

Minutes of the Meeting of the State Highway
Commission of Virginia, Held in
Richmond, September 16, 1949.

A Special Called Meeting.

At 9:00 o'clock Friday morning, September 16, 1949, the Commission met in the Central Office Building, Richmond, Virginia. Present - Messrs. E. P. Barrow, Geo. P. DeHardit, J. P. Harpine, S. W. Rawls, Howard C. Rogers, J. B. Wampler, Tucker C. Watkins, Jr., and J. F. Wyszor. The Chairman called the meeting to order and introduced the new member, Mr. Watkins, who was appointed to fill the unexpired term of the late Wayles R. Harrison.

Moved by Mr. Wyszor, seconded by Mr. Rawls, that the minutes of the meeting of August 23, be approved. Motion carried.

The Chairman also offered his apologies for the meeting inasmuch as he had no knowledge of the necessity for such a meeting when the Commission met on August 23.

Moved by Mr. Wyszor, seconded by Mr. Rawls, that the permits issued from August 23 to September 16, inclusive, be approved. Motion carried.

Moved by Mr. Rogers, seconded by Mr. Barrow, that permits cancelled by the Commissioner from August 23 to September 16 inclusive, as authorized June 25, 1947, and recorded in the Auditing Division, be approved. Motion carried.

Moved by Mr. Harpine, seconded by Mr. Rawls, that the Commission confirm award of contract on bids received September 1, for the construction of Project 1400-D1,B4, Route 350, 4,524 Mi. S. of Int. Route 236-0.162 Mi. S. of Int. Route 236 at Lincolnia, Fairfax County, to the low bidder, Guy H. Lewis & Son, McLean, Va., at the bid of \$53,869.00 and that 10% additional be set aside to cover the cost of engineering and additional work, making a total of approximately \$59,250.00 chargeable to this project; additional \$14,813.00 required to be carried as an authorized deficit. Motion carried.

Moved by Mr. Wyszor, seconded by Mr. Wampler, that the Commission confirm award of contract on bids received September 1, for the construction of Project 1400-E1,B-16, Route 350, 6.56 Mi. S. of Int. of Route 236-4,524 Mi. S. of Int. of Route 236 at Lincolnia, Fairfax County, to the low bidder, Guy H. Lewis & Son, McLean, Va., at the bid of \$132,482.02 and that 10% additional be set aside to cover the cost of engineering and additional work, making a total of approximately \$145,700.00 chargeable to this project; additional \$36,426.00 required to be carried as an authorized deficit. Motion carried.

Moved by Mr. Barrow, seconded by Mr. Harpins, that the following towns having passed proper ordinances requesting the State Highway Commission to take over certain routes in the towns for maintenance, the same be accepted:-

Damascus	Strasburg
Grundy	Warrenton
Louisa	Warsaw

Motion carried.

Moved by Mr. DeHardit, seconded by Mr. Wampler, that the claim of Robert T. Main Company, Contractors on the Bealeton Overpass, Project F-595-C, B2, Route 17, be granted for an extension of time amounting to 20 days at \$16.00 per day and the return of \$300.00 as recommended by the Chief Engineer. Motion carried.

Moved by Mr. Wampler, seconded by Mr. Rogers, that the request of Robert T. Main Company for an extension of time and the return of \$315.00 liquidated damages on Project 1333-D, B2, 3, Route 612, Intersection Route 607 (North of Burk's Tavern)-Intersection Route 696, Prince Edward County, be not granted, as recommended by the Chief Engineer. Motion carried.

WHEREAS: The Chairman, J. A. Anderson, has certified in writing that the residue portion of a certain parcel of land, with appurtenances thereon, acquired under right of way settlement from Walter H. Miller, et ux, by the Commonwealth, for the construction of Route 80, Project 558-C, M1, B2, Russell County, is no longer needed for the use of the State Highway System; and Clyde E. Shrader has made an offer of \$2,250.00 for same.

THEREFORE, BE IT RESOLVED, as provided by Chapter 10 of the Acts of the General Assembly of February 7, 1940, that the Chairman is hereby authorized to execute deed of special warranty, conveying the said land and appurtenances thereon to Clyde E. Shrader for the consideration mentioned.

WHEREAS, at a call meeting of the State Highway Commission of Virginia duly held pursuant to notice at its Central Highway Office Building, Richmond, Va. on the 16th day of September, 1949; and,

WHEREAS, pursuant to the provisions of Section 10, Chapter 399 of the Acts of the General Assembly of 1940, cited as "State Revenue Bond ACT" it is provided that

"*** The bonds shall be signed by the chairman of the commission and the official seal of the commission shall be affixed thereto and attested by the secretary of the commission, and any coupons attached thereto shall bear the facsimile signature of the said chairman of the commission.* * *"

WHEREAS, the said Commission has not heretofore adopted an official seal.

NOW, THEREFORE, be it

Resolved that an official seal be, and the same hereby is, adopted by the State Highway Commission of Virginia as follows:

It being a circle 1.75 inches in diameter, the center containing the Coat of Arms of the Commonwealth of Virginia and the 1607 representing the date of the first permanent English settlement in America at Jamestown, all of which is encircled with the lettering "State Highway Commission 1906" which date denotes the establishment of the State Highway Commission of Virginia, Acts of the General Assembly of Virginia of 1906, Chapter 73, an impression of which is here made for an accurate description thereof.

SEAL

Given under our hands this 16th day of September, 1949.

Chairman, State Highway Commission of Virginia

Attest:

Secretary

The next meeting of the Commission will be at noon, Thursday, October 20, at the Robert E. Lee Hotel, Lexington, Va., and reservations will be made for the Commission at that hotel. At this meeting a public hearing will be given on the deletion of Route 104 in Patrick County to the Secondary System.

Moved by Mr. Wyszor, seconded by Mr. Rawls, that action on the request of Hon. D. Woodrow Bird relative to removal of earth from a section of Route 21 at Bastian be deferred until Project 2810-01, revision at Bastian, is completed. Motion carried.

Moved by Mr. Barrow, seconded by Mr. Rawls, that the Chairman be authorized to issue revised Permit Manual, and that any previous resolutions adopted by the State Highway Commission that are inconsistent therewith shall become ineffective. Motion carried.

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$19,000,000 STATE OF VIRGINIA TOLL REVENUE
BONDS (SERIES 1949) AND THE EXECUTION AND
DELIVERY OF A TRUST INDENTURE SECURING
SAID BONDS, AND PROVIDING FOR THE DELIVERY
OF TEMPORARY BONDS.

BE IT RESOLVED by the State Highway Commission:

Section 1. The State Highway Commission (hereinafter sometimes called the "Commission"), an agency of the State of Virginia, has found and determined and does hereby declare:

(1) By virtue of Chapter 399 of the Acts of Virginia of 1940, Sections 2072 (9) to 2072 (22), inclusive, Virginia Code of 1942 (known as and hereinafter sometimes called the "State Revenue Bond Act"), the Commission is authorized and empowered

(a) to acquire by purchase or by condemnation and to construct, improve, operate and maintain any one or more of the bridge and ferry projects mentioned in the State Revenue Bond Act (each of which is hereinafter sometimes called a "project") including, among others,

(i) the ferry properties (hereinafter sometimes collectively called the "Chesapeake Ferries") consisting of the properties commonly known as the "Newport News Ferry", operating across Hampton Roads from the City of Newport News to Pine Beach in the City of Norfolk, and as the "Old Point Ferry", operating from Old Point in Elizabeth City County across Hampton Roads to Willoughby in the City of Norfolk,

(ii) the bridge properties (hereinafter sometimes collectively called the "James River Bridges") owned by the James River Bridge System, a Virginia corporation, comprising the existing bridges across the James, Uluakatuck and Nansemond rivers, together with connecting roads, in the counties of Warwick, Isle of Wight and Nansemond,

(iii) a bridge across the York River (hereinafter sometimes called the "York River Bridge") extending from a point within the Town of Yorktown, in York County, or within York County, to Gloucester Point or to some point in Gloucester County, and approaches thereto, and

(iv) a bridge across the Rappahannock River (hereinafter sometimes called the "Rappahannock River Bridge") extending from Grey's Point, or its vicinity, in Middlesex County, to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible points in the general vicinity of said two points, and approaches thereto;

(b) to issue revenue bonds of the State of Virginia, payable solely from earnings, to pay the cost of such projects;

(c) to fix and collect tolls and other charges for the use of such projects; and

(d) to couple or unite into one unit for financing purposes any two or more of such projects.

(2) By resolutions duly adopted by the Commission on May 24, 1948, (hereinafter sometimes collectively called the "Chesapeake Ferries Resolution"), the Commission determined (i) to advance temporarily the sum of \$2,692,976.98 from highway funds available for such purpose, to pay the condemnation award theretofore rendered in condemnation proceedings brought to acquire the Chesapeake Ferries, (ii) to issue a toll revenue bond of the State of Virginia to reimburse the highway funds for such advance, (iii) to acquire the James River Bridges, (iv) to construct the York River Bridge, (v) to construct the Rappahannock River Bridge, and (vi) to unite such projects (hereinafter sometimes collectively called the "Projects") into one unit for financing purposes.

(3) The Commission further found and determined by the Chesapeake Ferries Resolution, and recited therein that

"WHEREAS, because the details of the permanent financial plan for such bonds cannot now be formulated since final arrangements have not been made for the acquisition and construction of all the projects comprising the Undertaking (being the Chesapeake Ferries, the James River Bridges, the York River Bridge and the Rappahannock River Bridge) and because of the immediate necessity to provide funds for the acquisition of the Chesapeake Ferries, the Commission has determined to authorize the issuance of a toll revenue bond to cover the cost of such ferries and thereafter, at the earliest possible date to authorize the refunding of said bond if necessary and the issuance, from time to time, of additional bonds to cover the costs of the other units comprising the Undertaking, all of which bonds when issued to constitute the complete issue of bonds for the Undertaking."

(4) As authorized by the Chesapeake Ferries Resolution, the Commission caused to be executed, sold and delivered to the Board of Trustees of the Virginia Retirement System, the purchaser thereof, a toll revenue bond of the State of Virginia in the principal amount of \$2,700,000, designated "State of Virginia Toll Revenue Bond", dated May 1, 1948, bearing interest at the rate of three per centum (3%) per annum, and payable in installments on May 1, \$200,000 in each of the years 1949 to 1957, inclusive, and \$300,000 in each of the years 1958 to 1960, inclusive.

(5) The Commission duly applied the proceeds of said State of Virginia Toll Revenue Bond, dated May 1, 1948, to reimburse the highway funds for the amount so advanced on account of the acquisition of the Chesapeake Ferries and the Commission is now in position to finance the cost of the Chesapeake Ferries, including improvements thereto from a portion of the proceeds of a single issue of revenue bonds issued on account of the Projects as contemplated by the Chesapeake Ferries Resolution.

(6) The Commission has found and determined that improvements consisting of repairs, replacements, additions and betterments of and to the Chesapeake Ferries are necessary to place such ferries in a safe and efficient condition for the use of the public, and has estimated the cost of such improvements and, according to such estimate, the proceeds of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) bonds will be required and will be sufficient to pay the cost of such improvements.

(7) On May 1, 1949, the \$200,000 installment due on that date was paid on account of the principal of said State of Virginia Toll Revenue Bond, leaving an unpaid principal balance of \$2,500,000, and the Board of Trustees of the Virginia Retirement System, as contemplated by the Chesapeake Ferries Resolution, has agreed to surrender said bond for cancellation upon payment of the unpaid principal balance of said bond and the interest thereon from May 1, 1949, to the date of payment thereof, in order to permit the refunding of said bond and the improvement of the Chesapeake Ferries, and the uniting thereof with the York River Bridge, the James River Bridges and the Rappahannock River Bridge into one unit for financing purposes.

(8) The James River Bridge System has accepted from the Commission a proposal for the sale of the James River Bridges for the purchase price of \$5,600,000.

(9) The Commission has adopted and approved plans for the construction of the York River Bridge and the location and plans for said bridge have been approved by the Chief of Engineers and the Secretary of the Army as required by the General Bridge Act of 1946 (60 Stat. 847).

(10) The Commission has requested and received bids for the construction of the York River Bridge at such location and according to such plans, and, according to such bids, it is estimated that the proceeds of Nine Million Five Hundred Thousand Dollars (\$9,500,000) bonds will be required and will be sufficient to pay the cost of the York River Bridge.

(11) The Commission has determined to unite the Chesapeake Ferries as improved, the James River Bridges, the York River Bridge and the Rappahannock River Bridge into one unit for financing purposes, and to provide for the issuance at this time of revenue bonds of the State of Virginia to provide funds, with other funds available for such purposes, for (i) refunding the outstanding State of Virginia Toll Revenue Bond issued on account of the Chesapeake Ferries, including the payment of the interest accrued thereon to the date of payment thereof, (ii) paying the cost of improvements of such Ferries, (iii) paying the cost of the James River Bridges, (iv) paying the cost of the York River Bridge, and (v) paying expenses necessary and incident to the financing, and to provide for the issuance at a later date under the provisions of the Indenture authorized by this resolution of revenue bonds of the State of Virginia to provide funds for paying the cost of the Rappahannock River Bridge.

Section 2. For the purposes set forth in clauses (i) to (v) inclusive of paragraph (11) of Section 1 of this resolution, the issuance of revenue bonds of the State of Virginia in the aggregate principal amount of Nineteen Million Dollars (\$19,000,000) is hereby authorized. Such bonds shall be designated "State of Virginia Toll Revenue Bonds (Series 1949)", (hereinafter sometimes called the "bonds"). The definitive bonds issued hereunder shall be in the denomination of One Thousand Dollars (\$1,000) each, numbered consecutively from 1 upwards, shall be dated as of the 1st day of September, 1949, shall bear interest from their date at a rate or rates, not exceeding five per centum (5%) per annum, until their payment, and shall be stated to mature, subject to the right of prior redemption at the prices and dates and upon the terms and conditions which are set forth in the Trust Indenture hereinafter authorized, as follows:

\$8,000,000 of said bonds, consisting of bonds numbered 1 to 8,000, inclusive, shall be serial bonds, and shall be stated to mature (in numerical order, lowest numbers first) on the 1st day of September in the following years and in the following amounts, respectively:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
1953	\$200,000	1961	\$400,000
1954	200,000	1962	400,000
1955	250,000	1963	450,000
1956	250,000	1964	450,000
1957	300,000	1965	500,000
1958	300,000	1966	500,000
1959	350,000	1967	550,000
1960	350,000	1968	550,000

The remaining of \$13,000,000 bonds, consisting of bonds numbered 8,001 to 19,000, inclusive, shall be term bonds, and shall be stated to mature on the 1st day of September, 1973.

The interest on the bonds to maturity thereof shall be payable semi-annually on the first days of March and September of each year. The bonds shall be signed by the Chairman of the Commission, and the official seal of the Commission shall be affixed to the bonds and attested by the Secretary of the Commission. The coupons to be attached to the bonds shall be executed with the facsimile signature of the Chairman of the Commission. The bonds and the interest coupons to be thereto attached, the certificate of authentication by the Trustee and the provisions for registration and reconversion to be endorsed on the bonds shall be in substantially the forms set forth in said Trust Indenture.

Both the principal of and the interest on the bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and both such principal and interest, except the interest on any bonds which may be registered as to both principal and interest, shall be payable at the principal office of National Bank of Commerce of Norfolk, in the City of Norfolk, Virginia, or at the option of the holder or registered owner, at the office of The Chase National Bank of the City of New York, in the Borough of Manhattan, City and State of New York. Payment of the interest on the bonds shall be made only upon presentation and surrender of the coupons, if any, representing such interest as the same respectively fall due; or, if any bond shall be registered as to both principal and interest, payment of the interest on such bond on any interest payment date shall be made to the person appearing on the registration books of the Commission as the registered owner thereof, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books, all as provided in said Trust Indenture.

The bonds shall be registrable as to principal alone and also as to both principal and interest and, if registered as to both principal and interest, may be reconverted into coupon bonds, in accordance with the provisions endorsed thereon and subject to the terms and conditions set forth in said Trust Indenture.

Section 3. Tolls shall be fixed and charged by the Commission for the use of the Projects in the manner provided in said Trust Indenture, sufficient with other revenues to provide funds to pay the cost of maintaining, repairing and operating the Projects, to provide a sinking fund sufficient to pay the principal of and the interest on all bonds issued under said Trust Indenture as the same shall become due and payable, and to meet all other requirements provided in said Trust Indenture. All tolls and other revenue arising from the operation or ownership of the Projects and properties in connection therewith shall be applied as provided in said Trust Indenture.

Section 4. In order to secure the payment of the principal of and the interest on the bonds herein authorized, including any redemption premium thereon, and any additional bonds that may be issued under the provisions of said Trust Indenture, according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions in said bonds, the execution and delivery of a Trust Indenture, by and between the State Highway Commission, an agency of the State of Virginia, and The National Bank of Commerce of Norfolk, as Trustee, is hereby authorized, and said Trust Indenture shall be in substantially the form hereinafter set forth and shall be executed in the manner therein set forth.

Section 5. The bonds shall forthwith be executed in the form and manner hereinabove provided and shall be delivered to the Trustee under said Trust Indenture for authentication and delivery to the purchasers thereof in accordance with the provisions of Section 208 of said Trust Indenture. Pending the preparation of said bonds in definitive form, temporary printed bonds in the same aggregate face amount, of the same date and denomination, bearing interest and maturing as set forth in Section 2 above, and without coupons, and without the privilege of registration as to principal or as to both principal and interest, shall be executed and delivered to the Trustee for authentication and delivery in accordance with the provisions of said Trust Indenture. Such temporary bonds shall be in substantially the form of the definitive bonds as set forth in said Trust Indenture, with such changes as may be necessary or proper to conform the same to the provisions of this Section, and the letter T shall be prefixed to the number of each such temporary bond. The form of such temporary bond as presented at this meeting is hereby approved.

Section 6. The Chairman of the Commission is hereby authorized to sign the bonds and the Secretary of the Commission is hereby authorized and directed to cause the official seal of the Commission to be affixed to the bonds, both the definitive bonds and the temporary bonds, and to attest same as soon as they may be prepared for execution, and the Secretary of the Commission is further authorized and directed to deliver to the Trustee under said Trust Indenture the temporary bonds so executed, and also the definitive bonds when they shall have been executed with the request that the Trustee shall exchange the definitive bonds for the temporary bonds in accordance with the provisions of said Trust Indenture.

Section 7. The officers of the Commission, the Consulting Engineers and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the bonds and of said Trust Indenture, for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the bonds and of said Trust Indenture, and also to do all acts and things required of them by the provisions of this resolution.

Section 8. The Trust Indenture hereinabove authorized shall be in substantially the following form, subject to such minor changes, insertions and omissions as may be approved by the Chairman of the Commission and by said Trustee, and the execution of the Trust Indenture by the Chairman of the Commission and by said Trustee shall be conclusive evidence of any such approval:

The foregoing is a true and correct copy of the Resolution authorizing \$19,000,000 State of Virginia Toll Revenue Bond (Series 1949) and the execution and delivery of a Trust Indenture securing said bonds and providing for the delivery of temporary bonds, as passed and adopted at a regular meeting of the State Highway Commission duly held at the Central Highway Office Building, Richmond, Virginia, the regular place of meeting of said Commission, on September 16, 1949, at which all members were present and voted unanimously in favor of said resolution.

Witness my hand and seal,

STATE HIGHWAY COMMISSION OF VIRGINIA

Chairman

ATTESTEE:

Secretary

Final Proof

VIRGINIA STATE HIGHWAY COMMISSION

to

NATIONAL BANK OF COMMERCE OF NORFOLK
As Trustee

Trust Indenture

Dated September 1, 1949

This Indenture, dated for convenience of reference as of the first day of September, 1949, by and between

STATE HIGHWAY COMMISSION

(hereinafter sometimes called the "Commission"), an agency of the State of Virginia (also known as the "Commonwealth of Virginia"), and

NATIONAL BANK OF COMMERCE OF NORFOLK,

a national banking association duly organized and doing business under the laws of the United States of America and having its principal office in the City of Norfolk, Virginia, which banking association is authorized under such laws to exercise corporate trust powers and is subject to examination by federal authority (said banking association and any bank or trust company appointed as successor trustee under this Indenture being hereinafter sometimes called the "Trustee"), WITNESSETH:

WHEREAS, by virtue of Chapter 899 of the Acts of Virginia of 1940, Sections 2072(9) to 2072(32), inclusive, Virginia Code of 1942 (known as and hereinafter sometimes called the "State Revenue Bond Act"), the Commission is authorized and empowered

(a) to acquire by purchase or by condemnation and to construct, improve, operate and maintain any one or more of the bridge and ferry projects mentioned in the State Revenue Bond Act (each of which is hereinafter sometimes called a "project") including, among others,

(1) the ferry properties (hereinafter sometimes collectively called the "Chesapeake Ferries"), consisting of the properties commonly known as the "Newport News Ferry", operating across Hampton Roads from the City of Newport News to Pine Beach in the City of Norfolk, and as the "Old Point Ferry", operating from Old Point in Elizabeth City County across Hampton Roads to Willoughby in the City of Norfolk,

(ii) the bridge properties (hereinafter sometimes collectively called the "James River Bridges"), owned by the James River Bridge System, a Virginia corporation, comprising the existing bridges across the James, Chuckatuck and Nansemond rivers, together with connecting roads, in the counties of Warwick, Isle of Wight and Nansemond,

(iii) a bridge across the York River (hereinafter sometimes called the "York River Bridge"), extending from a point within the Town of Yorktown, in York County, or within York County, to Gloucester Point or to some point in Gloucester County, and approaches thereto, and

(iv) a bridge across the Rappahannock River (hereinafter sometimes called the "Rappahannock River Bridge"), extending from Greys Point, or its vicinity, in Middlesex County, to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible points in the general vicinity of said two points, and approaches thereto;

(b) to issue revenue bonds of the State of Virginia, payable solely from earnings, to pay the cost of such projects;

(c) to fix and collect tolls and other charges for the use of such projects; and

(d) to couple or unite into one unit for financing purposes any two or more of such projects; and

WHEREAS, by resolutions duly adopted by the Commission on 1948 (hereinafter sometimes collectively called the "Chesapeake Ferries Resolution"), the Commission determined (i) to advance temporarily the sum of \$2,692,976.98 from highway funds available for such purpose, to pay the condemnation award theretofore rendered in condemnation proceedings brought to acquire the Chesapeake Ferries, (ii) to issue a toll revenue bond of the State of

Virginia to reimburse the highway funds for such advance, (iii) to acquire the James River Bridges, (iv) to construct the York River Bridge, (v) to construct the Rappahannock River Bridge, and (vi) to unite such projects (hereinafter sometimes collectively called the "Projects") into one unit for financing purposes; and

WHEREAS, the Commission further found and determined by the Chesapeake Ferries Resolution, and recited therein that

"WHEREAS, because the details of the permanent financial plan for such bonds cannot now be formulated since final arrangements have not been made for the acquisition and construction of all the projects comprising the Undertaking (being the Chesapeake Ferries, the James River Bridges, the York River Bridge and the Rappahannock River Bridge) and because of the immediate necessity to provide funds for the acquisition of the Chesapeake Ferries, the Commission has determined to authorize the issuance of a toll revenue bond to cover the cost of such ferries and thereafter, at the earliest possible date to authorize the refunding of said bond if necessary and the issuance, from time to time, of additional bonds to cover the costs of the other units comprising the Undertaking, all of which bonds when issued to constitute the complete issue of bonds for the Undertaking"; and

WHEREAS, as authorized by the Chesapeake Ferries Resolution, the Commission caused to be executed, sold and delivered to the Board of Trustees of the Virginia Retirement System, the purchaser thereof, a toll revenue bond of the State of Virginia in the principal amount of \$2,700,000, designated "State of Virginia Toll Revenue Bond", dated May 1, 1948, bearing interest at the rate of three per centum (3%) per annum, and payable in installments on May 1, \$200,000 in each of the years 1949 to 1957, inclusive, and \$800,000 in each of the years 1958 to 1960, inclusive; and

WHEREAS, the Commission duly applied the proceeds of said State of Virginia Toll Revenue Bond, dated May 1, 1948,

to reimburse the highway funds for the amount so advanced on account of the acquisition of the Chesapeake Ferries and the Commission is now in position to finance the cost of the Chesapeake Ferries, including improvements thereto from a portion of the proceeds of a single issue of revenue bonds issued on account of the Projects as contemplated by the Chesapeake Ferries Resolution; and

WHEREAS, the Commission has found and determined that improvements consisting of repairs, replacements, additions and betterments of and to the Chesapeake Ferries are necessary to place such ferries in a safe and efficient condition for the use of the public, and has estimated the cost of such improvements and, according to such estimate, the proceeds of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) bonds will be required and will be sufficient to pay the cost of such improvements; and

WHEREAS, on May 1, 1949, the \$200,000 installment due on that date was paid on account of the principal of said State of Virginia Toll Revenue Bond, leaving an unpaid principal balance of \$2,500,000, and the Board of Trustees of the Virginia Retirement System, as contemplated by the Chesapeake Ferries Resolution, has agreed to surrender said bond for cancellation upon payment of the unpaid principal balance of said bond and the interest thereon from May 1, 1949, to the date of payment thereof, in order to permit the refunding of said bond and the improvement of the Chesapeake Ferries, and the uniting thereof with the York River Bridge, the James River Bridges and the Rappahannock River Bridge into one unit for financing purposes; and

WHEREAS, the James River Bridge System has accepted from the Commission a proposal for the sale of the James River Bridges for the purchase price of \$5,500,000; and

WHEREAS, the Commission has adopted and approved plans for the construction of the York River Bridge and the loca-

tion and plans for said bridge have been approved by the Chief of Engineers and the Secretary of the Army as required by the General Bridge Act of 1946 (60 Stat. 847); and

WHEREAS, the Commission has requested and received bids for the construction of the York River Bridge at such location and according to such plans, and, according to such bids, it is estimated that the proceeds of Nine Million Five Hundred Thousand Dollars (\$9,500,000) bonds will be required and will be sufficient to pay the cost of the York River Bridge; and

WHEREAS, the Commission has determined to unite the Chesapeake Ferries as improved, the James River Bridges, the York River Bridge and the Rappahannock River Bridge into one unit for financing purposes, and to provide for the issuance at this time of revenue bonds of the State of Virginia to provide funds, with other funds available for such purposes, for (i) refunding the outstanding State of Virginia Toll Revenue Bond issued on account of the Chesapeake Ferries, including the payment of the interest accrued thereon to the date of payment thereof, (ii) paying the cost of improvements of such Ferries, (iii) paying the cost of the James River Bridges, (iv) paying the cost of the York River Bridge, and (v) paying expenses necessary and incident to the financing, and to provide for the issuance at a later date under the provisions of this Indenture of revenue bonds of the State of Virginia to provide funds for paying the cost of the Rappahannock River Bridge; and

WHEREAS, the Commission has by resolution duly authorized the issuance of revenue bonds of the State of Virginia in the aggregate principal amount of Nineteen Million Dollars (\$19,000,000), designated "State of Virginia Toll Revenue Bonds (Series 1949)", in the denomination of \$1,000 each, dated as of the 1st day of September, 1949, and numbered, bearing interest and maturing, subject to the right of prior redemption, all as hereinafter set forth (said bonds and all additional bonds at any time issued under this Indenture being hereinafter sometimes called the "bonds"); and

WHEREAS, the Commission has determined that the bonds initially issued hereunder and the interest coupons to be thereto attached, the certificate of authentication by the Trustee and the provisions for registration and reconversion to be endorsed on such bonds shall be, respectively, substantially in the following forms, with such variations, omissions and insertions as are required by this Indenture:

No..... \$1,000

UNITED STATES OF AMERICA
STATE OF VIRGINIA
TOLL REVENUE BOND (SERIES 1949)
Due September 1, 19....

The State of Virginia (also known as the "Commonwealth of Virginia"), by the State Highway Commission as an agency thereof, for value received, hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to the bearer or, if this bond be registered, to the registered owner hereof, on the 1st day of September, 19..... (or earlier as hereinafter referred to), the principal sum of

ONE THOUSAND DOLLARS

and to pay, solely from said special fund, interest thereon from the date hereof at the rate of per centum (.....%) per annum until payment of such principal sum, such interest to the maturity hereof being payable semi-annually on the first days of March and September in each year. Both the principal of and the interest on this bond are payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and both the principal of this bond and, unless this bond be registered as to both principal and interest, the interest hereon are payable at the principal office of National Bank of Commerce of Norfolk, in the City of Norfolk, Virginia, or, at the option of the holder or registered owner, at The Chase National

Bank of the City of New York, in the Borough of Manhattan, City and State of New York. Payment of the interest on this bond to the maturity hereof shall be made only upon presentation and surrender of the coupons, if any, representing such interest as the same respectively fall due; or, if this bond be registered as to both principal and interest, payment of the interest on this bond on any interest payment date shall be made to the person appearing on the bond registration books of the Commission as the registered owner hereof on such interest payment date, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books.

The State of Virginia is not obligated to pay this bond or the interest hereon except from the special fund provided therefor from tolls and revenues of the Projects hereinafter mentioned, and the faith and credit of the State are not pledged to the payment of the principal hereof or the interest hereon, and the State is not, directly or indirectly or contingently, obligated to levy or to pledge any form of taxation whatever therefor, or to make any appropriation for their payment except from such special fund.

This bond is one of a duly authorized issue of bonds known as "State of Virginia Toll Revenue Bonds (Series 1949)", herein called the "bonds", consisting of bonds maturing in annual installments on September 1 in the years 1958 to 1968, inclusive (herein called the "serial bonds"), and of bonds maturing on September 1, 1978 (herein called the "term bonds"), all of like date and issued or to be issued for the purpose of providing funds (a), with other funds available for such purpose, for refunding an outstanding State of Virginia Toll Revenue Bond dated May 1, 1948 (including the payment of the interest accrued to the date of payment of said bond) which was issued on account of certain ferry properties commonly known as the "Chesapeake Ferries", (b) for paying the cost of improvements of the Chesapeake Ferries, (c) for paying the cost of acquiring certain bridge properties commonly known as the "James River Bridges",

and (d) for paying the cost of constructing a bridge over the York River between Yorktown, in York County, and Gloucester Point, in Gloucester County, and approaches thereto (herein called the "York River Bridge"). All of the bonds are issued or are to be issued under and pursuant to an indenture (said indenture, together with all indentures supplemental thereto as therein permitted, being herein called the "Indenture") of even date herewith by and between the State Highway Commission (herein sometimes called the "Commission") and National Bank of Commerce of Norfolk, as trustee (said banking association and any bank or trust company appointed as successor trustee under the Indenture being herein called the "Trustee"), an executed counterpart of which is on file at the office of the Trustee in the City of Norfolk, Virginia. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of bonds issued under the Indenture, the collection and disposition of revenues, the fund charged with and pledged to the payment of the interest on and the principal of the bonds, the nature and extent of the security, the terms and conditions on which bonds are or may be issued, the rights, duties and obligations of the Commission and of the Trustee and the rights of the holders of the bonds, and, by the acceptance of this bond, the holder hereof assents to all of the provisions of the Indenture.

The initial issue of bonds is in the aggregate principal amount of Nineteen Million Dollars (\$19,000,000), estimated at the date of said bonds to be sufficient to provide funds for the purpose set forth above. The Indenture provides that, if and to the extent necessary to provide additional funds to complete the construction of the York River Bridge, additional term bonds of the same series may be issued under the Indenture for such purpose. The Indenture also permits the issuance, under the conditions, limitations and restrictions therein set forth, of additional bonds for paying the cost of constructing a bridge over the Rappahannock River from Greys Point or its vicinity, in Middlesex County, to some point in Lancaster County, and approaches thereto,

called the "Rappahannock River Bridge" (the Chesapeake Ferries, the James River Bridges and the York River Bridge, and also the Rappahannock River Bridge upon its construction from the proceeds of bonds issued under the Indenture, being herein collectively called the "Projects").

The holder of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all bonds then outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made by the Commission and the Trustee only to the extent and in the circumstances permitted by the Indenture.

This bond is issued and the Indenture was made and entered into under and pursuant to the laws of the State of Virginia, particularly Chapter 399 of the Acts of Virginia of 1940 (Sections 2072(9) to 2072(32), inclusive, Virginia Code of 1942), known as the "State Revenue Bond Act", and under and pursuant to resolutions duly adopted by the Commission. The Indenture, in accordance with and as required by said Act, provides for the fixing and charging by the Commission of tolls for the use of the Projects and for adjusting such tolls from time to time in order that such tolls and other revenues will be sufficient to provide funds to pay the cost of maintaining, repairing and operating the Projects and to provide a sinking fund sufficient to pay the principal of and the interest on all bonds issued under the Indenture as the same become due and payable. The Indenture also pro-

vides for the deposit of all such tolls and other revenues, over and above such cost of maintenance, repair and operation and reserves for such purposes, to the credit of a special fund, designated "State of Virginia Toll Revenue Bonds Interest and Sinking Fund", which fund is pledged to and charged with the payment of the interest on and the principal of all bonds issued under the Indenture.

The bonds of this issue at the time outstanding and which are stated to mature after September 1, 1957, may be redeemed prior to their respective maturities either

(a) the serial bonds in whole or the term bonds in whole or both the serial bonds and the term bonds in whole, on any date not earlier than September 1, 1954, at the option of the Commission, from any moneys that may be made available for such purpose, at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus the following premiums:

(1) in the case of term bonds, a premium of 4% of such principal amount if redeemed on or prior to March 1, 1955, 3% if redeemed thereafter and on or prior to March 1, 1958, 2% if redeemed thereafter and on or prior to March 1, 1961, 1% if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) in the case of serial bonds, a premium of $\frac{1}{4}$ of 1% of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of 3% of such principal amount, or

(b) the serial bonds or the term bonds in part, on any interest payment date not earlier than September 1, 1950, from moneys in the State of Virginia Toll Revenue Bonds Interest and Sinking Fund, as follows:

(1) the term bonds may be redeemed at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus a premium of 5% of such principal amount if redeemed on or prior to March 1, 1952, 4% if redeemed thereafter and on or prior to March 1, 1955, 3% if redeemed thereafter and on or prior to March 1, 1958, 2% if redeemed thereafter and on or prior to March 1, 1961, 1% if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) the serial bonds may be redeemed in the inverse order of their maturities at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus a premium of $\frac{1}{4}$ of 1% of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of 8% of such principal amount; provided, however, that no such redemption of serial bonds shall be made under the provisions of this subsection (2) unless all of the term bonds shall have theretofore been retired or shall simultaneously therewith be called for redemption.

If less than all of the serial bonds of any one maturity or less than all of the term bonds shall be called for redemption, the particular bonds to be redeemed shall be selected by lot.

Any such redemption, either in whole or in part, may be made upon at least thirty (30) days' prior notice by publication and otherwise as provided in the Indenture, and shall be made in the manner and under the terms and conditions provided in the Indenture. On the date designated for redemption, notice having been published and filed and moneys for payment of the redemption price being held by the Trustee, all

as provided in the Indenture, interest on the bonds so called for redemption shall cease to accrue, coupons maturing after such date shall be void, such bonds shall cease to be entitled to any lien, benefit or security under the Indenture and the holders of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

This bond may be registered as to principal alone and also as to both principal and interest and, if registered as to both principal and interest, may be reconverted into a coupon bond, in accordance with the provisions endorsed hereon and subject to the terms and conditions set forth in the Indenture.

Subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this bond or in the Indenture shall affect or impair the negotiability of this bond. As declared by the State Revenue Bond Act, this bond shall have, as between successive holders, all the qualities and incidents of a negotiable instrument under the negotiable instruments law of the State of Virginia. This bond is issued with the intent that the laws of said State shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Virginia and the rules and regulations of the Commission to happen, exist and be performed precedent to and in the issuance of this bond and the execution of the Indenture have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until it shall have been authenticated by the execution by the Trustee of the certificate endorsed hereon.

IN WITNESS WHEREOF, the State of Virginia, by the State Highway Commission as an agency thereof, has caused this bond to be signed by the Chairman of said Commission and the official seal of said Commission to be affixed hereto and attested by the Secretary of said Commission and the coupons

hereto attached to be executed with the facsimile signature of said Chairman, all as of the 1st day of September, 1949.

.....
Chairman of the State Highway Commission
of Virginia

Attest:

.....
Secretary of the State Highway Commission
of Virginia

(Endorsements upon Bonds)

TRUSTEE'S CERTIFICATE

This bond is one of the bonds described in the within mentioned Indenture.

National Bank of Commerce of Norfolk,
Trustee

By.....
Authorized Officer

PROVISIONS FOR REGISTRATION AND RECONVERSION

This bond may be registered as to principal alone on books of the State Highway Commission kept by the Trustee under the within mentioned Indenture, as Bond Registrar, upon presentation hereof to the Bond Registrar which shall make notation of such registration in the registration blank below, and this bond may thereafter be transferred only upon a duly executed assignment of the registered owner or his attorney in such form as shall be satisfactory to the Bond

Registrar, such transfer to be made on such books and endorsed hereon by the Bond Registrar. Unless this bond be registered as to both principal and interest, such transfer may be to bearer and thereby transferability by delivery shall be restored, but this bond shall again be subject to successive registrations and transfers as before. The principal of this bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Notwithstanding the registration of this bond as to principal alone, the coupons shall remain payable to bearer and shall continue to be transferable by delivery. This bond may be registered as to both principal and interest upon presentation hereof to the Bond Registrar which shall detach and cancel all unmatured coupons and shall make notation of such registration as to both principal and interest in the registration blank below, after which registration both the principal of and the interest on this bond shall be payable only to or upon the order of the registered owner or his legal representative. This bond, if converted into a bond registered as to both principal and interest, may be reconverted at the expense of the registered owner into a coupon bond upon presentation hereof to the Bond Registrar, accompanied by an instrument duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar, which shall attach hereto new coupons representing the interest to become due thereafter on this bond to the date of maturity and shall make notation in the registration blank below whether this bond is registered as to principal alone or is payable to bearer.

Date of Registration	Name of Registered Owner	Manner of Registration	Signature of Registrar
.....
.....
.....

FORM OF COUPONS

No. \$.....

On 1, 19.....
the State of Virginia, by the State Highway Commission as an agency thereof, will pay to bearer, unless the bond mentioned below shall previously have become payable as provided in the Indenture referred to in said bond and provision for payment therefor shall have been duly made, at the principal office of National Bank of Commerce of Norfolk, in the City of Norfolk, Virginia, or, at the option of the bearer, at The Chase National Bank of the City of New York, in the Borough of Manhattan, City and State of New York, upon the presentation and surrender hereof, the sum of Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, solely from the special fund referred to in, and for the semi-annual interest then due upon, its Toll Revenue Bond (Series 1949), dated as of September 1, 1949, No.....

.....
**Chairman of the State Highway Commission
of Virginia**

and

WHEREAS, by virtue of the State Revenue Bond Act, the Commission is authorized to issue revenue bonds of the State as hereinafter provided, to enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, the execution and delivery of this Indenture have been duly authorized by resolutions of the Commission; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of Virginia and by the rules and regulations of the Commission to happen, exist and be performed precedent to and in the execution and delivery

of this Indenture, have happened, exist and have been performed as so required, in order to make this Indenture a valid, binding and legal trust indenture for the security of the bonds in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the bonds by the holders thereof, and also for and in consideration of the sum of One Dollar to the Commission in hand paid by the Trustee at or before the execution and delivery of this Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the bonds, with the coupons for interest, are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all the bonds at any time issued and outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, the Commission has pledged and does hereby pledge to the Trustee the tolls and other revenues of the Projects to the extent provided in this Indenture as security for the payment of the bonds and the interest thereon and as security for the satisfaction of any other obligation assumed by it in connection with such bonds, and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all and singular the present and future holders of the bonds and interest coupons issued and to be issued under this Indenture, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one bond over any other bond by reason of priority in the issuance, sale or negotiation thereof or otherwise, as follows:

ARTICLE I.

DEFINITIONS.

SECTION 101. In addition to other words and terms which are elsewhere defined in this Indenture, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

(a) The word "Trustee" shall mean the Trustee for the time being, whether original or successor.

(b) The term "fiscal year" shall mean the period commencing on the first day of September and ending on the last day of August of the following year.

(c) The term "Consulting Engineers" shall mean the engineer or engineering firm at the time employed by the Commission under the provisions of Section 706 of this Indenture.

(d) The word "improvements", as applied to the Chesapeake Ferries, shall mean such repairs, replacements and betterments of and to the Chesapeake Ferries as shall be made from the proceeds of bonds initially issued under the provisions of this Indenture.

(e) The word "cost", as applied to the Chesapeake Ferries, shall mean the cost of improvements, as applied to the James River Bridges shall mean the purchase price of such bridges, and as applied to the York River Bridge and to the Rappahannock River Bridge shall mean the cost of construction (including in the case of the York River Bridge, the cost of acquiring the existing Gloucester-Yorktown Ferry), and without intending thereby to limit or restrict any proper definition of such word under the provisions of the State Revenue Bond Act or under the provisions of Section 403 of this Indenture, shall include the cost of all labor, materials, machinery and equipment, the cost of all lands, property, rights, easements and franchises acquired, financing charges, interest prior to and during construction and, if deemed advisable by the Com-

mission, for one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and of revenues, cost of engineering and legal services, and all other expenses necessary or incident to determining the feasibility or practicability of such acquisition or construction, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized. Any obligation or expense heretofore or hereafter incurred by the Commission in connection with any of the foregoing items of cost may be regarded as a part of such cost and reimbursed out of the proceeds of bonds issued under the provisions of this Indenture.

(f) The term "Current Expenses" shall mean the Commission's reasonable and necessary current expenses of maintaining, repairing and operating the Projects and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance and repair, which may include expenses not annually recurring, all administrative expenses, engineering expenses relating to maintenance, repair and operation, fees and expenses of the Trustee and of the paying agents (hereinafter defined), legal expenses, any taxes which may be lawfully imposed on the Projects or their income or operations and reserves for such taxes, and any other expenses required to be paid by the Commission under the provisions of this Indenture or by law, but shall not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any deposits or transfers to the credit of the special funds hereinafter created and designated "State of Virginia Toll Revenue Bonds Interest and Sinking Fund" (hereinafter sometimes called the "Sinking Fund"), and "State of Virginia Toll Projects Maintenance and Replacement Reserve Fund" (hereinafter sometimes called the "Reserve Maintenance Fund").

(g) The term "principal underwriters" shall mean the firms or corporations or the firm or corporation named as

the principal underwriters in the resolution mentioned in clause (a) of Section 208 of this Indenture. In the event two or more firms or corporations shall be named as the principal underwriters and any such firm or corporation shall retire from active business leaving no successors, the term shall thereafter mean the remaining underwriter or underwriters. In the event only one firm or corporation shall be named as the principal underwriters and such firm or corporation shall retire from active business leaving no successor, the provisions of this Indenture which relate to the principal underwriters shall no longer be in force. For the purposes of this paragraph any firm or corporation succeeding to the business of any such underwriter by assignment, merger or otherwise shall be deemed to be the successor of such underwriter.

(b) The word "Series" shall mean either the bonds issued under the provisions of Sections 208 and 209 of this Indenture or the bonds delivered at any one time under the provisions of Section 210 of this Indenture.

(i) As applied to the bonds issued under the provisions of Sections 208 and 209 of this Indenture, the words "serial bonds" shall mean the bonds maturing in the years 1958 to 1968, inclusive, and the words "term bonds" shall mean the bonds maturing in the year 1978; all of the bonds issued under the provisions of Section 210 of this Indenture shall be stated to mature on one date, not earlier than September 1, 1978, and shall be deemed to be "term bonds"; provided, however, if all term bonds theretofore issued shall have been retired by purchase or redemption, not exceeding seventy-five per centum (75%) of the bonds issued under said Section 210 may be serial bonds, and the first maturity of such serial bonds shall be not earlier than twelve (12) months after the last serial maturity of the bonds of any Series then outstanding.

(j) The term "Principal and Interest Requirements", as applied to the bonds of any Series then outstanding, shall mean the respective amounts which are needed in

each fiscal year until and including the fiscal year immediately preceding the final maturity of the bonds of such Series to provide

(1) for paying the principal of and the interest on all serial bonds of such Series then outstanding, if any, as the same become due and payable, and

(2) for paying the interest on all term bonds of such Series then outstanding as the same becomes due and payable and for redeeming from time to time under the provisions of this Indenture all such term bonds by their stated maturity.

On the first day of each fiscal year the Trustee shall compute the Principal and Interest Requirements for the bonds of each Series then outstanding. In case all bonds of a Series then outstanding shall be term bonds, such computation shall be made in accordance with standard amortization tables of annual payments to discharge a debt with interest without the payment of any redemption premium, and in case the bonds of such Series then outstanding shall consist of both serial bonds and term bonds, such computation shall be made on the basis of constant Principal and Interest Requirements for each fiscal year as nearly as practicable; provided, however, that in making such computations provision for the payment of principal of serial bonds or for the redemption of term bonds or for both shall begin (i) in the case of bonds issued under the provisions of Sections 208 and 209 of this Indenture, with the fiscal year ending August 31, 1950, (ii) in the case of bonds issued under the provisions of Section 210 of this Indenture, with the first complete fiscal year following the date or the estimated date of the opening for traffic of the bridge financed by such bonds.

SECTION 102. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "bond", "coupon", "owner", "holder" and "person" shall include the plural as

well as the singular number unless the context shall otherwise indicate. The word "person" shall include corporations and associations, including public bodies, as well as natural persons, unless the context shall otherwise indicate. The word "bond" or "bonds" and the words "toll revenue bond" or "toll revenue bonds" shall mean any bond or bonds or all of the bonds, as the case may be, issued under the provisions of this Indenture. The word "holder" or "bondholder" when used herein with respect to bonds issued hereunder shall mean, unless the context otherwise indicates, the holder or registered owner, as the case may be, of bonds at the time issued and outstanding hereunder. The word "Indenture" shall include this Indenture and each indenture supplemental hereto.

ARTICLE II.

FORM, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS.

SECTION 201. No bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

SECTION 202. The bonds issued under the provisions of Sections 206 and 209 of this Article shall be substantially in the form hereinabove set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

SECTION 203. The definitive bonds issued hereunder shall be in the denomination of One Thousand Dollars (\$1,000) each, numbered consecutively from 1 upwards, shall be dated, shall bear interest, such interest to the maturity thereof being

payable semi-annually on the first days of March and September in each year, and shall be stated to mature (subject to the right of prior redemption), all as hereinafter provided.

The bonds shall be signed by the Chairman of the Commission, and the official seal of the Commission shall be affixed to the bonds and attested by the Secretary of the Commission. The coupons attached to the bonds shall be substantially in the form hereinabove set forth and shall be executed with the facsimile signature of the Chairman of the Commission. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

Both the principal of and the interest on the bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and both such principal and interest, except the interest on any bonds which may be registered as to both principal and interest, shall be payable at the principal office of National Bank of Commerce of Norfolk, in the City of Norfolk, Virginia, or, at the option of the holder or registered owner, at The Chase National Bank of the City of New York, in the Borough of Manhattan, City and State of New York, as paying agents (hereinafter sometimes called the "Paying Agents"). Payment of the interest on the bonds shall be made only upon presentation and surrender of the coupons, if any, representing such interest as the same respectively fall due; or, if any bond shall be registered as to both principal and interest, payment of the interest on such bond on any interest payment date shall be made to the person appearing on the registration books of the Commission hereinafter provided for as the registered owner thereof, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books.

SECTION 204. Only such of the bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No bond and no coupon appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such bond shall be conclusive evidence that such bond has been duly authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the bonds that may be issued hereunder at any one time. Before authenticating or delivering any bonds the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto and such cancelled coupons shall be held by the Trustee; provided, however, that the coupons so cancelled may at any time be cremated by the Trustee in the manner provided in Section 513 of this Indenture.

SECTION 205. Title to any bond, unless such bond is registered in the manner hereinafter provided, and to any interest coupon shall pass by delivery in the same manner as a negotiable instrument payable to bearer. The Commission shall cause books for the registration and for the transfer of the bonds as provided in this Indenture to be kept by the Trustee as Bond Registrar. At the option of the bearer any bond (but not any temporary bond unless the Commission shall so provide), may be registered as to principal alone on such books upon presentation thereof to the Bond Registrar which shall make notation of such registration thereon. Any bond (but not any temporary bond unless the Commission shall so provide) may be registered as to both principal and interest upon presentation thereof to the Bond Registrar, accompanied by all unmatured coupons, and the Bond Registrar shall make notation of such registration thereon and detach therefrom and cancel all unmatured coupons. Any bond registered as to

principal alone or as to both principal and interest may thereafter be transferred only upon a duly executed assignment of the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the bond by the Bond Registrar. Unless such bond shall be registered as to both principal and interest, such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any bond registered as to principal alone, unless registered to bearer, and the principal of any bond registered as to both principal and interest shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any bond registered as to principal alone shall remain payable to bearer notwithstanding such registration. No charge shall be made to any bondholder for the privilege of registration and transfer hereinabove granted. The Bond Registrar shall not be required to transfer any bond registered as to both principal and interest during the period of fifteen (15) days next preceding any interest payment date of such bond, nor after the publication of notice calling such bond for redemption has been made. No bond registered as to both principal and interest shall thereafter be discharged from registration except as provided in Section 207 of this Article.

SECTION 205. As to any bond registered as to principal alone or as to both principal and interest, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid. The Commission, the Trustee and the Paying Agents may deem and treat the bearer of any bond which shall not at the time be registered as to principal, and the bearer of any coupon appertaining to any bond whether such bond shall be

registered as to principal or not, as the absolute owner of such bond or coupon, as the case may be, whether such bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Commission, the Trustee, nor the Paying Agents shall be affected by any notice to the contrary.

SECTION 207. Any bond registered as to both principal and interest may be reconverted into a coupon bond upon presentation thereof to the Bond Registrar, accompanied by an instrument duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar, and the Bond Registrar shall attach thereto new coupons representing the interest to become due thereafter on the bond to the date of maturity and shall make notation thereon whether the bond is registered as to principal alone or is payable to bearer. Such new coupons shall bear the facsimile signature of the person who was Chairman of the Commission at the time of the execution of the bond.

Upon every reconversion of bonds under the provisions of this Indenture, the Bond Registrar shall require the payment of all expenses incurred by it in connection with such reconversion, payment of which, together with any tax or other governmental charge required to be paid with respect to such reconversion, shall be made by the bondholder requesting such reconversion. The Bond Registrar shall not reconvert any bond under the provisions of this Section during the period of fifteen (15) days next preceding any interest payment date of such bond, nor after the publication of notice calling such bond for redemption has been made.

SECTION 208. Bonds may be initially issued under and secured by this Indenture in the aggregate principal amount of Nineteen Million Dollars (\$19,000,000). Said bonds shall be designated "State of Virginia Toll Revenue Bonds (Series 1949)", shall be dated as of the 1st day of September, 1949, shall bear interest from their date at a rate or rates, not exceeding five per centum (5%) per annum, until their payment, and shall be stated to mature, subject to the right of

prior redemption at the prices and dates and upon the terms and conditions hereinafter set forth, as follows:

\$6,000,000 of said bonds, consisting of bonds numbered 1 to 6,000, inclusive, shall be serial bonds, and shall be stated to mature (in numerical order, lowest numbers first) on the 1st day of September in the following years and in the following amounts, respectively:

Year of Maturity	Amount	Year of Maturity	Amount
1958	\$200,000	1961	\$400,000
1954	200,000	1962	400,000
1955	250,000	1963	450,000
1956	250,000	1964	450,000
1957	300,000	1965	500,000
1958	300,000	1966	500,000
1959	350,000	1967	550,000
1960	350,000	1968	550,000

The remaining \$13,000,000 bonds, consisting of bonds numbered 6,001 to 19,000, inclusive, shall be term bonds, and shall be stated to mature on the 1st day of September, 1978.

Each of said bonds shall be executed substantially in the form and manner hereinabove set forth and deposited with the Trustee for authentication, but before said bonds shall be authenticated and delivered by the Trustee there shall be filed or deposited with the Trustee the following:

(a) an order, signed by the Chairman of the Commission, specifying the interest rate of each such bond and directing the authentication and the delivery of said bonds to or upon the order of the principal underwriters therein named upon payment of the purchase price therein set forth;

(b) the outstanding State of Virginia Toll Revenue Bond, dated May 1, 1948, accompanied by a letter of instructions, signed by the Chairman of the Board of Trustees of the Virginia Retirement System, and direct-

ing the Trustee to cancel said bond and deliver the same to the Chairman of the Commission upon the payment to the Board of Trustees of the Virginia Retirement System, or to its order, of the sum of \$2,500,000, the unpaid balance of the principal of said bond, and the interest, if any, accrued thereon to the date of payment thereof;

(c) a certificate, signed by the Chairman of the Commission, designating the Special Counsel for the Commission to sign the opinion referred to in clause (d) of this Section;

(d) an opinion of the Special Counsel for the Commission, named in the certificate mentioned in clause (c) above, to the effect that the Commission has, or simultaneously with the delivery of the documents mentioned in said opinion will have, title to the James River Bridges free and clear of all liens and encumbrances thereon and of all defects of title except liens, encumbrances or other defects of title which do not have a materially adverse effect upon the Commission's right to use such properties for the purposes intended, and that the Commission owns rights, easements and franchises in connection with such properties sufficient to cover the services to be rendered thereby;

(e) a letter of instructions, signed by the Chairman of the Commission and approved by the Special Counsel designated in the certificate mentioned in clause (c) above, addressed to the Trustee and setting forth the items included in the cost of the James River Bridges to be paid from the proceeds of the initial issue of bonds;

(f) vouchers, signed by the Chairman of the Commission (or by such other person as may be designated by resolution of the Commission for such purpose), directing the issuance of warrants by the State Comptroller for disbursements by the State Treasurer from the proceeds of said bonds in the amounts and for the purposes hereinafter set forth in this Section; and

(g) an opinion of counsel for the Commission stating that the signer is of the opinion that said bonds and the execution of this Indenture have been duly authorized and that all conditions precedent to the authentication and delivery of said bonds have been fulfilled.

When the documents, vouchers and the bonds mentioned above in this Section shall have been filed or deposited with the Trustee and when the State of Virginia Toll Revenue Bonds (Series 1949) shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver (i) said vouchers to the State Comptroller and (ii) said bonds at one time to or upon the order of the principal underwriters named in the order mentioned in clause (a) of this Section, but only upon payment to the State Treasurer of the purchase price of said bonds, and the State Treasurer shall simultaneously therewith deposit the proceeds of said bonds (including accrued interest) with the Trustee, as depository thereof, for the credit of a special account in the State Treasury designated "Toll Projects Bonds Proceeds Account". The State Treasurer and the Trustee shall be entitled to rely upon such order as to the names of the principal underwriters and the amount of such purchase price.

The proceeds (including accrued interest) of the bonds issued under the provisions of this Section shall be applied simultaneously with the delivery of the bonds as follows:

(1) The sum of \$2,500,000 shall be applied to the payment of the principal of the outstanding State of Virginia Toll Revenue Bond, dated May 1, 1948, and the interest, if any, accrued thereon to the date of payment thereof, shall be paid by the State Treasurer from any funds available from the operation of the Chesapeake Ferries.

(2) The amount paid as accrued interest on said bonds shall be paid to the Trustee for the credit of the Sinking Fund.

(3) Such sum as shall be necessary for the purpose shall be applied to the payment of the items of cost of the

James River Bridge System, a Virginia corporation, as set forth in the letter of instructions mentioned in clause (e) above.

(4) The sum of \$1,850,000 shall be paid to the Trustee for the credit of the special account hereinafter created and designated the "Chesapeake Ferries Account" in the special fund hereinafter created and designated "State of Virginia Toll Projects Construction Fund" (hereinafter sometimes called the "Construction Fund"), to be held in trust and applied to the payment of the cost of improvements to the Chesapeake Ferries.

(5) The sum of \$125,000 shall be paid to the Trustee for the credit of a special account in its commercial department, in the name of the Commission, to be used by the Commission for the payment of such expenses incident to the financing as shall be approved by the Chairman of the Commission or by such other officer of the Commission as may be designated by resolution of the Commission for such purpose. Such expenses shall be paid by check drawn on said fund and signed by such officer or officers, or by such employee or employees of the Commission as shall be designated by such resolution for such purpose. Upon receipt by the Trustee of a certificate, signed by the Chairman of the Commission, stating that all expenses incident to the financing have been paid, the Trustee shall transfer the balance of said sum to the credit of the special account hereinafter created in the Construction Fund and designated "York River Bridge Account".

(6) The balance of said proceeds shall be paid to the Trustee for the credit of the York River Bridge Account, to be held in trust and applied to the payment of the cost of the York River Bridge.

SECTION 209. If and to the extent necessary (as shown by the documents mentioned in clauses (a) and (c) of this Section) to provide additional funds for completing payment of the cost of the York River Bridge, revenue bonds may be issued under and secured by this Indenture, at one time or

from time to time, in addition to the bonds issued under the provisions of Section 208 of this Article. Such additional bonds shall be designated "State of Virginia Toll Revenue Bonds (Series 1949)", shall be dated as of the 1st day of September, 1949, shall bear interest until their payment at any rate not exceeding the maximum rate provided by the State Revenue Bond Act or any amendment thereof, and shall be term bonds and stated to mature on the 1st day of September, 1978. The bonds issued under the provisions of this Section and under the provisions of said Section 208 shall be deemed to constitute one Series, and the bonds issued under the provisions of this Section shall be deemed to constitute a part of the term bonds of such Series. Such additional bonds shall be executed substantially in the form and manner hereinabove set forth and deposited with the Trustee for authentication, but before such bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee the following:

(a) a copy, certified by the Secretary of the Commission, of the resolution adopted by the Commission authorizing the issuance of such additional bonds;

(b) an order, signed by the Chairman of the Commission, specifying the interest rate of such bonds and directing the authentication and delivery of such bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) a statement, signed by the Consulting Engineers, certifying that, according to their estimate of the total amount required for paying the balance of the cost of the York River Bridge, the proceeds of such bonds will be required and will be sufficient for paying such balance;

(d) a voucher, signed by the Chairman of the Commission (or by such other person as may be designated by resolution of the Commission for such purpose), directing the issuance of a warrant by the State Comptroller for payment by the State Treasurer of the proceeds of said bonds (including accrued interest) to the Trustee for the

credit of the York River Bridge Account in the Construction Fund; and

(e) an opinion of counsel for the Commission stating that the signer is of the opinion that the issuance of such bonds has been duly authorized and that all conditions precedent to the delivery of such bonds have been fulfilled.

When the documents and voucher mentioned above shall have been filed with the Trustee and when the bonds described in the resolution and order mentioned in clauses (a) and (b) of this Section shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver (i) said voucher to the State Comptroller and (ii) such bonds at one time to or upon the order of the purchasers named in such order, but only upon the payment to the State Treasurer of the purchase price of said bonds, and the State Treasurer shall simultaneously therewith deposit the proceeds of said bonds (including accrued interest) with the Trustee as depository thereof, for the credit of the Toll Projects Bond Proceeds Account. The State Treasurer and the Trustee shall be entitled to rely upon such order as to the names of the purchasers and the amount of such purchase price.

The proceeds (including accrued interest) of the bonds issued under the provisions of this Section shall be paid by the State Treasurer, simultaneously with the delivery of the bonds, to the Trustee for the credit of the York River Bridge Account in the Construction Fund.

SECTION 210. In addition to the bonds issued under the provisions of Section 208 and any bonds issued under the provisions of Section 209 of this Article, revenue bonds may be issued under and secured by this Indenture at any time or times after the expiration of twelve (12) complete calendar months following the opening for traffic of the York River Bridge, subject to the conditions hereinafter provided in this Section, for the purpose of paying the cost of the Rappahan-
noak River Bridge.

Before any bonds shall be issued under the provisions of this Section the Commission shall adopt a resolution authorizing the issuance of such bonds and fixing the amount and the details thereof. The bonds issued under the provisions of this Section shall be designated, shall be dated, shall bear interest until their payment at such rate, not exceeding any maximum rate provided by law, shall mature at such time or times (subject to the provisions of paragraph (i) of Section 101 of this Indenture), not exceeding forty (40) years from their date, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Indenture), all as may be provided by the resolution authorizing the issuance of such bonds. Such bonds shall be executed substantially in the form and manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the resolution authorizing the issuance of such bonds, and deposited with the Trustee for authentication, but before such bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee the following:

(a) a copy, certified by the Secretary of the Commission, of the resolution mentioned above;

(b) an order, signed by the Chairman and the Secretary of the Commission, specifying the interest rate or rates of such bonds and directing the authentication and delivery of such bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) a certificate, signed by the Chairman of the Commission, stating that the Commission is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture;

(d) a statement, signed by traffic engineers having a nationwide and favorable repute for skill and experience in such work, giving their estimate of the average amount of additional annual revenues to be received from the Projects as a result of the construction of the Rappahannock River Bridge, computed by dividing by five the

estimated additional revenues to be received during the period of sixty (60) months immediately following the opening of such bridge for traffic;

(e) a statement, signed by the Consulting Engineers, giving their estimate of the total cost of such bridge (including a reserve for contingencies of not less than ten per centum (10%) of such total cost excluding interest during construction and financing costs), their estimate of the date on which such bridge will be opened for traffic, and also their estimate of the average amount of additional annual Current Expenses and additional annual deposits to be made to the credit of the special fund hereinafter created and designated the "Reserve Maintenance Fund" as a result of the construction of such bridge, computed by dividing by five the estimated additional Current Expenses and additional deposits to be made to the credit of said Fund during the period of sixty (60) months immediately following the opening of such bridge for traffic;

(f) a certificate, signed by the Secretary of the Commission and approved by the Consulting Engineers, setting forth:

(i) the amount of the annual revenues of the Projects during the period of twelve (12) complete calendar months immediately preceding the date of such certificate after deducting the total Current Expenses and the total deposits to the credit of the Reserve Maintenance Fund during such period, all as shown by the monthly reports filed under the provisions of Section 712 of this Indenture;

(ii) the amount obtained by adding to the amount shown in item (i) above the average amount of additional annual revenues to be received as shown by the estimate of the traffic engineers mentioned in clause (d) of this Section, and by deducting from such sum the average amount of additional annual Current Expenses and additional annual deposits to be made to the credit of the Reserve Maintenance Fund as shown by the

estimate of the Consulting Engineers mentioned in clause (e) of this Section;

(iii) the amount of the maximum Principal and Interest Requirements of any succeeding fiscal year on account of all bonds to be outstanding after the delivery of the bonds then requested to be authenticated and delivered; and

(iv) the percentage derived by dividing the amount shown in item (ii) above by the amount shown in item (iii) above, which percentage shall be not less than one hundred sixty per centum (160%);

(g) if such bonds shall be delivered before the filing with the Trustee of the certificate of completion of the York River Bridge and the transfer to the credit of the special account hereinafter created in the Sinking Fund and designated the "Reserve Account" of the balance in the York River Bridge Account in the Construction Fund under the provisions of Section 411 of this Indenture, a certificate of the Consulting Engineers stating that, on the basis of firm contracts theretofore entered into in connection with the construction of the York River Bridge, the balance in the York River Bridge Account is sufficient to pay all items of cost of the York River Bridge then remaining unpaid;

(h) a voucher, signed by the Chairman of the Commission (or by such other person as may be designated by resolution of the Commission for such purpose), directing the issuance of a warrant by the State Comptroller for payment by the State Treasurer of the proceeds of said bonds (including accrued interest) to the Trustee for the credit of the special account hereinafter created in the Construction Fund and designated the "Rappahannock River Bridge Account"; and

(i) an opinion of counsel for the Commission stating that the signer is of the opinion that the issuance of such bonds has been duly authorized and that all conditions precedent to the delivery of such bonds have been fulfilled.

When the documents and voucher mentioned above shall have been filed with the Trustee and when the bonds described in the resolution and order mentioned in clauses (a) and (b) of this Section shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver (i) said voucher to the State Comptroller and (ii) such bonds at one time to or upon the order of the purchasers named in such order, but only upon payment to the State Treasurer, of the purchase price of said bonds and the State Treasurer shall simultaneously therewith deposit the proceeds of said bonds (including accrued interest) with the Trustee, as depository thereof, for the credit of the Toll Projects Bond Proceeds Account. The Trustee and the State Treasurer shall be entitled to rely upon such order as to the names of the purchasers and the amount of such purchase price. But the Trustee shall not authenticate and deliver such bonds unless

(I) the proceeds (including accrued interest) of such bonds, at the purchase price to be paid therefor, shall be not less than the total cost of the Rappahannock River Bridge as estimated by the Consulting Engineers in the statement mentioned in clause (c) of this Section, and

(II) the amount then to the credit of the Reserve Account shall be not less than the maximum requirement for the Reserve Account under the provisions of Section 608 of this Indenture.

The proceeds (including accrued interest) of all bonds issued under the provisions of this Section shall be paid by the State Treasurer, simultaneously with the delivery of the bonds to the Trustee for the credit of the Rappahannock River Bridge Account in the Construction Fund, to be held in trust for the sole and exclusive purpose of paying the cost of such bridge.

The Commission covenants that, promptly upon receipt of the reports of the traffic engineers and the Consulting Engineers upon which the estimates mentioned in clauses (d) and (e) of this Section are based, it will mail copies of such reports to the principal underwriters.

Notwithstanding any of the foregoing provisions of this Section, if and to the extent necessary (as shown by the documents mentioned in clauses (1) and (3) below) to provide additional funds for completing payment of the cost of the Rappahannock River Bridge, revenue bonds may be issued under and secured by this Indenture, at one time or from time to time, in addition to the bonds initially issued under the foregoing provisions of this Section for such bridge. Such additional bonds shall be deemed to constitute a part of the term bonds of the Series initially issued for such bridge, shall have the same designation, shall bear the same date, shall be stated to mature at the same time, and shall be subject to redemption at the same times and prices, as the term bonds of such initial issue, and shall bear interest until their payment at any rate not exceeding any maximum rate provided by law. Such additional bonds shall be executed substantially in the form and manner heretofore set forth and deposited with the Trustee for authentication, but before such bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee the following:

(1) a copy, certified by the Secretary of the Commission, of the resolution adopted by the Commission authorizing the issuance of such additional bonds;

(2) an order, signed by the Chairman and the Secretary of the Commission, specifying the interest rate of such bonds and directing the authentication and delivery of such bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(3) a statement, signed by the Consulting Engineers, certifying that, according to their estimate of the total amount required for paying the balance of the cost of such bridge project, the proceeds of such bonds will be required and will be sufficient for paying such balance;

(4) a voucher, signed by the Chairman of the Commission (or by such other person as may be designated by resolution of the Commission for such purpose), direct-

ing the issuance of a warrant by the State Comptroller for the payment by the State Treasurer of the proceeds of said bonds to the Trustee for the credit of the Rappahannock River Bridge Account in the Construction Fund; and

(5) an opinion of counsel for the Commission stating that the signor is of the opinion that the issuance of such bonds has been duly authorized and that all conditions precedent to the delivery of such bonds have been fulfilled.

When the documents mentioned in clauses (1), (2), (3), and (5) above, and the voucher mentioned in clause (4) above, shall have been filed with the Trustee and when the bonds described in the resolution and order mentioned in clauses (1) and (2) above shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver (i) said voucher to the State Comptroller and (ii) such bonds at one time to or upon the order of the purchasers named in such order, but only upon payment to the State Treasurer of the purchase price of said bonds, and the State Treasurer shall simultaneously therewith deposit the proceeds of said bonds (including accrued interest) with the Trustee, as depository thereof, for the credit of the Toll Projects Bond Proceeds Account. The State Treasurer and the Trustee shall be entitled to rely upon such order as to the names of the purchasers and the amount of such purchase price. The proceeds (including accrued interest) of such additional bonds shall be paid by the State Treasurer, simultaneously with the delivery of the bonds to the Trustee for the credit of the Rappahannock River Bridge Account in the Construction Fund.

SECTION 211. Until definitive bonds are ready for delivery, there may be executed, and upon request of the Chairman of the Commission the Trustee shall authenticate and deliver, in lieu of definitive bonds and subject to the same limitations and conditions except as to identifying numbers, temporary printed, engraved, lithographed or typewritten bonds in the denomination of One Thousand Dollars (\$1,000) or any multiple thereof, substantially of the tenor hereinabove set forth, with or without coupons, and with or without

the privilege of registration as to principal or as to both principal and interest, as the Commission may determine, and with appropriate omissions, insertions and variations as may be required. The Commission shall cause the definitive bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary bond accompanied by all unmatured coupons, if any, shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the holder, without expense to the holder, a definitive bond or bonds of the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary bond surrendered. Upon any such exchange all coupons appertaining to the definitive bonds and representing interest theretofore paid shall be detached and cancelled by the Trustee. Until so exchanged the temporary bonds shall in all respects, including the privilege of registration if so provided, be entitled to the same benefit of this Indenture as the definitive bonds to be issued and authenticated hereunder, and interest on such temporary bonds, when payable, if the definitive bonds with interest coupons shall not be ready for exchange, shall be paid on presentation of such temporary bonds and notation of such payment shall be endorsed thereon, or such interest shall be paid upon the surrender of the appropriate coupons if coupons representing such interest shall be attached to such temporary bonds.

SECTION 212. In case any bond secured hereby shall become mutilated or be destroyed or lost, the Commission may cause to be executed, and the Trustee may authenticate and deliver, a new bond of like date, number and tenor in exchange and substitution for and upon the cancellation of such mutilated bond and its interest coupons, if any, or in lieu of and in substitution for such bond and its coupons, if any, destroyed or lost, upon the holder's paying the reasonable expenses and charges of the Commission and the Trustee in connection therewith and, in the case of a bond destroyed or lost, his filing with the Trustee evidence satisfactory to it and to the Commission that such bond and coupons, if any, were destroyed or lost, and of his ownership thereof, and furnishing the Commission and the Trustee with indemnity satisfactory to them.

ARTICLE III.

REDEMPTION OF BONDS.

SECTION 301. The bonds issued under the provisions of Sections 208 and 209 of this Indenture at the time outstanding and which are stated to mature after September 1, 1957, may be redeemed prior to their respective maturities either

(a) the serial bonds in whole or the term bonds in whole or both the serial bonds and the term bonds in whole, on any date not earlier than September 1, 1954, at the option of the Commission, from any moneys that may be made available for such purpose, at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus the following premiums:

(1) in the case of term bonds, a premium of 4% of such principal amount if redeemed on or prior to March 1, 1955, 3% if redeemed thereafter and on or prior to March 1, 1958, 2% if redeemed thereafter and on or prior to March 1, 1961, 1% if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) in the case of serial bonds, a premium of $\frac{1}{4}$ % of 1% of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of 3% of such principal amount, or

(b) the serial bonds or the term bonds in part, on any interest payment date not earlier than September 1, 1950, from moneys in the State of Virginia Toll Revenue Bonds Interest and Sinking Fund, as follows:

(1) the term bonds may be redeemed at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for

redemption, plus a premium of 5% of such principal amount if redeemed on or prior to March 1, 1952, 4% if redeemed thereafter and on or prior to March 1, 1955, 3% if redeemed thereafter and on or prior to March 1, 1958, 2% if redeemed thereafter and on or prior to March 1, 1961, 1% if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) the serial bonds may be redeemed in the inverse order of their maturities at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus a premium of $\frac{1}{4}$ of 1% of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of 8% of such principal amount; provided, however, that no such redemption of serial bonds under the provisions of this subdivision (2) shall be made unless all of the term bonds shall have theretofore been retired or shall simultaneously therewith be called for redemption.

The bonds issued under the provisions of Section 210 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution authorizing the issuance of such bonds provided, however, that any redemption in part may be made only on an interest payment date not earlier than September 1, 1954 and any premium to be paid on the redemption of any such bonds shall not exceed fourper centum (4%) of the principal amount of the bonds to be redeemed.

A redemption of any part of the bonds issued under the provisions of this Indenture and then outstanding less than the whole thereof shall be subject to the conditions set forth in paragraph (c) of Section 509 of this Indenture.

If less than all of the serial bonds of a Series of any one maturity or less than all of the term bonds of a Series shall

be called for redemption, the particular bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine.

SECTION 302. A notice, signed by the Trustee, calling for redemption any of the bonds and designating the redemption date and the redemption price to be paid and, if less than all of the bonds of any Series then outstanding shall be called for redemption, the numbers of such bonds, (a) shall be published once a week for two successive weeks, the first publication to be at least thirty (30) days before the redemption date, in a daily newspaper of general circulation published in the City of Richmond, Virginia, and in a financial journal or in a daily newspaper of general circulation published in the Borough of Manhattan, City and State of New York, (b) shall be filed with the Paying Agents, and (c) shall be mailed, postage prepaid, to all registered owners of bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for; but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption.

SECTION 303. Notice having been published and filed in the manner and under the conditions hereinabove provided, and moneys for payment of the redemption price being held by the Trustee, all as provided in this Indenture, the bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such bonds on such date, interest on the bonds so called for redemption shall cease to accrue, the coupons for interest thereon maturing subsequent to the redemption date shall be void, such bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the holders of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

SECTION 304. All unpaid interest installments represented by coupons which shall have matured on or prior to

the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

SECTION 305. Bonds so redeemed and all unmatured coupons appertaining thereto shall be cancelled upon surrender thereof.

SECTION 306. Bonds which have been duly called for redemption under the provisions of this Article, and for the payment of the redemption price of which moneys shall be held by the Trustee or the Paying Agents, shall not be deemed to be outstanding under the provisions of this Indenture.

ARTICLE IV.

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS.

SECTION 401. A special fund is hereby created and designated "State of Virginia Toll Projects Construction Fund" (herein sometimes called the "Construction Fund"). There shall be and are hereby created three separate accounts in the Construction Fund designated "Chesapeake Ferries Account", "York River Bridge Account", and "Rappahannock River Bridge Account", respectively, to the credit of each of which accounts such deposits shall be made as are required by Sections 208, 209 and 210 of this Indenture.

All moneys in each Account in the Construction Fund shall be held by the Trustee in trust and applied as herein provided to the payment of the cost of the particular project for which such Account has been created and, pending such application, shall be subject to a lien and charge in favor of the holders of the bonds issued and outstanding under this Indenture and shall be held for the further security of such holders until paid out or transferred as hereinafter provided.

SECTION 402. Payment of the cost of the improvements to the Chesapeake Ferries, of the cost of the York River Bridge, and of the cost of the Rappahannock River Bridge, shall be made from the appropriate Account in the Construction Fund as herein provided. All payments from each Account shall be subject to the provisions and restrictions set forth in this Article and the Commission covenants that it will not cause or permit to be paid from any Account in the Construction Fund any sums except in accordance with such provisions and restrictions.

SECTION 403. Without intending to limit or restrict the definition of "cost" elsewhere contained in this Indenture or in the State Revenue Bond Act, such cost shall include the following:

(a) obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of improvements to the Chesapeake Ferries, the construction of the York River Bridge (including the cost of acquiring the existing Gloucester-Yorktown Ferry) and the Rappahannock River Bridge, for machinery and equipment, and for the restoration of property damaged or destroyed in connection with such construction;

(b) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such lands, property rights, rights-of-way, franchises, easements and other interests as may be deemed necessary or convenient for the construction and operation of such improvements and such bridges, options and partial payments thereon, and the amount of any damages incident to or consequent upon such construction and operation;

(c) interest accruing upon the term bonds issued under the provisions of Sections 208 and 209 of this Indenture prior to the commencement of and during the construction of the York River Bridge and for one year

after completion of such construction to the extent deemed advisable by the Commission or if and to the extent that provision for the payment of such interest shall not be made from revenues, and the reasonable fees of the Paying Agents for the payment of such interest;

(d) the cost of indemnity and surety bonds to secure deposits of moneys in the Construction Fund, the fees and expenses of the Trustee during construction, taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Projects or any property acquired therefor, and premiums on insurance, if any, in connection with the Projects during construction;

(e) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the York River Bridge or the Rappahannock River Bridge, and fees and expenses of engineers for making traffic studies, surveys and estimates of costs and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of such bridges, improvements to the Chesapeake Ferries or the issuance of bonds therefor;

(f) expense of administration properly chargeable to the Projects, legal expenses and fees, financing charges, cost of audits and of preparing and issuing the bonds, and all other items of expense not elsewhere in this Section specified incident to the acquisition, construction and equipment of the Projects, the financing thereof, the placing of the same in operation and the acquisition of lands, property rights, rights-of-way, franchises, easements and interests therefor, including abstracts of title, title insurance, cost of surveys and other expenses in connection with such acquisition and construction; and

(g) any obligation or expense heretofore or hereafter incurred by the Commission or any member or officer thereof for any of the foregoing purposes.

SECTION 404. If and to the extent that moneys in the Bond Service Account (a separate account hereinafter created in the Sinking Fund) shall be insufficient for such purpose, the Trustee, without requisition from the Commission or other or further authority than is herein contained, shall pay from any moneys on deposit to the credit of the York River Bridge Account in the Construction Fund available for such purpose, upon each interest payment date prior to the date the York River Bridge shall be opened for traffic, the interest then payable upon the bonds issued under the provisions of Sections 208 and 209 of this Indenture and the reasonable fees of the Paying Agents for the payment of such interest.

SECTION 405. Payments from each Account in the Construction Fund, except the payments and transfers which the Trustee is authorized to make under the provisions of Section 404 of this Article, shall be made by the Trustee in accordance with the provisions of this Section. Before any such payment shall be made the Commission shall file with the Trustee:

(a) a requisition, signed by the Chairman of the Commission, stating in respect of each payment to be made:

- (1) the Account from which such payment is to be made,
- (2) the item number of the payment,
- (3) the name of the person, firm or corporation to whom payment is due,
- (4) the amount to be paid, and
- (5) the purpose for which the obligation to be paid was incurred;

(b) a certificate, signed by the Chairman of the Commission or other officer of the Commission designated by resolution of the Commission for such purpose (a certified copy of which resolution shall be filed with the Trustee) and attached to the requisition, certifying:

(1) that obligations in the stated amounts have been incurred by the Commission and that each item thereof is a proper charge against such Account in the Construction Fund and has not been paid,

(2) that there has not been filed with or served upon the Commission notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation, and

(3) that such requisition contains no item representing payment on account of any retained percentages which the Commission is at the date of such certificate entitled to retain; and

(c) a certificate, signed by the Consulting Engineers and attached to such requisition, certifying their approval thereof and further certifying that each such obligation has been properly incurred and is then due and unpaid and that, in so far as such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed, in or about the construction of the project on account of which such obligation was incurred or delivered at the site of the work for that purpose, or delivered for storage or fabrication at a place or places approved by the Consulting Engineers.

Upon receipt of each requisition and accompanying certificates the Trustee shall transfer from the appropriate Account in the Construction Fund to the credit of a special account in its commercial department in the name of the State Treasurer, an amount equal to the total of the amounts to be paid as set forth in such requisition. In making each such transfer the Trustee may rely upon such requisition and accompanying certificates. The Commission shall thereupon file with the State Comptroller a duplicate of each such requisition

and accompanying certificates and a voucher covering each item set forth in such requisition, and thereupon the State Comptroller shall issue warrants for the payment by the State Treasurer of each such item, and each such payment shall be made by the State Treasurer by checks on such special account.

In addition to such payments, the Trustee shall pay from the appropriate Account in the Construction Fund to the Commission upon its requisitions therefor, signed by the Chairman or Vice Chairman and the Secretary of the Commission, at one time or from time to time, a sum or sums aggregating not more than Ten Thousand Dollars (\$10,000) exclusive of reimbursements as hereinafter in this Section authorized, such sums and such reimbursements to be used by the Commission as a revolving fund for the payment of expenses referred to in clause (f) of Section 408 of this Article which cannot conveniently be paid as herein otherwise provided. The revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid by payments from the appropriate Account in the Construction Fund upon requisitions of the Commission, similarly signed, specifying the Account, the payee, the amount and the particular purpose of each payment from the revolving fund for which such reimbursement is requested, accompanied by a certificate, similarly signed, certifying that each such expense so paid was a necessary item of expense within said clause (f) and that such expense could not conveniently be paid except from such revolving fund, and also accompanied by the written approval of such certificate by the Consulting Engineers. In making such reimbursement the Trustee may rely upon such requisitions and accompanying certificates.

SECTION 408. If any requisition contains any item for the payment of the purchase price or cost of any lands, easements, or rights or interests in or relating to lands, there shall be attached to such requisition, in addition to the certificates mentioned in the preceding Section of this Article,

(a) a certificate of the Chairman or Vice Chairman of the Commission to the effect that such lands, easements,

rights or interests are being acquired in furtherance of the acquisition of the right-of-way for the York River Bridge or the Rappahannock River Bridge, as the case may be, or in furtherance of the construction or operation of either of such bridges, and

(b) a written opinion of the Attorney General or an Assistant Attorney General of the Commonwealth of Virginia stating that the signer is of the opinion that the Commission is authorized to acquire such lands, easements, rights or interests, and that the Commission will have upon the payment of such item title in fee simple to, or perpetual easements for the purposes of the bridge in question over, such lands, free from all liens or encumbrances except liens, charges, encumbrances or other defects of title which do not have a materially adverse effect upon the Commission's right to use such lands or properties for the purposes intended or which have been adequately guarded against by a bond or other form of indemnity, or, if such payment be a payment for an option to purchase or for a quitclaim deed or a lease or a release or on a contract to purchase or is otherwise for the acquisition of a right or interest in lands less than a fee simple or a perpetual easement, or if such payment be a part payment for any such purpose, the written approval of the acquisition of such lesser right or interest signed by such counsel for the Commission.

SECTION 407. The Commission covenants that no payment will be made from the Construction Fund for labor or to contractors, builders or materialmen on account of the construction of any part of the York River Bridge or the Rappahannock River Bridge unless such part is located on lands good and marketable title to which is owned or can be acquired by the Commission in fee simple or over which the Commission shall have acquired or can acquire perpetual easements for the purposes of the bridge in question.

SECTION 408. All requisitions, certificates and opinions received by the Trustee, as required in this Article as condi-

tions of payment from any Account in the Construction Fund, may be relied upon by and shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Commission, the Consulting Engineers, the agents and representatives thereof.

SECTION 409. The Commission covenants that, at least once in each month during the construction of the York River Bridge and the Rappahannock River Bridge, it will cause the Consulting Engineers to prepare a progress report in connection with the construction of each such bridge, including comparisons between the actual times elapsed and contract costs and the estimates of such times and costs which are set forth in their engineering report relating to such construction and prepared prior to the issuance of bonds for such construction. Copies of such progress reports shall be filed with the Trustee and mailed to the principal underwriters.

SECTION 410. When the construction of the York River Bridge or the Rappahannock River Bridge, as the case may be, shall have been completed and the same opened for traffic, which fact shall be evidenced to the Trustee by a certificate stating the date of such completion, signed by the Chairman or Vice Chairman and the Secretary of the Commission and approved by the Consulting Engineers, accompanied by an opinion of the Attorney General or Assistant Attorney General of the Commonwealth of Virginia, stating that the Commission has acquired title to, or perpetual easements for the purposes of, the York River Bridge or the Rappahannock River Bridge, as the case may be, and all of the property necessary and incident thereto, free from all liens or encumbrances except liens, encumbrances or other defects of title which do not have a materially adverse effect upon the Commission's right to use such lands or properties for the purposes intended or which have been adequately guarded against by a bond or other form of indemnity, that there are no uncanceled mechanics', laborers', contractors' or materialmen's liens on any property pertaining to such bridge or on file in any public office where the same should be filed in order to be valid liens against any part of such property, and that, in

the opinion of the signer, the time within which such liens can be filed has expired, the balance in the Appropriate Account in the Construction Fund not deemed by the Trustee necessary to be reserved and so reserved by it for the payment of any remaining part of the cost of such bridge shall be transferred by the Trustee to the credit of the Reserve Account; provided, however, that if the Rappahannock River Bridge shall have theretofore been financed under the provisions of Section 210 of this Indenture and the construction of such project shall not have been completed, the amount so transferred to the Reserve Account shall not be in excess of the amount necessary to make the amount then to the credit of the Reserve Account equal to the maximum requirement for the Reserve Account under the provisions of Section 508 of this Indenture and any remaining balance in the York River Bridge Account in the Construction Fund shall be transferred to the Rappahannock River Bridge Account in said Fund. Promptly after such transfer the Trustee shall notify the Commission of the amount of such transfer and the date thereof.

In making any such transfer the Trustee may rely upon (a) a certificate filed with it by the Commission, signed by the Chairman or Vice Chairman of the Commission and approved by the Consulting Engineers, as to any items of such cost then remaining unpaid and as to any estimate in such certificate of the amount of any items of such cost the actual amount of which is not finally determined, and (b) a certificate, signed by counsel for the Commission, as to the status and amount of any claims then outstanding affecting such cost. The Trustee may require the filing of such certificates as a condition to such transfer.

If at any time after such transfer there shall be filed with the Trustee a certificate, signed by the Chairman or Vice Chairman and by the Secretary of the Commission and by the Consulting Engineers, stating that the cost of the York River Bridge has been finally determined and that the part of such cost then remaining unpaid exceeds the amount reserved by the Trustee under this Section, an amount equal to such excess shall forthwith be retransferred by the Trustee from

the Reserve Account to the York River Bridge Account in the Construction Fund and thereafter applied, upon requisition as above provided, to meet such unpaid cost; provided, however, that the amount so retransferred shall not exceed the amount transferred from the York River Bridge Account in the Construction Fund to the Rappahannock River Bridge Account or to the Reserve Account under the foregoing provisions of this Section.

ARTICLE V.

REVENUES AND FUNDS.

SECTION 501. The Commission covenants that (1) it will continue in effect the present schedules of tolls for traffic over the James River Bridges and the Chesapeake Ferries until such schedules shall be revised as hereinafter provided, (2) that the tolls in such schedules will not be reduced prior to the retirement of all serial bonds issued under the provisions of Section 208 of this Indenture, (3) that, on or before the day on which the York River Bridge shall be opened for traffic, it will fix and place in effect a schedule of tolls for traffic over the York River Bridge which will be not less than the tolls set forth by Parsons, Brinckerhoff, Hall and MacDonald, New York City, New York, in their traffic report dated August 19, 1949, (4) that the tolls in such schedule will not be reduced prior to the expiration of two (2) years after the date upon which the York River Bridge shall be opened for traffic, (5) that, in case any bonds shall be issued under the provisions of Section 210 of this Indenture, it will, subject to the foregoing provisions of this Section and before the Rappahannock River Bridge financed by such bonds shall be opened for traffic, fix and place in effect a schedule of tolls for traffic over such bridge which will be not less than the tolls recommended by the traffic engineers who sign the statement required by clause (d) of said Section 210, and (6) that, subject to the

foregoing provisions of this Section, from time to time and as often as it shall appear necessary it will request the Consulting Engineers to make recommendations as to revisions of the schedules of tolls and will file copies of such request with the Trustees and the principal underwriters and, upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, it will revise such schedules and such tolls as may be necessary or proper, in order that the revenues of the Projects will at all times be sufficient:

(a) to provide funds for the payment of Current Expenses,

(b) to provide for making the transfers from the Revenue Fund to the credit of the Reserve Maintenance Fund under the provisions of this Article, and

(c) to provide for making the transfers from the Revenue Fund to the credit of the Sinking Fund in each fiscal year under the provisions of this Article of an amount not less than the maximum amount of the Principal and Interest Requirements in any fiscal year for the bonds of each Series issued under the provisions of this Indenture and then outstanding, as computed at the time of the delivery of the bonds of each such Series, plus an amount as a reserve not less than twenty per centum (20%) of such fiscal year's Principal and Interest Requirements.

The transfer to the credit of the Sinking Fund in any fiscal year of an amount in excess of the amount provided for above for such fiscal year shall not be taken into account in adjusting the schedules of tolls for any subsequent fiscal year or years. But any deficiency in the amounts of the transfers to the credit of the Sinking Fund and the Reserve Maintenance Fund in any fiscal year shall, as promptly as may be practicable, be added to the amounts provided for above for the remaining fiscal years in adjusting such schedules of tolls, the amount so to be added in each of such remaining fiscal years to be determined by the Consulting Engineers.

The Commission covenants that if the total amount transferred to the credit of the Sinking Fund in any fiscal year following the fiscal year which ends August 31, 1951, shall be less than the amount provided for above for such fiscal year, it will, before the 15th day of October of the following fiscal year, request the Consulting Engineers to make their recommendations as to a revision of the schedules of tolls, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Trustee and mailed to the principal underwriters. Anything in this Indenture to the contrary notwithstanding, if the Commission shall comply with all recommendations of the Consulting Engineers in respect of tolls, it will not constitute an event of default under the provisions of this Indenture even though the total amounts transferred to the credit of the Reserve Maintenance Fund or the Sinking Fund, as the case may be, in any fiscal year shall be less than the amounts provided for in clauses (b) and (c) of this Section for such fiscal year. The Trustee or the holders of not less than fifteen per centum (15%) in principal amount of the bonds then outstanding may, however, and the Trustee shall, upon the request of the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Commission to revise the schedules of tolls. The Commission covenants that it will adopt and charge tolls in compliance with any final order or decree entered in any such proceeding.

In the event that the Commission shall call upon the Consulting Engineers for their recommendations as hereinabove in this Section required and the Consulting Engineers, after such request by the Commission, shall fail to file with the Commission and with the Trustee such recommendations in writing within sixty (60) days after such request, the Trustee shall forthwith designate and appoint an independent engineer or engineering firm in lieu of the Consulting Engineers to make a survey and study and recommendations as to an adjustment of the schedules of tolls, which recommendations shall be reported in writing to the Commission and to the

Trustee on or before the 1st day of April following. Such written report shall for all purposes be considered to be the equivalent of and substitute for the recommendations and report of the Consulting Engineers hereinabove mentioned.

The Commission covenants that forthwith upon the adoption of any revised schedule of tolls certified copies thereof will be filed with the Trustee and mailed to the principal underwriters.

SECTION 502. The Commission covenants that tolls will be classified in a reasonable way to cover all traffic, so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic, that no reduced rate of toll will be allowed within any such class except through the use of commutation or other tickets or privileges based upon frequency or volume, and that no free vehicular passage will be permitted over any of the Projects except to the Consulting Engineers, members, officers and employees of the Commission or to any fire department and to the police officers of the Federal Government or of any state, county or municipality while in the discharge of their official duties.

SECTION 503. With the approval of the State Comptroller and the State Treasurer, a special fund is hereby created in the State Treasury and designated "State of Virginia Toll Projects Revenue Fund" (herein sometimes called the "Revenue Fund"). The Commission covenants that all tolls and other revenue arising from the operation or ownership of the Projects and properties in connection therewith will be collected by the Commission and deposited daily, as far as practicable, in a state depository, in the name of the State Treasurer for the credit of the Revenue Fund. All sums received by the Commission from any other source for paying any part of the cost of maintaining, repairing and operating the Projects shall be forthwith deposited with the Trustee to the

credit of the special fund hereinafter created and designated "Revenue Fund-Trustee Account."

SECTION 504. It shall be the duty of the Consulting Engineers employed by the Commission under the provisions of Section 706 of this Indenture, among such other duties as may be imposed upon them by the Commission or by this Indenture, to make an inspection at least once a year of each Project and, on or before the 1st day of June, 1950, and on or before the 1st day of June in each year thereafter, to submit to the Commission a report setting forth (a) their findings whether each of the Projects has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair and operation of each of the Projects during the ensuing fiscal year and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the insurance to be carried under the provisions of Article VII of this Indenture, and (d) their recommendations as to the amount that should be transferred in each month during such fiscal year to the credit of the Reserve Maintenance Fund (stating separately the amount to be transferred to each Account therein hereinafter created), to provide for unusual or extraordinary maintenance and repairs, for insurance and for replacing equipment. Copies of such reports shall be filed with the Trustee and mailed to the principal underwriters.

The Commission covenants that no later than thirty (30) days after the delivery of bonds under the provisions of Section 208 of this Indenture it will prepare and file with the Consulting Engineers and mail to the Trustee an initial budget of Current Expenses and of transfers to be made to the credit of each Account in the Reserve Maintenance Fund for the balance of the current fiscal year. The Commission covenants that on or before the 20th day of June 1950 and on or before the 20th day of June in each fiscal year thereafter, it will adopt a preliminary budget of Current Expenses for the ensuing fiscal year. Copies of each such preliminary budget shall be filed with the Trustee and mailed to the Consulting Engi-

neers and the principal underwriters. The Commission further covenants that it will prepare such initial budget and each such preliminary budget on the basis of monthly requirements, so that it will be possible to determine from each such budget the Current Expenses for each month during the fiscal year, and that it will comply with any reasonable request of the Trustee and of the Consulting Engineers as to the classifications in which such budget shall be prepared, particularly with respect to the divisions into which such budget shall be divided.

If the holders of five per centum (5%) in aggregate principal amount of the bonds then outstanding or the principal underwriters shall so request, the Commission shall, in the year 1950 and in each year thereafter, hold a public hearing on or before the 1st day of August in such year at which any bondholder may appear in person or by agent or attorney and present any objections he may have to the final adoption of the preliminary budget proposed for the succeeding fiscal year. Notice of the time and place of such hearing shall be mailed at least ten (10) days before the hearing to the Trustee, the principal underwriters, the Consulting Engineers and each bondholder who shall have filed his name and address with the Secretary of the Commission for such purpose. The Commission further covenants that on or before the first day of each fiscal year it will finally adopt the budget of Current Expenses for such fiscal year (each such budget and the initial budget being hereinafter sometimes called the "Annual Budget") and that the total appropriations in any division thereof will not exceed the total appropriations in the corresponding division in the initial budget or in the preliminary budget without the approval of the Consulting Engineers. Copies of the Annual Budget shall be filed with the Trustee and mailed to the Consulting Engineers and the principal underwriter.

If for any reason the Commission shall not have adopted the Annual Budget before the first day of any fiscal year, the preliminary budget for such fiscal year, if approved by the Consulting Engineers, or, if there is none so approved, the budget for the preceding fiscal year, shall, until the adoption of the Annual Budget, be deemed to be in force and shall be

treated as the Annual Budget under the provisions of this Article.

The Commission may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current fiscal year, but no such amended or supplemental Annual Budget shall supersede any prior budget until it shall be approved by the Consulting Engineers, and when so approved it shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amended or supplemental Annual Budget shall be filed with the Trustee and mailed to the Consulting Engineers and the principal underwriter.

The Commission covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Current Expenses in the Annual Budget, except as provided in Section 505 of this Article and except amounts payable from the Reserve Maintenance Fund. Nothing in this Section contained shall limit the amount which the Commission may expend for Current Expenses in any year provided any amounts expended therefor in excess of the Annual Budget shall be received by the Commission from some source other than the revenues of the Projects and the Commission shall not make any reimbursement therefor from such revenues.

SECTION 505. Simultaneously with the delivery of the bonds under the provisions of Section 206 of this Indenture the Chairman of the Commission (or such other person as shall be designated by resolution of the Commission for such purpose) shall issue a voucher requesting the issuance of a warrant of the State Comptroller for payment by check of the State Treasurer of all moneys then held by the State Treasurer to the credit of the Toll Revenue Fund, a special fund created under the provisions of the Chesapeake Ferries Resolution, to the Trustee, to be held by the Trustee for the credit of a special account which is hereby created and designated the "Revenue Fund-Trustee Account", to be held and applied

in accordance with the provisions of this Article. On or before the first day of the second month following the delivery of said bonds under the provisions of said Section 208, and on or before the first day of each month thereafter, the Chairman of the Commission (or such other person as may be designated by resolution of the Commission for such purpose) shall issue a voucher requesting the issuance of a warrant of the State Comptroller for payment by check of the State Treasurer of all moneys then held to the credit of the Revenue Fund pursuant to the provisions of Section 508 of this Article, to the Trustee to be held for the credit of the Revenue Fund-Trustee Account.

Payments from the Revenue Fund-Trustee Account, except the transfers and payments which the Trustee is authorized to make as hereinafter provided in this Article, shall be made in accordance with the provisions of this Section. Before any such payment shall be made the Commission shall file with the Trustee:

(a) a requisition, signed by the Chairman of the Commission, stating in respect of each payment to be made:

(1) the item number of the payment,

(2) the name of the person, firm or corporation to whom payment is due,

(3) the amount to be paid, and

(4) the purpose for which the obligation to be paid was incurred; and

(b) a certificate, signed by the Chairman of the Commission and attached to the requisition, certifying:

(1) that obligations in the stated amounts have been incurred by the Commission and that each item thereof was properly incurred in maintaining, repairing and operating the Projects and has not been paid,

(2) that there has not been filed with or served upon the Commission notice of any lien, right to lien or attachment upon or claim affecting the right to

receive payment of, any of the moneys payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation, and

(8) that the total amount of such payments will not be in excess of the unencumbered balance of the Annual Budget or any amendment thereof or supplement thereto; provided, however, that, in lieu of certification that such amount is not in excess of such unencumbered balance, the Trustee shall accept the certificate of the Consulting Engineers approving the payments requested in such requisition and a certified copy of a resolution of the Commission approving such payments, but no such resolution shall be adopted except in case of an emergency caused by some extraordinary occurrence which shall be recited in the resolution. The forms of such certificate and of such resolution shall be satisfactory to the Trustee.

Upon receipt of each requisition and accompanying certificate the Trustee shall transfer from the Revenue Fund-Trustee Account to the credit of a special account in its commercial department in the name of the State Treasurer, an amount equal to the total of the amounts to be paid as set forth in such requisition. In making each such transfer the Trustee may rely upon such requisition and accompanying certificates. The Commission shall thereupon file with the State Comptroller a duplicate of each such requisition and accompanying certificates and a voucher covering each item set forth in such requisition, and thereupon the State Comptroller shall issue warrants for the payment by the State Treasurer of each such item, and each such payment shall be made by the State Treasurer by checks on such special account.

In addition to such payments to the State Treasurer, the Trustee shall pay from the Revenue Fund-Trustee Account to the Commission upon its requisitions therefor, signed by the Chairman or Vice Chairman and the Secretary of the Commission, at one time or from time to time a sum or sums aggregating

gating not more than Fifty Thousand Dollars (\$50,000) exclusive of reimbursements as hereinafter in this Section authorized, such sums and such reimbursements to be used by the Commission as a revolving fund for the payment of Current Expenses which can not conveniently be paid as herein otherwise provided. The revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid by payments from the Revenue Fund-Trustee Account upon requisitions of the Commission, similarly signed, specifying the payee, the amount and the purpose of each payment from the revolving fund for which such reimbursement is requested, accompanied by a certificate, similarly signed, certifying that each such expense so paid was a necessary item of Current Expenses and that such expense could not conveniently be paid except from such revolving fund, and also accompanied by the written approval of such certificate by the Consulting Engineers. In making such reimbursement the Trustee may rely upon such requisition and accompanying certificates.

SECTION 506. A special fund is hereby created and designated "State of Virginia Toll Projects Reserve Maintenance Fund" (herein sometimes called the "Reserve Maintenance Fund"). There shall be and are hereby created two separate accounts in the Reserve Maintenance Fund designated "Chesapeake Ferries Reserve Maintenance Account" and "Toll Bridges Reserve Maintenance Account", respectively. It shall be the duty of the Trustee, on or before the 20th day of the second month following the month in which bonds shall be delivered under the provisions of Section 208 of this Indenture, and on or before the 20th day of each month thereafter, until and including the month of August, 1950, to transfer from the Revenue Fund-Trustee Account to the credit of each Account in the Reserve Maintenance Fund the amount set forth in the initial budget of the Commission as the amount to be so transferred, and on or before the 20th day of September, 1950, and on or before the 20th day of each month thereafter, the Trustee shall transfer the amount recommended by the Consulting Engineers, as provided by Section 504 of this Article to be transferred to the credit of each of

said Accounts during such month. If the amount which would remain to the credit of the Revenue Fund-Trustee Account after making any transfer required by this Section would leave insufficient moneys therein for the payment of Current Expenses for the current month and the next ensuing month as shown by the Annual Budget, the Trustee shall not be required to make such transfers, except pro rata transfers to each such reserve maintenance account, to such extent as will leave moneys sufficient to pay such Current Expenses, but the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any such monthly transfers shall be added to the amount otherwise required to be transferred in each month thereafter until such time as such deficiency shall have been made up, unless such requirement shall have been waived by the Consulting Engineers in writing, a copy of such waiver to be filed with the Trustee.

Except as hereinafter provided in this Section, or except in case of an emergency caused by some extraordinary occurrence, so characterized in a certificate signed by the Consulting Engineers and filed with the Trustee, and an insufficiency of moneys in the Revenue Fund-Trustee Account to meet such emergency, moneys in each Account in the Reserve Maintenance Fund shall be disbursed only for paying the cost of unusual or extraordinary maintenance or repairs, insurance or replacing equipment in connection with the project or projects on account of which such Account has been created.

Payments from each Account in the Reserve Maintenance Fund, except the transfers which the Trustee is authorized to make as hereinafter provided in this Section, shall be made in the manner hereinabove provided for payments from the Construction Fund.

The Trustee shall from time to time transfer any moneys from either or both Accounts in the Reserve Maintenance Fund to the credit of the special account hereinafter created in the Sinking Fund and designated "Redemption Account" upon the receipt of a certified copy of a resolution duly adopted by the Commission directing such transfer and a certificate of the Consulting Engineers certifying that the amount so

to be transferred is not required for the purposes for which the particular Account in the Reserve Maintenance Fund has been created.

If at any time the amounts to the credit of the Bond Service Account and the Reserve Account shall be insufficient for the purpose of paying the interest on the bonds as such interest becomes due or paying the principal of serial bonds as such principal becomes due, then the Trustee shall transfer pro rata from each Account in the Reserve Maintenance Fund to the credit of the Bond Service Account an amount sufficient to make up any such deficiency. Any moneys so transferred from each Account in the Reserve Maintenance Fund to the credit of the Bond Service Account shall be restored to such Account from the first available moneys in the Revenue Fund-Trustee Account, subject to the same conditions as are prescribed for transfers to the credit of the Reserve Maintenance Fund under the foregoing provisions of this Section.

SECTION 507. A special fund is hereby created and designated "State of Virginia Toll Projects Interest and Sinking Fund" (herein sometimes called the "Sinking Fund"). There shall be and are hereby created three separate accounts in the Sinking Fund designated "Bond Service Account", "Reserve Account", and "Redemption Account", respectively. It shall be the duty of the Trustee, on or before the 20th day of the month following the month in which bonds shall be delivered under the provisions of Section 208 of this Indenture, and on or before the 20th day of each month thereafter (and immediately after making any transfer from the Revenue Fund required by Section 506 of this Article), to transfer from the Revenue Fund-Trustee Account to the Sinking Fund for the credit of the Bond Service Account an amount equal to the amount of all moneys held for the credit of the Revenue Fund-Trustee Account on the last day of the preceding month less the amount of the transfer currently to be made under the provisions of said Section 506 and less the amount shown by the Annual Budget to be necessary for Current Expenses for the current month and the next ensuing month; provided, however, that no such transfer for the credit of the Bond

Service Account shall be made in any month (a) if the amount then to the credit of the Bond Service Account shall be not less than the total of the amount required for paying the principal of all serial bonds which will become payable within the next ensuing twelve months and the amount required for paying the interest which will become payable within the next ensuing six months on all bonds then outstanding except any interest which the Trustee is required to pay from the Construction Fund, or (b) in excess of the amount necessary to make the amount then to the credit of the Bond Service Account equal to such total.

SECTION 508. It shall be the duty of the Trustee, on or before the 20th day of the month following the month in which bonds shall be delivered under the provisions of Section 208 of this Indenture, and on or before the 20th day of each month thereafter (and immediately after making any transfers from the Revenue Fund-Trustee Account required by Sections 506 and 507 of this Article), to transfer from the Revenue Fund-Trustee Account to the Sinking Fund for the credit of the Reserve Account, an amount equal to the amount of all moneys held for the credit of the Revenue Fund-Trustee Account on the last day of the preceding month less the amount of the transfers currently to be made under the provisions of said Sections 506 and 507 and less the amount shown by the Annual Budget to be necessary for Current Expenses for the current month and the next ensuing month; provided, however, that no such transfer for the credit of the Reserve Account under the provisions of this Section shall be made in any month (a) if the amount then to the credit of the Reserve Account shall be not less than an amount equal to the amount of the maximum Principal and Interest Requirements for any subsequent fiscal year on account of all bonds then outstanding under this Indenture or not less than an amount which would be required for paying two years' interest on all bonds then outstanding, whichever shall be the greater, or (b) in excess of the amount necessary to make the amount then to the credit of the Reserve Account equal to such maximum requirement; provided, however, that the Com-

mission, during the period of any emergency or threatened emergency which, in its opinion, is affecting or may affect adversely the traffic over or the revenues from the Projects, may increase such maximum requirement by an amount not exceeding one hundred per centum (100%) thereof, and that the amount of such increase shall be fixed by resolution which shall recite the emergency or threatened emergency, and any such resolution may be amended from time to time or repealed; copies of each such resolution, certified by the Secretary of the Commission, shall be filed with the Trustee and mailed to the Consulting Engineer and the principal underwriters. If at any time the moneys to the credit of the Reserve Account shall exceed such maximum requirement, such excess shall be transferred by the Trustee to the credit of the Redemption Account.

Moneys held for the credit of the Reserve Account shall be used for the purpose of paying interest on the bonds and maturing principal of serial bonds whenever and to the extent that the remaining moneys in the Sinking Fund shall be insufficient for such purpose.

SECTION 509. It shall be the duty of the Trustee, on or before the 20th day of the month following the month in which bonds shall be delivered under the provisions of Section 208 of this Indenture, and on or before the 20th day of each month thereafter (and immediately after making any transfers from the Revenue Fund-Trustee Account required by Sections 506, 507 and 508 of this Article), to transfer from the Revenue Fund-Trustee Account to the Sinking Fund for the credit of the Redemption Account, an amount equal to the amount of all moneys held for the credit of the Revenue Fund-Trustee Account on the last day of the preceding month less the amount of the transfers currently to be made under the provisions of said Sections 506, 507 and 508 and less the amount shown by the Annual Budget to be necessary for Current Expenses for the current month and the next ensuing month.

Moneys held for the credit of the Redemption Account shall be applied to the payment of the purchase price or the

redemption price of bonds issued under the provisions of this Indenture as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Commission shall endeavor to purchase bonds secured hereby and then outstanding on the most advantageous terms obtainable with reasonable diligence, having regard to maturity, option to redeem, coupon rate and price, such price not to exceed the principal of such bonds and the interest accrued thereon to the date of payment therefor plus the amount of the premium, if any, which might on the next redemption date be paid to the holders of such bonds under the provisions of Article III of this Indenture if such bonds should be called for redemption on such date from moneys in the Sinking Fund. Upon making each such purchase the Chairman and the Secretary of the Commission shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the bonds so purchased upon their delivery and cancellation, which statement shall set forth a description of such bonds, the purchase price to be paid therefor, the name of the seller and the place of delivery of the bonds. But no such purchase shall be made within the period of fifty (50) days next preceding an interest payment date.

(b) Subject to the provisions of Section 301 of this Indenture, the Trustee shall call for redemption on each interest payment date on which bonds are subject to redemption such amount of bonds then subject to redemption as, with the redemption premium, if any, and all necessary and proper expenses incurred in connection therewith, will exhaust the Redemption Account as nearly as may be; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Indenture. Not less than thirty (30) days before the redemption date the Trustee shall withdraw from the Redemption Account and set aside in a

separate account sufficient moneys for paying the redemption price of the bonds so called for redemption.

(c) Moneys in the Redemption Account shall be applied to the purchase or redemption of bonds in the following order:

first, term bonds issued under the provisions of Sections 208 and 209 of this Indenture until all such term bonds shall have been retired;

second, term bonds issued under the provisions of Section 210 of this Indenture until all such term bonds shall have been retired; and

third, serial bonds issued under the provisions of this Indenture, in the inverse order of their maturities.

SECTION 510. Subject to the terms and conditions set forth in this Indenture, moneys to the credit of the Bond Service Account, the Reserve Account and the Redemption Account shall be disbursed by the Trustee for (a) the retransfer to the respective Accounts in the Construction Fund of any amount required to be retransferred under the provisions of Section 410 of this Indenture or (b) the payment of interest upon the bonds secured hereby as such interest shall become due or (c) the payment of the principal of such bonds at their respective maturities or (d) the purchase or redemption of such bonds before maturity, and such moneys are hereby pledged to and charged with such payments.

SECTION 511. The Trustee shall, from time to time, withdraw from the Bond Service Account, and (1) remit by mail to each registered owner of bonds registered as to both principal and interest the amounts required for paying interest upon such bonds as such interest becomes due and (2) deposit in trust with the Paying Agents sufficient moneys for paying the principal of bonds as such principal becomes due and the remaining interest on the bonds as such interest becomes due.

SECTION 512. All moneys which the Trustee shall have withdrawn from the Sinking Fund or shall have received from

any other source and deposited with the Paying Agents for the particular purpose of paying any of the bonds hereby secured, either at the maturity thereof or upon call for redemption, or for the purpose of paying any maturing coupons appertaining to any of the bonds hereby secured, shall be held in trust for the respective holders of such bonds or coupons. But any moneys which shall be so deposited by the Trustee and which shall remain unclaimed by the holders of such bonds or of such coupons for the period of six years after the date on which such bonds or such coupons shall have become payable shall be paid to the Commission or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the holders of such bonds or coupons shall look only to the Commission or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall not be regarded as a trustee of such money.

SECTION 513. All bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made, together with all unmatured coupons, if any, appertaining thereto, and such bonds and coupons shall thereupon be cancelled. All interest coupons shall be cancelled upon their payment and delivered to the Trustee. The Trustee shall certify to the Commission the details of all bonds and coupons so cancelled and all cancelled bonds and coupons shall be held by the Trustee until this Indenture shall be released; provided, however, that bonds and coupons so cancelled may at any time be cremated by the Trustee in the presence of two of its officers, who shall execute a certificate of cremation in duplicate describing in detail the bonds and coupons so cremated, and one executed certificate shall be filed with the Secretary of the Commission and the other executed certificate shall be filed with the Trustee.

ARTICLE VI.

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS.

SECTION 801. All moneys deposited under the provisions of this Indenture with the Trustee or any other depository or held by the Commission shall be trust funds under the terms hereof and shall not be subject to lien or attachment by any creditor of the Commission. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

No moneys shall be deposited with any bank or trust company, other than the Trustee, in an amount exceeding fifty per centum (50%) of the amount which an officer of such depository shall certify to the Commission as the combined capital and surplus of such depository.

All moneys deposited with the Trustee or any depository hereunder shall be continuously secured, for the benefit of the Commission and the holders of the bonds, either (a) by lodging with the trust department of the Trustee or with some other bank or trust company approved by the Trustee as custodian, as collateral security, direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System or eligible as security for the deposit of funds of the Commonwealth of Virginia, having a market value (exclusive of accrued interest) at least equal to the amount of such deposit, or (b) as to all or any part of such deposit, by lodging with the Trustee, or with the Secretary of the Commission in the case of moneys deposited or remaining on deposit with the trustee, the indemnifying bond or bonds of a surety company or companies qualified as surety for United States Government deposits and qualified to transact business in the state in which such depository is located in a penal sum not less than the amount of moneys

so deposited or such part thereof, such bond or bonds to be approved in writing by the Commission, or (c) in such other manner as may then be required by all applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Paying Agents to give security for the deposit of any moneys with it for the payment of the principal of or the redemption premium or the interest on any bonds issued hereunder, or for the Trustee to give security for the deposit of any moneys retained by it as trust funds in its trust department vaults or held by it in checks or drafts payable or endorsed to its order as Trustee under this Indenture and drawn or certified by any Federal Reserve Bank, or any moneys which shall be represented by obligations purchased under the provisions of this Indenture as an investment of such moneys.

All moneys deposited with each depository, including the Trustee, shall be allocated to accounts designated to indicate the particular fund or account to which any such moneys belong.

SECTION 602. Moneys on deposit to the credit of the Reserve Account in the Sinking Fund and, with the written approval of the Consulting Engineers of the amount of moneys to be so invested, any moneys on deposit to the credit of any Account in the Construction Fund, shall be invested by the Trustee, upon receipt of a copy of a resolution of the Commission, certified by its Secretary, directing such investment, in direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government which shall be subject to redemption by the holder thereof at the option of such holder upon not more than six months' notice or which shall mature not later than eighteen (18) months after the date of such investment.

Moneys on deposit to the credit of any Account in the Reserve Maintenance Fund shall be invested by the Trustee,

upon receipt of a copy of a resolution of the Commission, certified by its Secretary, directing such investment and the written approval of the Consulting Engineers of the amount of such moneys to be so invested and the maturities of the obligations to be purchased, in direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government.

Obligations so purchased as an investment of moneys in any such Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and any profit realized from such investment shall be credited to such Fund or Account, and any loss resulting from such investment shall be charged to such Fund or Account. The Trustee shall sell at the best price obtainable any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from such Fund or Account. Neither the Trustee nor the Commission shall be liable or responsible for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS.

SECTION 701. The Commission covenants that it will promptly pay the principal of and the interest on every bond issued hereunder and secured hereby at the place, on the dates and in the manner specified herein and in said bonds and in the coupons thereto appertaining, and any premium required for the retirement of said bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Indenture otherwise provided, the principal, interest and premiums are payable solely from tolls and other revenues derived from the ownership or operation of the Projects, which tolls and other revenues are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified.

The interest on the bonds until the maturity thereof, except as hereinabove otherwise provided with respect to temporary bonds and bonds registered as to both principal and interest, shall be payable only on presentation and surrender of the several coupons for such interest as they respectively fall due.

The Commission covenants that so long as the bonds or any of them shall be outstanding it will cause an office or agency where the bonds and coupons may be presented for payment to be maintained in the City of Norfolk or in the City of Richmond, Virginia.

SECTION 702. The Commission covenants that it will forthwith proceed to construct the York River Bridge and the improvements of the Chesapeake Ferries in accordance with plans and specifications which shall have been approved by the Consulting Engineers, and that it will complete such construction with all expedition practicable. The Commission further covenants that, in the event that bonds shall be issued under the provisions of Section 210 of this Indenture, it will forthwith proceed to construct the bridge project for which such bonds shall be issued in accordance with plans and specifications which shall have been approved by the Consulting Engineers, and that it will complete such construction with all expedition practicable. The Commission further covenants and agrees that upon the opening of any such bridge project for traffic it will deliver to the Trustee a certificate, signed by the Chairman of the Commission, stating the date upon which such opening occurred.

The Commission further covenants and agrees that before entering into any construction contract it will secure the approval of the Consulting Engineers of such contract and of the plans and specifications referred to therein, and that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with the construction of the York River Bridge or any bridge project for which bonds shall be issued under the provisions of this Indenture to furnish a performance bond in the full amount of any contract exceeding Five Thousand Dollars (\$5,000) in

amount, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such public liability, property damage and builders' risk insurance, if any, as may be required by the Consulting Engineers. The Commission further covenants and agrees that the proceeds of any such performance bond shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond shall have been furnished.

The Commission further covenants and agrees that each such contract will also provide that payments thereunder shall not be made by the Commission in excess of ninety per centum (90%) of current estimates approved by the Consulting Engineers except payment of the final balance due under any such contract.

SECTION 709. The Commission covenants that it will establish and enforce reasonable rules and regulations governing the use of the Projects and the operation thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of each of the Projects will be reasonable and no more than would be paid by corporations, municipalities or public bodies for similar services, that no more persons will be employed by it than are necessary, that it will maintain and operate each of the Projects in an efficient and economical manner, that, from the revenues of the Projects, it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Projects.

The Commission further covenants that it will not grant any permit for the construction or operation of a bridge, tunnel or ferry permitted by the State Revenue Bond Act to be granted by the Commission, where such operation will, in the opinion of the Consulting Engineers, adversely affect the revenues of the Projects.

SECTION 704. The Commission covenants that, from the revenues of the Projects, it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the Projects, or any thereof or any tolls or other revenue therefrom when the same shall become due, that it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Projects, or any thereof, that it will not create or suffer to be created any lien or charge upon the Projects or any thereof or upon the tolls or other revenue therefrom except the lien and charge of the bonds secured hereby upon such tolls and revenue, and that, from such revenues or other available funds, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Projects or any thereof or the tolls or other revenue therefrom; provided, however, that nothing in this Section contained shall require the Commission to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 705. Notwithstanding any other provisions of this Indenture, the Commission may permit the Commonwealth or any county or other political subdivision to pay the cost of maintaining the Projects or any thereof out of funds other than revenues of the Projects.

SECTION 706. The Commission covenants that, until the bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by this Indenture, employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in the construction and operation of toll

bridges. The term "Consulting Engineers" as used in this Indenture shall mean the engineer or engineering firm or corporation at the time so employed by the Commission. Parsons, Brinkerhoff, Hall and MacDonald, New York City, New York, are now employed by the Commission as such Consulting Engineers, and no other engineer or engineering firm or corporation shall be employed as Consulting Engineers unless such engineer or firm or corporation shall be acceptable to the Trustee.

SECTION 707. The Commission covenants that prior to the opening for traffic of the York River Bridge or any other bridge project and prior to the completion of the improvements to the Chesapeake Ferries it will carry such builders' risk insurance, if any, as shall be recommended by the Consulting Engineers, and that

(a) from and after the time when the contractors or any of them engaged in constructing the York River Bridge or any other bridge project or such improvements or any part thereof shall cease to be responsible, pursuant to the provisions of the respective contracts for the construction of such bridge or bridge projects or improvements or such part, for loss or damage to such bridge or bridge project or improvements or such part occurring from any cause, it will insure and at all times keep such bridge or bridge project or improvements or such part insured, and

(b) it will insure and at all times keep the Projects insured, until the bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, in a responsible insurance company or companies authorized and qualified under the laws of the Commonwealth to assume the risk thereof, against physical loss or damage however caused, with such exceptions as are ordinarily required by insurers of structures or facilities of similar type, in an amount not less than eighty per centum (80%) of the replacement value of each such project or such part, less depreciation, as certified by the Consulting Engineers in writing filed

with the Commission and with the Trustee and mailed to the principal underwriter; provided, however, that such amount of insurance shall at all times be sufficient to comply with any legal or contractual requirement which, if breached, would result in assumption by the Commission of a portion of any loss or damage as a co-insurer, and that such insurance may provide for the deduction from each claim for loss or damage (except in case of a total loss) of not more than two per centum (2%) of the total amount of insurance required by the application of the co-insurance clause, unless the Consulting Engineers shall approve a higher deduction; and provided, further, that if at any time the Commission shall be unable to obtain such insurance to the extent above required, either as to the amount of such insurance or as to the risks covered thereby, it will not constitute an event of default under the provisions of this Indenture if the Commission shall maintain such insurance to the extent reasonably obtainable.

All such policies shall be for the benefit of the Trustee and the Commission as their interests shall appear, shall be made payable to the Trustee and shall be deposited with the Trustee, and the Trustee shall have the sole right to receive the proceeds of such insurance and to collect and receipt for claims thereunder. The proceeds of any and all such insurance shall be held by the Trustee as security for the bonds issued hereunder until paid out as hereinafter provided.

The Commission covenants that, immediately after any damage to or destruction of any such project or any part thereof, it will cause the Consulting Engineers to prepare plans and specifications for repairing, replacing or reconstructing the damaged or destroyed property (either in accordance with the original or a different design) and an estimate of the cost thereof, and to file copies of such estimate with the Commission and the Trustee.

The proceeds of all insurance referred to in this Section shall be available for, and shall to the extent necessary be applied to, the repair, replacement or reconstruction of the damaged or destroyed property, and shall be disbursed by

the Trustee in the manner hereinabove provided for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the appropriate Account in the Reserve Maintenance Fund or the Redemption Account, as the Commission by resolution may determine. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied by the Trustee upon requisition of the Commission, from any moneys in the appropriate Account in the Reserve Maintenance Fund.

The Commission covenants that, if the cost of repairing, replacing or reconstructing the damaged or destroyed property as estimated by the Consulting Engineers shall not exceed the proceeds of insurance and other moneys available for such purpose, it will forthwith commence and diligently prosecute the repair, replacement or reconstruction of the damaged or destroyed property according to plans and specifications prepared by the Consulting Engineers.

The proceeds of any insurance not applied within thirty (30) months after their receipt by the Trustee to repairing, replacing or reconstructing the damaged or destroyed property, unless the Commission shall be prevented from so doing because of conditions beyond its control or unless the Commission, with the consent of the holders of a majority in principal amount of all the bonds then outstanding, shall otherwise direct, shall be deposited to the credit of the Redemption Account.

SECTION 708. The Commission covenants that, until the bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, it will at all times carry in a responsible insurance company or companies authorized and qualified under the laws of the Commonwealth of Virginia to assume the risk thereof:

(a) use and occupancy insurance covering loss of revenues from each of the projects by reason of necessary interruption, total or partial, in the use thereof resulting from damage to or destruction of any part

thereof however caused, with such exceptions as are ordinarily required by insurers carrying similar insurance, in such amount as the Consulting Engineers shall estimate is sufficient to provide a full normal income during the period of suspension of use; provided, however, that such insurance shall cover a period of suspension of not less than twelve (12) months and such longer period as the Consulting Engineers shall approve, and that such insurance may exclude loss sustained by the Commission during the first seven (7) days of any total or partial interruption of use; and provided further, that if at any time the Commission shall be unable to obtain such insurance to the extent above required, either as to the amount of such insurance or as to the risks covered thereby, it will not constitute an event of default under the provisions of this Indenture if the Commission shall carry such insurance to the extent reasonably obtainable; and

(b) public liability and property damage insurance in such amount and covering such risks as the Consulting Engineers may recommend.

Copies of all estimates and recommendations made by the Consulting Engineers under the provisions of this Section shall be filed with the Commission and the Trustee and mailed to the principal underwriters.

In estimating full normal income for use and occupancy insurance, the Consulting Engineers shall give consideration to the expected as well as current and prior revenues from the operation of each of the projects or from other sources, and may also make allowance for any probable decrease in the costs of maintenance or operation or other charges and expenses while use of such project is interrupted. All policies providing use and occupancy insurance shall be made payable to and deposited with the Trustee, and the Trustee shall have the sole right to receive any proceeds of such policies and to collect and receipt for claims thereunder. Any proceeds of use and occupancy insurance shall be deposited by the Trustee to the credit of the Revenue Fund.

SECTION 709. Within the first ten (10) days of each fiscal year the Commission shall mail to the Consulting Engineers and the principal underwriters a schedule of all insurance policies referred to in Sections 707 and 708 of this Article which are then in effect. All such insurance policies shall be open to the inspection of the bondholders and their representatives at all reasonable times. The Trustee is hereby authorized in its own name to demand, collect, sue and receipt for any insurance money which may become due and payable under any policies payable to it.

Any appraisalment or adjustment of any loss or damage and any settlement or payment of indemnity therefor which may be agreed upon between the Commission and any insurer shall be evidenced to the Trustee by a certificate, signed by the Chairman or Vice Chairman and the Secretary of the Commission and approved by the Consulting Engineers, which certificate may be relied upon by the Trustee as conclusive. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

SECTION 710. The Commission covenants and agrees that, until the bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, none of the revenues of the Projects will be used for any purpose other than as provided in this Indenture and no contract or contracts will be entered into or any action taken by which the rights of the Trustee or of the bondholders might be impaired or diminished.

SECTION 711. The Commission and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, execute and deliver such further instruments and take such further action as may be reasonable and as may be required by the other to carry out the purposes of this Indenture; provided, however, that no such instrument or action shall involve any personal liability on the Trustee or members of the Commission or any officer thereof.

SECTION 712. The Commission covenants that it will keep an accurate record of the total cost of each of the projects, of the daily tolls and other revenues collected, of the number and class of vehicles using each project, and of the application of such tolls. Such records shall be open to the inspection of all interested persons.

The Commission further covenants that at least once each month it will cause to be filed with the Trustee and mailed to the Consulting Engineers and the principal underwriters copies of any revisions of the toll schedules during the preceding calendar month and a report setting forth in respect of the preceding calendar month:

- (a) an income and expense account for each project,
- (b) the number of vehicles in each class using each project,
- (c) all deposits to the credit of and withdrawals from each Fund and Account created under the provisions of this Indenture,
- (d) the details of all bonds issued, paid, purchased or redeemed,
- (e) a balance sheet as of the end of such month,
- (f) the amounts on deposit at the end of such month to the credit of each such Fund and Account, showing the respective amounts on deposit to the credit of each such Fund and Account in each bank or trust company and the security held therefor, and showing the details of any investments thereof, and
- (g) the amounts of the proceeds received from any sales of property pursuant to the provisions of Section 713 of this Article.

The Commission further covenants that in the month of September in each year it will cause an audit to be made of its books and accounts relating to the Projects by an independent certified public accountant of recognized ability and standing. Promptly thereafter reports of each such audit shall be filed

with the Commission and the Trustee, and copies of such reports shall be mailed to the Consulting Engineers and the principal underwriters. Each such audit report shall set forth in respect of the preceding fiscal year the same matters as are hereinabove required for the monthly reports. Such monthly reports and audit reports shall be open to the inspection of all interested persons.

The Commission further covenants that it will cause any additional reports or audits relating to the Projects to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and to the principal underwriters such other information concerning the Projects or the operation thereof as either of them may reasonably request. The cost of such audits shall be treated as a part of the cost of operation of the Projects.

SECTION 713. The Commission covenants that, until the bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, and except as in this Indenture otherwise permitted, it will not sell, lease or otherwise dispose of or encumber any of the Projects or any part thereof and will not create or permit to be created any charge or lien on the revenues derived therefrom. The Commission may from time to time sell such real estate forming part of any of the Projects as the Commission by written resolution shall declare is not needed or serves no useful purpose in connection with the maintenance and operation of such bridge, if the Consulting Engineers shall in writing approve such sale. The proceeds of any sale of real estate shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property.

Upon any sale of property under the provisions of this Section the Commission shall notify the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

ARTICLE VIII.

REMEDIES.

SECTION 801. No coupon which in any way before, at, or after maturity shall have been transferred or pledged separate and apart from the bond to which it appertains shall, unless accompanied by such bond, be entitled, in case of default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of all bonds and of all coupons not so transferred or pledged. In case the time for the payment of any coupon or the interest on any bond registered as to both principal and interest shall be extended, whether or not such extension be by or with the consent of the Commission, such coupon or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all bonds then outstanding and of all coupons and interest the time for the payment of which shall not have been extended.

SECTION 802. Each of the following events is hereby declared an "event of default", that is to say: If

(a) payment of the principal of any of the bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due and payable or within thirty (30) days thereafter; or

(c) the Commission shall discontinue or unreasonably delay or fail to carry on with reasonable dispatch the construction of any project or improvements; or

(d) the Commission shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(e) any of the projects shall be destroyed or damaged and shall not be promptly repaired, replaced or recon-

structed (whether such failure promptly to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason); or

(f) an order or decree shall be entered, with the consent or acquiescence of the Commission, appointing a receiver or receivers of the Projects or any thereof or of the tolls or other revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Commission, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) any proceeding shall be instituted, with the consent or acquiescence of the Commission, for the purpose of effecting a composition between the Commission and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the Projects; or

(h) the Commission shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the bonds or in this Indenture on the part of the Commission to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Commission by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding.

SECTION 803. Upon the happening and continuance of any event of default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding shall, by a notice in writing to the Commission, declare the principal of

all of the bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the bonds or in this Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of the bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have accumulated in the Sinking Fund sufficient to pay the principal of all matured bonds and all arrears of interest, if any, upon all the bonds then outstanding (except the principal of any bonds not then due by their terms and the interest accrued on such bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee, and all other amounts then payable by the Commission hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the bonds or in this Indenture (other than a default in the payment of the principal of such bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the holders of not less than ten per centum (10%) in principal amount of the bonds not then due by their terms and then outstanding shall, by written notice to the Commission, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

If the principal of the bonds shall be declared due and payable as hereinabove provided, the Commission covenants and agrees to pay the principal of such bonds and the interest thereon (solely from moneys in the Sinking Fund) to the Trustee as trustee of an express trust for the bondholders.

SECTION 804. Upon the happening and continuance of any event of default specified in Section 802 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding hereunder shall proceed, subject to the provisions of Section 802 of this Indenture, to protect and enforce its rights and the rights of the bondholders under the laws of Virginia or under this Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Commission for principal, interest or otherwise under any of the provisions of this Indenture or of the bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such bonds, without prejudice to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce judgment or decree against the Commission, but solely as provided herein and in such bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from moneys in the Sinking Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 805. If at any time the moneys in the Sinking Fund shall not be sufficient to pay the principal of or the interest on the bonds as the same become due and payable (either by their terms or by acceleration of maturities under

the provisions of Section 803 of this Article), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the principal of all the bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the bonds which shall have become due (other than bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the bonds, to the purchase and retirement of bonds and to the redemption of bonds, all in accordance with the provisions of Article V of this Indenture.

(b) If the principal of all the bonds shall have become or shall have been declared due and payable, all such

moneys shall be applied to the payment of the principal and interest then due and unpaid upon the bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any bond over any other bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the bonds.

(c) If the principal of all the bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 808 of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the bonds shall later become due or be declared due and payable, the moneys then remaining in and thereafter accruing to the Sinking Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Article.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the banks or trust companies at which the bonds shall be payable, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Commission, to any bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions

of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid coupon or any bond until such coupon or such bond and all unmatured coupons, if any, appertaining to such bond shall be surrendered to the Trustee for appropriate endorsement.

SECTION 806. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Commission, the Trustee and the bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

SECTION 807. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the bonds then outstanding hereunder shall have the right, subject to the provisions of Section 802 of this Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to bondholders not parties to such direction.

SECTION 808. No holder of any of the bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any

other remedy hereunder unless such holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder. It is understood and intended that no one or more holders of the bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of such outstanding bonds and coupons.

SECTION 809. All rights of action under this Indenture or under any of the bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such bonds and coupons, subject to the provisions of this Indenture.

SECTION 810. No remedy herein conferred upon or reserved to the Trustee or to the holders of the bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 811. No delay or omission of the Trustee or of any holder of the bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee and the holders of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the bonds then outstanding shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

SECTION 812. The Trustee shall mail to the registered owners of the bonds then outstanding at their addresses as they appear on the registration books, and to all other bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any event of default set forth in clause (a) or in clause (b) of Section 802 of this Article within thirty (30) days after any such event of default shall have occurred. And if in any fiscal year the total amount of deposits to the credit of the Sinking Fund shall be less than the amounts required so to be deposited under the provisions of this Indenture, the Trustee, on or before the first day of the second month of the next

succeeding fiscal year, shall mail to the registered owners of the bonds then outstanding at their addresses as they appear on the registration books, to all other bondholders who shall have filed their names and addresses with the Trustee for such purpose, and to the principal underwriters, written notice of the failure to make such deposits. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail any notice required by this Section.

ARTICLE IX.

CONCERNING THE TRUSTEE.

SECTION 901. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture, to all of which the parties hereto and the respective holders of the bonds agree.

SECTION 902. The Trustee shall be under no obligation to institute any suit, or to take any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Commission shall reimburse the Trustee from the revenues of the Projects for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Commission shall fail to make such reimbursement, the Trustee may reimburse itself from any

moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the bonds or coupons outstanding hereunder.

SECTION 903. The Trustee shall be under no obligation, except as herein otherwise expressly required, to see that any duties herein imposed upon the Commission, the Consulting Engineers, the paying agents, any depositary or any party other than the Trustee, or any covenants herein contained on the part of any party other than the Trustee to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

SECTION 904. The Trustee shall not be liable or responsible because of the failure of the Commission or of any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other bank or trust company in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder, if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 905. Subject to the provisions of any contract between the Commission and the Trustee, the Commission shall, from the revenues of the Projects, pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder; and, from such revenues

only, shall indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder. If the Commission shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the bonds or coupons outstanding hereunder.

SECTION 906. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, the certificate of the Chairman and the Secretary of the Commission shall be conclusive evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do by reason of the supposed existence of such fact.

SECTION 907. Except as otherwise provided in this Indenture, the Trustee shall not be obligated to take notice or be deemed to have notice of any event of default hereunder, unless specifically notified in writing of such event of default by the holders of not less than ten per centum (10%) in principal amount of the bonds hereby secured and then outstanding.

SECTION 908. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the bonds or coupons issued under and secured by this Indenture, and may join in any action which any bondholder may be entitled to take with like effect as if such bank or trust company were not a party to this Indenture.

SECTION 909. The recitals, statements and representations contained herein and in the bonds (excluding the Trus-

tee's certificate on the bonds) shall be taken and construed as made by and on the part of the Commission and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

SECTION 910. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture.

SECTION 911. The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Commission and published once in a daily newspaper of general circulation published in the City of Richmond, Virginia, and in a financial journal or in a daily newspaper of general circulation published in the City of New York, at least thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder, if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

SECTION 912. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the holders of not less than a majority in principal amount of the bonds hereby secured and then outstanding and filed with the Commission. A photostatic copy of each such instrument shall be delivered promptly by the Commission to the Trustee.

SECTION 913. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official,

agency, department or board, the position of Trustee shall thereupon become vacant. If at any time moneys on deposit with the Trustee shall not be secured as required by Article VI of this Indenture, a vacancy in the position of Trustee may be declared by a resolution duly passed by the Commission, and the Trustee may be removed at any time for cause by a resolution duly passed by the Commission. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Commission shall appoint a Trustee to fill such vacancy. The Commission shall publish notice of any such appointment by it made once in each week for four (4) successive weeks in a daily newspaper of general circulation published in the City of Richmond, Virginia and in a financial journal or in a daily newspaper of general circulation published in the City of New York.

At any time after any such vacancy shall have occurred, the holders of a majority in principal amount of the bonds hereby secured and then outstanding, by an instrument or concurrent instruments in writing, signed by such bondholders or their attorneys in fact thereunto duly authorized and filed with the Commission, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the Commission. Photostatic copies of each such instrument shall be delivered promptly by the Commission to the predecessor Trustee and to the Trustee so appointed by the bondholders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the holder of any bond outstanding hereunder or any retiring Trustee may apply to the Circuit Court of the City of Richmond or to any other court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a corporation duly organized and doing business under the laws of the United States of America or the Commonwealth of Virginia and having its principal office in the Commonwealth of

Virginia, authorized under such laws to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000).

SECTION 914. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Commission, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Commission, and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 905 of this Article, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Commission be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Commission.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

ARTICLE X.

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS.

SECTION 1001. Any request, direction, consent or other instrument in writing required by this Indenture to be signed or executed by bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the holding of bonds hereunder by any bondholder and the amount and the numbers of such bonds and the date of his holding the same (unless such bonds be registered) may be proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository the bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The ownership of registered bonds shall be proved by the registration books kept under the provisions of Section 205 of this Indenture.

But nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the holder of any bond shall bind every future holder of the same bond in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI.

SUPPLEMENTAL INDENTURES.

SECTION 1101. The Commission and the Trustee may, from time to time and at any time, enter into such indentures or agreements supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures or agreements shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee.

SECTION 1102. Subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than two-thirds (2/3) in aggregate principal amount of the bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Commission and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Commission for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or

in any supplemental indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of any bond issued hereunder, or (b) a reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by this Indenture, or (d) a preference or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by bondholders of the execution of any supplemental indenture or agreement as authorized in Section 1101 of this Article.

If at any time the Commission shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Commission, cause notice of the proposed execution of such supplemental indenture to be published once in each week for four successive weeks in a daily newspaper of general circulation published in the City of Richmond, Virginia, and in a financial journal published in the Borough of Manhattan, City and State of New York; and, on or before the date of the first publication of such notice, the Trustee shall also cause a similar notice to be mailed, postage prepaid, to all registered owners of bonds then outstanding at their addresses as they appear on the registration books and to all other bondholders who shall have filed their names and addresses with the Trustee for such purpose. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail the notice required by this Section.

Whenever, at any time after the date of the first publication of such notice, the Commission shall deliver to the

Trustee an instrument or instruments purporting to be executed by the holders of not less than two-thirds (2/3) in aggregate principal amount of the bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental indenture in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder shall have consented thereto.

If the holders of not less than two-thirds (2/3) in aggregate principal amount of the bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any bond shall have any right to object to the execution of such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Commission from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Commission, the Trustee and all holders of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

SECTION 1103. The Trustee is authorized to join with the Commission in the execution of any such supplemental indenture and to make the further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such supplemental indenture

which affects its rights, duties or immunities under this Indenture. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the bonds issued thereafter, if deemed necessary or desirable by the Trustee.

SECTION 1104. In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not any proposed supplemental indenture, or any term or provision therein contained, is proper or desirable, having in view the purposes of such instrument, the needs of the Commission, and the rights and interests of the bondholders, and the Trustee shall not be under any responsibility or liability to the Commission or to any bondholder or to anyone whomsoever, for any act or thing which it may do or decline to do in good faith, subject to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Commission, as conclusive evidence that any such supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental indenture.

ARTICLE XII

DEFEASANCE

SECTION 1201. If, when the bonds secured hereby shall have become due and payable in accordance with their terms

or otherwise as provided in this Indenture or shall have been duly called for redemption or irrevocable instructions to call the bonds for redemption shall have been given by the Commission to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds and coupons then outstanding shall be paid or sufficient moneys shall be held by the Trustee for such purpose, and provision shall also be made for paying all other sums payable hereunder by the Commission, then and in that case the right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Commission, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Commission, and shall turn over to the Commission or to such officer, board or body as may then be entitled by law to receive the same any surplus in the Sinking Fund and all balances remaining in any other funds; otherwise this Indenture shall be, continue and remain in full force and effect.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS.

SECTION 1301. In the event of the dissolution of the Commission all of the covenants, stipulations, obligations and agreements contained in this Indenture by or in behalf of or for the benefit of the Commission shall bind or inure to the benefit of the successor or successors of the Commission from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Commission" as used in this Indenture shall include such successor or successors. Any bank or trust com-

pany with or into which any paying agent may be merged or consolidated, or to which the assets and business of such paying agent may be sold, shall be deemed the successor of such paying agent for the purposes of this Indenture. If the position of paying agent in the City of Norfolk, Virginia, or in the Borough of Manhattan, City and State of New York, shall become vacant for any reason, the Commission shall, within thirty (30) days thereafter, appoint a bank or trust company located in said City of Norfolk, Virginia, or in the City of Richmond, Virginia, or in said Borough of Manhattan, as the case may be, as paying agent to fill such vacancy; provided, however, that if the Commission shall fail to appoint such paying agent within said period, the Trustee shall make such appointment.

SECTION 1302. Any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Commission or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested:

to the Commission, if addressed to State Highway Commission, Richmond, Virginia;

to the Trustee, if addressed to National Bank of Commerce of Norfolk, Norfolk, Virginia, or to any successor Trustee, if addressed to it at its principal office.

All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession, subject at all reasonable times to the inspection of the Commission, the Consulting Engineers, any bondholder, and the agents and representatives thereof.

SECTION 1303. Except as herein otherwise expressly provided, nothing in this Indenture expressed or implied is in-

tended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the holders of the bonds issued under and secured by this Indenture any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders from time to time of the bonds issued hereunder.

SECTION 1804. Nothing in the bonds or coupons or in this Indenture shall be construed as pledging the faith and credit of the Commonwealth or to create any debt against the Commonwealth, or to convey or mortgage any project or any part thereof, but such bonds and the interest thereon shall be payable solely from the funds herein provided therefor.

SECTION 1805. In case any one or more of the provisions of this Indenture or of the bonds or coupons issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of said bonds or coupons, but this Indenture and said bonds and coupons shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

SECTION 1806. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Commission in his individual capacity, and neither the members of the Commission nor any official executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof. This Indenture is executed with the intent that the laws of the Commonwealth shall govern its construction.

SECTION 1807. The principal underwriters shall be under no obligation to any bondholder for any action that they may

or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this Indenture. The immunities and exemptions from liability of the principal underwriters hereunder shall extend to their partners, directors, successors, employees and agents.

SECTION 1808. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

SECTION 1809. Any headings preceding the texts of the several articles hereof and any table of contents or marginal notes herein contained are inserted solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the State Highway Commission has caused this Indenture to be executed by its Chairman and its Secretary, under the official seal of said Commission, and National Bank of Commerce of Norfolk, has caused this Indenture to be executed in its behalf by its President or a Vice President and its corporate seal to be hereunto impressed.

and attested by its Cashier or an Assistant Cashier, all as of the day and year first above written.

STATE HIGHWAY COMMISSION

By

.....
Chairman

.....
Secretary

(SEAL)

National Bank of Commerce of Norfolk,

By

.....
Vice President

(SEAL)

Attest:

.....
Cashier

We hereby approve the provisions of the foregoing Indenture.

.....
State Treasurer of Virginia

.....
State Comptroller of Virginia

COMMONWEALTH OF VIRGINIA }
CITY OF } ss

Be it remembered that on the day of, 1949, before me, the subscriber, a notary public within and for said City and State, personally came and, who are the Chairman and the Secretary, respectively, of the State Highway Commission, and acknowledged that the name of said State Highway Commission was subscribed to the foregoing Indenture by themselves as the Chairman and the Secretary thereof, and that the seal affixed thereto is the seal of said Commission and that said name was subscribed and said seal attached to the foregoing Indenture by the direction and authority of said Commission, and that the foregoing Indenture is the free act and deed of said Commission, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

.....
Notary Public

My commission expires

(Seal)

COMMONWEALTH OF VIRGINIA }
CITY OF } 22

Be it remembered that on the day of, 1949, before me, the subscriber, a notary public within and for said City and State, personally came; who is a Vice President of said National Bank of Commerce of Norfolk, and acknowledged that the name of said bank was subscribed to the foregoing Indenture by himself as Vice President thereof, and that the seal affixed thereto is the seal of said bank and that said name was subscribed and said seal attached to the foregoing Indenture by the direction and authority of said bank, and that the foregoing Indenture is the free act and deed of said bank, for the uses and purposes therein mentioned.

IT WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

.....
Notary Public

My commission expires

(Seal)

A RESOLUTION DIRECTING PUBLICATION OF NOTICE
OF SALE OF \$19,000,000 STATE OF VIRGINIA TOLL
REVENUE BONDS (SERIES 1949).

BE IT RESOLVED by the State Highway Commission as follows:

Section 1. That the Secretary of the State Highway Commission is hereby authorized and directed to publish a notice calling for bids for \$19,000,000 State of Virginia Toll Revenue Bonds (Series 1949), such publication to be made in The Wall Street Journal, a newspaper published in New York City, and in The Daily Bond Buyer, a financial journal published in New York City, on Monday, September 19, 1949, which notice shall be in substantially the following form:

NOTICE OF SALE

\$19,000,000

STATE OF VIRGINIA TOLL REVENUE BONDS (SERIES 1949)

Sealed bids will be received by the State Highway Commission at its regular place of meeting in the Central Highway Office Building in the City of Richmond, Virginia, until 10:30 o'clock, A.M., Eastern Standard Time, September 26, 1949, at which time and place all bids will be publicly opened and read, for \$19,000,000 State of Virginia Toll Revenue Bonds (Series 1949), dated September 1, 1949.

The bonds consist of \$6,000,000 serial bonds maturing annually, September 1, as follows:

<u>Year of</u> <u>Maturity</u>	<u>Amount</u>	<u>Year of</u> <u>Maturity</u>	<u>Amount</u>
1953	\$200,000	1961	\$400,000
1954	200,000	1962	400,000
1955	250,000	1963	450,000
1956	250,000	1964	450,000
1957	300,000	1965	500,000
1958	300,000	1966	500,000
1959	350,000	1967	550,000
1960	350,000	1968	550,000

and \$13,000,000 term bonds maturing September 1, 1973.

Denomination \$1,000; principal and semi-annual interest (M and S 1) payable at the principal office of The National Bank of Commerce of Norfolk, in the City of Norfolk, Virginia, or at the option of the holder or registered owner, at The Chase National Bank, in the Borough of Manhattan, City and State of New York; coupon bonds registerable as to principal only, or as to both principal and interest, and the bonds registered as to both principal and interest may be reconverted into coupon bonds at the expense of the registered owner...

The bonds at the time outstanding which are stated to mature after September 1, 1957, may be redeemed prior to their respective maturities either

(a) the serial bonds in whole or the term bonds in whole or both the serial bonds and the term bonds in whole, on any date not earlier than September 1, 1954, at the option of the Commission, from any moneys that may be made available for such purpose, at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus the following premiums:

(1) in the case of term bonds a premium of $\frac{4}{100}$ of such principal amount if redeemed on or prior to March 1, 1955, $\frac{3}{100}$ if redeemed thereafter and on or prior to March 1, 1958, $\frac{2}{100}$ if redeemed thereafter and on or prior to March 1, 1961, $\frac{1}{100}$ if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) in the case of serial bonds, a premium of one-fourth of one per centum ($\frac{1}{4}$ of $\frac{1}{100}$) of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of $\frac{3}{100}$ of such principal amount, or

(b) the serial bonds or the term bonds, in part, on any interest payment date not earlier than September 1, 1950, from moneys in the State of Virginia Toll Revenue Bonds Interest and Sinking Fund, as follows:

(1) the term bonds may be redeemed at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus a premium of $\frac{5}{100}$ of such principal amount if redeemed on or prior to March 1, 1952, $\frac{4}{100}$ if redeemed thereafter and on or prior to March 1, 1955, $\frac{3}{100}$ if redeemed thereafter and on or prior to March 1, 1958, $\frac{2}{100}$ if redeemed thereafter and on or prior to March 1, 1961, $\frac{1}{100}$ if redeemed thereafter and on or prior to March 1, 1964, and without premium if redeemed thereafter; and

(2) the serial bonds may be redeemed in the inverse order of their maturities at the principal amount of the bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption, plus a premium of $1/4$ of 1% of the principal amount of the bonds to be redeemed for each twelve (12) months' period or fraction thereof between the date of redemption of each such bond and the maturity thereof, but not to exceed a premium of 3% of such principal amount; provided, however, that no such redemption of serial bonds shall be made unless all of the term bonds shall have theretofore been retired or shall simultaneously therewith be called for redemption.

If less than all of the serial bonds of any one maturity or less than all of the term bonds shall be called for redemption, the particular bonds to be redeemed shall be selected by lot.

The principal of and the interest on the bonds will be payable solely from the revenues of (i) the ferry properties commonly known as the "Chesapeake Ferries", (ii) the bridge properties commonly known as the "James River Bridges" (which ferry and bridge properties are to be acquired from a portion of the bond proceeds), (iii) a bridge to be constructed with a portion of the proceeds of said bonds over the York River between Yorktown, in York County, and Gloucester Point, in Gloucester County (known as the "York River Bridge"), and (iv) a bridge over the Rappahannock River from a point in Middlesex County to a point in Lancaster County (to be known as the "Rappahannock River Bridge"), if such bridge shall be constructed from the proceeds of additional revenue bonds, the issuance of which is permitted by the Trust Indenture under the conditions therein set forth. The State of Virginia is not obligated to pay the bonds or the interest thereon except from the special fund provided therefor from tolls and revenues of such projects and the faith and credit of the State are not pledged to the payment of the principal of or the interest on the bonds, and the State is not, directly or indirectly or contingently obligated to levy or to pledge any form of taxation whatever therefor, or to make any appropriation for the payment of said bonds except from such special fund.

The bonds will be issued under the provisions of and secured by a Trust Indenture dated September 1, 1949, by and between the State Highway Commission and The National Bank of Commerce of Norfolk, as Trustee. Copies of such Trust Indenture may be obtained from the undersigned, from Shields & Company, 44 Wall Street, New York City, Scott, Horner & Mason, Inc., Lynchburg, Virginia, or from Mitchell and Pershing, 120 Broadway, New York City, whose approving opinion will be furnished to the purchasers without charge.

Each bid must specify in multiples of $1/8$ or $1/10$ of 1% the rate or rates of interest (not exceeding a rate of five per centum (5%) per annum, and not exceeding three (3) rates for the serial bonds and one rate for the term bonds), but all bonds of any one maturity must bear interest at the same rate. No bid for less than all of the bonds or offering less than par and accrued interest will be entertained. The bonds will be awarded to the bidder offering to purchase the bonds at the lowest interest cost, such cost to be determined by deducting the total amount of any premium bid from the aggregate amount of interest upon all of the bonds until their respective maturities. Delivery of the bonds will be made in temporary form on or about September 30, 1949, in New York City, New York.

Each bid must be submitted on a form to be furnished by the undersigned, must be enclosed in a sealed envelope marked "Bid for State of Virginia Toll Revenue Bonds (Series 1949)", and must be accompanied by a certified or bank cashier's check for \$380,000, payable unconditionally to the State Treasurer of Virginia, on which no interest will be allowed. Award or rejection of bids will be made on the date above stated for receipt of bids, and the checks of unsuccessful bidders will be returned immediately. The check of the successful bidder will be held uncashed as security for the performance of his bid, but in the event the successful bidder shall fail to comply with the terms of his bid, the check may then be cashed and the proceeds thereof retained as and for full liquidated damages. Whenever such terms shall have been complied with, or if it shall be found impossible to issue or deliver the bonds, the check will be returned.

The right to reject all bids is reserved.

Any person interested in bidding for the bonds will be furnished advance copies in limited quantities of the Official Statement of the State Highway Commission relative to such bonds and the Projects to be financed.

By order of the State Highway Commission of Virginia.

(Signed) J. A. Anderson,
Chairman, State Highway Commission.

Section 2. That the form referred to in the Notice of Sale set forth in Section 1 above and on which all bids are required to be made, shall be substantially as follows:

**BID FOR STATE OF VIRGINIA TOLL REVENUE BONDS
(SERIES 1949)**

September __, 1949.

State Highway Commission,
State Highway Building,
Richmond, Virginia.

Sirs:

Subject to the provisions and in accordance with the terms of the Commission's Notice of Sale, which are hereby made a part of this bid, we offer to pay \$_____ plus accrued interest to the date of delivery of all, but no part less than all of \$19,000,000 State of Virginia Toll Revenue Bonds (Series 1949) dated September 1, 1949, bearing interest at the following rates:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$200,000	1953	. . . %	\$400,000	1961	. . . %
\$200,000	1954	. . . %	\$400,000	1962	. . . %
\$250,000	1955	. . . %	\$450,000	1963	. . . %
\$250,000	1956	. . . %	\$450,000	1964	. . . %
\$300,000	1957	. . . %	\$500,000	1965	. . . %
\$300,000	1958	. . . %	\$500,000	1966	. . . %
\$350,000	1959	. . . %	\$550,000	1967	. . . %
\$350,000	1960	. . . %	\$550,000	1968	. . . %

\$13,000,000 term bonds due September 1, 1973 %

We enclose herewith certified or bank cashier's check payable to the order of the State Treasurer of Virginia, for \$350,000, which check is to be applied in accordance with the Commission's Notice of Sale.

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

Section 3. This resolution shall become effective immediately.

Passed and adopted this ___ day of September, 1949.

Moved by Mr. Rawls, seconded by Mr. Barrow, that the contract for the substructure of the Yorktown Bridge be awarded to the low bidder, the Massman Construction Company and the Kansas City Bridge Company of Kansas City, Missouri, at their net bid of \$4,890,252. subject to successful sale of Revenue Bonds. Motion carried.

Moved by Mr. DeHardit, seconded by Mr. Rawls, that the contract for the superstructure of the Yorktown Bridge be awarded to the low bidder, the Virginia Bridge Company of Roanoke, Va., at their net bid of \$2,424,711. subject to successful sale of Revenue Bonds. Motion carried.

Moved by General Anderson, seconded by Mr. Rawls, that contract for furnishing the engineering supervision during the construction of the Yorktown Bridge, which includes the provision of all engineering services necessary from the time of award of the construction contract to the completion of the bridge from abutment to abutment, be awarded to the consulting engineering firm of Parsons, Brinckerhoff, Hall and Macdonald, of 51 Broadway, New York City, subject to successful sale of Revenue Bonds and that the compensation for this service be reimbursed monthly on the basis of actual cost, as follows:

1. Payroll cost of personnel engaged on the project, wherever located, including allowances for social security, workmen's compensation, vacation and sick leave.
2. All other expenditures by the Engineers in connection with the work.
3. An amount equal to twenty-five percent of Item 1 to cover overhead expenses.
4. A fee of \$30,000, for the partners' participation in and supervision of the work of the staff, payable at the rate of \$1,000 per month.

Total amount to be paid the consulting firm not to exceed 3 $\frac{1}{2}$ % of the construction cost of the work supervised by their staff, provided the construction is completed within the contract date limit, plus 60 days, i.e. within thirty-two months. For services beyond the thirty-two month period, the Consultants to be reimbursed with the provisions of Items 1, 2 and 3 above, but without any increase in Item 4. Motion carried.

The Trust Indenture covering the projects to be acquired and built under the terms of the Revenue Bond Act requires the retainment of consulting engineers to perform certain services as follows:

1. To make an inspection at least once each year of each project, and to submit to the Commission a report setting forth: (a) their findings whether each of the projects has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair and operation of each of the projects during the ensuing fiscal year and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the insurance to be carried under the provisions of the Indenture, and (d) their recommendations as to the amount that should be transferred in each month during such fiscal year to the credit of the Reserve Maintenance Fund (stating separately the amount to be transferred to each account therein created). Copies of such reports are to be filed with the Trustee and mailed to the principal underwriters.
2. Approval of each operating and maintenance budget is also required of the Consulting Engineers, and, further, should any revision of an operating budget appear necessary during the course of any fiscal year, any changes in the original budget will also have to be approved by the Consultants.
3. Other duties which may be non-recurring include special toll schedule studies, approval of investment of funds, and sale of property no longer required.

Moved by Mr. Nysor, seconded by Mr. Barrow, that Parsons, Brinckerhoff, Hall and Macdonald, Consulting Engineers of New York City, who designed the Yorktown Bridge and who are recommended to supervise the construction of said bridge, have submitted the following proposal to perform the regular services required by the Trust Indenture, as above stated:

To perform such services for the James River Bridge System and the Chesapeake Ferries for the sum of \$7,200 annually, payable in equal monthly installments.

After the Yorktown Bridge is completed and opened to traffic, to perform the services on all three projects, including the Yorktown Bridge, for the annual sum of \$9,600, payable in monthly installments.

The Commission accept the proposal of Parsons, Brinckerhoff, Hall and Macdonald. Motion carried.

The Chairman read to the Commission the following from The Wall Street Journal of September 14, 1949: -

"The Virginia State Highway Commission has set down September 28 as the day for opening bids on 19,000,000 DLS in revenue bonds. Bids will be returnable at the State Highway Office at 10:30 EST. The offering includes 8,000,000 DLS bonds maturing serially from Sept. 1, 1953 through Sept. 1, 1968 and 13,000,000 DLS term bonds maturing Sept. 1, 1973.

Proceeds will provide funds for construction of a proposed new bridge across the York River at Yorktown and will finance the purchase of the James River Bridge System and the Chesapeake Bay Ferries."

WHEREAS, the Commission has heretofore authorized the issuance of \$19,000,000 State of Virginia Toll Revenue Bonds (Series 1949) and the execution and delivery of a Trust Indenture securing said bonds, and providing for the delivery of temporary bonds; and

WHEREAS, said Trust Indenture requires the Commission to employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in the construction and operation of toll bridges; and

WHEREAS, the engineering firm of Parsons, Brinckerhoff, Hall and Macdonald, New York City, New York, are qualified to act as Consulting Engineers under said Trust Indenture, now, therefore,

BE IT RESOLVED by the State Highway Commission that the firm of Parsons, Brinckerhoff, Hall and Macdonald, New York City, New York, shall be and such firm is hereby employed as Consulting Engineers for the purpose of performing and carrying out the duties imposed upon the Consulting Engineers by said Trust Indenture.

WITNESS my hand and the official seal of the State Highway Commission of Virginia this 16th day of September 1949.

(Signed) S. W. Rawls.

Secretary, State Highway Commission
of Virginia.

Seal

On request of the Chairman, Mr. Rogers read a memorandum to the District and Resident Engineers on Brush Cutting and Other Mowing on Secondary Roads, as follows:

One of our most acute problems is that of keeping the brush and other vegetation uniformly cut back along the Secondary roads.

During the war years, due to the shortages of labor and equipment, it was necessary to defer this very important item of maintenance. Since then, good progress has been made in some of the counties. In many others, little is being done and consequently this menace progressively becomes more serious. Further, there is a marked lack of uniformity of operations throughout the Districts and Residencies.

After a thorough study of this matter, a policy, setting forth the minimum requirements for clearing the rights of way of the Secondary System, will be pursued from this date as follows:

1. Hard surfaced roads, school bus routes and all other roads carrying more than 50 vehicles per day will receive at least two cuttings per season to the back of the ditch line.

2. Roads not included above, and having from 10 to 50 vehicles per day at least one cutting per season to back of ditch line.

3. Other roads carrying less than 10 vehicles per day will receive such attention as is necessary to keep the way open.

4. On all roads covered by Numbers 1 and 2 the entire right of way, with the exception of especially desired shrubs and trees, will be cleared at least once in three years.

5. Where the property owners take pride in keeping their frontages cleared, the Department of Highways will cooperate to the maximum reasonable extent possible.

6. Previous instructions regarding the keeping of our signs, hazardous curves and corners, clear at all times, of course, will continue in effect.

In the execution of this policy each of you will give your careful thought to the most economical and efficient methods. Much of this work can be accomplished with mowing machines. Heavy hand labor cutting can be done advantageously during the winter months. Do not overlook the use of convict labor.

Hearing at 10:00 A.M. September 16, 1949
on the Revenue Bond Act
Projects-Bridge over
the Rappahannock River, Grey's Point-White Stone.

The Chairman stated to the group that the Commission was well aware of the purpose of the meeting - stating that "You are here very largely because of a misunderstanding and I believe that the action of the Commission today, plus a letter which was written one and a half years ago to Mr. Ammon Dunton, will clear up any possible misunderstanding. I want to say at the outset that the Commission is determined to build the Rappahannock River Bridge. Mr. Murphy is heading this group and will make the presentation for the group. I want to say to each of you that the Commission appreciates your interest in our mutual problems." The Chairman stated further that he would like first to introduce the Members of the Commission, all members being present. Likewise the Commissioner stated that the four projects covered 2½ in the Suffolk District and 1½ in the Fredericksburg District.

Mr. Taylor Murphy introduced Senator R. O. Morris as being the Chairman of the delegation.

Senator Morris stated that there was a great misunderstanding by the people in his section of the State as to what has been done with reference to the Rappahannock River Bridge; that he was not charging anyone with bad faith but that he saw there was a complete misunderstanding. Further, that it was stated a year ago that this Bridge would be built along with the York River Bridge and the purchase of the James River Bridge System and the acquisition of the Chesapeake Ferries, and that the group was asking that the Trust Indenture include the Rappahannock River Bridge, or otherwise the bridge would not be built for a year after the York River Bridge has been constructed and opened to traffic; that it might be that these projects may never provide the necessary revenue for the building of the Rappahannock River Bridge. The letter of March 19, 1948 to Mr. Ammon G. Dunton was read to the group by Senator Morris as follows; having been signed by the Commissioners:

"Mr. Ammon G. Dunton, Secretary
Tidewater Bridge and Ferry Association
White Stone, Virginia

Dear Mr. Dunton:

Your letter of March 17 received. Thank you very much for advising me as to the purpose of the visit of your delegation to the meeting of the Highway Commission on March 23. It occurs to me that the purpose of your presentation has already been accomplished. The State Highway Commission on August 26, 1947 went on record as favoring the combining of the following four projects under the terms and authority of the State Revenue Bond Act. -

1. James River Bridge System
2. The Chesapeake Ferries
3. The York River Bridge
4. The Rappahannock River Bridge at Grays Point.

Of course, the Rappahannock River Bridge alone is not considered to be self liquidating. It will be necessary before beginning work on that project to have floated bonds for the acquisition or construction of the other three projects. Our Investment Bankers and Bond Counsel do not feel that we could secure a reasonable price for the bonds of the Rappahannock River Bridge unless the public had been assured that the other three projects would be in operation so as to support the Rappahannock River Bridge project.

We believe that real progress is being made all along the line and we are hopeful that each of the four projects will be owned and operated by the State under the terms of the Revenue Bond Act within a reasonable time. I will appreciate it if you will advise those interested of what I have said in this letter.

The enclosed clipping from the Richmond Times-Dispatch of August 29, 1947 will be of interest.

With all good wishes,"

General Anderson added that if those in the delegation did not know of his letter of March 19, 1948 it was because it was not circulated and stated that the secretary of the bridge association certainly would be the logical person to circulate it.

A resolution adopted by the Commission at its session which convened at 9:00 o'clock this day was likewise read to the group by Senator Morris, as requested by the Commissioner, as follows:

"WHEREAS, at a duly called meeting of the State Highway Commission held at the Central Highway Office Building, Richmond, Virginia, on the 18th day of September, 1949, it was the unanimous sense of said Commission that the building of the Rappahannock River Bridge, between Grays Point and White Stone, should be expedited as much as possible; and,

WHEREAS, the Trust Indenture, bearing date September 1, 1949, this day approved by the Commission, provides that said Rappahannock River Bridge may be included in the Revenue Bond issue and construction begun twelve (12) months after the opening to traffic of the Yorktown Bridge, provided that the net revenues of the existing projects with the addition of the average net revenues estimated to be available from the Rappahannock River Bridge over the first sixty (60) consecutive months will aggregate not less than 1.6 times the maximum requirements for principal and interest of all bonds then to be outstanding, including the bonds proposed to be issued; and,

WHEREAS, it is the sense of this Commission that in the event the earnings of the three (3) going projects plus the estimated earnings from the Rappahannock River Bridge, as set forth above, shall not be sufficient, the Commission will allocate the deficiency, if any, from its Construction Funds in the Fredericksburg District.

NOW THEREFORE BE IT RESOLVED:

1. That the Commission will immediately begin preparation of construction plans for the Rappahannock River Bridge;
2. That in accordance with the provisions of the State Revenue Bond Act of 1940, Chapter 399, the Commission will, if the revenues from the earnings of the three (3) going projects plus the estimated earnings from the Rappahannock River Bridge, are insufficient to do so, allocate funds from the Fredericksburg District Construction Funds to meet such deficiency, if any, as required."

Senator Morris further stated that he felt the Bond Counsel had improperly advised the Commission on the subject, being only interested in dollars and cents and knew nothing about politics and the like; but that he felt the Commission had acted in good faith.

Senator W. M. Minter was introduced by Senator Morris. On the suggestion of Senator Minter the Chairman gave a resume of the subject matter and a full explanation of the projects involved and what had taken place since the Revenue Bond Act was passed and the study of the projects first started. He stated that "by October first we will have acquired the James River Bridge System - not buying the stock but purchasing the property. If the bond sale is floated as is proposed to do the contract will be awarded on the favorable bids received on the York River Bridge System. The Rappahannock River Bridge will be designed at once and paid for out of State Highway funds and will require about 12 months to do this. It was learned in Lexington yesterday that it is possible that the construction time on the York River Bridge will be cut several months and that within a reasonable time, three to three and a half years the contract can be let for the Rappahannock River Bridge. The Honorable gentlemen of the Highway Commission are committed to the building of the bridge across the Rappahannock as quickly and as reasonable as possible."

Mr. J. Frank Wyzor was introduced and stated his thoughts and the intention of the Commission to give the Rappahannock River Bridge as quickly as possible and that he regretted very much that a misunderstanding had occurred. He emphasized that any delay now would be disastrous to the whole plan.

The Chairman then introduced Mr. C. Champion Bowles, Assistant Attorney General, who gave a full statement of his association and work on the Revenue Bond Act, outlining the legal and technical background, the testing of the constitutionality with a decision by the Supreme Court, and all that has taken place to date.

Mr. Burton Marye, Jr., who has handled the work under the Revenue Bond Act, stated that the key project is the James River Bridge System, which had to be obtained before the other projects could be considered. A full history of the efforts of the Commission and the Department in handling the projects under the Act was given the group.

Mr. DeHardit, the member of the Commission from the Fredericksburg District, then stated that the bridge would be built and verified all that had been said relative to the construction of the Rappahannock River Bridge.

Colonel J. E. Healy asked that the group be allowed to study the resolution of the Commission and be allowed to be heard later. After answering three questions for Senator Minter and assuring him that all studies of traffic, etc. had been fully considered, Mr. Brooke of Scott, Horner and Mason, Inc., of Lynchburg gave the group a clear concise picture of the Revenue Bond Act projects and explained anew, from a banker's standpoint, why it was impossible to include the Rappahannock River Bridge in the bond issue.

Senator Wright suggested that additional funds be provided by the Legislature, a supplemental bond issue, raising tolls, or possibly temporary bonds be issued in the interim of building the York River Bridge and the first year after its construction, for the Rappahannock River Bridge. He asked that the group be given a better and more satisfying reason why the Bridge is not to be built at once.

The Commission adjourned to its meeting room on the third floor and left the group in the auditorium to discuss the problems and notify the Commission possibly by 12:15 when it was ready to be heard again. At 12:20 it was decided to adjourn for lunch and possibly the group would be ready to return between 2:00 and 2:30 P.M.

At 2:00 P.M. the Commission reconvened in the auditorium and Senator Norris presented two resolutions that he requested be considered by the Commission. The Chairman assured Senator Norris and the group that if further assurance concerning the bridge was needed, the Commission had given it today. He stated that "we will earnestly consider your resolution and advise you as to what action is taken. I suggest that your group appoint a committee to study the files of the Commission and keep you fully advised. I want to express my gratitude at your being here and my heartfelt regret at the misunderstanding."

Following is a list of those who were present for the meeting:

T. C. Treakle
Maurice E. Bennett, Jr.
Dean S. Chamber
William C. Redd
Melvin C. Moss
J. C. Moss
E. A. Treakle, Jr.
Dixon L. Foster
Nancy N. Foster
Randolph A. Smith
B. T. Newton
C. F. Unruh
R. L. Ficklyn
E. Walter Harvey
J. W. Powell
J. H. Wayman
R. E. Whaley
R. H. Woodward
Lewis Jones
Walter G. Mason
R. H. Brooks, Jr.
Edwin B. Horner
Carter M. Keane
W. M. Minter
J. W. Cocks
R. O. Norris, Jr.
W. T. Murphy
J. S. Venable
C. Champion Bowles
D. W. Lanford
J. E. Currell
George Noblett, Jr.
W. Collin Chilton
E. G. Marcor
C. W. Hubbard, Jr.
R. L. Haynie
R. L. Haynie, Jr.
J. E. Healy
G. A. Massenburg
H. C. Beane
W. H. George
W. A. Jones, Sr.
C. H. Currell
Earl Daniel
H. C. Treakle
L. P. Law
Dr. W. H. Lowe
P. L. Squires
T. D. McGinnis
G. R. Dunton, Jr.
William Wright

Irvington, Va.
Norfolk Assn. of Commerce, Norfolk, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kinsale, Va.
Kinsale, Va.
White Stone, Va.
Irvington, Va.
Irvington, Va.
White Stone, Va.
Hague, Va.
Kinsale, Va.
White Stone, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Saluda, Va.
Urbanna, Va.
Lynchburg, Va.
Lynchburg, Va.
Lynchburg, Va.
Kilmarnock, Va.
Mathews, Va.
Mathews, Va.
Lively, Va.
Warsaw, Va.
Kilmarnock, Va.
Attorney General's Office, Richmond, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Reedville, Va.
Reedville, Va.
Hampton, Va.
Hampton, Va.
Kilmarnock, Va.
Kilmarnock, Va.
Irvington, Va.
Weems, Va.
Deltaville, Va.
White Stone, Va.
Irvington, Va.
Kilmarnock, Va.
Farmville, Va.
Irvington, Va.
White Stone, Va.
Chairman, Conservation Commission

The Commission went into executive session and the following resolution was adopted.

WHEREAS, at a duly called meeting of the State Highway Commission held at the Central Highway Office Building, Richmond, Virginia, on the 16th day of September, 1949, it was the unanimous sense of said Commission that the building of the Rappahannock River Bridge, between Greys Point and White Stone, should be expedited as much as possible; and,

WHEREAS, the Trust Indenture, bearing date September 1, 1949, this day approved by the Commission, provides that said Rappahannock River Bridge may be included in the Revenue Bond issue and construction begun twelve (12) months after the opening to traffic of the Yorktown Bridge, provided that the net historical revenues of the existing projects with the addition of the average net revenues estimated to be available from the Rappahannock River Bridge over the first sixty (60) consecutive months will aggregate not less than 1.8 times the maximum requirements for principal and interest of all bonds then to be outstanding, including the additional bonds proposed to be issued for the Rappahannock River Bridge; and,

WHEREAS, it is the sense of this Commission that in the event the earnings of the three (3) going projects plus the estimated earnings from the Rappahannock River Bridge, as set forth above, shall not be sufficient, the Commission will allocate the deficiency, if any, as provided by Section 14, Chapter 399, Acts of 1940, and cited as the "State Revenue Bond Act."

NOW THEREFORE BE IT RESOLVED:

1. That the Commission will immediately begin preparation of construction plans for the Rappahannock River Bridge;
2. That in accordance with the provisions of the State Revenue Bond Act of 1940, Chapter 399, the Commission will, if the revenues from the earnings of the three (3) going projects plus the estimated earnings from the Rappahannock River Bridge, are insufficient to do so, allocate funds to meet such deficiency, if any, as provided by the aforesaid Act.

Given under our hand this 16th day of September, 1949.

STATE HIGHWAY COMMISSION OF VIRGINIA

Chairman

ATTEST:

Secretary

The Members of the Commission were each asked if they had any suggestions to make or matters to bring up.

Mr. Barrow referred to the "Brickbats and Bouquets" column in the Highway Bulletin and stated that Mr. Hodges greatly appreciated the work of the Commission on Route 58.

Mr. Watkins stated that the road through Buckingham Courthouse, Route 60, had been brought to his attention by officials and others of the Town.

Mr. Wyzor stated that he felt the prestige of the Commission in his District is higher than it has ever been.

Mr. Rawls stated that he would like to see pines planted on slopes and shoulders; that this use of pines had been successful in Maine.

There being no further business the meeting adjourned at 2:45 P.M. to meet in Lexington on Thursday, October 20, at the Robert E. Lee Hotel.

Approved-


Chairman

Attested-


Secretary