than 1:00 P.M. (Richmond Time) on the day prior to today.

We offer to purchase the Bonds at a price of \$ \_\_\_\_\_, which is not less than 99% or greater than 101% of the Revised Aggregate Principal Amount of \$ \_\_\_\_\_, at the interest rates set out below.

Serial Bonds					
Date	Interest Rate	Date	Interest Rate	Date	Interest Rate
May 15, 1998	_____ %	May 15, 2006	_____ %	May 15, 2014	_____ %
May 15, 1999	_____	May 15, 2007	_____	May 15, 2015	_____
May 15, 2000	_____	May 15, 2008	_____	May 15, 2016	_____
May 15, 2001	_____	May 15, 2009	_____	May 15, 2017	_____
May 15, 2002	_____	May 15, 2010	_____	May 15, 2018	_____
May 15, 2003	_____	May 15, 2011	_____	May 15, 2019	_____
May 15, 2004	_____	May 15, 2012	_____	May 15, 2020	_____
May 15, 2005	_____	May 15, 2013	_____		

(CROSS OUT THE SERIAL BOND MATURITIES BEING BID AS TERM BONDS.)  
 Term Bonds (Optional - No More Than Two Term Bonds)

First Year of Mandatory Redemption	Year of Maturity	Interest Rate
_____	_____	_____ %
_____	_____	_____ %

(LEAVE BLANK IF NO TERM BONDS ARE SPECIFIED.)

If term bonds are included in this bid, the sinking fund installments and maturity of such term bond(s) shall correspond to the Revised Annual Principal Amounts, as defined in the Notice of Sale, for the applicable years as adjusted in accordance with the Notice of Sale.

We will pay accrued interest on the Bonds from \_\_\_\_\_, 1997 to the date of delivery and will accept delivery of the Bonds at DTC in New York City on or about \_\_\_\_\_, 1997.\*

Please indicate (X) the appropriate choice regarding the good faith deposit:

- \_\_\_\_\_ We have posted a surety bond in the amount of \$ \_\_\_\_\_ in accordance with the detailed Notice of Sale  
 \_\_\_\_\_ We enclose a certified or cashier's check for \$ \_\_\_\_\_ in accordance with the detailed Notice of Sale.

We, if the successful bidder, will, (a) within 30 minutes after being notified of the award of the Bonds, advise the Transportation Board of the Initial Reoffering Prices of the Bonds, and (b) within 24 hours after notification of the Final Amounts of the Bonds, as defined in the Notice of Sale, furnish the Transportation Board the information described in the section of the Notice of Sale entitled "Undertakings of the Successful Bidder."

Attached is a list of the members of our account on whose behalf this bid is made.

By: \_\_\_\_\_  
 Name of Firm \_\_\_\_\_ Address \_\_\_\_\_  
 Signature \_\_\_\_\_ City, State, Zip \_\_\_\_\_

(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 a part of the above bid: The true interest cost for the above bid is \_\_\_\_\_%. If we are to be notified that we have been awarded the Bonds, you may contact and rely on the information provided by \_\_\_\_\_, whose telephone number is \_\_\_\_\_.

The above good faith check, if applicable, has been returned and receipt thereof is hereby duly acknowledged.

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

\* Subject to change, as described in the Notice of Sale

8-21-97

Item 21:

Moved by Mrs. Lionberger, seconded by Mr. White, that

WHEREAS, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 expires September 30; and

WHEREAS, Congress must pass an authorization act to continue the Federal-aid surface transportation program; and

WHEREAS, according to the Federal Highway Administration (FHWA) Virginia has received only a 79 cent return on each dollar it has contributed to the Highway Trust Fund over the life of ISTEA; and

WHEREAS, the United States Department of Transportation's publication "Status of the Nation's Transportation System" reports that the cost just to maintain current conditions on our highways and bridges exceeds current expenditures by \$15 billion annually; and

WHEREAS, the "ISTEA Integrity Restoration Act" introduced by Senator Warner would provide additional funding for transportation needs, and bring greater fairness, flexibility and simplicity to the funding of the Federal surface transportation program; and

WHEREAS, under the STEP 21 proposals Virginia's share of surface transportation funding would increase more than 17 percent, providing additional funds to address Virginia's transportation needs; and

WHEREAS, the Commonwealth Transportation Board voted unanimously to support the STEP 21 Coalition proposal for the reauthorization of the federal-aid surface transportation program on May 9, 1996; and

WHEREAS, the Commonwealth Transportation Board unanimously endorsed "The ISTEA Integrity Restoration Act" on July 18, 1996.

8-21-97

NOW, THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board, on this twenty-first day of August, 1997:

That the Congress of the United States enact multi-year legislation to reauthorize the Federal surface transportation program and achieve equity based on the principles put forth by the STEP 21 Coalition. Such legislation should significantly improve fairness in the highway apportionment formulae for Virginia, maximize flexibility by streamlining the program structure and provide adequate support for the National Highway System.

BE IT FURTHER RESOLVED that copies of this resolution be dispatched to the House Transportation and Infrastructure Committee, the Senate Environment and Public Works Committee and Virginia's members of the United States Senate and the United States House of Representatives.

Motion carried.

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Item 22:

Action on the proposed change in the policy regarding the disposal of limited access control was deferred.

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Item 23:

Moved by Mr. Newcomb, Seconded by Mr. Rich, that

WHEREAS, VRE Commuter Rail Service was started in 1992; and

WHEREAS, the Board supports this service as a viable transportation alternative in addressing congestion problems in Northern Virginia; and

8-21-97

WHEREAS, the Board has provided substantial funding for the continuation of the service and capital improvements to mitigate conflicts with freight operations; and

WHEREAS, certain situations have occurred which have resulted in delays or cancellations of VRE services; and

WHEREAS, the delays have adversely affected ridership and costs; and

WHEREAS, the delays have been caused by derailments, outlawed train crews, signals, the lack of signal repairmen in the immediate area, and dispatching problems; and

WHEREAS, CSX has taken steps to correct these problems; and

WHEREAS, the Board hereby reconfirms its intent to provide assistance where possible to assure the continuation of VRE commuter rail services.

NOW, THEREFORE, BE IT RESOLVED that the Board requests that CSX be advised of the Board's concerns about the delays and their effects on the success of the commuter rail service.

BE IT FURTHER RESOLVED that the Board expects all parties, including CSX, the Virginia Department of Transportation and the Virginia Department of Rail and Public Transportation to continue identification and implementation of improvements in the facilities and operations which will enhance all of the rail services including commuter rail services.

Motion carried.

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8-21-97

The meeting adjourned at 12:35 p.m.

The next meeting will be held on September 18,  
1997, in Arlington, Virginia.

Approved:

A handwritten signature, appearing to read "Peter Hunt", is written over a horizontal line.

Attended:

A large, stylized handwritten signature is written over a horizontal line.

8-21-97

The meeting adjourned at 12:35 p.m.

The next meeting will be held on September 18,  
1997, in Arlington, Virginia.

Approved:



Attested:

