

A G E N D A

MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD

1401 E. Broad Street  
Richmond, Virginia  
December 15, 1994  
10:00 a.m.

1. Public Comment
2. Action on Permits Issued and Canceled from November 1, 1994 through November 30, 1994
3. Action on Additions, Abandonments or Other Changes in the Secondary System from November 1, 1994 through November 30, 1994
4. Action on City Street Mileage
5. Action on Bids Received November 16, 1994
6. Consultant Agreement: Surveying Contract  
(A) Two-Year Basis  
Northern Virginia District  
Supplemental Agreement # 1 for revision  
in scope of services  
Bengtson, DeBell and Elkin, Ltd.
- Consultant Agreement: Route 63 - Dickenson County  
(B) Proj. 0063-025-105, PE101  
Supplemental Agreement # 2 for revision  
in scope of services  
Blauvelt Engineers, P.C.
- Consultant Agreement: Route 64 - City of Chesapeake  
(C) Proj. 0064-131-F11, PE102, PE103, PE104  
Supplemental Agreement # 1 for revision  
in scope of services  
Michael Baker, Jr., Inc.
- Consultant Agreement: Route 81 - Frederick County  
(D) Proj. 0081-034-112, C501  
Supplemental Agreement # 2 for revision  
in scope of services  
McDonough, Bolyard & Peck

Consultant Agreement: Route 95 - Stafford County  
(E) Proj. 0095-089-F08, PE101  
0095-089-F09, PE101  
Provide services for the preparation  
of an environmental document, complete  
survey, traffic data and preliminary  
road plans  
K.C.I. Technologies, Inc.

Consultant Agreement: Route 265 - City of Danville  
(F) Proj. 6265-108-E05, PE101  
Provide complete photogrammetric survey,  
right of way and construction plans  
Wiley & Wilson

Consultant Agreement: Route 642 - Prince William County  
(G) Proj. 0642-076-171, C502  
Supplemental Agreement # 5 for revision  
in scope of services  
David Volkert and Associates, Inc.

Consultant Agreement: Route 495 - Fairfax County  
(H) Proj. 0495-029-F29, PE101  
0495-029-F30, PE101  
Provide services for the preparation  
of an environmental document, complete  
survey, traffic data and analysis, and  
preliminary road plans  
HNTB Corporation

Consultant Agreement: Route 895 - Henrico County  
(I) Proj. 0895-043-F01, PE101, C501  
Provide services for complete survey,  
right of way and construction plans,  
traffic analysis and engineering plans  
Sverdrup Civil, Inc.

Consultant Agreement: Route 895 - Chesterfield/Henrico Counties  
(J) Proj. 0895-020-F01, PE101, C501, B601  
0895-043-F01, PE101, C502  
Provide services for the preparation of  
survey, complete right of way and  
construction plans, traffic analysis  
and engineering plans, bridge and  
structure plans  
Blauvelt Engineers, P.C.

Consultant Agreement: Routes 64 and 44  
(K) Proj. 0064-122-114, C503  
0064-122-115, C503  
0064-134-104, C504  
0064-134-109, C502  
Supplemental Agreement # 2 for revision  
in scope of services  
URS Consultants, Inc.

7. Location: South Main Street (Route 86) - City of Danville  
Proj. 0086-108-105, PE101, RW201, C501, B601  
Fr: Route 265  
To: 0.10 Mile South of Intersection of Kemper Road
8. Location & Design: Route 631 - Tazewell County  
Proj. 0631-092-315, C501, D632, C502  
Fr: 0.124 Mi. South Route 627 and Route 631  
Intersection (at Busthead)  
To: 0.070 Mi. East of the Intersection of Route 639  
South
9. Break in Limited Access: Route 171 (Victory Boulevard) - York  
County
10. Conveyances: Route 20 - Orange County  
Route 33 - Greene County  
Route 58 - Henry County  
Route 64 - James City County  
Route 95 - Arlington County  
Route 250 - City of Charlottesville  
Route 1200 - Hanover County
11. Through Truck Restriction: Routes T1002, T1003, T1006 and T1024  
Town of West Point
12. Surface Transportation Assistance Act
13. Action on the Final 1995 Norfolk-Virginia Beach Toll Road Budget
14. Action on the Transfer of Final Allocations and Funds from  
the Department of Rail and Public Transportation to the  
Department of Transportation
15. Action on the Issuance of the Series 1995A Northern Virginia  
Transportation District Program Bonds
16. Report of the Internal Audit Committee
17. New Business
18. Adjourn



MINUTES  
OF  
MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD

1401 E. Broad Street  
Richmond, Virginia  
December 15, 1994  
10:00 a.m.

The monthly meeting of the Commonwealth Transportation Board was held in the Board Room of the Department of Transportation in Richmond, Virginia on December 15, 1994, at 10:00 a.m. The Chairman, Dr. Robert E. Martinez, presided.

Present: Messrs. Gehr, Barton, Byrd, Howlette, Myers, Newcomb, Porter, Rhea, Rich, Roudabush, Waldman and White and Mrs. Brooks, Mrs. Lionberger and Dr. Thomas.

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Item 2:

On motion of Mr. White, seconded by Mr. Rhea, the Board approved Permits Issued and Canceled from November 1, 1994 through November 30, 1994, inclusive.

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Item 3:

On motion of Dr. Howlette, seconded by Mrs. Brooks, the Board approved Additions, Abandonments or Other Changes in the Secondary System from November 1, 1994 through November 30, 1994, inclusive.

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Item 4:

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

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

12-15-94

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

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

NOW, THEREFORE, BE IT RESOLVED that the street mileage eligible for quarterly payments to the City of Poquoson for Local Streets be increased by 0.51 centerline mile. This increase is a result of additions of Local Streets as described on tabulation sheet numbered 1 through 1 for the City of Poquoson, as functionally classified by the Transportation Planning Division dated November 16, 1994.

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

The Local Street additions totaling 0.51 mile increases the total mileage to 35.20 centerline miles of approved streets subject to maintenance payments effective for payment beginning July 1, 1995.

Motion carried.

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Item 5:

Moved by Mrs. Brooks, seconded by Dr. Thomas, that the Board approve the bids received November 16, 1994, listed for award on the attached sheets numbered 2A through 2V and authorize execution of contracts by the Deputy Commissioner or Chief Engineer, and approve rejection of those bids listed for rejection and authorize readvertisement.

Motion carried.

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JOB DES CONTRACT	PROJECT NUMBER	ROUTE	LOCATION	RECOMMEND	CONTRACTOR	NO OF BIDS	LOW BID
		NO.	WORK TYPE				

INTERSTATE PROJECTS

1	116-94C	940167C7	0095-029-V14,CS10 EM-95-2(315)	95	Int. Franconia-Springfield Hwy. Fairfax County Pedestrian Fencing	AWARD	LONG FENCE CO., INC. CHANTILLY, VA	1	\$94,000.00
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2	167-94B	940167B1	EN93-061-V37,LR01 AC-STP-103-2(112)	664 & 164	NE Quad. I-664/164 Int. From: Rte. 135 Br. over Rte. 164 To: Rte. 658 Br. over Rte. I-664 City of Suffolk Privacy Fence & Landscaping	AWARD	THE KENNEDY CO. OF VA, INC. CHESAPEAKE, VA	2	\$263,855.70
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3	174-94B	940174B3	0064-114-F08,CS03 DMC-064-3(350)	64	Hampton Rds. Br. Tunnel (E & WB Tunnel) City of Hampton Upgrade Communications System	AWARD	SERVICE ELECTRIC CORPORATION OF VA NORFOLK, VA	4	\$1,060,502.19
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JOB #	DESIGN CONTRACT	PROJECT NUMBER	PTZ NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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**INTERSTATE PROJECTS**

4	184-94B	940194B1	0064-122-VZ1, M501;	64	AWARD	TRANSP. SAFETY CONTRS. OF VA., INC.	6	\$51,286.60
			0264-122-V11, M501	&		CHESAPEAKE, VA		
			DMG-64-3(356);	264				
			DMG-264-6(80)					

From: 0.9 Mi. S. Rte. 234  
 To: 1.4 Mi. N. Rte. 644  
 AND  
 From: Rte. 234  
 To: Rte. 495  
 Prince William County  
 Traffic Management System

-2B-

5	ZZ-94A	940222A7	0095-076-F14, C503;	95	AWARD	ALCATEL CONTRACTING (VA), INC.	5	\$27,542,867.71
			0095-029-F14, C504;	&		ALPHARETTA, GA		
			0056-076-F06, C502;	66				
			0096-029-F19, C503;					
			0066-029-F19, C504					
			IDG-95-2(314)					



BIDS RECEIVED NOVEMBER 16, 1994

JOB DES CONTRACT	PROJECT NUMBER	RTE NO	LOCATION	RECOMMEND	CONTRACTOR	NO OF BIDS	LOW BID
INTERSTATE PROJECTS							
WORK TYPE							

6	247-94A 940247A8	0095-076-F14,C502, B650,B651,B652, B653,B664	95	From: 1.009 Mi. S. Rte. 234 To: 4.318 Mi. N. Rte. 234 Prince William County HOV La. & Reconst. Rte. 234 & Rte. 610; Grads, Drains, Asp. Pave., Incids., Signs, Walls & Brn. (5)	AWARD	MOORE BROS. CO., INC. VERONA, VA	8	\$28,419,245.42
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-20-

7	260-94A 940260A0	0095-000-101,M600	395	34th St. over Rte. 395 Arlington County Br. Superstr. Rept.	AWARD	FORT MYER CONSTRUCTION CORPORATION WASHINGTON, D.C.	7	\$167,063.43
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8	264-94A 940264A6	7095-020-F03,B621, B622,B623,B624, B625,B626 NH-95-1(1B5)	95	N & SBL over Rte. 10, Old Texas Rd., Tollies Rd. & Dupont Charmed Chesterfield County Major Br. Rehab. (Deck Wid., Superstr. & Substr. Upgrade, 6 Bra.)	AWARD	D. W. LYLE CORP. MCKENNEY, VA	4	\$2,860,086.50
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JOB ID#	CONTRACT	PROJECT NUMBER	SITE NO	LOCATION	RECOMMEND	CONTRACTOR	NO OF BIDS	LOW BID
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9	300-94A	940300A2	0081-081-1530,433	§1 From: Fairfield Rest Area To: Rte. 1302 at East. Waterline Rockbridge County Waterline Extension to Fairfield Rest Area	AWARD	C. R. MEADOR, GENERAL CONTRACTOR PULASKI, VA	8	\$44,448.00
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9 Interstate Projects Awarded @ \$60,845,355.57 & None Rejected

PRIMARY PROJECTS

1	193-94B	940193B0	0080-083-1043,SR01	§0 Rte. 80 over Lewis Ct. Russell County Replace Superstr. & Mod. Abut. & Pier	AWARD	KEN CONSTR. CO., INC. LEBANON, VA	2	\$320,920.00
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-2D-

2	195-94B	940195B8	0081-029-V18,N501 STP--125--(1116)	§1 From: 1.187 Mi. S. Int. N. Rte. 235 (Mount Vernon Hwy.) To: 0.974 Mi. S. Int. N. Rte. 235 (Mount Vernon Hwy.) Fairfax County Grading, Drain, App. Pave. & Signals	AWARD	FORT MYER CONSTRUCTION CORPORATION WASHINGTON, D.C.	2	\$286,534.50
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JOB DES. CONTRACT	PROJECT NUMBER	DATE	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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PRIMARY PROJECTS

3	256-MA 940256A6	0267-029-102, M501	267	Spring Hill Rd. (Rte. 694) Exit Ramp Fairfax County	AWARD	3	\$759,455.75
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Relocate Toll Booths; Grade, Pave., Signals,  
Pave. Markings & Incidts.

4	269-94A 940269A1	0123-029-F11, CS01 STP-111-1(110)	123	From: 2.643 Mi. S. Southern RR To: 1.549 Mi. S. Southern RR Fairfax County	AWARD	4	\$3,266,582.25
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Grade, Drain, App. Pave., Signs, Signals &  
S.W.M.

-2E-

5	279-94A 940279A9	0250-037-V03, N501 STP-1512(104)	250	Int. Rte. 621 Occochee County	AWARD	2	\$146,434.90
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Grading, Drain. & App. Pave.

JOB	BID CONTRACT	PROJECT NUMBER	NOTE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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PRIMARY PROJECTS

6	280-94A	940280A6	0060-063-V09,N501 STP-1569(107)	Int. Rte. 33 New Kent County Constr. Left Turn La. WBL & Improve Exist. ECL Channelization	AWARD	POWERS PAVING, INC. HOPEWELL, VA	2	\$46,714.00
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-2-

7	295-94A	940295A1	0060-005-V13,CS01, D607,B606 STP-030-(115); BR-040-(114)	Front: 0.511 MI. E. Int. Rte., 610 LI. & RL. To: 0.032 MI. W. Int. Rte. 610 LI. & RL. Amburn County Grade, Drain, Asp. Pave., Br. & Box Culvert	AWARD	W. C. ENGLISH, INC. LYNCHBURG, VA	6	\$1,725,291.50
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8	295-94A	940295A9	0153-004-V07,CS02, B601,B602 STP-373(104)	From: 3.817 MI. S. Int. Rte. 38 To: 0.332 MI. S. Int. Rte. 38 Amelia County Grade, Drain, Asp. Pave., Incld., Box Culvert, Wetland Mitigation, Plant., Pave. Mant., Overlay Exst. Pave. & Br. Wid.(2)	AWARD	BISHOP & SETTLE CONSTR. CO., INC. ALBERTA, VA	2	\$2,688,541.61
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JOB	DIST	CONTRACT	PROJECT NUMBER	DATE	LOCATION	RECOMMEND	CONTRACTOR	NO.	LOW BID
				NO				OF	
								BIDS	

PRIMARY PROJECTS

9	298-94A	940298A6	0000-048-1962.SR01	3 (WBL)	Br. on Rte. J WBL over Muddy Cr. King George County	AWARD	W. C. ENGLISH, INC. LYNCHBURG, VA	3	\$337,316.00
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Replace Superstr., Repr. Substr. & App.  
Cons. Overlay of Br.

-26-

10	299-94A	940299A5	SCAL-6-93	301	1.0 Mi. S. Maryland SL Fredericksburg District	AWARD	RIVER VIEW INVESTMENTS, INC. MADISON, VA	4	\$90,360.00
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Superstr. Replacement & Alterations to  
Track Seals

11	2955	94C953T7	0020-068-1037	20	Rte. 20 over Laurel Run Orange County	AWARD	VIRGINIA GUNITE, INC. FREDERICKSBURG, VA	5	\$149,374.00
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Pipe Culvert Replace.

JOB DES. CONTRACT	PROJECT NUMBER	DATE	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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PRIMARY PROJECTS

12	3130	94H13054 BR-4A-94	1 & 46	Various Locations Brunswick County Br. Removal & Misc. Br. Repairs	AWARD	D. W. LYLE CORP. MCKENNEY, VA	2	\$476,004.05
13	3131	94H13153 BR-4B-94	54 & 711	Various Locations Roanoke & Pembroke Co's. Superstr. Replac. & Misc. Repairs	AWARD	D. W. LYLE CORP. MCKENNEY, VA	2	\$477,983.40
14	3137	94H13757 0015-058-1036,SR01; 0038-058-1042,SR01	15 & 58	Various Locations Mecklenburg County Joint Repairs	AWARD	W. C. ENGLISH, INC. LYNCHBURG, VA	5	\$10,280.00

JOB ID	CONTRACT	PROJECT NUMBER	RTE NO	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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**PRIMARY PROJECTS**

15	191-54B	940191B2	5029-002-F19,C502 STP-37-2(122)	79	From: 0.192 Mi. N. Rio Rd.(Rte. 631) To: 0.026 Mi. S. S. Fork Rivanna Rv. Albemarle County Grading, Drain., Asp. Pavc., Signals & Utilis.	REJECT	BRANCH HIGHWAYS, INC. ROANOKE, VA	2	\$6,501,531.20
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-21-

16	246-94A	940246A9	0001-029-701,M600	1	Rte. 1 over Dogue Cr. @.27 Mi. N. Int. Rte. 735) Fairfax County Wid. Br. Deck., Substr. Mod. & Overlay W/Id.	REJECT	J. G. CRAWFORD ENTERPRISES, LTD. PADUCAH, KY	2	\$303,802.50
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17	3132	94H132S2	BR-70-93	20 & 690	James River Albemarle & Fluvanna Co's. Removal of Debris from storage Piers	REJECT	WOODINGTON CORPORATION NORFOLK, VA	3	\$71,000.00
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14 Primary Projects Awarded @ \$10,801,811.46 & 3 Rejected @ \$6,776,333.70

BIDS RECEIVED NOVEMBER 16, 1994

JOB ID#	CONTRACT	PROJECT NUMBER	SITE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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SECONDARY PROJECTS

1	120-94B	940120B8	0638-033-P52,N501	638	From: Rt. 692 To: Rt. 637	AWARD	GULL CORPORATION LEESBURG, VA	2	\$479,028.50
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Loudoun County  
Grade, Drain, Asp. S.T. Pavc. & Incids.

2	266-94A	940266A4	0620-029-6030,3801	620	Rt. 620 over Club Run Fisifax County	AWARD	W. C. ENGLISH, INC. LYNCHBURG, VA	5	\$203,950.00
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Bt. Superstr. Replace. & Approach Work

3	267-94A	940267A3	0608-098-232,M501, B627	608	From: Int. Rte. 52 To: 0.136 Mi. E. Int. Rte. 52 Wythe County	AWARD	ROBERTSON CONSTRUCTION COMPANY, INC SALEM, VA	6	\$422,931.80
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Rt. & Approaches over Sports Cr.



BIDS RECEIVED NOVEMBER 16, 1994

JOB DES. CONTRACT	PROJECT NUMBER	DATE	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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SECONDARY PROJECTS

4	268-94A 940756A2	0680-025-392,N501	680	From: Rte. 63 To: End of State Maintenance	AWARD	LITTLE HENRY'S EXCAVATING & PAV., INC. FOUNDRY, VA	5	\$98,187.55
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Dickenson County  
Grade, Drain & App. S.T. Pave.

5	270-94A 940770A8	0610-054-193,C501, D633 BR08-054(106)	610	From: 0.079 Mi. S. Folly Cr. To: 0.098 Mi. N. Folly Cr.	AWARD	EARTHWORKS LEASING CO., INC. T/A EARTHWORKS, INC. OLEN ALLEN, VA	5	\$299,491.00
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-2K-

Louisa County  
Grade, Drain, App. Pave. & Triple Line  
36" Conc. Pipe

6	271-94A 940771A7	0654-054-160,C501, B622 BR08-054(107)	654	From: 1.055 Mi. S. Rte. 618 To: 1.319 Mi. S. Rte. 618	AWARD	D. W. LYLE CORP. MCKENNEY, VA	5	\$587,042.20
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Louisa County  
Realign.: Grade, Drain, App. S.T. Pave. &  
Br.

BIDS RECEIVED NOVEMBER 16, 1994

JOB OR CONTRACT NO.	PROJECT NUMBER	ROUTE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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SECONDARY PROJECTS

7 272-94A 940272A6 0614-046-242, M501, B624 614 From: 0.152 Mi. N. Int. 258 To: 0.218 Mi. N. Int. 258 AWARD HIGGESSON-BUCHANAN, INC. 4 \$202,315.60

Isle of Wight County  
Grade, Drain, Asp. S.T. Pave. & Br.

-2L-

8 273-94A 940273A5 DP00-089-701, C503 IM-095-2(395) 627 From: Rte. 610 To: Rte. J AWARD J. L. KENT & SONS, INC. 8 \$1,703,878.66

Spotsylvania County  
Grade, Drain, Asp. Pave., Planting, Signals, Lighting & Utila.

9 273-94A 940273A3 0691-089-P37, M502 691 From: 1.155 Mi. N. Int. Rte. 17 To: 1.334 Mi. N. Int. Rte. 17 AWARD DICKERSON BROS. EXCAVATING CO., INC. 3 \$112,813.92

Stafford County  
Grade, Drain & Asp. S.T. Pave.

ROW	CONTRACT	PROJECT NUMBER	RITZ NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
				WORK TYPE				

SECONDARY PROJECTS

10	276-94A	940276A2	0677-058-748.M501	677	From: Int. Rte. 58 To: 0.063 Mi. N. Int. Rte. 703 Mecklenburg County Grade, Drain. & App. Pave.	AWARD	KEY CONSTR. CO., INC. CLARKSVILLE, VA	6	\$154,515.60
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12M

11	278-94A	940278A0	0678-020-1772.C501 CM-1127(024)	678	From: 0.156 Mi. S. Int. 665(Elkhardt Rd.) To: 0.13 Mi. N. Int. 663(Elkhardt Rd.) Chesterfield County Wid., Turn Lanes, Drain., Incids., Signals, Utilit., Pave. Marks. & Overlay Exist. Pave.	AWARD	APAC-VIRGINIA, INC. RICHMOND, VA	3	\$340,828.20
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12	296-94A	940296A8	0689-058-741.M501	689	From: S. Rte. 688 To: Rte. 690 Mecklenburg County Grade, Drain & App. S.T. Pave.	AWARD	LANCO PAVING, INC. VIRGINIA, VA	6	\$497,825.25
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BIDS RECEIVED NOVEMBER 16, 1994

JOB DES	CONTRACT	PROJECT NUMBER	ROUTE	LOCATION	RECOMMEND	CONTRACTOR	NO OF BIDS	LOW BID

SECONDARY PROJECTS

13	297-94A	940297A?	0603-016-6008,SR01	603	Rte. 603 over Temples Mill Stream (2.5 Mi. N. Int. Rte. 639)	AWARD	W. C. ENGLISH, INC. LYNCHBURG, VA	4	\$129,588.00
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Caroline County  
Br. Superstr. Repr., Resomstr., Latex Conc.  
Overlay & Approach Work

-2N-

14	301-94A	940301A1	0654-013-P48,N501	654	From: 1.5 Mi. N. Rte. 638 To: 2.1 Mi. N. Rte. 638 Buchanan County Grade, Drain & App. Pave.	AWARD	J & J CONTRACTORS, INC. VANSANT, VA	3	\$176,123.50
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15	302-94A	940302A0	0612-097-411,N501, B642 BROS-097(104)	612	Br. & Approaches at S. Fort Powell Rv. (1.0 Mi. E. Rte. 609) Wise County Replaces Esim. Br. & Approach Work	AWARD	ELK KNOB, INC. PENNINGTON GAP, VA	5	\$119,269.35
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JOB	DIST	CONTRACT	PROJECT NUMBER	ROUTE	LOCATION	RECOMMEND	CONTRACTOR	NO	LOW BID
16	303-94A	940303A9	0611-025-703,N501	611	From: Ric. 686 To: 1.52 Mi. E. Ric. 686	AWARD	MCPHALL EXCAVATING, INC. CLINTWOOD, VA	6	\$293,657.55

SECONDARY PROJECTS

JOB	DIST	CONTRACT	PROJECT NUMBER	ROUTE	LOCATION	RECOMMEND	CONTRACTOR	NO	LOW BID
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From: Ric. 686  
To: 1.52 Mi. E. Ric. 686  
Dickenson County  
Grading, Drain. & Asp. S. T. Pave.

JOB	DIST	CONTRACT	PROJECT NUMBER	ROUTE	LOCATION	RECOMMEND	CONTRACTOR	NO	LOW BID
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Ric. 1209 -  
From: Ric. 1207  
To: Ric. 1204  
AND  
Ric. 1207 -  
From: Cedar Street  
To: Ric. 732  
Rockingham County  
Pave. Wid., Drain, Curb & Gutter & Aggr.  
Asp. Conc. Top

JOB NO.	CONTRACT NO.	PROJECT NUMBER	KYE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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SECONDARY PROJECTS

18	3066	94H06671	0645-029-3306; 0645-029-3305	645	From: 0.13 Mi. N. Poplar Tree Road To: 0.14 Mi. S. of Point Pleasant La. Fairfax County Construct Turn Lanes	AWARD	FORT MYER CONSTRUCTION CORPORATION WASHINGTON, D. C.	5	\$291,765.05
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19	3128	94H17838	0621-069-F78,N501	621	From: Ric. 620 To: End of State Mainr. Page County Grade, Drain & S.T.	AWARD	L. F. FRANKLIN & SONS, INC. STEPHENSON, VA	3	\$572,122.25
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20	3133	94H13351	0624-031-F20,N501	624	From: 0.80 Mi. S. Ric. 622 To: Ric. 622 Floyd County Grade, Drain, Sub. & Incids.	AWARD	J & D CONSTR. CO., INC. HILLSVILLE, VA	4	\$99,317.00
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JOB NO.	CONTRACT PROJECT NUMBER	ROUTE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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**SECONDARY PROJECTS**

21 3134 94H13480 0619-098-4301-421 619 0.60 Mi. E. Int. Rte. 602 (Bridge over Cripple Creek)

Wythe County  
Slope Repair at East End of Bridge

AWARD D & D CONSTRUCTION COMPANY  
CHILHOWIE, VA

5 \$28,357.00

Z2 3138 94H13486 0777-061-282,N501;  
1401-061-292,N501

777 & 1401 Rte. 777 -  
From: Int. Rts. Rts. 58 & 777 (Fairfield Ave);  
To: 0.156 Mi. N. Rte. 777 (Fairfield Ave.)

AWARD THE BLAIR BROTHERS, INC.  
SUFFOLK, VA

1 \$59,999.99

AND  
Rte. 1401 -  
From: Int. Rts. 1401 & 1404 (Harrison St.)  
To: 0.14 Mi. W. Rte. 1401 (Lincoln Ave.)  
City of Suffolk

Rte. 777 - Grade, Drain, Pave. & Incids.;  
Rte. 1401 - Grade, Drain, Pave. & Incids.

Z3 157-94B 940157B4 0920-083-317,M501;  
0920-083-T18,N501

920 From: Int. Rte. 67  
To: 0.149 Mi. N. Rte. 67  
Russell County  
Grade, Drain & App. Pave.

REJECT CLECO CORPORATION  
ROSEDALE, VA

1 \$334,996.90

22 Secondary Projects Awarded @ \$7,065,032.47 & 1 Rejected @ \$334,998.90

BIDS RECEIVED NOVEMBER 16, 1994

JOB, DISTRICT	CONTRACT	PROJECT NUMBER	DATE	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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MISCELLANEOUS PROJECTS

1	Z74-94A	940274A4	IP00-088-V03, C501 NH-095-2(382)	0.159 Mi. N. Int. Ric. 208 & Houser Rd. Spotsylvania County Expansion of Consumer Parking Lot	AWARD	S. W. RODGERS COMPANY, INC. GAINESVILLE, VA	5	5714,573.51
2	2970	94G9707B	DEMO-4-94	Richwood District Richwood District Building Demos. & Asphalt Removal	AWARD	S. B. COX, INC. RICHMOND, VA	2	\$49,949.00
3	3129	94H12957	GM-5B-94	Williamburg Res. & Hampton Roads Bridge Tunnel Cities of Hampton & Newport News & James City & York Co's. Coasttrail Mall.	AWARD	L. S. LEE, INC. RICHMOND, VA	4	5192,420.00

-2R-



BIDS RECEIVED NOVEMBER 16, 1994

JOB / BIDS CONTRACT	PROJECT NUMBER	SITE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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MISCELLANEOUS PROJECTS

4	3136	94H136S	BR-4R-94	Var.	Various Locations	AWARD	LANFORD BROTHERS CO., INC. ROANOKE, VA	4	\$1,10,249.85
					Suffolk District Br. Deck Repairs (10 Bridges)				

4 Miscellaneous Projects Awarded @ \$1,067,192.36 & None Rejected

-28-

BIDS RECEIVED NOVEMBER 1, 1994 BY

AMELIA COUNTY

1				Var.	Lec's Retreat Driving Tour ISTEA Enhancement Project	AWARD	E. F. BROWN CONSTRUCTION, INC.	3	\$217,000.00
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BIDS RECEIVED OCTOBER 26, 1994 BY

CITY OF ALEXANDRIA

2				236	Over CSX Railroad Rehabilitation of Duke Street Bridge	AWARD	CORMAN CONSTRUCTION, INC. ANNAPOLIS JUNCTION, MD	3	\$1,367,102.00
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JOB DES CONTRACT	PROJECT NUMBER	ITE	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
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1 E11-94A 0220-080-1045 NO 0.32 Mi. N. Franklin County Line  
 Roanoke County  
 Repair Deteriorate Top Beam Pilings on Structure #1045

EMERGENCY CONTRACT

AWARD LANFORD BROTHERS CO., INC.  
 ROANOKE, VA 1 FORCE ACCOUNT

-2T-

1 285-94A 95CIA1A4 ALT.1(C-11,C-12,C-13-95) Var. ASPHALT SURFACE TREATMENT  
 95CIA2A3 ALT.2(C-13,C-16,C-17-95) Bristol Surface Treatment  
 Bristol District  
 Asphalt Surface Treatment

AWARD W-L CONSTR. & PAVING, INC.  
 CHELHOWIE, VA 3 \$1,684,364.80

2 286-94A 95CIA1A2 ALT.1(C-31-94 & C-32-95) Var. Lynnhburg Surface Treatment  
 Lynnhburg District  
 Asphalt Surface Treatment

AWARD FAYNE PAVING CO., INC.  
 SCOTTSVILLE, VA 4 \$1,252,499.05

JOB/DESIGN CONTRACT NO.	PROJECT NUMBER	DATE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO. OF BIDS	LOW BID
<u>WORK TYPE</u>							
<u>ASPHALT SURFACE TREATMENT</u>							
3	286-94A 95CJAZA1	ALT.2(C-33,C-34,C-35-95)	Var.	Lynchburg Surface Treatment Lynchburg District Asphalt Surface Treatment	AWARD	WHITEHURST PAVING CO., INC. RICHMOND, VA	3 \$1,322,509.19
4	287-94A 95CSA1A0	ALT.1(C-51-94 & C-53-95)	Var.	Suffolk Surface Treatment Suffolk District Asphalt Surface Treatment	AWARD	PAVING CONTRACTORS, INC. VILLAGE, VA	3 \$443,525.93
5	287-94A 95CSAZA9	ALT.2(C-52-94 & C-55-95)	Var.	Suffolk Surface Treatment Suffolk District Asphalt Surface Treatment	AWARD	B. P. SHORT & SON PAVING CO., INC. PETERSBURG, VA	1 \$859,105.72

BIDS RECEIVED NOVEMBER 16, 1994

AGE DES CONTRACT	PROJECT NUMBER	RTE NO.	LOCATION	RECOMMEND	CONTRACTOR	NO OF BIDS	LOW BID
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6 288-94A 95C7A1A8 ALT.1(C-71-94 & C-72-95) Var. ASPHALT SURFACE TREATMENT  
 Culpoper Surface Treatment  
 Culpoper District  
 AWARD PAYNE PAVING CO., INC.  
 SCOTTISVILLE, VA 2 \$1,194,486.02

95C7A2A7 ALT.2(C-73-94 & C-74-95)  
 Asphalt Surface Treatment  
 AWARD WHITEHURST PAVING COMPANY, INC.  
 RICHMOND, VA 1 \$492,629.59

-2V-

12-15-94

Item 6:

Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Bengtson, DeBell and Elkin, Ltd., and it has been determined that because of additional workload it is necessary to increase the total compensation for the Northern Virginia two year surveying contract; and

WHEREAS, after careful review of the additional compensation required, a revised maximum compensation has been established and is outlined in this Supplemental Agreement No. 1.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of this Supplemental Agreement and it shall become a part of the Original Agreement, which currently have a maximum compensation of \$2,500,000.00.

This Supplemental Agreement No. 1 is in the amount of \$2,000,000.00 for services, expenses, and net fee. The total maximum compensation of the Agreement, including all supplements, is now \$4,500,000.00.

Motion carried.

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Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Blauvelt Engineers, P. C., and it has been determined that a change in the scope of services is necessary to modify the plans and cross-sections to include retaining walls as required to eliminate the construction of sliver fills for Project 0063-025-105, PE-101; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 2.

12-15-94

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of this Supplemental Agreement and it shall become a part of the Original Agreement and Supplemental Agreement No. 1, which currently have a maximum compensation of \$816,051.00.

This Supplemental Agreement No. 2 is in the amount of \$24,804.00 for services and expenses, plus a net fee of \$2,617.00, making the total for this supplement \$27,421.00. The total maximum compensation of the Agreement, including all supplements is now \$843,472.00.

Motion carried.

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Moved by Mrs. Brooks, seconded by Mr. Waldman, that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of Michael Baker, Jr., Inc., and it has been determined that a change in the scope of services is necessary to comply with ISTEIA Regulations 23 CFR 450.318 for undertaking major investment studies (MIS), for Projects 0064-131-F11, PE-102, PE-103, PE-104; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of this Supplemental Agreement and it shall become a part of the Original Agreement, which currently has a maximum compensation of \$1,421,372.34.

This Supplemental Agreement No. 1 is in the amount of \$66,113.03 for services and expenses, plus a net fee of \$6,646.73, making the total for the supplement \$72,759.76. The total maximum compensation of the Agreement, including all supplements, is now \$1,494,132.10.

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of McDonough Bolyard Peck, and it has been determined that a change in scope of services is necessary to provide additional construction inspection services and shop drawing review due to the change of the completion date and added work on this project; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 2; and

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of this Supplemental Agreement and it shall become a part of the Original Agreement, which currently has a maximum compensation of \$91,341.00.

This Supplemental Agreement No. 2 is in the amount of \$103,265.00 for services and expenses, plus a net fee of \$9,385.00, making the total for this supplement \$112,650.00. The total maximum compensation of the Agreement, including this and all prior supplements is now \$1,022,991.00.

Motion carried.

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Moved by Mr. Newcomb, seconded by Mrs. Brooks,  
that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for providing engineering services for Projects: 0095-089-F08, PE101, PE102 and 0095-089-F09, PE101 located in the Fredericksburg District, Stafford County, it is necessary to supplement its staff; and

WHEREAS, the projects shall be designed so that the construction of any future regional transportation corridor is not precluded; and

12-15-94

WHEREAS, as the projects will be designed so the Route 627 interchange can be constructed first and be compatible with the construction of the Route 630 interchange; and

WHEREAS, in accordance with the Department Policy and State Procurement Procedure, a firm proposal has been received from K.C.I. Technologies, Inc. for said services; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of the Agreement with the firm of K.C.I. Technologies, Inc. which establishes a compensation of \$1,960,689.43 for services and expenses, plus a net fee of \$95,199.45, making the maximum total compensation not to exceed \$2,055,888.88.

Motion carried.

\*\*\*

Moved by Mrs. Brooks, seconded by Mr. Waldman, that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for providing complete photogrammetric survey and right of way and construction plans for Project 6265-108-E05, PE-101, located in the City of Danville, it is necessary to supplement its staff; and

WHEREAS, in accordance with the Department Policy and State Procurement procedures a firm proposal has been received from Wiley & Wilson; and

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



12-15-94

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of the Agreement with the firm of Wiley & Wilson, which establishes a compensation of \$736,355.00 for services and expenses, plus a net fee of \$35,942.00, making the maximum total compensation not to exceed \$772,297.00.

Motion carried.

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Moved by Mrs. Brooks, seconded by Mr. Waldman, that

WHEREAS, the Department currently has a Memorandum of Agreement with the firm of David Volkert and Associates, Inc., and it has been determined that a change in the scope of services is necessary to revise pavement design, to design retaining wall, to prepare summary for stormwater management facilities, to attend a supplemental field review, and to make plan adjustment due to a design speed change, for Project 0642-076-171, C-502; and

WHEREAS, after careful review of the additional services required, a firm proposal has been received and just compensation for these additional services has been established and is outlined in this Supplemental Agreement No. 5; and

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the execution of this Supplemental Agreement and it shall become a part of the Original Agreement and Supplemental Agreements No. 1, 2, 3 and 4, which currently have a maximum compensation of \$1,404,236.68.

This Supplemental Agreement No. 5 is in the amount of \$20,490.98 for services and expenses, plus a net fee of \$1,885.00, making the total for the supplement \$22,375.98. The total maximum compensation of the Agreement, including all supplements, is now \$1,426,612.66.

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for providing engineering services for Project 0495-029-F29, PE-101, and 0495-029-F30, PE101, located in the Northern Virginia District, Fairfax County, it is necessary to supplement its staff; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of the Agreement with the firm of HNTB Corporation, which establishes a compensation of \$4,033,499.00 for services and expenses plus a net fee of \$112,164.00 making the maximum total compensation not to exceed \$4,145,663.00.

Motion carried.

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Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for providing survey, complete right of way and construction plans, traffic analysis and engineering plans for Project 0895-043-F01, PE-101, C-501, located in Henrico County; it is necessary to supplement its staff; and

WHEREAS, in accordance with the Department Policy and State Procurement procedures a firm proposal has been received from Sverdrup Civil, Inc.; and

12-15-94

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of the Agreement with the firm of Sverdrup Civil, Inc., which establishes a compensation of \$2,492,640.00 for services and expenses plus a net fee of \$164,540.00 making the maximum total compensation not to exceed \$2,657,180.00.

Motion carried.

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Moved by Mrs. Brooks, seconded by Mr. Waldman, that

WHEREAS, in accordance with its needs and schedules for implementing its program objectives, the Department has determined that in order to perform the necessary activities to meet those objectives for providing survey, complete right of way and construction plans, traffic analysis and engineering plans bridge and structure plans for Projects 0895-020-F01, PE-101, C-501, B-601, 0895-043-F01, PE-101, C-502; located in the Counties of Chesterfield/Henrico, it is necessary to supplement its staff; and

WHEREAS, in accordance with the Department Policy and State Procurement procedures a firm proposal has been received from Blauvelt Engineers, P.C.; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of the Agreement with the firm of Blauvelt Engineers, P.C., which establishes a compensation of \$5,181,129.00 for services and expenses plus a net fee of \$230,757.00 making the maximum total compensation not to exceed \$5,411,886.00.

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Waldman,  
that

WHEREAS, the Department has determined the need to supplement the original Multi-phase contract for the Routes 64 and 44 Reversible/HOV Roadway System in the Cities of Norfolk and Virginia Beach;

WHEREAS, in accordance with the Department policies, a firm proposal has been received from the consulting firm of URS Consultants, Inc. of Virginia Beach, Virginia for continued services for the projects. This work will be funded under the following Projects:

0064-122-114, C-503  
0064-122-115, C-503  
0064-134-104, C-504  
0044-134-109, C-502;

WHEREAS, careful consideration has been made of these required services and just compensation for same as established and set forth in the Memorandum of Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board authorize the execution of Supplemental Agreement No. 2 with URS Consultants, Inc. not to exceed \$92,466.40. The total maximum compensation of the Agreement is now \$7,855,586.64.

Motion carried.

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Item 7:

Action on the proposed location of South Main Street (Route 86) in the City of Danville, Project 0086-108-105, PE101, RW201, C501, B601, was deferred.

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12-15-94

Item 8:

Moved by Mrs. Brooks, seconded by Mr. Barton,  
that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Combined Location and Design Public Hearing was held in the Baptist Valley Assembly of God, in Tazewell, Virginia, on October 11, 1994, between 4:00 P.M. and 7:00 P.M. for the purpose of considering the proposed location and major design features of Route 631 from 0.082 mile north of the intersection of Route 627 to 0.070 mile east of the intersection of Route 639S in Tazewell County, State Project 0631-092-315, C-501, D-632, 0631-092-315, C-502; Federal Project STP-1255 ( ); and

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

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

NOW, THEREFORE, BE IT RESOLVED that the location and major design features of this project be approved in accordance with the plan as proposed and presented at the said Location and Design Public Hearing by the Department's Engineers, with modifications to minimize right of way impacts in the final design phase.

Motion carried.

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Item 9:

Moved by Mr. Barton, seconded by Mrs. Brooks,  
that

WHEREAS, Route 171, Victory Boulevard, State Project 0171-099-102, RW201, in York County, was designated as a Limited Access Highway by the Commonwealth Transportation Board on January 1, 1987; and

12-15-94

WHEREAS, a request was received from CBL & Associates and the York County Industrial Development Authority for a break in the limited access right of way to provide an entrance that would be located approximately 925 feet west of the George Washington Memorial Parkway, State Route 17 and 1,235 feet east of Kiln Creek Parkway to the property located on the north side of Route 171, Victory Boulevard; and

WHEREAS, the proposed entrance would provide access to a proposed retail center from the southbound lane of Route 171; and

WHEREAS, a crossover would be provided on Route 171, Victory Boulevard, for the new entrance to the proposed retail center; and

WHEREAS, such break in limited access would support the economic development in the area; and

WHEREAS, Department staff have concluded that providing the entrance and crossover in the vicinity of Station 229+00, Route 171, will meet design criteria and does not present a safety hazard to the traveling public; and

WHEREAS, all cost of engineering, construction, and re-signing associated with the access are to be borne by the developer; and

WHEREAS, upon completion of the work, all roadway construction within the right of way shall become the property of the Commonwealth.

NOW, THEREFORE, BE IT RESOLVED that in consideration of the above mentioned conditions, the Commonwealth Transportation Board hereby grants a break in the existing limited access line subject to the conditions referred to above.

The Commonwealth Transportation Commissioner is hereby authorized to execute any and all documents needed to comply with this resolution.

Motion carried.

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12-15-94

Item 10:

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 20, State Highway Project 0020-068-103, RW-201, the Commonwealth acquired certain lands from Somerset Plantation, Incorporated, a Virginia Corporation, by instrument dated January 7, 1985, recorded in Deed Book 364, Page 189, in the Office of the Clerk of the Circuit Court of Orange County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the land containing 0.23 acre, more or less, and lying north of and adjacent to the north right of way limits of Route 20, from a point approximately 55 feet opposite approximate Station 1103+20 (survey centerline) to a point approximately 55 feet opposite approximate Station 1106+20 (survey centerline) was acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 20 and does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the adjacent landowner has requested that the surplus land, so acquired be conveyed.

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

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 33, State Highway Project 6033-039-101, RW-201, the Commonwealth acquired certain lands from Trustees of the Spring Hill Baptist Church by instrument dated April 18, 1978, recorded in Deed Book 104, Page 541, in the Office of the Clerk of the Circuit Court of Greene County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the land containing 0.4013 acre, more or less, lying southwest of and adjacent to the southwest right of way limits of Route 33, from a point approximately 70 feet opposite approximate Station 84+62 (eastbound lane centerline) to a point approximately 60 feet opposite approximate Station 86+80 (eastbound lane centerline) was acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 33 and does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the adjacent landowner of record has requested that the surplus land, so acquired be conveyed.

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

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 58, State Highway Project 0058-044-104, RW-201, the Commonwealth acquired certain lands from Simon P. Spencer and Amanda Parker Spencer by deed dated November 9, 1990, recorded in Deed Book 535, Page 133, in the Office of the Clerk of the Circuit Court of Henry County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the land containing 0.44 acre, more or less, lying in the southeast quadrant of Route 58 and Route 684 from a point approximately 65 feet opposite approximate Station 194+35 (Route 58 westbound lane baseline) to a point approximately 65 feet opposite approximate Station 196+30 (Route 58 westbound lane baseline) was acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 58 and does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, inasmuch as the land is suitable for independent development, it is proposed that the property be offered to a state agency or be advertised for receipt of sealed bids, reserving the right to reject any and all bids; and provided the high bid received is not satisfactory to the Department, a sale will be negotiated with any person or persons willing to pay an amount that is satisfactory.

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

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 64, State Highway Project 0064-047-102, RW-201, the Commonwealth acquired certain lands from United States of America by deed dated August 17, 1966, recorded in Deed Book 199, Page 178, in the Office of the Clerk of the Circuit Court of York County and in Deed Book 108, Page 518 in the Office of the Clerk of the Circuit Court of the City of Williamsburg and James City County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the lands containing 21.5 acres, more or less, and lying between the normal right of way limits of Route 64 and the normal right of way limits of Route 143 were acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 64 and do not constitute a section of the public road and are deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the Peninsula Regional Jail Authority has requested that the surplus land, so acquired be conveyed to it for construction of a regional jail.

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

Motion carried.

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12-15-94

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 95, State Highway Project 0095-000-103, RW-201, the Commonwealth acquired certain lands from United States of America by deed dated January 31, 1967, recorded in Deed Book 1641, Page 366; and from Rosslyn Connecting Railroad Company by deed dated September 14, 1962, recorded in Deed Book 1495, Page 149. These deeds are recorded in the Office of the Clerk of the Circuit Court of Arlington County; and

WHEREAS, the United States of America is the owner of several fee owned parcels located in the vicinity of the Pentagon Reservation, Arlington, Virginia, totaling 5.20842 acres of fee owned land; and

WHEREAS, the United States of America no longer requires any of these parcels for government purposes; and

WHEREAS, these properties are needed by the Commonwealth for roadway purposes; and

WHEREAS, the Commonwealth is the owner of certain fee owned and easement parcels located in the vicinity of the Pentagon Reservation, Arlington, Virginia, totaling 26.74763 acres of fee owned land and 2.46609 acres of easement area; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the 26.74763 acres of fee owned land and 2.46609 acres of easement area located in the vicinity of the Pentagon Reservation, Arlington, Virginia, were acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 95 and do not constitute sections of the public road and are deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the Commonwealth is desirous of exchanging these parcels for the parcels owned by the United States of America; and

WHEREAS, these parcels are required by the United States of America to resolve various title discrepancies, to fill gaps in its ownership, and to resolve jurisdictional problems.

12-15-94

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

Motion carried.

\*\*\*

Moved by Mrs. Brooks, seconded by Mr. Roudabush, that

WHEREAS, in connection with Route 250 (formerly Route 5), State Highway Project 786-AC, the Commonwealth acquired certain lands from A. W. Ward and Ella J. Ward by instrument dated August 30, 1935, recorded in Deed Book 229, Page 7, in the Office of the Clerk of the Circuit Court of Albemarle County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the parcel of land containing approximately 1,890 square feet, more or less, and lying in the southeast quadrant of Route 250 and River Road, from a point approximately 26 feet opposite approximate Station 1+65 (connection proposed road centerline) to a point approximately 25 feet opposite approximate Station 4+35 (connection proposed road centerline) was acquired incidental to the construction, reconstruction, alteration, maintenance and repair of Route 250 and does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the State Highway System; and

WHEREAS, the adjacent landowner has requested that the Commonwealth convey the surplus right of way.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-149 of the Code of Virginia (1950), as amended, the conveyance of the said land, so certified, to the adjoining landowner is approved and the Commonwealth Transportation Commissioner is hereby authorized to execute in the name of the Commonwealth a deed conveying same for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions as may be deemed appropriate.

Motion carried.

\*\*\*

12-15-94

Moved by Mrs. Brooks, seconded by Mr. Roudabush,  
that

WHEREAS, in connection with Route 1200, the Commonwealth acquired a fifty (50') foot right of way from William W. Campbell, et al., by deed dated January 1, 1966, recorded in Deed Book 251, Page 523, in the Office of the Clerk of the Circuit Court of Hanover County; and

WHEREAS, the Commonwealth Transportation Commissioner has certified in writing that the land lying east of Route 1200 and being fifty (50') feet in width and approximately 317 feet in length does not constitute a section of the public road and is deemed by him no longer necessary for the uses of the Secondary System of State Highways.

WHEREAS, in order to resolve litigation involving the fifty (50') foot strip, the adjoining landowner, E. S. Chappell & Son, Inc., has requested that the fifty (50') right of way be quitclaim to him in accordance with the opinion of the Virginia Supreme Court in the case of E. S. Chappell & Sons, Inc. v. P. O. Brooks, Jr., et al. Record No. 931854.

NOW, THEREFORE, in accordance with the provisions of Section 33.1-154 of the Code of Virginia (1950), as amended, the conveyance of the land, so certified, is approved and the Commonwealth Transportation Commissioner is hereby authorized to execute in the name of the Commonwealth a deed conveying same for a consideration satisfactory to the State Right of Way Engineer, subject to such restrictions and conditions as may be deemed appropriate.

Motion carried.

\*\*\*

12-15-94

Item 11:

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

WHEREAS, in response to a formal request by the West Point Town Council that Route T1002 (Magnolia Avenue) and Route T1003 (Chelsea Road) between Route 30 (King William Street) and Route 33 (14th Street) and Route T1024 (Glen Street) and Route T1006 (Thompson Avenue) between Route 30 (King William Street) and Route T1003 (Chelsea Road) be considered for restriction of through truck traffic pursuant to the provisions of Section 46.2-809 of the Code of Virginia, this matter has been carefully reviewed; and

WHEREAS, the West Point Town Council has conducted a public hearing on this restriction; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that Route T1002 (Magnolia Avenue) and Route T1003 (Chelsea Road) between Route 30 (King William Street) and Route 33 (14th Street) and Route T1024 (Glen Street) and Route T1006 (Thompson Avenue) between Route 30 (King William Street) and Route T1003 (Chelsea Road) be restricted to through truck traffic in accordance with Section 46.2-809 of the Code of Virginia.

Motion carried.

\*\*\*

12-15-94

Item 12:

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

WHEREAS, by resolution dated May 17, 1984, this Board (formerly Commission) designated a list of qualifying highways for the operation of large trucks under the STAA of 1982; and

WHEREAS, this same resolution provided that from time to time as appropriate and with due notice, this Board may modify any of the stated provisions and may, as well, add or delete designated and qualifying highways,

NOW, THEREFORE, BE IT RESOLVED that the following route can safely accommodate the larger vehicles and is necessary to provide reasonable access as provided by law and is, therefore, designated as an Access Highway in addition to the one mile of access from the Qualifying Highway:

<u>County or City</u>	<u>Route</u>	<u>From</u>	<u>To</u>
Amherst County Bedford County	501	Route 130 South Int. Amherst Co.	0.57 Mi. South of Route 611 - Ent. to Georgia- Pacific Corp. Bedford Co.

Motion carried.

\*\*\*

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

WHEREAS, by resolution dated May 17, 1984, this Board (formerly Commission) designated a list of qualifying highways for the operation of large trucks under the STAA of 1982; and

WHEREAS, this same resolution provided that from time to time as appropriate and with due notice, this Board may modify any of the stated provisions and may, as well, add or delete designated and qualifying highways.

12-15-94

NOW, THEREFORE, BE IT RESOLVED that the following route can safely accommodate the larger vehicles and is necessary to provide reasonable access as provided by law and is, therefore, designated as an Access Highway in addition to the one mile of access from the Qualifying Highway:

<u>County or City</u>	<u>Route</u>	<u>From</u>	<u>To</u>
Amherst County	130	Route 29	Route 501 South Int.

Motion carried.

\*\*\*

Item 13:

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

WHEREAS, the bond documents for the Norfolk-Virginia Beach Toll Road require the Commonwealth Transportation Board (CTB) to approve a preliminary and final budget for the Toll Road; and

WHEREAS, on September 15, 1994, the Commonwealth Transportation Board approved the 1995 preliminary budget in the amount of \$5,544,467; and

WHEREAS, on November 17, 1994, the Commonwealth Transportation Board directed the Department of Transportation to defease or retire the Toll Road's outstanding bonded debt and cease toll collection on October 1, 1995; and

WHEREAS, the consulting engineers, Howard Needles Tammen and Bergendoff, have recommended \$3,600,000 be deposited into the Improvement Fund to complete ongoing projects and \$2,000,000 to the Reserve Maintenance Fund for 1995; and

WHEREAS, on December 15, 1994, the Commonwealth Transportation Board's Budget and Finance Committee reviewed the 1995 final budget and unanimously recommends approval to the full Board.



12-15-94

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the 1995 Final Norfolk-Virginia Beach Toll Road Operations and Maintenance Budget in the amount of \$5,498,324 is hereby approved.

BE IT FURTHER RESOLVED that in accordance with recommendations of the consulting engineers that \$3,600,000 be deposited into the Improvement Fund and \$2,000,000 to the Reserve Maintenance Fund for 1995.

FINALLY, BE IT RESOLVED that the Department is authorized to expend these funds for the purposes of closing the operations of the Toll Road and ceasing the toll collection by October 1, 1995.

Motion carried.

\*\*\*

Item 14:

Moved by Mr. Newcomb, seconded by Mrs. Brooks, that

WHEREAS, the Commonwealth Transportation Board is required by the Code of Virginia Section 33.1-12(9) and (11) to administer and allocate funds in the Transportation Trust Fund; and

WHEREAS, the Commonwealth Transportation Board approved the Final Allocation of Fiscal Year 1994-95 funds and annual budgets for the Department of Transportation and Department of Rail and Public Transportation in June 1994; and

WHEREAS, Federal Surface Transportation Program Regional funds totaling \$1,648,000 were allocated to the Department of Rail and Public Transportation for the construction of a park and ride lot on Route 28 in the vicinity of Shaw Road and a commuter parking lot in the Lake Ridge area; and

**NORFOLK-VIRGINIA BEACH TOLL ROAD  
1995 FINAL MAINTENANCE AND OPERATIONS BUDGET**

	<u>AMOUNT</u>
Salaries (includes funds for 3 month closing period for fiscal staff; fringe benefits; and possible layoff payments)	\$1,498,278
* Reimbursable Expenses	80,000
Federal Armored Express (Pickup of Daily Collections including counting money from automatics)	107,250
Professional Services (Consulting Engineers and Auditors)	29,250
Rental of Automatic Toll Machines and Gates	162,919
Lights, Heat, Power, Water, Sewer	33,926
Maintenance of Administration Building and Toll Plaza	10,250
ED and Pool Car Rental	15,750
Communications	2,625
Uniforms	5,500
Manual Toll Equipment Parts	5,500
Parts and Supplies (VDOT Stock)	3,125
Tokens	0
Commuter Ticket Printing	10,000
Miscellaneous: Office Supplies; Forms	17,907
Park and Ride Lots/HOV Marketing	150,000
State Police Patrol Services	449,570
Indirect Costs	20,196
Contingencies	159,403
Removal of Toll Barrier and Collection Equipment	1,100,000
Ordinary Maintenance	<u>1,636,875</u>
<b>GRAND TOTAL</b>	<b>\$5,498,324</b>

\* Reimbursable expenses for the Administration of Toll Facilities.

Ordinary Maintenance will be performed by the Virginia Department of Transportation, and the cost is included in the above budget. Maintenance Replacement costs and insurance premiums will be paid from Reserve Maintenance funds. Maintenance Replacement to be paid from the Reserve Maintenance Fund is estimated to be \$5,582,700.

**NORFOLK-VIRGINIA BEACH TOLL ROAD  
1995 FINAL BUDGET  
ORDINARY MAINTENANCE BY ACTIVITIES**

	AMOUNT
103 Expendable Equipment	\$15,000
105 Employee Education	7,500
106 Servicing Equipment	8,500
109 Administrative Overhead	9,000
112 Premix Patching	3,000
129 Repairs to Concrete Pavement	12,000
142 Patch N. H. S. Shoulders	3,750
144 Repair H. S. Shoulders	2,250
153 Hand Clean Ditches	3,750
154 Other Drainage Care	26,250
161 Erosion Repair	7,500
162 Clean R/W	127,500
163 Dead Animal Patrol	4,125
166 Roadside Structures	8,250
167 Fence	16,500
168 Sweeping	120,000
171 Tractor Mowing	45,000
172 Hand Mowing	45,000
173 Brush Cutting	3,000
175 Trim Trees	4,500
181 Signs	61,500
191 Repair Guardrail	22,500
195 Highway Lighting	90,000
198 Maint. of Impact Attenuators	67,500
203 Snow Removal	49,500
221 Structures	48,750
262 Wrecker Service	15,000
271 TMS - HOV Operations	525,000
279 TMS - HOV Lighting	30,000
299 Supervision	45,000
437 Plant Bed Maintenance	24,750
438 Spraying Herbicides, Weeds, Insecticides	105,000
444 Repaint Traffic Markings	50,000
445 Paint Pavement Messages	15,000
Miscellaneous	15,000
	<b>\$1,636,875</b>

**NORFOLK-VIRGINIA BEACH TOLL ROAD  
ESTIMATED FUND BALANCES**

**IMPROVEMENT FUND**

Balance October 1, 1994		\$17,670,035
Estimated Receipts from Revenue Fund October-December 1994		1,229,965
	SUBTOTAL	\$18,900,000
Estimated Expenditures October 1 - December 31, 1994		900,000
ESTIMATED BALANCE DECEMBER 31, 1994		18,000,000
Estimated Deposits - For 1995		3,600,000
Estimated Expenditures for 1995		4,000,000
ESTIMATED BALANCE AT DECEMBER 31, 1995		\$17,600,000

**RESERVE MAINTENANCE FUND**

Balance October 1, 1994		\$13,871,460
Estimated Receipts from Revenue Fund October-December 1994		0
	SUBTOTAL	13,871,460
Estimated Expenditures October 1 - December 31, 1994		371,460
ESTIMATED BALANCE DECEMBER 31, 1994		13,500,000
Estimated Deposits - For 1995		2,000,000
Estimated Expenditures for 1995		5,500,000
ESTIMATED BALANCE AT DECEMBER 31, 1995		\$10,000,000

Improvement Fund -	Construction for expansion of the Birdneck Road interchange and widening of the WB on-ramp at Rosemont Road; planning and design for future projects, including Park/Ride lots, widening of the WB exit ramp at Lynnhaven Parkway, extension of the TMS, lighting and noise abatement walls.
Reserve Maintenance Fund -	Insurance premiums and extraordinary maintenance including bridge deck and pavement repairs, bridge painting, bridge approach slab repairs, and maintenance of drainage systems.

12-15-94

WHEREAS, the Department of Rail and Public Transportation has requested, with the Department of Transportation concurring, that the responsibility for the construction of these two projects should be with the Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED that the Commonwealth Transportation Board hereby approves the transfer of \$1,648,000 in Final Allocations and Funds for the park and ride lot on Route 28 in the vicinity of Shaw Road and for the commuter parking lot in the Lake Ridge Area from the Department of Rail and Public Transportation to the Department of Transportation.

Motion carried.

\*\*\*

Item 15:

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

WHEREAS, as set forth in Section 33.1-221.1:3 of the Code of Virginia of 1950, as amended, (the "Virginia Code"), the General Assembly of Virginia has declared it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Northern Virginia which shall be known as the Northern Virginia Transportation District Program (the "Program"); and

WHEREAS, as of this date, the Program consists of the following projects: the Fairfax County Parkway, Route 234 Bypass, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station, Route 7 Improvements in Loudoun County between Route 15 and Route 28, and, under certain conditions which have not been satisfied as of this date, the Route 50/Courthouse Road interchange improvements in Arlington County; and

12-15-94

WHEREAS, Section 2 of Chapter 391 of the Acts of Assembly of 1993, as amended and re-enacted by Chapters 470 and 597 of the Acts of Assembly of 1994, authorizes the Commonwealth Transportation Board (this "Board"), by and with the consent of the Governor, to issue, pursuant to the provisions of Sections 33.1-267 through 33.1-295 of the Virginia Code, at one time or from time to time, Commonwealth of Virginia Transportation Revenue Bonds in an aggregate principal amount not exceeding \$271,000,000 to finance the costs of the Program plus an amount for issuance costs, capitalized interest, reserve funds and other financing expenses (the "Transportation Revenue Bonds"); and

WHEREAS, on September 3, 1993, this Board issued the first series of Transportation Revenue Bonds, styled the Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"), in the original aggregate principal amount of \$134,060,000, to finance certain costs of the Program and to pay the issuance costs and other financing expenses of the Series 1993C Bonds; and

WHEREAS, this Board issued the Series 1993C Bonds pursuant to a Master Agreement of Trust dated as of August 15, 1993 (the "Master Trust Agreement"), as supplemented by a First Supplemental Agreement of Trust (the "First Supplemental Trust Agreement"), both between this Board and First Union National Bank of Virginia, as trustee (the "Trustee"); and

WHEREAS, this Board now wishes to provide by this resolution for the issuance and sale of the second series of Transportation Revenue Bonds (the "Series 1995A Bonds") to finance certain additional costs of the Program and to pay the issuance costs and other financing expenses of the Series 1995A Bonds; and

WHEREAS, as authorized by a resolution of this Board adopted November 17, 1994, the Series 1995A Bonds will be sold by the use of competitive bidding; and

12-15-94

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

(a) a draft dated December 7, 1994, of a Second Supplemental Agreement of Trust (the "Second Supplemental Trust Agreement") between this Board and the Trustee;

(b) a draft dated December 7, 1994, of a Supplemental Payment Agreement (the "Supplemental Payment Agreement") among this Board, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") and the Secretary of Finance of the Commonwealth of Virginia (the "Secretary of Finance"), supplementing and amending in certain respects the Payment Agreement dated as of August 15, 1993, among this Board, the Treasury Board and the Secretary of Finance, to provide for the payment of principal and interest on the Series 1995A Bonds and all additional bonds to be issued pursuant to the Master Trust Agreement;

(c) a draft dated December 7, 1994, of a Preliminary Official Statement of this Board (the "Preliminary Official Statement") relating to the offering of the Series 1995A Bonds; and

(d) a draft dated December 7, 1994, of an Official Notice of Sale and Bid Form (the "Notice of Sale") relating to the terms of the competitive bidding process for the Series 1995A Bonds; and

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

12-15-94

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that:

1. The issuance under the terms of this resolution and the Trust Agreement of Transportation Revenue Bonds of the Commonwealth of Virginia to be known as the "Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Series 1995A Bonds")," is authorized. The Series 1995A Bonds are to be issued in an original aggregate principal amount not to exceed \$62,500,000 and shall be in substantially the form attached as Exhibit A to the Second Supplemental Trust Agreement. The proceeds of the Series 1995A Bonds shall be used in accordance with the Trust Agreement (i) to finance the costs of the Program and (ii) to pay the issuance costs and other financing expenses of the Series 1995A Bonds.

2. The Series 1995A Bonds shall be limited obligations of the Commonwealth of Virginia and this Board, payable solely from the Revenues, as defined in the Trust Agreement, and from moneys held in certain funds established under the Trust Agreement. Nothing in this Resolution, the Series 1995A Bonds or the Trust Agreement shall be deemed to create or constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof.

3. The Secretary of Transportation, who by virtue of this office serves as Chairman of this Board (the "Chairman"), or any of the officers, employees or agents of this Board or the Department of Transportation as the Chairman may designate for such purpose (his "Designees") is authorized to determine and approve all of the final details of the Series 1995A Bonds, including without limitation, their dated date, original aggregate principal amount, interest rates, maturity dates, optional and mandatory redemption provisions, sale date, sale price and the principal amount of each maturity; provided that (i) the original aggregate principal amount of the Series 1995A Bonds shall not exceed \$62,500,000, (ii) the Series 1995A Bonds shall have a true interest cost that does not exceed 7.5%, and (iii) the final maturity of the last Series 1995A Bonds to mature shall not be later than December 31, 2020.



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The Chairman or any of his Designees is authorized and directed to accept the bid for the purchase of the Series 1995A Bonds at the price and the interest rates that result in the lowest true interest cost to the Commonwealth of Virginia in accordance with the Notice of Sale, provided that such true interest cost shall not exceed the maximum set forth above and the sale price of the Series 1995A Bonds shall not be less than 97%, or greater than 103%, of the Series 1995A Bonds' original aggregate principal amount. The Chairman or any of his Designees is also authorized to postpone the sale date or amend the terms of the offering as may be provided in the Notice of Sale. The approval of the Chairman or his Designees of such details shall be evidenced conclusively by the execution and delivery of the Series 1995A Bonds. This Board determines that the issuance and sale of the Series 1995A Bonds upon the terms set forth above is in the best interests of the Commonwealth of Virginia.

4. The Chairman and the Commonwealth Transportation Commissioner (the "Commissioner") are authorized and directed to have the Series 1995A Bonds prepared and to execute them and the Secretary of this Board is authorized and directed to affix the official seal of this Board to the Series 1995A Bonds and to attest the seal, all in accordance with the Trust Agreement. The Chairman is further authorized and directed to cause the delivery of the executed Series 1995A Bonds to the Trustee or paying agent under the Trust Agreement for authentication, and to cause the Series 1995A Bonds so executed and authenticated to be delivered to or for the account of the winning bidder for the Series 1995A Bonds upon payment of the purchase price specified in or pursuant to the winning bid.

5. The draft Financing Documents are approved. The Chairman is authorized to execute and deliver on this Board's behalf the Financing Documents in substantially the forms of the drafts submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman. The Chairman's approval shall be evidenced conclusively by the execution and delivery of the Financing Documents on this Board's behalf.

12-15-94

6. The draft Preliminary Official Statement is approved. The Chairman is authorized and directed to cause the distribution of the Preliminary Official Statement to potential bidders for the Series 1995A Bonds in substantially the form of the draft submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman, and to "deem final" the Preliminary Official Statement on this Board's behalf for purposes of SEC Rule 15c2-12. After the winning bid for the Series 1995A Bonds is accepted, this Board authorizes and directs the Chairman to prepare and execute an Official Statement (the "Official Statement") in final form and to deliver it to the winning bidder. The Official Statement shall be substantially in the form of the Preliminary Official Statement as "deemed final" by the Chairman, with such further completions, omissions, insertions and changes as may be approved by the Chairman. The Chairman's approval of all completions, omissions, insertions and changes to both the Preliminary Official Statement and the Official Statement shall be evidenced conclusively by the execution and delivery of the Official Statement on this Board's behalf.

7. The draft Notice of Sale is approved. The Chairman is authorized and directed to cause the Notice of Sale to be published and distributed to potential bidders for the Series 1995A Bonds in substantially the form of the draft submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the Chairman. The Chairman's approval shall be evidenced conclusively by the distribution of the Notice of Sale to potential bidders.

8. The Chairman and other appropriate officers and employees of this Board and the Department of Transportation are authorized and directed to execute and deliver simultaneously with the issuance of the Series 1995A Bonds a Non-Arbitrage Certificate and Tax Compliance Agreement setting forth the expected use and investment of the proceeds of the Series 1995A Bonds and containing such covenants as may be necessary to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Tax Code"), including the provisions of Section 148 of the Tax Code relating to "arbitrage bonds." This

12-15-94

Board agrees on behalf of itself and the Commonwealth of Virginia that, unless otherwise permitted by the Financing Documents, the proceeds from the issuance and sale of the Series 1995A Bonds will be invested and expended as set forth in the Non-Arbitrage Certificate and Tax Compliance Agreement and that this Board and the Commonwealth of Virginia will comply with the other covenants contained therein.

9. The Chairman and the other officers, employees and agents of this Board and the Department of Transportation are authorized and directed to execute and deliver on this Board's behalf such other instruments, documents or certificates, and to take all such actions as they may consider necessary or desirable in connection with the issuance and sale of the Series 1995A Bonds. Such instruments, documents or certificates shall include without limitation documents amending the financing documents executed in connection with the Series 1995A Bonds. Such actions shall include without limitation those that may be necessary or desirable to obtain the required approvals of the Series 1995A Bonds by the Governor and the Treasury Board of the Commonwealth of Virginia. All of the foregoing previously done by the Chairman or other officer, employee or agent of this Board or the Department of Transportation are in all respects approved, ratified or confirmed.

10. This resolution shall take effect immediately.

Motion carried.

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DRAFT OF  
DECEMBER 7, 1994

SECOND SUPPLEMENTAL AGREEMENT OF TRUST

BETWEEN

COMMONWEALTH TRANSPORTATION BOARD

AND

FIRST UNION NATIONAL BANK OF VIRGINIA, AS TRUSTEE

§  
COMMONWEALTH TRANSPORTATION BOARD  
COMMONWEALTH OF VIRGINIA  
TRANSPORTATION REVENUE BONDS, SERIES 1995A  
(NORTHERN VIRGINIA TRANSPORTATION DISTRICT PROGRAM)

Dated as of January 15, 1995

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## SECOND SUPPLEMENTAL AGREEMENT OF TRUST

THIS SECOND SUPPLEMENTAL AGREEMENT OF TRUST (this "Second Supplemental Trust Agreement") is made as of January 15, 1995, between the COMMONWEALTH TRANSPORTATION BOARD (the "Board"), and FIRST UNION NATIONAL BANK OF VIRGINIA, a national banking association organized under the laws of the United States of America and having its principal place of business in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, the "Trustee");

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

WHEREAS, pursuant to Sections 33.1-267 through 33.1-295 of the Code of Virginia of 1950, as amended (the "State Revenue Bond Act"), the Board has the power to issue revenue bonds to finance the cost of projects authorized by the General Assembly of Virginia (the "General Assembly"), issuance costs and related expenses, and to refund any such revenue bonds then outstanding issued under the State Revenue Bond Act; and

WHEREAS, the General Assembly, in Section 33.1-221.1:3 of the Code of Virginia of 1950, as amended (the "Virginia Code"), declared it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Northern Virginia which shall be known as the Northern Virginia Transportation District Program (the "Program"); and

WHEREAS, as of the date hereof, the Program consists of the following projects: Fairfax County Parkway, Route 234 Bypass, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station, Route 7 improvements in Loudoun County between Route 15 and Route 28, and, under certain conditions which have not been satisfied as of the date hereof, the Route 50/Courthouse Road interchange improvements in Arlington County; and

WHEREAS, Section 2 of Chapter 391 of the Acts of Assembly of 1993, as amended and reenacted by Chapters 470 and 597 of the Acts of Assembly of 1994, authorizes the Board, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act, at one time or from time to time, Commonwealth of Virginia Transportation Revenue Bonds in an aggregate principal amount not exceeding \$271,000,000 to finance the costs of the Program plus an amount for issuance costs, capitalized interest, reserve funds and other financing expenses (the "Transportation Revenue Bonds"); and

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

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

WHEREAS, on September 3, 1993, the Board issued the first series of Transportation Revenue Bonds, styled the Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"), in the original aggregate principal amount of \$134,060,000, to finance certain costs of the Program and to pay the issuance costs and other financing expenses of the Series 1993C Bonds; and

WHEREAS, the Board issued the Series 1993C Bonds pursuant to the Master Trust Agreement dated as of August 15, 1993 (the "Master Trust Agreement") as supplemented by the First Supplemental Agreement of Trust dated as of August 15, 1993 (the "First Supplemental Trust Agreement"), both between the Board and the Trustee; and

WHEREAS, by a resolution adopted on December 15, 1994, the Board has determined to issue a second series of Transportation Revenue Bonds under the Master Trust Agreement (the "Series 1995A Bonds") to finance certain additional costs of the Program and to pay issuance costs and other financing expenses of the Series 1995A Bonds; and

WHEREAS, Section 303(b) the Master Trust Agreement provides that, in connection with the issuance of a Series of Bonds, the Board shall deliver to the Trustee an original executed counterpart of a Supplemental Trust Agreement which shall include, among other things, provisions authorizing the issuance of such Bonds and setting forth their details; and

WHEREAS, the Board also wishes to make certain amendments to the Master Trust Agreement to facilitate the issuance of the Series 1995A Bonds, among other things; and



WHEREAS, all things necessary to make the Series 1995A Bonds valid and binding limited obligations of the Commonwealth, when authenticated by the Paying Agent and issued as provided in this Second Supplemental Trust Agreement, and to constitute this Second Supplemental Trust Agreement a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the Series 1995A Bonds have been done and performed and the execution and delivery of this Second Supplemental Trust Agreement and the execution and issuance of the Series 1995A Bonds have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

#### ARTICLE I

##### SECOND SUPPLEMENTAL TRUST AGREEMENT; AMENDMENTS TO AGREEMENT

Section 101. Second Supplemental Trust Agreement. This Second Supplemental Trust Agreement is entered into by the Board and the Trustee and delivered to the Trustee pursuant to and in accordance with Article III and Section 1101(g) and (i) of the Master Trust Agreement. All terms, covenants, conditions and agreements of the Master Trust Agreement shall apply with full force and effect to the Series 1995A Bonds and their Holders, except as otherwise provided in this Second Supplemental Trust Agreement.

Section 102. Definitions Used in Second Supplemental Trust Agreement. Unless otherwise defined, each capitalized word and term used in this Second Supplemental Trust Agreement has the meaning given it in Section 101 of the Master Trust Agreement as it may be amended hereunder. In addition, the following words and terms have the following meanings in this Second Supplemental Trust Agreement unless the context clearly requires otherwise:

"DTC" means The Depository Trust Company, New York, New York, a securities depository, or its successors or assigns in such capacity.

"Letter of Representations" means the letter, dated \_\_\_\_\_, 1995, from the Board to DTC with respect to the Series 1995A Bonds, a copy of which is attached as Exhibit B to this Second Supplemental Trust Agreement, and any amendment or supplement to it.

"Non-Arbitrage Certificate" means the Non-Arbitrage Certificate, dated the Series 1995A Closing Date, executed by certain authorized representatives of the Board.

"Rebate Amount" shall have the meaning set forth in the Tax Compliance Agreement.

"Second Supplemental Trust Agreement" means this Second Supplemental Agreement of Trust dated as of January 15, 1995, between the Board and the Trustee, and any amendment or supplement to it.

"Series 1995A Bonds" mean the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program), authorized to be issued under Article II of this Second Supplemental Trust Agreement in the original aggregate principal amount of \$ \_\_\_\_\_.

"Series 1995A Closing Date" means \_\_\_\_\_, 1995.

"Series 1995A Costs of Issuance Account" means the account established under Section 401.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the Series 1995A Closing Date, executed by certain authorized representatives of the Board, as it may be amended or supplemented in accordance with its terms.

Section 103. Amended Definitions in Master Trust Agreement. The definitions of the following capitalized terms contained in Section 101 of the Master Trust Agreement are amended and restated as set forth below:

"Payment Agreement" shall mean, collectively, the Payment Agreement dated as of August 15, 1993, among the Board, the Treasury Board and the Secretary of Finance of the Commonwealth and the Supplemental Payment Agreement dated as of January 15, 1995, among the Board, the Treasury Board of the Commonwealth and the Secretary of Finance of the Commonwealth providing for the request for appropriation of funds from the General Assembly and payments of such funds to the Trustee for payment of debt service on the Bonds and other amounts payable under the Agreement, as the same may be amended or supplemented at the time in question.

"Program" shall mean the Northern Virginia Transportation District Program, as more fully described in Section 33.1-221.1:3 of the Virginia Code, as such section may be amended from time to time.

"Project" shall mean the Fairfax County Parkway Project, the Metro Capital Improvements Project, the Route 234 Bypass Project and the Route 7 Improvements Project, as appropriate.

Section 104. New Definition in Master Trust Agreement. The following definition of the following capitalized term is added to Section 101 of the Master Trust Agreement:

"Route 7 Improvements Project" shall mean that part of the Program described in Section 33.1-221.1:3 of the Virginia Code.

Section 105. Amendment to Section 501 of Master Trust Agreement. Section 501 of the Master Trust Agreement is hereby amended and restated as follows:

Section 501. Construction Fund. There is hereby established the Commonwealth Transportation Board Northern Virginia Transportation District Construction Fund, to be held by the Trustee. There is also hereby established within the Construction Fund (a) a Metro Capital Improvements Account for the purpose of segregating proceeds of the Bonds allocated to the Metro Capital Improvements Project, (b) a Fairfax County Parkway Account for the purpose of segregating proceeds of the Bonds allocated to the Fairfax County Parkway Project, (c) a Route 234 Bypass Account for the purpose of segregating proceeds of the Bonds allocated to the Route 234 Bypass Project and (d) a Route 7 Improvements Account for the purpose of segregating proceeds of the Bonds allocated to the Route 7 Improvements Project.

The Trustee shall deposit the proceeds from any Series of Bonds in the amount and manner directed under the applicable Supplemental Trust Agreement. If so directed in such Supplemental Trust Agreement, the Trustee shall maintain within the Construction Fund other Accounts as may be provided for in such Supplemental Trust Agreement. Deposits shall be made to the credit of the Construction Fund and to the Metro Capital Improvements Account, the Fairfax County Parkway Account, the Route 234 Bypass Account, the Route 7 Improvements Account and any other Accounts within the Construction Fund as provided in such Supplemental Trust Agreement.

Section 106. Amendment to Section 503 of the Master Trust Agreement. The first paragraph of Section 503 of the Master Trust Agreement is hereby amended and restated as follows:

The Trustee shall use money in the Construction Fund solely to pay Costs of the Program as evidenced by requisitions and certificates as provided in this Section, subject, however, to the provisions of any Supplemental Trust Agreement having different conditions precedent for disbursements from the Metro Capital Improvements Account, including provisions authorizing or directing the payment of money from the Metro Capital Improvements Account to any authority, locality or commission for the purposes of paying the Costs of the Program relating to the Metro Capital

Improvements Project. Additionally, money on deposit to the credit of the Metro Capital Improvements Account, the Fairfax County Parkway Account, the Route 234 Bypass Account and the Route 7 Improvements Account shall be used solely for Costs of the Program relating to the Project for which such Account was established. As conditions precedent to each disbursement from the Construction Fund, the Board shall file or cause to be filed with the Trustee:

Section 107. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Second Supplemental Trust Agreement:

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

(b) Words importing the redemption or calling for redemption of Series 1995A Bonds shall not be deemed to refer to or connote the payment of Series 1995A Bonds at their stated maturity.

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

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

(e) All references herein to the payment of Series 1995A Bonds are references to payment of principal of and premium, if any, and interest on Series 1995A Bonds.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF SERIES 1995A BONDS

Section 201. Authorization of Series 1995A Bonds. There are authorized to be issued and sold pursuant to Article III of the Master Trust Agreement a Series of Bonds in the original aggregate principal amount of \$ \_\_\_\_\_ and designated "Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program)." The proceeds of the Series 1995A Bonds shall be used to finance Costs of the Program and to pay the issuance costs and other financing expenses of the Series 1995A Bonds.

Section 202. Details of Series 1995A Bonds. The Series 1995A Bonds shall (i) be issued as fully registered bonds, (ii) be dated January 15, 1995, (iii) be issued in denominations of \$5,000 or any integral multiple of \$5,000, (iv) be numbered from R-1 upwards, sequentially, (v) bear interest at the rates set forth below, payable on each May 15 and November 15, commencing May 15, 1995, and (vi) mature, subject to prior redemption, on May 15 in the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1995	\$ _____	_____ %	2003	\$ _____	_____ %
1996	_____	_____	2004	_____	_____
1997	_____	_____	2005	_____	_____
1998	_____	_____	2006	_____	_____
1999	_____	_____	2007	_____	_____
2000	_____	_____	2010	_____	_____
2001	_____	_____	2018	_____	_____
2002	_____	_____			

The principal of and premium, if any, and interest on the Series 1995A Bonds are payable in lawful money of the United States of America, but only from the Revenues and other sources pledged for such purpose under the Agreement.

The principal of and premium, if any, on the Series 1995A Bonds will be payable upon presentation and surrender of the Series 1995A Bonds at the Paying Agent's principal corporate trust office.

Each Series 1995A Bond will bear interest (i) from January 15, 1995, if it is authenticated before May 15, 1995, or (ii) otherwise, from the May 15 or November 15 that is, or immediately precedes, the date on which the Series 1995A Bond is authenticated (unless the payment of interest on the Series 1995A Bond is in default, in which case the Series 1995A Bond will bear interest from the date to which interest has been paid). Interest on the Series 1995A Bonds will be computed on the basis of a year of 360 days and twelve 30-day months. Interest on the Series 1995A Bonds will be paid by check or draft mailed by the Paying Agent on each interest payment date to the Holders of the Series 1995A Bonds at their addresses as they appear on the registration books for the Series 1995A Bonds maintained by the Paying Agent. The Holders will be determined on the first day of each month in which occurs an interest payment date. Notwithstanding the foregoing, if the Holder of any Series 1995A Bond (i) owns at least \$1,000,000 in aggregate principal amount of Series 1995A Bonds and (ii) has provided satisfactory notice regarding payment via wire transfer to the Paying Agent, then interest will be paid to such Holder by wire transfer.

If the date of maturity of the principal of the Series 1995A Bond or the date fixed for the payment of interest on or the redemption of the Series 1995A Bond is not a Business Day, then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such date of maturity or date fixed for redemption.

If the principal of any Series 1995A Bond is not paid when due (whether at maturity, by sinking fund redemption, upon acceleration or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the rate or yield applicable to such Series 1995A Bond.

Notwithstanding any other provision of the Series 1995A Bonds or this Second Supplemental Trust Agreement, for so long as all of the Series 1995A Bonds are registered in the name of DTC or its nominee, the payment of principal, premium and interest on the Series 1995A Bonds, the providing of notices and other matters relating to the Series 1995A Bonds will be made or done as described in the Letter of Representations, which is incorporated by reference into this Second Supplemental Trust Agreement.

Section 203. Book Entry Provisions. The Series 1995A Bonds will be issued in fully registered form and registered in the name of Cede & Co., a nominee of DTC, and immobilized in the custody of DTC. One fully registered Series 1995A Bond for the original principal amount of each maturity will be registered to Cede & Co. Beneficial owners will not receive physical delivery of Series 1995A Bonds. Individual purchases of Series 1995A Bonds may be made in book-entry form only in original principal amounts of \$5,000 or integral multiples of \$5,000. Payments of the principal of and premium, if any, and interest on the Series 1995A Bonds will be made to DTC or its nominee as registered owner of the Series 1995A Bonds on the applicable payment date.

Transfer of the payments of the principal of and premium, if any, and interest on the Series 1995A Bonds to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants") is the responsibility of DTC. Transfer of the payments of the principal of and premium, if any, and interest on the Series 1995A Bonds to their beneficial owners by the Participants is the responsibility of the Participants and other nominees of the beneficial owners.

Transfer of ownership interests in the Series 1995A Bonds will be made by DTC and its Participants, acting as nominees of the beneficial owners of the Series 1995A Bonds, in accordance with rules specified by DTC and its Participants. Neither the

Board nor the Trustee makes any assurances that DTC, its Participants or other nominees of the beneficial owners of the Series 1995A Bonds will act in accordance with those rules or on a timely basis. For every transfer and exchange of beneficial ownership interest in the Series 1995A Bonds, the beneficial owner may be charged sums sufficient to cover any tax, fee or other governmental charge that may be imposed in relation to it.

THE BOARD AND THE TRUSTEE DISCLAIM ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 1995A BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST AGREEMENT TO BE GIVEN TO HOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 1995A BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 1995A BONDS.

So long as DTC or Cede & Co. or its successor as nominee of DTC is the registered owner of the Series 1995A Bonds, references in the Agreement to the Holders of the Series 1995A Bonds means DTC or Cede & Co. or such successor nominee and does not mean the beneficial holders of the Series 1995A Bonds. Notwithstanding Section 206 of the Master Trust Agreement, the Series 1995A Bonds may be issued in typewritten form so long as DTC or Cede & Co. or its successor as nominee of DTC is the registered holder of the Series 1995A Bonds.

(b) Replacement Series 1995A Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 1995A Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the Series 1995A Bonds by giving notice to the Trustee and the Board discharging its responsibilities hereunder; or

(2) The Trustee or the Board (with the Trustee's consent) has advised DTC of its determination that (i) DTC is incapable of discharging its duties, (ii) that continuation with DTC as securities depository is not in the best interests of the Transportation Board or the beneficial owners of the Series 1995A Bonds, or (iii) that it is otherwise in the best interests of the Board or the beneficial owners of the Series 1995A Bonds to discontinue the book-entry system of transfer.

If an event described in clause (1) or (2) should occur (and the Trustee and the Board undertake no obligation to make any investigation regarding the matters described in clause (2)), the Board may attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed and the Trustee shall authenticate and deliver to the Participants the Replacement Series 1995A Bonds (substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by the Agreement) to which the Participants are entitled for delivery to the beneficial owners of the Series 1995A Bonds. The Holders of the Replacement Series 1995A Bonds shall be entitled to the lien and benefits of the Agreement. The Trustee is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Series 1995A Bonds. The principal of and premium, if any, and interest on the Replacement Series 1995A Bonds will be payable as provided in Section 202, and the Replacement Series 1995A Bonds will be transferable and exchangeable in accordance with Section 204 of the Master Trust Agreement.

Section 204. Form of Series 1995A Bonds. The Series 1995A Bonds will be issued substantially in the form set forth in Exhibit A to this Second Supplemental Trust Agreement, with appropriate variations, omissions and insertions as permitted or required by the Agreement. There may be endorsed on the Series 1995A Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 205. Security for Series 1995A Bonds. The Series 1995A Bonds shall be equally and ratably secured as to Revenues and the moneys held by the Trustee in the funds established under the Agreement with the Series 1993C Bonds and any other Series of Bonds to be issued thereunder, without preference, priority or distinction of any Bonds over any other Bonds.

Section 206. Application of Series 1995A Bond Proceeds.  
(a) On the Series 1995A Closing Date, the proceeds of the sale of the Series 1995A Bonds shall be paid to the State Treasurer by the initial purchaser or purchasers of the Series 1995A Bonds, delivered by the State Treasurer to the Trustee and applied by the Trustee as follows:

(1) The sum of \$ \_\_\_\_\_, representing accrued interest on the Series 1995A Bonds from their date to the Closing Date, shall be deposited in the Interest Account of the Bond Fund and used to pay accrued interest on the Series 1995A Bonds on May 15, 1995;



(2) The sum of \$ \_\_\_\_\_ shall be deposited in the Series 1995A Costs of Issuance Account;

(3) The sum of \$ \_\_\_\_\_ shall be deposited in a subaccount established for the Series 1995A Bonds in the Fairfax County Parkway Account;

(4) The sum of \$ \_\_\_\_\_ shall be deposited in a subaccount established for the Series 1995A Bonds in the Metro Capital Improvements Account;

(5) The sum of \$ \_\_\_\_\_ shall be deposited in a subaccount established for the Series 1995A Bonds in the Route 234 Bypass Account; and

(6) The sum of \$ \_\_\_\_\_ shall be deposited in a subaccount established for the Series 1995A Bonds in the Route 7 Improvements Account.

(b) At the written direction of an Authorized Representative of the Board, the proceeds of the Series 1995A Bonds deposited in the Metro Capital Improvements Account under subsection (a)(4) above shall forthwith be paid by the Trustee to the Northern Virginia Transportation District Commission pursuant to the Metro Agreement.

### ARTICLE III

#### REDEMPTION OF SERIES 1995A BONDS

Section 301. Redemption of the Series 1995A Bonds. The Series 1995A Bonds may not be called for redemption at the Board's option or for mandatory redemption except as provided in this Article.

Section 302. Optional Redemption. The Series 1995A Bonds maturing before May 15, \_\_\_\_\_, are not subject to optional redemption. The Series 1995A Bonds maturing on and after May 15, 2005, are subject to redemption before maturity at the Board's option on and after May 15, \_\_\_\_\_, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000 at any time during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Series 1995A Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
May 15, _____, to May 14, _____	_____%
May 15, _____, to May 14, _____	_____
May 15, _____, and thereafter	_____

Section 303. Mandatory Redemption. (a) The Series 1995A Bonds maturing May 15, \_\_\_\_\_, are required to be redeemed in part before maturity pursuant to the following sinking fund requirements. The Trustee shall call for mandatory redemption the Series 1995A Bonds maturing on May 15, \_\_\_\_\_, on May 15 in the years and in the amounts set forth below, at a redemption price equal to 100 percent of the principal amount of the Series 1995A Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>
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(b) The Series 1995A Bonds maturing May 15, \_\_\_\_\_, are required to be redeemed in part before maturity pursuant to the following sinking fund requirements. The Trustee shall call for mandatory redemption the Series 1995A Bonds maturing on May 15, \_\_\_\_\_, on May 15 in the years and in the amounts set forth below, at a redemption price equal to 100 percent of the principal amount of the Series 1995A Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>
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(c) The amount of Series 1995A Bonds to be redeemed pursuant to this Section may be reduced in accordance with the provisions of Section 602 of the Master Trust Agreement.

Section 304. Selection of Series 1995A Bonds for Redemption. If less than all of the Series 1995A Bonds are to be called for optional redemption, the maturities to be called shall be as directed by the Board in such manner as the Board determines to be in its best interests. If less than all of any maturity of Series 1995A Bonds is to be called for optional or mandatory redemption, the Series 1995A Bonds within each maturity to be redeemed shall be selected by lot in such manner as the Trustee determines to be appropriate and fair. If a portion of a

Series 1995A Bond is called for redemption, a new Series 1995A Bond in a principal amount equal to the unredeemed portion thereof will be issued to the Holder upon the surrender thereof.

#### ARTICLE IV

##### ESTABLISHMENT OF SERIES 1995A COSTS OF ISSUANCE ACCOUNT

Section 401. Series 1995A Costs of Issuance Account. There is established in the Construction Fund pursuant to Sections 501 and 604 of the Master Trust Agreement the Series 1995A Costs of Issuance Account to be held by the Trustee. The Trustee shall use the money in the Series 1995A Costs of Issuance Account to pay or to reimburse the Board for its payment of the issuance costs and other financing expenses of the Series 1995A Bonds. Money in the Series 1995A Costs of Issuance Account may be invested in any investments in which money in the Construction Fund may be invested with a maturity not later than the date on which such money may be needed to pay the above-described costs and expenses, but in no event later than \_\_\_\_\_. Any money, including investment earnings, remaining in the Series 1995A Costs of Issuance Account after the earlier to occur of the date all such costs and expenses are paid or \_\_\_\_\_, shall be transferred to the Metro Capital Improvements Account, the Fairfax County Parkway Account, the Route 234 Bypass Account and the Route 7 Improvements Account in proportion to the total amount of bonds authorized under Chapter 391 of the Acts of Assembly of 1993, as amended and reenacted by Chapters 470 and 597 of the Acts of Assembly of 1994, for the Metro Capital Improvements Project, the Fairfax County Parkway Project, the Route 234 Bypass Project and the Route 7 Improvements Project as directed by an Authorized Representative of the Board.

#### ARTICLE V

##### SPECIAL COVENANTS

Section 501. Tax Covenants. The Board agrees that it will not take any action, or omit to take any action, if any such action or omission would adversely affect the exclusion from gross income of interest on the Series 1995A Bonds under Section 103 of the Code. The Board agrees that it will not directly or indirectly use or permit the use of any proceeds of the Series 1995A Bonds or any other of its funds or take or omit to take any action that would cause the Series 1995A Bonds to be "arbitrage bonds" under Section 148 of the Code. To these ends, the Board will comply with all requirements of Sections 141 through 150 of the Code, including the rebate requirement of Section 148(f), to the extent applicable to the Series 1995A Bonds.

Without limiting the generality of the foregoing, the Board agrees that (i) barring unforeseen circumstances, it will not directly or indirectly use or permit the use of the proceeds of the Series 1995A Bonds except in accordance with the Non-Arbitrage Certificate and (ii) insofar as the Non-Arbitrage Certificate and the Tax Compliance Agreement impose duties and responsibilities on the Board, the Non-Arbitrage Certificate and the Tax Compliance Agreement are specifically incorporated by reference into this Second Supplemental Trust Agreement.

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

Notwithstanding any provision of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel to the effect that any action required under this Section by incorporation or otherwise is no longer required to maintain the exclusion from gross income of the interest on the Series 1995A Bonds under Section 103 of the Code, the Board and the Trustee may rely conclusively on such opinion in complying with the provisions of this Section.

## ARTICLE VI

### MISCELLANEOUS

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

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

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

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

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

Section 606. Determination of No Material Prejudice. The Trustee determines that in its opinion the amendments to the Master Trust Agreement set forth in this Second Supplemental Trust Agreement do not prejudice in any material respect the rights of any of the Holders of the Series 1993C Bonds.

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

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

COMMONWEALTH TRANSPORTATION BOARD

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

FIRST UNION NATIONAL BANK OF  
VIRGINIA, as Trustee

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

EXHIBIT A  
FORM OF BOND

REGISTERED

REGISTERED

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

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

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA

COMMONWEALTH TRANSPORTATION BOARD  
COMMONWEALTH OF VIRGINIA  
TRANSPORTATION REVENUE BONDS, SERIES 1995A  
(NORTHERN VIRGINIA TRANSPORTATION DISTRICT PROGRAM)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	May 15, _____	January 15, 1995	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The COMMONWEALTH TRANSPORTATION BOARD (the "Board") for value received, promises to pay, solely from the below-described revenues and other property pledged to the payment of this Bond, to the registered owner of this Bond or legal representative, the principal sum stated above on the maturity date stated above, and to pay, solely from such revenues and other property, interest on the principal amount of this Bond at the annual rate stated above, payable semi-annually on each May 15 and November 15, commencing on May 15, 1995, all subject to prior redemption as described in this Bond. Principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America, but only from such revenues and other property.

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

This Bond will bear interest (i) from January 15, 1995, if this Bond is authenticated before May 15, 1995, or (ii) otherwise, from the May 15 or November 15 that is, or immediately precedes, the date on which this Bond is authenticated (unless

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

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

If the principal of this Bond is not paid when due (whether at maturity, by sinking fund redemption, upon acceleration or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the rate or yield applicable to this Bond.

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

This Bond is one of an issue of \$\_\_\_\_\_ Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Bonds"), of like tenor, except as to number, denomination, interest rate, privilege of redemption and maturity, authorized and issued pursuant to the State Revenue Bond Act, Chapter 3, Title 33.1 of the Code of Virginia of 1950, as amended, for the purpose of providing funds to finance costs related to the Northern Virginia Transportation District Program as described in Section 33.1-221.1:3 of the Code of Virginia of 1950, as amended, and to pay the issuance costs and other financing expenses of the Bonds.

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

The Board, the Treasury Board of the Commonwealth of Virginia and the Secretary of Finance of the Commonwealth of Virginia have entered into an Amended and Restated Payment Agreement dated as of January 15, 1995 (the "Payment Agreement"), providing for the payment of Revenues to the Trustee in amounts and at times sufficient to pay principal of and interest on the Bonds; provided, however, that the obligation of the Treasury Board to make such payments is subject to and dependent on annual or biennial appropriations being made by the General Assembly, which is not legally obligated to make such appropriations. Upon deposit of Revenues with the Trustee pursuant to the Payment Agreement, such Revenues are pledged to the payment of the Bonds.

The Bonds are issued under and are equally and ratably secured with each other and with the outstanding \$134,060,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"), dated August 15, 1993, by the Master Agreement of Trust dated as of August 15, 1993 (the "Master Trust Agreement"), as supplemented and amended by the First Supplemental Agreement of Trust dated as of August 15, 1993 (the "First Supplemental Trust Agreement"), and the Second Supplemental Agreement of Trust dated as of January 15, 1995 (the "Second Supplemental Trust Agreement"), each between the Board and First Union National Bank of Virginia, as trustee (the "Trustee"). The Master Trust Agreement, the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement are referred to collectively in this Bond as the "Trust Agreement."



Reference is made to the Trust Agreement for a description of, among other things, the provisions governing the nature and extent of the security for the Bonds, the rights and obligations of the Board and the Trustee, the terms on which the Bonds are issued, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights. Additional bonds ranking equally with the Bonds and the Series 1993C Bonds may be issued on the terms provided in the Trust Agreement.

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

(1) The Bonds maturing before May 15, \_\_\_\_\_, are not subject to optional redemption. The Bonds maturing on and after May 15, \_\_\_\_\_, are subject to redemption before maturity at the Board's option on and after May 15, \_\_\_\_\_, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000 at any time during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
May 15, _____, to May 14, _____	_____%
May 15, _____, to May 14, _____	_____
May 15, _____, and thereafter	_____

(2) The Bonds maturing May 15, \_\_\_\_\_, are required to be redeemed in part before maturity on May 15 in the years and in the amounts set forth below, at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

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

(3) The Bonds maturing May 15, \_\_\_\_\_, are required to be redeemed in part before maturity on May 15 in the years and in the amounts set forth below, at a redemption price equal to 100 percent of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

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

If any of the Bonds or portions thereof are called for redemption, the Paying Agent will cause a notice of redemption to be sent by registered or certified mail not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of each Bond to be redeemed at his address as it appears on the registration books kept by the Paying Agent. If this Bond is duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from the redemption date, and, from and after the redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the registered owner of this Bond will have no rights in respect of this Bond except to receive payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on this Bond. If a portion of this Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner of this Bond upon the surrender hereof.

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

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

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

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

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

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Bond to be executed by the facsimile signatures of its Chairman and the Commonwealth Transportation Commissioner, a facsimile of its seal to be printed on this Bond and attested by the facsimile signature of its Secretary, and this Bond to be dated January 15, 1995.

COMMONWEALTH TRANSPORTATION BOARD

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

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

[SEAL]

ATTEST:

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

\* \* \* \* \*

AUTHENTICATION DATE: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

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

FIRST UNION NATIONAL BANK OF  
VIRGINIA, as Paying Agent

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

ASSIGNMENT

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

---

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

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

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

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

Signature Guaranteed:

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

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

DRAFT OF  
DECEMBER 7, 1994

SUPPLEMENTAL PAYMENT AGREEMENT

Among

COMMONWEALTH TRANSPORTATION BOARD

And

TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA

And

SECRETARY OF FINANCE OF THE COMMONWEALTH OF VIRGINIA

Dated as of January 15, 1995

SUPPLEMENTAL PAYMENT AGREEMENT

THIS SUPPLEMENTAL PAYMENT AGREEMENT dated as of January 15, 1995, by and among the COMMONWEALTH TRANSPORTATION BOARD (the "Board") and the TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA (the "Treasury Board") and the SECRETARY OF FINANCE OF THE COMMONWEALTH OF VIRGINIA (the "Secretary of Finance");

W I T N E S S E T H :

WHEREAS, pursuant to Sections 33.1-267 through 33.1-295 of the Code of Virginia of 1950, as amended (the "State Revenue Bond Act"), the Board has the power to issue revenue bonds to finance the cost of projects authorized by the General Assembly of Virginia (the "General Assembly"), issuance costs and related expenses, and to refund any such revenue bonds then outstanding issued under the State Revenue Bond Act; and

WHEREAS, in Section 33.1-221.1:3 of the Code of Virginia of 1950, as amended (the "Virginia Code"), the General Assembly has declared it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Northern Virginia which shall be known as the Northern Virginia Transportation District Program consisting of certain projects described therein (the "Program"); and

WHEREAS, Section 2 of Chapter 391 of the Acts of Assembly of 1993, as amended and reenacted by Chapters 470 and 597 of the Acts of Assembly of 1994, and as it may be further amended and/or reenacted hereafter, authorizes the Board, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act, at one time or from time to time, Commonwealth of Virginia Transportation Revenue Bonds in an aggregate principal amount not exceeding \$271,000,000 (or such other amount as may be specified by the General Assembly) to finance the costs of the Program plus an amount for issuance costs, capitalized interest, reserve funds and other financing expenses (the "Transportation Revenue Bonds"); and

WHEREAS, in Section 58.1-815.1 of the Virginia Code, the General Assembly created in the Department of the Treasury a special nonreverting fund known as the Northern Virginia Transportation District Fund (the "Northern Virginia Transportation District Fund") as part of the Transportation Trust Fund, consisting of transfers pursuant to Section 58.1-816 of the Virginia Code of a portion of the annual collections of the state recordation taxes attributable to the Cities of

Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun and Prince William; and

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

WHEREAS, on September 3, 1993, the Board issued the first series of Transportation Revenue Bonds, styled the Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"), in the original aggregate principal amount of \$134,060,000, to finance certain costs of the Program and to pay the issuance costs and other financing expenses of the Series 1993C Bonds; and

WHEREAS, the Board issued the Series 1993C Bonds pursuant to the Master Agreement of Trust dated as of August 15, 1993 (the "Master Trust Agreement"), as supplemented by a First Supplemental Agreement of Trust dated as of August 15, 1993 (the "First Supplemental Trust Agreement"), both between the Board and First Union National Bank of Virginia, as trustee (the "Trustee"); and

WHEREAS, in connection with the issuance of the Series 1993C Bonds, the Board, the Treasury Board and the Secretary of Finance entered into a Payment Agreement dated as of August 15, 1993 (the "Original Payment Agreement"); and

WHEREAS, the Board is issuing the second series of Transportation Revenue Bonds, styled the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) (the "Series 1995A Bonds"), in the original aggregate principal amount of \$ \_\_\_\_\_, to finance certain additional costs of the Program and to pay the issuance costs and other financing expenses of the Series 1995A Bonds, pursuant to the Master Trust Agreement as supplemented and amended by the Second Supplemental Agreement of Trust dated as of January 15, 1995 (the "Second Supplemental Trust Agreement"), between the Board and the Trustee; and

WHEREAS, in connection with the issuance of the Series 1995A Bonds, the Board, the Treasury Board and the Secretary of Finance desire to enter into this Supplemental Payment Agreement, among other things, to supplement and amend in certain respects the Original Payment Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:



ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. Except as otherwise defined herein, words defined in the Trust Agreement are used in this Supplemental Payment Agreement with the meanings assigned to them in the Trust Agreement. In addition, the following words as used in this Supplemental Payment Agreement shall have the following meanings unless a different meaning clearly appears from the context:

"Bonds" shall mean the Series 1995A Bonds and all other bonds or bond anticipation notes falling within the definition of "Bonds" set forth in Section 101 of the Master Trust Agreement except for the Series 1993C Bonds.

"Payment Date" shall mean May 10 or November 10, as appropriate, of each year.

"Supplemental Payment Agreement" shall mean this Supplemental Payment Agreement dated as of January 15, 1995, among the Board, the Treasury Board and the Secretary of Finance.

"Trust Agreement" shall mean the Master Trust Agreement as supplemented and amended by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement, and any additional supplements to the Master Trust Agreement.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Supplemental Payment Agreement:

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

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

(c) The headings herein are solely for convenience of reference and shall not constitute a part of this Supplemental Payment Agreement nor shall they affect its meaning, construction or effect.

## ARTICLE II

### REPRESENTATIONS

Section 201. Representations of Board and Treasury Board.  
The Board and the Treasury Board each makes the following representations in connection with its undertakings under this Supplemental Payment Agreement:

(a) It (i) is duly organized under the Board Statute and the Virginia Code, as applicable, (ii) has the power to enter into this Supplemental Payment Agreement and the transactions contemplated hereby and to perform its obligations hereunder, and (iii) by proper action has duly authorized the execution and delivery of, and performance of its obligations under, this Supplemental Payment Agreement.

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

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

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

Section 202. Representations of Secretary of Finance. The Secretary of Finance makes the following representations in connection with his undertakings under this Supplemental Payment Agreement:

(a) He has the power to enter into this Supplemental Payment Agreement and the transactions contemplated hereby and to perform his obligations hereunder and is duly authorized to execute and deliver this Supplemental Payment Agreement and to perform his obligations hereunder.

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

(c) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to his knowledge, threatened against him with respect to (i) his authority to execute and deliver this Supplemental Payment Agreement, (ii) the validity or enforceability of this Supplemental Payment Agreement, (iii) the title to his office or (iv) any authority or proceedings related to his execution of this Supplemental Payment Agreement and no such authority or proceeding has been repealed, revoked, rescinded or amended, but each is in full force and effect.

### ARTICLE III

#### OBLIGATIONS OF PARTIES

Section 301. Obligations of Board. (a) The Board shall deliver to the Governor and the Director of the Department of Planning and Budget of the Commonwealth, annually by December 1, the following:

(1) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be deposited in the Northern Virginia Transportation District Fund the collections of state recordation taxes described in Section 58.1-815.1 of the Virginia Code or any successor provision of law and to retain in such fund the unexpended amounts on deposit in such fund.

(2) A statement of the amount of principal and interest coming due on the Bonds and all other amounts required to be paid under the Trust Agreement with respect to the Bonds during the next succeeding fiscal or biennial period, as applicable, and a request that

the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be appropriated such amount for such purpose (i) from the Northern Virginia Transportation District Fund, (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, from revenues of the Transportation Trust Fund or (iv) from such other funds which may be appropriated by the General Assembly.

(3) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that the balance remaining in the Northern Virginia Transportation District Fund, after the appropriation, if any, described in Section 301(a)(2) is made, be appropriated for Costs of the Program.

(b) The Board shall use its best efforts to have (i) the Governor include, in each biennial or any supplemental budget he or she presents to the General Assembly, the amounts set forth in this Section and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

(c) If no appropriation is made for the amounts set forth in this Section to the Northern Virginia Transportation District Fund, or if any such appropriation is insufficient in amount, the Board shall, to the extent permitted by law, take all action necessary (i) to the extent required, to have such amounts set aside from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, as the Board shall determine, and (ii) to cause the amounts set aside to be paid by the Treasury Board to the Trustee.

(d) The Board shall provide to the Treasury Board, by May 1 and November 1 of each year, all requisitions and documents and take all actions necessary to have paid to the Treasury Board from funds appropriated pursuant to clauses (i), (ii), (iii) and (iv) of paragraph (a)(2) of this Section or from funds set aside by the Board pursuant to paragraph (c) of this Section all amounts due hereunder and to direct the Treasury Board to make from such funds all principal and interest payments due under the Trust Agreement to the Trustee on the Payment Dates.

(e) The Board shall take all actions necessary to have payments which are made from the sources referred to in paragraph (d) of this Section charged against the proper appropriation made by the General Assembly.

Section 302. Obligations of Treasury Board. (a) The Treasury Board shall use its best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth the amounts described in Section 301(a)(2) and (ii) the General Assembly appropriate such amount.

(b) The Treasury Board shall use its best efforts to obtain by May 1 and November 1 of each year the appropriate requisitions and documents needed from the Board to make the payments to the Trustee in accordance with Section 301(d).

(c) The Treasury Board shall make all principal and interest payments on the Bonds to the Trustee on the Payment Dates solely from moneys made available to it pursuant to Section 301.

Section 303. Obligation of Secretary of Finance. The Secretary of Finance shall use his best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth the amounts described in Section 301(a)(2) and (ii) the General Assembly appropriate such amounts.

#### ARTICLE IV

##### AMENDMENTS TO ORIGINAL PAYMENT AGREEMENT

Section 401. Meaning of the Capitalized Term "Bonds". At all times after the Series 1995A Closing Date, it is understood and agreed by the parties hereto and the Trustee that the capitalized term "Bonds" as used in the Original Payment Agreement shall refer only to the Series 1993C Bonds.

Section 402. Amendment to Section 301(a)(2). The third line of Section 301(a)(2) of the Original Payment Agreement is hereby amended by the addition of the phrase "with respect to the Bonds" immediately after the capitalized term "Trust Agreement."

Section 403. Affirmation of Original Payment Agreement. Except as expressly supplemented and amended pursuant to this Supplemental Payment Agreement, all of the terms, conditions and undertakings of the Board, the Treasury Board and the Secretary of Finance under the Original Payment Agreement are hereby ratified and affirmed and remain in full force and effect.

ARTICLE V

MISCELLANEOUS

Section 501. Term of Agreement. The term for this Supplemental Payment Agreement shall commence on the Series 1995A Closing Date and shall terminate on the earlier of the date of payment in full of all of the Bonds or the first date on which no Bonds remain Outstanding.

Section 502. Trustee as Third Party Beneficiary; Effect of Trustee's Signature. (a) By its acceptance noted below the Trustee shall become a third party beneficiary of this Supplemental Payment Agreement and shall be entitled to enforce, on behalf of the Holders, all of the obligations and rights of the parties hereto to the same extent as if the Trustee were one of the contracting parties.

(b) By its signature below, the Trustee evidences its opinion that the amendments to the Original Payment Agreement set forth in this Supplemental Payment Agreement do not prejudice in any material respect any of the rights of the Holders of the Series 1993C Bonds.

Section 503. Amendments. Upon receipt of the written consent of the Trustee, this Supplemental Payment Agreement may be amended by the parties hereto so long as such amendment complies with the requirements set forth in Article XIII of the Master Trust Agreement.

Section 504. Successors. This Supplemental Payment Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors.

Section 505. Severability. If any provision of this Supplemental Payment Agreement shall be held to be illegal or invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Supplemental Payment Agreement shall be construed and enforced as if such illegal provision had not been contained in it.

Section 506. Counterparts. This Supplemental Payment Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 507. Notices. Unless otherwise provided in this Supplemental Payment Agreement, all notices, approvals, consents, requests and other communications under this Supplemental Payment Agreement shall be in writing and shall be deemed to be given when delivered in person, or when sent by Federal Express or a comparable express courier service, or when mailed by registered

or certified mail, postage prepaid, addressed (i) if to the Board, at 1401 East Broad Street, Richmond, Virginia 23219 (Attention: Chairman), (ii) if to the Treasury Board, at James Monroe Building, Third Floor, 101 North 14th Street, Richmond, Virginia 23219 (Attention: Director of Debt Management) or (iii) if to the Secretary of Finance, at Ninth Street Office Building, 202 North 9th Street, Room 635, Richmond, Virginia 23219. The Board, the Treasury Board and the Secretary of Finance may, by notice given under this Supplemental Payment Agreement, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent.

IN WITNESS WHEREOF, the Board and the Treasury Board have caused this Supplemental Payment Agreement to be duly executed on their behalf by their duly authorized officers and the Secretary of Finance has duly executed this Supplemental Payment Agreement in his official capacity.

COMMONWEALTH TRANSPORTATION BOARD

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

TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA

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

\_\_\_\_\_  
Secretary of Finance of the Commonwealth of Virginia

ACCEPTED:

FIRST UNION NATIONAL BANK  
OF VIRGINIA, as Trustee

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

\CTB4\CTB403.SPA

UNAF I  
12-9-94

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

NEW ISSUE  
BOOK-ENTRY ONLY

Fitch: \_\_\_\_\_  
Moody's: \_\_\_\_\_  
Standard & Poor's: \_\_\_\_\_  
(See "RATINGS" herein)

*In the opinion of Bond Counsel, under current law and subject to conditions described in the section "Tax Matters" interest on the Series 1995A Bonds (1) will be excluded from gross income for federal income tax purposes, (2) will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (3) will be exempt from income taxation by the Commonwealth of Virginia. Such interest may be included in the calculation of a corporation's alternative minimum income tax, and a holder may be subject to other federal tax consequences as described in the section "Tax Matters."*

**Commonwealth Transportation Board**  
\$ \_\_\_\_\_  
**Commonwealth of Virginia**  
**Transportation Revenue Bonds, Series 1995A**  
**(Northern Virginia Transportation District Program)**

Dated: January 15, 1995

Due: May 15, as shown below

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

The Series 1995A Bonds will be issued only in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 1995A Bonds. Investors will not receive certificates representing the Series 1995A Bonds purchased by them. Individual purchases will be in principal amounts of \$5,000 or any integral multiple of \$5,000. Interest on the Series 1995A Bonds will be payable beginning on May 15, 1995, and semiannually thereafter on each May 15 and November 15.

The Series 1995A Bonds maturing in \_\_\_\_\_ and thereafter will be subject to redemption prior to maturity as described in the section "The Series 1995A Bonds."

The Series 1995A Bonds will be limited obligations of the Commonwealth of Virginia and the Commonwealth Transportation Board payable solely from the revenues, receipts and funds appropriated for their payment by the General Assembly, or allocated by the Commonwealth Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and will not be a debt nor is there a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions.

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

Maturity	Principal Amount*	Interest Rate	Price/ % Yield	Maturity	Principal Amount*	Interest Rate	Price/ % Yield
1995	\$			2008	\$		
1996				2009			
1997				2010			
1998				2011			
1999				2012			
2000				2013			
2001				2014			
2002				2015			
2003				2016			
2004				2017			
2005				2018			
2006				2019			
2007				2020			

*The Series 1995A Bonds are offered when, as and if issued, subject to the approval of their legality by McGuire, Woods, Battle & Boothe, Richmond, Virginia, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Commonwealth of Virginia by the Office of the Attorney General of Virginia. It is expected that the Series 1995A Bonds will be available for delivery to DTC in New York, New York, on or about February \_\_, 1995.*

January \_\_, 1995

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



**COMMONWEALTH TRANSPORTATION BOARD**

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David R. Gehr, *Vice Chairman*

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Lorinda G. Lionberger	Daphyne S. Thomas
H. Carter Myers, III	Byron E. Waldman
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James W. Atwell, *Assistant Commissioner for Finance*

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**SECRETARY OF FINANCE**

Paul W. Timmreck

**OFFICE OF THE ATTORNEY GENERAL**

James S. Gilmore, III, *Attorney General*  
Richard L. Walton, Jr., *Senior Assistant Attorney General*  
Mary G. Morris, *Senior Assistant Attorney General*

**TRUSTEE AND PAYING AGENT**

First Union National Bank of Virginia  
Richmond, Virginia

**BOND COUNSEL**

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Richmond, Virginia

**FINANCIAL ADVISOR**

Public Financial Management, Inc.  
Philadelphia, Pennsylvania

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 1995A Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesperson or any other person has been authorized by the Transportation Board or the underwriters to give any information or make any representation with respect to the Transportation Board, the Commonwealth of Virginia or the Series 1995A Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 1995A Bonds, and if given or made, such information or representation must not be relied upon as having been authorized by the Transportation Board or the underwriters. Neither the delivery of this Official Statement nor the sale of any of the Series 1995A Bonds implies that there has been no change in the affairs of the Transportation Board or the other matters described herein since the date of this Official Statement.

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**OFFICIAL STATEMENT**  
**Commonwealth Transportation Board**  
**\$ \_\_\_\_\_ \***  
**Commonwealth of Virginia**  
**Transportation Revenue Bonds, Series 1995A**  
**(Northern Virginia Transportation District Program)**

**INTRODUCTION**

This Official Statement is provided by the Commonwealth Transportation Board (the "Transportation Board"), a board created pursuant to the laws of the Commonwealth of Virginia (the "Commonwealth"), to furnish information with respect to the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program), to be issued in the aggregate principal amount of \$ \_\_\_\_\_ \* (the "Series 1995A Bonds"). The issuance of the Series 1995A Bonds is authorized by the provisions of the State Revenue Bond Act, §§ 33.1-267 *et seq.* (the "Revenue Bond Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"); Chapter 391 of the Acts of the General Assembly of Virginia, 1993 General Session, as amended by Chapters 470 and 587 of the Acts of the General Assembly of Virginia, 1994 General Session (the "Bond Legislation"); a resolution adopted by the Transportation Board on December 15, 1994 (the "Bond Resolution"); and a resolution adopted by the Treasury Board of the Commonwealth (the "Treasury Board") on December 21, 1994. The Series 1995A Bonds are being issued pursuant to a Master Agreement of Trust dated as of August 15, 1993 (the "Master Trust Agreement") and a Second Supplemental Agreement of Trust dated as of January 15, 1995 (the "Second Supplemental Trust Agreement" and collectively, with the Master Trust Agreement, the "Trust Agreement"), each between the Transportation Board and First Union National Bank of Virginia, Richmond, Virginia, as trustee (the "Trustee"). The Trustee is also the initial paying agent for the Series 1995A Bonds (the "Paying Agent").

The Series 1995A Bonds are the second series of bonds issued by the Transportation Board to finance costs related to the Northern Virginia Transportation District Program (the "Program"). See the section "Northern Virginia Transportation District Program." In its current form, the Program consists of the following projects: Fairfax County Parkway, Route 234 Bypass, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station, Route 7 Improvements in Loudoun County between Route 15 and Route 28, and under certain conditions which have not been satisfied as of this date, the Route 50/Courthouse Road interchange improvements in Arlington County. The total amount of bonds currently authorized for the Program is \$271,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses for the Program. In 1993, the Transportation Board issued its \$134,060,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1993C (Northern Virginia Transportation District Program) (the "Series 1993C Bonds"). The Series 1993C Bonds, the Series 1995A Bonds and any additional bonds issued under the Trust Agreement are referred to in this Official Statement as the "Bonds".

The Series 1995A Bonds will be issued only in book-entry form in denominations of \$5,000 or any integral multiple of \$5,000. Interest on the Series 1995A Bonds will be payable on each May 15 and November 15, beginning on May 15, 1995. Principal of the Series 1995A Bonds will be payable each May 15, beginning May 15, 1995.

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

The Bonds will be equally and ratably secured by and payable from the revenues, receipts and funds appropriated for such purpose by the General Assembly of Virginia (the "General Assembly"), or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, first from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues of the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly for such purpose, as more fully described in this Official Statement, and from moneys held by the Trustee in certain funds established under the Trust. See the section "Northern Virginia Transportation District Fund."

The Transportation Board will enter into the Supplemental Payment Agreement, dated as of January 15, 1995 (the "Supplemental Payment Agreement"), with the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") and the Secretary of Finance of the Commonwealth (the "Secretary of Finance"), supplementing and amending the Payment Agreement dated as of August 15, 1993 (the "Original Payment Agreement"), with the Treasury Board and the Secretary of Finance. The Supplemental Payment Agreement and the Original Payment Agreement will be referred to collectively below as the "Payment Agreement." The Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the Bonds, and for the payment of such debt service. The Payment Agreement requires the Transportation Board to submit annually by December 1 to the Governor and the Director of the Department of Planning and Budget of the Commonwealth a statement setting forth the amount of debt service which will become due on the Bonds and a request that the Governor include in the budget to be delivered to the General Assembly a provision for an appropriation of such amount for such purpose from certain statutorily specified sources. If no appropriation is made to the Northern Virginia Transportation District Fund, as described in the section "Northern Virginia Transportation District Fund," or if any such appropriation is insufficient in amount, the Payment Agreement requires the Transportation Board to apply to the payment of debt service on the Bonds funds appropriated by the General Assembly and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located; however, the General Assembly could amend the statutory authority requiring the Transportation Board to make this allocation. See the section "Summary of the Payment Agreement."

The Transportation Trust Fund is a special nonreverting fund administered and allocated by the Transportation Board for the purpose of funding construction, capital and other needs of state highways, airports, mass transportation and ports. It is funded primarily from certain retail sales taxes, motor fuel taxes and motor vehicle taxes and fees. See the section "Transportation Trust Fund."

The Northern Virginia Transportation District Fund is a special nonreverting fund in the Transportation Trust Fund. It is funded by that portion of the collections of the state recordation taxes imposed on deeds, deeds of trust, mortgages and certain other instruments which is attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and to the Counties of Arlington, Fairfax, Loudoun and Prince William. See the section "Northern Virginia Transportation District Fund."

If the Treasury Board or the Transportation Board fails to make any payment on the Series 1995A Bonds under the Trust Agreement when due, the Trustee and the owners of the Series 1995A Bonds will have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of them.

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

The Series 1995A Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions.

**SOURCES AND USES OF FUNDS**

The estimated sources and uses of Series 1995A Bond proceeds are as follows:

<b>Sources:</b>		
Principal Amount of Series 1995A Bonds		\$ _____
Original Issue Discount		_____
Accrued Interest		_____
Total		\$ _____
<b>Uses:</b>		
Deposits to the Construction Fund		
Fairfax County Parkway Account	\$20,000,000	
Route 234 Bypass Account	16,873,563	
Metro Capital Improvements Account	19,678,161	
Route 7 Improvements	3,448,276	
Costs of Issuance Account	_____	
Subtotal	\$ _____	
Underwriters' Discount		_____
Deposit to the Interest Account of the Bond Fund <sup>1</sup>		_____
Total		\$ _____

Accrued interest on the Series 1995A Bonds.

**THE SERIES 1995A BONDS**

**Description of Series 1995A Bonds**

The Series 1995A Bonds will be issued as fully registered bonds in book-entry form. The Series 1995A Bonds will be dated January 15, 1995, will be issued in denominations of \$5,000 or multiples of \$5,000, and will bear interest from January 15, 1995, payable semiannually on each May 15 and November 15, beginning May 15, 1995, at the rates and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

**Optional Redemption**

The Series 1995A Bonds maturing on or before May 15, 200\_ will not be subject to optional redemption.

The Series 1995A Bonds maturing on and after May 15, 200\_ will be subject to redemption before maturity at the Transportation Board's option on and after May 15, 200\_, from any money available for such purpose, in whole or in part, in increments of \$5,000 or any integral multiple of \$5,000 at any time, during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Series 1995A Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<b>Redemption Period</b> <b>(both dates inclusive)</b>	<b>Redemption Price</b>
May 15, 200_ through May 14, 200_	____%
May 15, 200_ through May 14, 200_	____%
May 15, 200_ and thereafter	____%

**[Mandatory Sinking Fund Redemption**

*This Section will be included in the final Official Statements only if the successful bidder elects to combine, in connection with the Notice of Sale, serial maturities into one or two term bonds.*

The Series 1995A Bonds maturing May 15, \_\_\_\_ are required to be redeemed in part before maturity on May 15 in the years and in the amounts set forth below, upon payment of a redemption price equal to 100 percent of their principal amount, plus accrued interest to the date fixed for redemption:

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

<u>Year</u>	<u>Amount</u>
\$	\$

\* Unamortized balance at maturity.]

#### **Selection of Series 1995A Bonds for Redemption**

If less than all of the Series 1995A Bonds are called for optional redemption, the Series 1995A Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Series 1995A Bonds of any maturity are called for optional or mandatory redemption, the Series 1995A Bonds to be redeemed will be selected by DTC, as hereafter defined, or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Series 1995A Bond for such purpose.

#### **Notice of Redemption**

Notice of redemption will be given by the Paying Agent by registered or certified mail not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 1995A Bonds, to the substitute securities depository, or if none, to the registered owners of the Series 1995A Bonds to be redeemed at their addresses shown on the registration books maintained by the Paying Agent. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. During the period that DTC or its nominee is registered owner of the Series 1995A Bonds, the Paying Agent will not be responsible for mailing notices of redemption to the Beneficial Owners.

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

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 1995A Bonds. The Series 1995A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. as DTC's nominee. One fully-registered Series 1995A Bond certificate will be issued for each maturity of the Series 1995A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 1995A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 1995A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 1995A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 1995A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 1995A Bonds, except in the event that use of the book-entry system for the Series 1995A Bonds is discontinued.

To facilitate subsequent transfers, all Series 1995A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 1995A Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 1995A Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 1995A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to Cede & Co. If less than all of the Series 1995A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 1995A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Transportation Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 1995A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 1995A Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, the Trustee, the Paying Agent or the Transportation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Transportation Board and the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 1995A Bonds at any time by giving reasonable notice to the Transportation Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 1995A Bond certificates are required to be printed and delivered.

The Trustee or the Transportation Board (with the Trustee's consent) may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 1995A Bond certificates will be printed and delivered.



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

The Transportation Board, the Commonwealth and the Treasury Board have no responsibility or obligation to the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (b) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, redemption premium, if any, and interest on the Series 1995A Bonds; (c) the delivery or timeliness of delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the resolution pursuant to which the Series 1995A Bonds are issued to be given to Bondholders or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an omnibus proxy.

So long as Cede & Co. is the Registered Owner of the Series 1995A Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 1995A Bonds or the Bondholders shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Bondholder of the Series 1995A Bonds for all purposes under the Trust Agreement.

The Transportation Board may enter into amendments to the agreement with DTC, or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 1995A Bonds without the consent of Beneficial Owners.

**DEBT SERVICE REQUIREMENTS FOR THE SERIES 1995A BONDS**

The following table sets forth for the fiscal years ending each June 30, the amounts needed in each annual period for payment of principal of and interest on the Series 1995A Bonds and the Series 1993C Bonds.

Fiscal Year	Series 1993C Bonds			Series 1995A Bonds			Total Fiscal Year Debt Service
	Principal	Interest	Fiscal Year Debt Service	Principal	Interest	Fiscal Year Debt Service	
1995	2,890,000	6,609,744	9,499,744				
1996	2,985,000	6,514,374	9,499,374				
1997	3,090,000	6,406,914	9,496,914				
1998	3,210,000	6,286,404	9,496,404				
1999	3,345,000	6,154,794	9,499,794				
2000	3,485,000	6,010,959	9,495,959				
2001	3,645,000	5,854,134	9,499,134				
2002	3,810,000	5,686,464	9,496,464				
2003	3,990,000	5,507,394	9,497,394				
2004	4,180,000	5,315,874	9,495,874				
2005	4,385,000	5,111,054	9,496,054				
2006	4,605,000	4,891,804	9,496,804				
2007	4,835,000	4,661,554	9,496,554				
2008	5,085,000	4,414,969	9,499,969				
2009	5,350,000	4,148,006	9,498,006				
2010	5,635,000	3,864,456	9,499,456				
2011	5,935,000	3,561,575	9,496,575				
2012	6,255,000	3,242,569	9,497,569				
2013	6,590,000	2,906,363	9,496,363				
2014	6,955,000	2,543,913	9,498,913				
2015	7,335,000	2,161,388	9,496,388				
2016	7,740,000	1,757,963	9,497,963				
2017	8,145,000	1,351,613	9,496,613				
2018	8,575,000	924,000	9,499,000				
2019	9,025,000	473,813	9,498,813				
2020							
<b>Totals</b>	<b>131,080,000</b>	<b>106,362,095</b>	<b>237,442,095</b>				

<sup>1</sup> Includes accrued interest.  
 Figures may not add due to rounding.

## SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 1995A BONDS

The Trust Agreement provides that the Series 1995A Bonds are secured by and payable solely from the revenues, receipts and funds appropriated by the General Assembly for such purpose, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, first from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues in the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly for such purposes, and from moneys held by the Trustee in certain funds established under the Trust Agreement. See the sections "Northern Virginia Transportation District Fund," "Transportation Trust Fund" and "Summary of the Trust Agreement."

**The Series 1995A Bonds are limited obligations of the Commonwealth and the Transportation board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions.**

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

### **Additional Debt**

All Bonds issued under the Trust Agreement must be authorized by the General Assembly. The Bond Legislation currently limits the amount of bonds which may be issued for the Program to \$271,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses. This limit could be changed by the General Assembly.

The Transportation Board may issue one or more series of additional bonds under the Trust Agreement ("Additional Bonds") on a parity with the Series 1993C Bonds and the Series 1995A Bonds upon satisfaction of various conditions. The Trust Agreement provides that Additional Bonds may be issued only (1) to pay costs of all or any portion of the Program, (2) to refund any Bonds issued under the Trust Agreement, and (3) for a combination of such purposes.

After the issuance of the Series 1995A Bonds, approximately \$80,010,114 of the Bonds authorized for the Program will remain unissued. The Transportation Board expects to issue the remaining authorized Bonds in fiscal year 1997 if additional funds for debt service are appropriated by the General Assembly.

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

## **AUTHORIZED, ISSUED AND UNISSUED BONDS**

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities with credit structures similar to the credit structure for the Series 1995A Bonds. Descriptions of these financing programs and the authorized, issued and unissued bonds are set forth below.

## Transportation Revenue Bonds

*Northern Virginia Transportation District Program and Commonwealth of Virginia Revenue Bond Acts of 1993 and 1994.* The Bond Legislation authorizes the Transportation Board to sell Transportation Revenue Bonds, pursuant to the Revenue Bond Act, as amended, in the amount of \$271,000,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses for the Program. The Program currently includes the following projects: the Fairfax County Parkway, Route 234 Bypass, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station, Route 7 improvements in Loudoun County between Route 15 and Route 28, and under certain conditions which have not been satisfied as of this date the Route 50/Courthouse Road interchange improvements in Arlington County. It is expected that revenue for payment of the debt service on the Bonds will be provided from the Northern Virginia Transportation District Fund. The General Assembly also amended the Virginia Code to provide \$20,000,000 in fiscal year 1993-94 and \$40,000,000 in each fiscal year thereafter to be distributed to localities from the state recordation taxes. See the subsection "U.S. Route 58 Corridor Development Program" in this section for a discussion of other prior appropriations which may be made from the state recordation taxes. The Northern Virginia localities providing the attributable recordation taxes are the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun, and Prince William. In 1993, the Transportation Board issued \$134,060,000 Series 1993C Bonds for the Program. The Series 1995A Bonds are the second series of Bonds to be issued by the Transportation Board under this Program. See the sections "Northern Virginia Transportation District Program" and "Northern Virginia Transportation District Fund." The Transportation Board expects to issue Bonds for the remaining authorization in fiscal year 1997 if additional funds for debt service are appropriated by the General Assembly.

*U.S. Route 58 Corridor Development Program.* The Revenue Bond Act permits the Transportation Board to issue Transportation Revenue Bonds payable from (1) appropriations made from the U.S. Route 58 Corridor Development Fund, (2) to the extent required, revenues legally available from the Transportation Trust Fund, and (3) other legally available funds to finance projects authorized by the General Assembly as part of the U.S. Route 58 Corridor Development Program (the "Route 58 Program"). The U.S. Route 58 Corridor Development Fund (the "Route 58 Fund") was established as a special nonreverting fund of the Transportation Trust Fund into which is to be deposited each year the first \$40,000,000 of annual collections of the state recordation taxes. Biennial budgets which have been adopted by the General Assembly have provided for the appropriation to the Route 58 Fund only amounts sufficient to pay debt service on the bonds outstanding under the Route 58 Program. In its 1989 Special Session II, the General Assembly enacted legislation which authorizes the Transportation Board to issue Transportation Revenue Bonds in an amount not to exceed \$600,000,000, plus an amount for issuance costs, reserve funds and other financing expenses, to finance a portion of the costs of the Route 58 Program. In 1989, the Transportation Board issued \$200,000,000 of Transportation Revenue Bonds, Series 1989 (the "Series 1989 Bonds") to finance a portion of the costs of the Route 58 Program. In June 1993, the Transportation Board issued its Transportation Revenue Refunding Bonds, Series 1993A, in the principal amount of \$91,455,000 to refund a portion of the Series 1989 Bonds and its Transportation Revenue Bonds, Series 1993B, in the principal amount of \$98,715,000 to finance additional costs of the Route 58 Program. Approximately \$309,000,000 of the Transportation Revenue Bonds authorized for the Route 58 Program remain unissued.

*Interstate 66 Economic Development Program and the Haymarket Transportation Program.* The 1994 Session of the General Assembly authorized the issuance of \$82,389,000 for the Interstate 66 Economic Development Program and created the Interstate 66 Economic Development Program Fund (Chapter 520), and authorized the issuance of \$49,143,000 for the Haymarket Transportation Program and created the Haymarket Transportation Program Fund (Chapter 589). These acts jointly provided for the cost of certain capacity enhancing highway projects for Interstate 66, U.S. Route 15 and related access roads in Prince William County in the vicinity of the community of Haymarket in connection with the potential development of a major theme park. The legislation contains specific preconditions which must be satisfied before the respective bond authorizations become effective. These extensive preconditions include: approval by the Prince William County Board of Supervisors of rezoning for a project with an area of at least 2,000 acres inclusive of a theme park, a proffer of capital investment of at least \$400 million in Virginia and the execution of a written agreement signed by the Governor and Auditor of Public Accountants with the corporate parent of the theme park operator specifying additional requirements to be satisfied prior to the undertaking. The original potential developer and theme park operator is no longer interested in pursuing the theme park project at this location. At this time, no other potential developer and theme park operator

has come forward. Given the specific nature of the preconditions it is unlikely that the authorization for the bonds set forth in Chapters 520 and 589 will become effective before they may be repealed by the General Assembly.

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

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

**Route 234 Bypass Transportation Contract Revenue Bonds.** The 1990 Session of the General Assembly authorized the issuance of \$95,000,000, plus an additional amount for issuance costs, reserve funds and other financing expenses, of Transportation Contract Revenue Bonds to provide funds to support the construction of the State Route 234 Bypass in Prince William County. A Transportation Improvement District in Prince William County has been created to carry out this financing. The authorization to issue the Transportation Contract Revenue Bonds is contingent upon the fulfillment of certain preconditions stipulated in the legislation. Among the preconditions is the requirement for a finding by an independent consultant that the anticipated district tax proceeds along with other local revenues are adequate to support the debt issued for the project. To date this precondition, along with several of the other preconditions, has not been met. Therefore, no Transportation Contract Revenue Bonds have been issued pursuant to this act although the issuance authorization remains. The 1993 Session of the General Assembly amended the bond authorization to permit the Transportation Board to finance the project in phases and prioritize the phases of the project, as applicable preconditions are met. The State Route 234 Bypass is being financed in part with proceeds of the Series 1995A Bonds.

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

**Local Jurisdiction Set-Aside Program.** The 1993 Session of the General Assembly also authorized the creation of special Set-Aside Funds for transportation improvements endorsed by the local jurisdiction or jurisdictions affected and the issuance of Transportation Program Revenue Bonds to finance those improvements. The jurisdiction or jurisdictions requesting the creation of a Set-Aside Fund and the issuance of bonds must agree that certain distributions of state recodation taxes attributable to them be deposited in the Set-Aside Fund by the State Treasurer and used to pay debt service on any Transportation Program Revenue Bonds issued by the Transportation Board to finance the cost of the program. No bonds have been issued by the Transportation Board under this program. Before any bonds may be issued, the project or projects to be financed must be approved by the General Assembly.

*Oak Grove Connector, City of Chesapeake.* The 1994 Session of the General Assembly authorized the issuance of \$32,500,000 Transportation Program Revenue Bonds, plus an additional amount for issuance costs, reserve funds and other financing expenses, to finance the cost of the Oak Grove Connector project. This project consists of a four lane divided highway connecting Dominion Boulevard (Route 104) and the Great Bridge Bypass (Route 168) in the City of Chesapeake and includes costs of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, construction and related improvements. The security structure for the bonds would be provided through the creation of a Set-Aside Fund and the debt service would be paid from: (i) the locality's share of state recordation tax dedicated to the Set-Aside Fund, (ii) to the extent required, local revenues received pursuant to a contract or other financing mechanism acceptable to the Transportation Board, (iii) to the extent required, from legally available revenues of the Transportation Trust Fund, and (iv) from other funds as may be appropriated by the General Assembly. At this time, the Transportation Board has not entered into an agreement with the City of Chesapeake to issue any bonds nor has the City dedicated their share of state recordation taxes to the Set-Aside Fund.

**COMMONWEALTH TRANSPORTATION BOARD AND  
VIRGINIA DEPARTMENT OF TRANSPORTATION**

**Commonwealth Transportation Board**

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

The Transportation Board consists of sixteen (16) members from various areas of the Commonwealth appointed by the Governor, subject to confirmation by the General Assembly. One member is chosen from each of the Commonwealth's nine (9) highway construction districts, and three (3) members are selected as urban at-large members and two (2) members as rural at-large members. In addition to representing rural and urban transportation needs, the at-large members represent the interests of seaport, airport, railway and mass transit users. The Chairman of the Transportation Board is the Commonwealth Secretary of Transportation. The Vice Chairman is the Commonwealth Transportation Commissioner, who is also the chief executive officer of the Virginia Department of Transportation (the "Department"). The current membership of the Transportation Board, the expiration dates of their terms and the constituency represented by each member are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Constituency</u>
Robert E. Martínez	At the Pleasure of the Governor	Chairman, Transportation Board; Secretary of Transportation
David R. Gehr	At the Pleasure of the Governor	Vice Chairman, Transportation Board; Commonwealth Transp. Commissioner
Thomas A. Barton	_____	Suffolk District
Gary W. Brooks	_____	Rural At-Large
Roy Parrish Byrd	_____	Lynchburg District
M. Philmore Howlette	_____	Richmond District
Lorinda G. Lionberger	_____	Salem District
H. Carter Myers, III	_____	Urban At-Large
Zeanious L. Newcomb	_____	Fredericksburg District
Max B. Porter	_____	Rural At-Large
Joseph A. Rhea, Jr.	_____	Bristol District
James E. Rich	_____	Urban At-Large
William S. Roudabush	_____	Culpeper District
Daphyne S. Thomas	_____	Staunton District
Byron E. Waldman	_____	Northern Virginia District
Ulysses X. White	_____	Urban At-Large

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

#### **Virginia Department of Transportation**

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

The Department's budget for the fiscal year ending June 30, 1995, is approximately \$2.1 billion. The highway construction budget for the Department for such fiscal year is approximately \$1.1 billion. As of June 30, 1994, the Department had 485 construction projects underway for an aggregate amount of approximately \$1.021 billion, with an outstanding balance of construction costs to be paid of approximately \$575 million.

The Commonwealth has the nation's third largest system of state-maintained highways with a system totaling approximately 55,100 miles of Interstate, primary and secondary roads. The system includes more than 12,000 bridges. In addition, independent cities and towns maintain about 9,600 miles of local streets and receive funds from the Transportation Board for such purpose.

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

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

These districts are divided into 45 residencies, each typically consisting of one to four counties. The field organization is further subdivided into approximately 238 area maintenance headquarters. About 90 percent of the Department's 11,530 employees are assigned to the field organization. The remainder are assigned to the central office in Richmond or to units associated with the central office.

At the senior management level, the Commonwealth Transportation Commissioner is the chief executive officer of the Department. The senior management staff of the Department consists of the Chief Engineer, the Assistant Commissioner for Administration, the Assistant Commissioner for Operations, the Assistant Commissioner for Finance and the Assistant Commissioner for Planning and Programming, which is currently vacant. The resumes of the persons currently filling these positions follow:

*David R. Gehr* has served as the Commonwealth Transportation Commissioner since being appointed to the position by Governor George Allen in 1994. Mr. Gehr had served as the Assistant Commissioner for Operations for the Department since 1986. His 22-year career with the Department has included positions as Assistant Division Administrator and District Engineer in the Northern Virginia District and District Traffic Engineer in the Fredericksburg District and as Director of Operations for the Department. Mr. Gehr, a native of Rochester, New York, holds a Civil Engineering Degree from Virginia Military Institute and has done graduate work in transportation planning at George Washington University. He is a member of the Virginia Section of the Institute of

Transportation Engineers, the American Society of Civil Engineers and the American Association of State Highway and Transportation Officials.

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

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

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

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

#### **NORTHERN VIRGINIA TRANSPORTATION DISTRICT PROGRAM**

The Program includes projects located in the Northern Virginia Highway Construction District which are to be developed over several years depending upon the availability of funding. The projects are to be funded from several different sources, including federal, state and local money and the proceeds of Bonds issued pursuant to the Bond Legislation. The projects, the total amount of Bonds authorized to be issued for each project, and the amount allocated to each project from the proceeds of the Series 1995A Bonds are as follows:



<b>Project</b>	<b>Total Bond Authorization*</b>	<b>Amount Allocated from Series 1995A Bonds*</b>
Fairfax County Parkway	\$ 87,000,000	\$ 20,000,000
Route 234 Bypass	73,400,000	16,873,563
Metro Capital Improvements	85,600,000	19,678,161
Route 7 Improvements	15,000,000	3,448,276
Route 50/Courthouse Road	<u>10,000,000</u>	<u>0</u>
<b>Total</b>	<b><u>\$271,000,000</u></b>	<b><u>\$60,000,000</u></b>

\* These figures do not include costs of issuance and other expenses.

**Fairfax County Parkway.** The Fairfax County Parkway (the "Parkway") extends 34.6 miles from Route 7 (Leesburg Pike) to Route 1 (Jefferson Davis Highway) with interchanges at the Dulles Toll Road (Hirst-Braule Expressway) and Interstate 95 (High Occupancy Vehicle access only). Additional interchanges are currently planned at Interstate 66, Route 29, Braddock Road, Route 123, and Rolling Road. The Parkway is a four-lane facility with sufficient right-of-way for six lanes. Currently, two segments are constructed which provide six lanes. These are (1) Sunset Hills Road to Sunrise Valley Drive and (2) Rolling Road to Beulah Street (Franconia-Springfield Parkway). Approximately 14 miles of the Parkway are currently open to traffic. When completed, the Parkway will cost an estimated \$500 million and will provide for future interchanges at Route 7, Route 50, Frontier Drive, Telegraph Road and Route 1.

The Series 1995A Bond proceeds are intended to complete the funding for the Route 50 and Frontier Drive interchanges and the Telegraph Road to Route 1 segments. Additionally, proceeds will be used to provide funding to complete the rights-of-way acquisition for the Newington to Telegraph Road segment, as well as a partial funding of construction. The remaining construction funds for the Newington to Telegraph Road segment will be provided from an allocation the remaining authorization.

**Route 234 Bypass.** The Route 234 Manassas Bypass is proposed to be a four-lane facility constructed on a six-lane right-of-way extending from approximately 0.4 miles east of existing Route 649 (Brentsville Road) in a northwesterly direction for approximately 10 miles to an interchange with Interstate 66. When completed, the facility will cost an estimated \$142 million to include interchanges at Brentsville Road, Clover Hill Road, Route 28, Sudley Manor Drive, Balls Ford Road and Interstate 66. The interim facility will provide four lanes extending from Route 28 to Interstate 66 with partial interchanges at Route 28 and Interstate 66.

The proceeds from the Series 1995A Bonds will be used to complete the funding for construction of the segment from Route 28 to Interstate 66 and to provide funding as needed to commence acquisition of the rights-of-way between Brentsville Road and Route 28.

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

The Rail Construction Program is intended to complete the remaining 103-mile Metrorail system. The major activity in the jurisdictions of the Localities is the construction of the Franconia-Springfield segment estimated to cost approximately \$230 million. This project includes continued construction on the line sections, construction of the station and parking structure, procurement and installation of trackwork, and completion of design for train control, traction power and communications.

The Capital Improvements Program is a six-year, \$823 million program of capital replacement and rehabilitation to enhance quality of service and maintain the Metro system in a state of good repair and safety. This

program will include the overhaul of 300 railcars, the purchase of 700 replacement buses, the construction of a new Metrobus garage, and other related capital improvements.

The proceeds from the issuance of the Series 1995A Bonds will be used to finance a portion of the Localities' obligation to pay for the Metro Capital Improvements Program.

**Route 7 Improvements.** The Route 7 Improvements were added to the Program by the 1994 amendments (Chapters 470 and 597 of the 1994 Acts of Assembly) and consist of improvements to Route 7 in Loudoun County between Route 15 and Route 28.

The planned improvement projects for Route 7 will widen the current 4 lane facility to a 6 lane roadway from Leesburg to west of Route 28, a distance of approximately 5.4 miles. The widening of this vital link to Western Loudoun County will relieve congestion during peak hours and improve air quality for the region. This improvement will create a safer traveling environment for the commuters and residents of this locality. Economic development will also be facilitated through improved access to the market area. The proceeds from the Series 1995A bonds will be used to pay costs for certain segments of the project.

## NORTHERN VIRGINIA TRANSPORTATION DISTRICT FUND

### General

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

In the fiscal year ending June 30, 1994, there was distributed a total of \$20 million of the collections of the state recordation taxes for the second and third quarters among the counties and cities in Virginia based on a portion of the recordation tax collections attributable to each county or city. The legislation creating the Fund provides that the amount to be distributed to cities and counties will be increased to \$40 million for each fiscal year beginning July 1, 1994. A portion of this amount allocable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun and Prince William is to be transferred to the Fund. This amount was approximately \$9.1 million for fiscal year 1993-94 and estimated to be approximately \$19.0 million for each fiscal year. The Fund also will include such other amounts, if any, as may be appropriated from time to time by the General Assembly and all interest, dividends and appreciation which may accrue to amounts in the Fund.

Amounts in the Fund may be used to pay the costs of the Program, including debt service on the outstanding Series 1993C Bonds and the Series 1995A Bonds. The amended legislation creating the Fund provides that once the bond authority for all Category 1 projects have been used, funds remaining may be used to finance the costs of Category 2 projects. Excess money in the Fund in any fiscal year not needed to pay debt service on the Bonds issued for Category 1 or Category 2 projects may be used to pay the costs of Category 3 projects. These Category 3 projects are projects concurred in by the local jurisdictions participating in the Program subject to guidelines and conditions promulgated by the Transportation Board.

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

### State Recordation Tax Collections

Recordation taxes are imposed on every deed and deed of trust (mortgage) admitted to record in the Commonwealth subject to certain exceptions and exemptions. The taxes are collected by the clerks of the courts where the instruments are admitted to record. The current rate of tax on deeds is 15 cents on every \$100 or fraction thereof of the consideration for or the actual value of the property conveyed, whichever is greater, payable by the transferee, and 50 cents on each \$500 or fraction thereof of the consideration for or the actual value of the property exclusive of the value of any lien or encumbrance on the property, payable by the transferor. The current rate of tax on deeds of trust (mortgages) is 15 cents on every \$100 or fraction thereof of the amount of the obligation secured.

The following table shows the actual and projected Commonwealth recordation tax collections and the amounts applied to, or anticipated to be applied to, the payment of debt service on Transportation Revenue Bonds.

**Commonwealth of Virginia  
State Recordation Tax Collections  
1988-1995  
(in millions)**

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>	<b>Appropriated to U.S. Route 58 Corridor Development Fund<sup>1</sup></b>	<b>Appropriated to Northern Virginia Transportation District Fund<sup>2</sup></b>
1988	\$92.3	\$ 0.0	\$ 0.0
1989	98.2	0.0	0.0
1990	88.5	0.0	0.0
1991	68.6	40.0 <sup>4</sup>	0.0
1992	80.3	16.2 <sup>4</sup>	0.0
1993	96.1	15.2 <sup>4</sup>	0.0
1994	111.2	22.2 <sup>4</sup>	9.5 <sup>5</sup>
1995	89.7 <sup>3</sup>	40.0 <sup>5</sup>	19.0 <sup>5</sup>
1996	93.2 <sup>3</sup>	40.0 <sup>5</sup>	19.0 <sup>5</sup>

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

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

<sup>3</sup> Projected amounts.

<sup>4</sup> Amount necessary for debt service was appropriated from the General Fund of the Commonwealth.

<sup>5</sup> Appropriation by General Assembly.

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

## TRANSPORTATION TRUST FUND

### General

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

At the 1993 General Assembly session, the Department reported on a study of the financing of transportation and allocation formula for all modes of transportation. The recommendations of this study included a one-year interim allocation formula which provided for use of additional federal revenues. The Transportation Trust Fund allocation formula enacted in the 1986 Special Session was not changed. Senate Joint Resolution 240, also enacted in the 1993 Session, established a Joint Legislative Select Committee to review the Department's funding and report on the sufficiency of private, federal, state and local revenue sources to meet long-term maintenance and construction needs of the state highways, public transit, rail, ports and airports transportation systems. The Joint Legislative Select Committee has reported to the 1994 General Assembly on its review. They study has been continued into 1995.

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

### Highway Maintenance and Operating Fund

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

The HMO Fund receives certain motor vehicle related taxes and fees (principally the fuel tax, vehicle tax, vehicle sales tax, vehicle registration fees and vehicle license fees) at the rates in effect before the 1986 Special Session Acts, while the increase in these taxes and fees is directed to the Transportation Trust Fund. See the subsection below "Sources of Revenues." In the fiscal year ending June 30, 1994, the HMO Fund received \$942,835,000 in such taxes and fees.

At the end of each fiscal year, the balance remaining in the HMO Fund is transferred to the Transportation Trust Fund. The Department anticipates that the year-end balance in the HMO Fund may diminish if maintenance costs rise faster than such taxes and fees available for such purpose. As a consequence, the year-end transfer of the HMO Fund balance may not be a long-term source of revenue to the Transportation Trust Fund. If maintenance expenditures rise to the level of HMO Fund taxes and fees, any additional maintenance costs will have to be funded from other sources, one of which may be the Transportation Trust Fund.

### Highway Allocation Formula

The Transportation Board is required by Virginia Code §33.1-23.1 to allocate each year all funds made available for highway purposes in accordance with the priorities established by §33.1-23.1. Highway funds are allocated first for maintenance of Interstate, primary, secondary and certain local roads and highways, administrative

and general expenses and certain other payments. Then certain funds are allocated for Interstate matching funds and for the paving of certain unpaved secondary roads. Of the remaining funds, (40) percent are allocated for the needs of the primary system and (30) percent each to the urban and secondary systems.

Primary system funds are apportioned among the nine highway construction districts based on a formula taking into account the following factors weighted as indicated: vehicle miles traveled on primary routes (70 percent), primary road lane mileage (25 percent), and need as determined by the Transportation Board (5 percent). Funds for urban systems are distributed based on population, and secondary system funds are distributed based on population (80 percent) and area (20 percent). The Transportation Board determines the projects on which primary, urban and Interstate system funds are spent. Secondary system funds are distributed to the counties and not designated by the Transportation Board for specific projects.

The allocation formula was most recently changed in 1977 and 1985. There is currently underway a study on the allocation formula that will be reported to the 1995 Session of the General Assembly (see the subsection "General" in this section). The General Assembly may, in the Appropriation Act, permit the Governor to make changes in the allocation formula set forth in Virginia Code §33.1-23.1 to increase amounts allocated to highway maintenance or highway construction or both.

#### Sources of Revenues

The following tables summarize the actual revenues for the fiscal years ending June 30, 1989 through 1994, and the projected revenues for fiscal years ending June 30, 1995 and 1996, received or to be received in the Transportation Trust Fund.

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

<b>Fiscal Year Ending June 30:</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994<sup>o</sup></b>
Retail Sales and Use Tax	\$216.7	\$226.8	\$223.4	\$225.4	\$238.3	\$256.1
Motor Vehicle Sales and Use Tax <sup>1</sup>	95.7	96.2	85.6	88.8	99.2	116.5
Motor Fuel Taxes <sup>2</sup>	84.9	87.5	82.8	84.2	87.2	93.3
Motor Vehicle Registration Fees	<u>15.3</u>	<u>15.0</u>	<u>14.7</u>	<u>15.6</u>	<u>15.3</u>	<u>14.5</u>
<b>Total Transportation Trust Fund Revenues</b>	<b><u>\$412.6</u></b>	<b><u>\$425.5</u></b>	<b><u>\$406.5</u></b>	<b><u>\$414.0</u></b>	<b><u>\$440.0</u></b>	<b><u>\$480.4</u></b>
Highway Construction Amount <sup>4</sup>	347.3	361.4	341.3	351.6	372.3	373.6
HMO Fund Transfer <sup>5</sup>	<u>131.6</u>	<u>104.7</u>	<u>50.6</u>	<u>6.1</u>	<u>52.6</u>	<u>63.0</u>
<b>Total Highway Portion of Transportation Trust Fund</b>	<b><u>\$478.9</u></b>	<b><u>\$466.1</u></b>	<b><u>\$391.9</u></b>	<b><u>\$357.7</u></b>	<b><u>\$424.9</u></b>	<b><u>\$436.6</u></b>

**Projected Transportation Trust Fund Revenues**  
(in millions)

<u>Fiscal Year Ending June 30:</u>	<u>1995</u>	<u>1996</u>
Retail Sales and Use Tax	\$274.3	\$287.9
Motor Vehicle Sales and Use Tax <sup>1</sup>	121.1	126.9
Motor Fuel Taxes <sup>2</sup>	92.1	93.0
Motor Vehicle Registration Fees	<u>16.0</u>	<u>16.3</u>
 Total Transportation Trust Fund Revenues	 <u>\$503.5</u>	 <u>\$524.1</u>
Highway Construction Amount <sup>4</sup>	432.9	448.8
HMO Fund Transfer <sup>5</sup>	<u>13.8</u>	<u>30.4</u>
Total Highway Portion of Transportation Trust Fund	 <u>\$456.7</u>	 <u>\$479.2</u>

- <sup>1</sup> Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax.
- <sup>2</sup> Motor Fuel Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax.
- <sup>3</sup> Does not reflect investment income on the Transportation Trust Fund, all of which is credited to the Transportation Trust Fund.
- <sup>4</sup> 85 percent of total Transportation Trust Fund revenues less certain estimated expenses.
- <sup>5</sup> Fiscal year-end transfer from HMO Fund. See subsection "Highway Maintenance and Operating Fund."
- <sup>6</sup> Preliminary figures, subject to audit.

*Sources: Department of Accounts and Department of Motor Vehicles for fiscal years 1989 through 1994. Department of Motor Vehicles, Department of Taxation and Department of Transportation for revenue estimates for fiscal years 1995 and 1996.*

The following is a brief description of the taxes and fees that were increased by the 1986 Special Session Acts and designated for deposit into the Transportation Trust Fund.

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

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

The retail sales and use taxes were increased from 3.0 percent to 3.5 percent by the 1986 Special Session Acts, effective January 1, 1987. Since then, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

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

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

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

As a result of the 1986 Special Session Acts, this tax increased from 2 percent to 3 percent, effective January 1, 1987. Since then, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

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

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

These motor fuel taxes increased 2.5 cents per gallon as a result of the 1986 Special Session Acts. The motor fuel tax on gasoline increased from 15 to 17.5 cents per gallon. The increase took effect on January 1, 1987. Since then, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund.

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

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

There is no assurance that any of these taxes or fees will remain in effect or that they will continue at their current levels. The General Assembly is under no obligation to continue the appropriation of the net additional revenues generated by the 1986 Special Session Acts to the Transportation Trust Fund.

## BUDGETARY PROCESS

### Biennium Budget Procedures

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

During each odd-numbered year, the Governor's budget bill is prepared, and it is presented to the General Assembly by December 20. The budget bill is then submitted to public hearings. After approval by the General Assembly's budget committees and passage by the House of Delegates and the Senate of the General Assembly, any differences between the House and Senate versions are reconciled. The Governor may suggest alternatives to, or veto any appropriations contained in, the budget bill. The signing of the budget bill by the Governor before the beginning of the biennium on July 1 completes the procedure for passage, and the budget bill becomes the Appropriation Act. In the odd-year sessions of the General Assembly, the Governor submits a budget bill including proposed amendments to the previous year's Appropriation Act, and that bill is considered in the same manner as the regular budget bill. The Appropriation Act enacted in the odd-year session is effective upon signing, while the regular biennial Appropriation Act is effective on July 1 of the year beginning the biennium (see *Appendix A: Commonwealth of Virginia Financial and Other Information*).

Legislative appropriations for a particular purpose are made available for expenditure by the appropriate state agency at the beginning of each fiscal year. The Department of Planning and Budget and the Secretary of Finance monitor revenue collections and expenditures to ensure that a balanced budget (as required by the Virginia Constitution) is maintained. The Appropriation Act requires that if projected revenue collections in the General Fund or in any non-General Fund, such as the Transportation Trust Fund, fall below amounts appropriated, the Governor must reduce agency expenditures and withhold allotments of appropriations among the General Fund and non-General Funds to the extent necessary to prevent any expenditure in excess of the estimated revenue. To that end, up to 15 percent of a General Fund or non-General Fund appropriation may be withheld if required to ensure a balanced budget. Certain specified expenditures, including those for payment of debt service on the "bonded debt or other bonded obligations of the Commonwealth, its agencies and its authorities" and payment in fulfillment of any contract respecting, among other things, construction and furnishing of any state building, have historically been protected by the Appropriation Act from reduction in the event of a shortfall in revenues.

### Biennium Budget Reduction Transfers

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

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

In addition, the General Assembly provided in the 1990-92 Appropriation Act for additional reductions in the Commonwealth Transportation Funds with the savings generated to be transferred to the General Fund to help offset the shortfall in General Fund revenue sources. For the fiscal year ending June 30, 1991, the amount of the transfer made from the Transportation Trust Fund was \$11,819,593. A transfer of \$19,233,679 was made from the Transportation Trust Fund for the fiscal year ending June 30, 1992, and an additional transfer of \$2,563,333 was made from the HMO Fund for the fiscal year ending June 30, 1993.



The Appropriation Act also directed the submission by the Secretaries of Finance and Transportation of a plan for the restoration of the transportation funds that were transferred to the General Fund in the 1990-92 biennium. A plan identifying the options for restoring transportation funds was submitted in December of 1991. The General Assembly has taken no action on the plan. The 1992-94 biennial budget adopted by the General Assembly was amended in 1993 to require a transfer from the Transportation Trust Fund of \$4,243,745 for the fiscal year ending June 30, 1994.

### SUMMARY OF THE TRUST AGREEMENT

The following, in addition to the information presented in the sections "The Series 1995A Bonds" and "Sources of Payment and Security for Series 1995A Bonds," summarizes certain provisions of the Trust Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Trust Agreement and any additional supplemental agreements in their entireties, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

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

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

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

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

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

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

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

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

**Provisions for Series 1995A Bonds.** The Trust Agreement provides for the issuance of the Series 1995A Bonds, the redemption of the Series 1995A Bonds and all other terms pertaining to the Series 1995A Bonds, as described in the section "The Series 1995A Bonds" in this Official Statement.

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

- (1) Construction Fund in which there are established a Metro Capital Improvements Account, a Fairfax County Parkway Account, a Route 234 Bypass Account, a Route 7 Improvements Account and a Series 1995A Cost of Issuance Account.
- (2) Bond Fund, in which there are established an Interest Account, a Principal Account and a Sinking Fund Account.

**Construction Fund.** Money on deposit in the Construction Fund will be used to pay the Cost of the Program. The Trustee will make payments from the Construction Fund upon receipt of a requisition signed by a representative of the Transportation Board providing information with respect to the use of the amounts requisitioned. Excess money after completion of the Program will be applied, subject to the terms and limitations set forth in the Trust Agreement, to redeem or purchase Bonds, or to pay principal of or interest on Bonds.

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

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

- (1) Government Obligations;
- (2) Government Certificates;

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

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

**Redemption.** For a description of the redemption provisions of the Series 1995A Bonds, see the subsections "Optional Redemption" and "Mandatory Sinking Fund Redemption" in the section "The Series 1995A Bonds."

**Additional Bonds.** For a description of the provisions relating to the issuance of Additional Bonds, see the subsection "Additional Debt" in the section "Sources of Payment and Security for the Series 1995A Bonds."

**Use of Funds in Northern Virginia Transportation District Fund.** The Board will not expend any money in the Northern Virginia Transportation District Fund for any purpose other than payment of principal of or premium, if any, or interest on any Bonds for such period of time as the Board (1) fails to pay principal of or premium, if any, or interest on any Bonds when due or (2) fails to allocate funds to the payment of principal of or premium, if any, or interest on any Bonds at least 90 days prior to the date it is payable, if the General Assembly has not appropriated funds for such purpose.

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

**Events of Default and Remedies upon Default.** Events of Default specified in the Trust Agreement are (1) failure to pay interest on any Bond when due, (2) failure to pay principal of or premium, if any, on any Bond when due, (3) failure of the Transportation Board to observe or perform any other covenants, agreements or conditions under the Trust Agreement or the Bonds for a period of 60 days after written notice from the Trustee or the owners of 25 percent in principal amount of Bonds then Outstanding, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Transportation Board to proceed promptly to cure the default, (4) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and the funds established under the Trust Agreement or approval by a court of competent jurisdiction of any petition for reorganization of the Transportation Board or rearrangement or readjustment of the obligations of the Transportation Board under applicable bankruptcy law.

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

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

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

**Defeasance of Bonds.** If all Bonds secured by the Trust Agreement have been paid in accordance with their terms or have been called for redemption, or if irrevocable instructions to call the Bonds or pay them at maturity have been given by the Transportation Board to the Trustee and the Trustee holds in cash or noncallable Government Obligations or noncallable Government Certificates the principal of and the interest on which at maturity will be sufficient (1) to redeem in accordance with the Trust Agreement and any supplemental trust agreement, all Bonds that have been called for redemption on the date set for such redemption or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (2) to pay at maturity all Bonds not irrevocably

called for redemption, (3) to pay interest accruing on all Bonds prior to their redemption or payment at maturity, (4) to make all payments to the United States of America required by any supplemental trust agreement, and (5) to pay to the Trustee its reasonable fees and expenses, and all other fees and expenses for which the Transportation Board is responsible, then the Trustee will cancel and discharge the Trust Agreement and execute and deliver to the Transportation Board such instruments in writing as are necessary to cancel its lien and assign and deliver to the Transportation Board any property at the time subject to the Trust Agreement which may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of and premium if any, and interest on the Bonds and other fees and expenses described above.

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

*Amendments and Supplemental Trust Agreements.* The Transportation Board and the Trustee may, without the consent of or notice to any owners of Bonds, enter into supplemental trust agreements (1) to cure any ambiguity, formal defect or omission in the Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the owners of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the owners of Bonds or the Trustee or either of them, (3) to add to the covenants and agreements of the Transportation Board in the Trust Agreement additional covenants and agreements, (4) to modify, supplement or amend the Trust Agreement as may be required by or to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute or any state securities law, (5) to modify, supplement or amend the Trust Agreement to comply with any provisions relating to rebate to the United States of America of earnings derived from the investment of proceeds of Bonds, (6) to modify, amend or supplement the Trust Agreement in such manner as may be required by the Rating Agencies to maintain their respective ratings on the Bonds, (7) to authorize the issuance of one or more series of Bonds pursuant to the provisions of the Trust Agreement, (8) to modify, amend or supplement the Trust Agreement to implement any covenants or agreements contemplated by credit banks, insurers, or similar entities provided such modification, amendment or supplement does not materially adversely affect the rights of the owners of any bonds then Outstanding, and (9) to make any other change in the Trust Agreement that in the opinion of the Trustee will not prejudice in any material respect the rights of the owners of Bonds then Outstanding.

Any of the provisions of the Trust Agreement may be amended by the Transportation Board by a supplemental trust agreement upon the consent of the owners of a majority in aggregate principal amount of Bonds then Outstanding in accordance with the provisions of the Trust Agreement, provided that no such supplemental trust agreement will permit (1) an extension of the maturity of the principal of or the interest on any Bond, (2) a reduction in the principal amount of or premium, if any, on any Bond or its rate of interest, (3) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bond, (4) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (5) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental trust agreement, without the consent of the owners of all the Bonds then Outstanding.

## SUMMARY OF THE PAYMENT AGREEMENT

The following, in addition to the information presented in the section "Introduction," summarizes certain provisions of the Payment Agreement dated as of August 15, 1993 (the "Original Payment Agreement") and the Supplemental Payment Agreement dated as of January 15, 1995 (the "Supplemental Payment Agreement") (together, the "Payment Agreement"). This summary does not purport to be comprehensive or definitive and is qualified by reference to the Payment Agreement in its entirety, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

The Payment Agreement requires the Transportation Board to submit annually by December 1 to the Governor and the Director of the Department of Planning and Budget of the Commonwealth the following:

- (1) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be deposited in the Northern Virginia Transportation District Fund the collections of state recordation taxes as set forth in Virginia Code § 58.1-815.1 or any successor provision and to retain in such Fund the unexpended amounts on deposit in such Fund.
- (2) A statement of the amount of principal and interest coming due on the Bonds and all other amounts required to be paid under the Trust Agreement during the next succeeding fiscal or biennial period, as applicable, and a request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that there be appropriated such amount for such purpose (i) from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, or (iv) such funds which may be appropriated by the General Assembly for such purpose.
- (3) A request that the Governor include in the budget to be delivered to the next session of the General Assembly a provision that the balance remaining in the Northern Virginia Transportation District Fund, after the appropriation, if any, described in paragraph (2) above is made, be appropriated for Costs of the Program.

The Transportation Board shall use its best efforts to have (i) the Governor include in each biennial or any supplemental budget presented to the General Assembly the amounts so requested and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Treasury Board and the Secretary of Finance shall use their best efforts to have (i) the Governor include in each biennial or any supplemental budget presented to the General Assembly the amounts described in paragraph (2) above, and (ii) the General Assembly appropriate such amounts.

If no appropriation is made for the amount of principal and interest coming due on the Bonds and all other amounts required to be paid under the Trust Agreement from the Northern Virginia Transportation District Fund, or if any such appropriation is insufficient in amount, the Transportation Board shall take all action necessary to (1) have such amounts set aside from funds appropriated and allocated, to the extent required, and pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the city or county in which the project or projects to be financed are located, and (2) cause the amounts set aside to be paid by the Treasury Board to the Trustee. Notwithstanding the provisions of the Payment Agreement, the General Assembly could change the statute so that the Transportation Board would not be authorized or permitted to set aside funds so appropriated and allocated to pay debt service on the Bonds.

The Transportation Board will provide to the Treasury Board, by May 1 and November 1 of each year, all requisitions and documents and take all actions necessary to have paid to the Treasury Board from funds appropriated from the sources described in paragraph (2) above or from funds set aside by the Transportation Board from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the

Northern Virginia Highway Construction District or to the city or county in which the project or projects to be financed are located, all amounts due under the Payment Agreement for the payment of principal and interest payments due under the Trust Agreement, and to direct the Treasury Board to make such payments to the Trustee. The Transportation Board will take all action necessary to have such payments charged against the proper appropriation made by the General Assembly.

The Treasury Board will use its best efforts to obtain by May 1 and November 1 of each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the Trust Agreement to the Trustee. The Treasury Board will make all principal and interest payments on the Bonds to the Trustee solely from amounts available to it for such purpose.

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

### **SUMMARY OF THE METRO CAPITAL IMPROVEMENTS AGREEMENT**

The following, in addition to the information presented in the section "Northern Virginia Transportation District Program," summarizes certain provisions of the Metro Capital Improvements Agreement (the "Metro Agreement") between the Transportation Board and the Northern Virginia Transportation District Commission (the "Commission"). This summary does not purport to be comprehensive or definitive and is qualified by reference to the Metro Agreement in its entirety, copies of which may be obtained at the office of the Transportation Board.

Under the terms of the Metro Agreement, the Transportation Board is transferring portions of the proceeds of the Bonds to the Commission to be used by the Commission on the Localities' behalf and at their direction to pay the Localities' share of the costs of the Metro Capital Improvements Project. The Metro Agreement provides for the creation with the Commission of a project fund to be maintained by it as a trust fund separate and apart from all other funds and accounts of the Commission (the "Project Fund"). The Transportation Board will cause to be paid to the Commission for deposit in the Project Fund the portion of the proceeds of the Bonds allocated to the Metro Capital Improvements Project. Such proceeds, pending their disbursement, shall be invested by the Commission as directed by the State Treasurer in certain specified investments which are the same types of investments permitted under the Master Trust Agreement for money held by the Trustee in the Construction Fund. Any money in the Project Fund not needed to pay costs of the Metro Capital Improvements Project will be returned by the Commission to the Trustee.

The Trustee is a third party beneficiary of the Metro Agreement and is entitled to enforce, on behalf of the holders of the Bonds, all of the obligations and the rights of the parties thereto, except for the Transportation Board's right to withhold payment of certain funds to the Commission, to the same extent as if the Trustee were one of the contracting parties.

### **TAX MATTERS**

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

Bond Counsel's opinion will state that, under current law and assuming compliance with the Covenants (as defined below), interest on the Series 1995A Bonds is excludable from gross income for purpose of federal income taxation and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) under Section 56 of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 1995A Bonds must be included in computing adjusted current earnings. Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Series 1995A Bonds.

Bond Counsel's opinion will be given in reliance upon certifications of representatives of the Transportation Board as to facts material to the opinion. The Transportation Board has covenanted to comply with the provisions of the Code regarding, among other things, the use, expenditure and investment of proceeds of the Series 1995A Bonds, the arbitrage restrictions imposed by the Code and certain other actions which would cause interest on the Series 1995A Bonds to be includable in gross income of their owners (the "Covenants"). Failure of the Transportation Board to comply with the Covenants could cause interest on the Series 1995A Bonds should consult their own tax advisors regarding the tax status of interest in a particular state or local jurisdiction other than Virginia.

The form of Bond Counsel's opinion appears as *Appendix D*.

#### **Other Tax Matters**

In addition to the matters addressed above, prospective purchasers of the Series 1995A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, subchapter corporations, foreign corporations subject to the branch profits tax, corporations subject to the environmental tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 1995A Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 1995A Bonds should consult their own tax advisors as to the status of interest on the Series 1995A Bonds under the tax laws of any state other than Virginia.

#### **LEGALITY FOR INVESTMENT**

The Bond Legislation provides that the Series 1995A Bonds are securities in which all public officers and bodies of the Commonwealth and its political subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

No representation is made as to the eligibility of the Series 1995A Bonds for investment or for any other purpose under the laws of any other state.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Series 1995A Bonds will be subject to the approving opinion (the "Bond Opinion") of McGuire, Woods, Battle & Boothe, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Transportation Board upon delivery of the Series 1995A Bonds substantially in the form set forth in *Appendix D*. The Bond Opinion will be limited to matters relating to authorization and validity of the Series 1995A Bonds and to the tax-exempt status of interest thereon as described in the section "Tax Matters." Bond Counsel has not been engaged to investigate the financial resources of the Transportation Board or its ability to provide for payment of the Series 1995A Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the Series 1995A Bonds.

Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia.



## LITIGATION

There is no litigation now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 1995A Bonds or in any way contest or affect the validity of the Series 1995A Bonds, any proceeding of the Transportation Board or the Treasury Board taken with respect to their issuance or sale, or any appropriation of funds to pay debt service on the Series 1995A Bonds.

See the section "Litigation of the Commonwealth" in *Appendix A* for a discussion of litigation pending against the Commonwealth.

## CONTINUING DISCLOSURE

Certain financial and demographic information concerning the Commonwealth is contained in *Appendices A* and *B*, respectively. The Commonwealth's financial statements for the year ended June 30, 1994, audited by the Auditor of Public Accountants, are included in *Appendix C*. The Commonwealth regularly prepares annual financial reports, which are generally not provided to bondholders, but are available upon request. The Commonwealth does not expect to provide more frequent information on its finances and operations and has no obligation to provide any such interim information to bondholders.

## RATINGS

Fitch Investors Service, Inc., Moody's Investors Service and Standard & Poor's Corporation have assigned the Series 1995A Bonds ratings of \_\_, \_\_ and \_\_, respectively.

Fitch issues ratings ranging from AAA to D to designate the relative investment qualities of bonds and certificates. The \_\_ rating is the \_\_\_\_\_ highest of the eleven such ratings Fitch uses. Fitch describes its \_\_ rating as follows:

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

Standard & Poor's issues ratings ranging from AAA to D to designate the relative investment qualities of bonds and certificates. The \_\_ rating is the \_\_\_\_\_ highest of ten such ratings Standard & Poor's uses. Standard & Poor's describes its \_\_ rating as follows:

Such ratings reflect only the respective views of such organizations. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by such rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of the rating agencies if, in the judgment of either or both, circumstances so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the Series 1995A Bonds.

### **FINANCIAL ADVISOR**

Public Financial Management, Inc., Philadelphia, Pennsylvania, serves as financial advisor to the Transportation Board with respect to the sale of the Series 1995A Bonds and other matters. The financial advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 1995A Bonds.

Public Financial Management, Inc. is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments. Public Financial Management, Inc. is a wholly-owned subsidiary of Marine Midland Bank, N.A., New York, New York.

### **MISCELLANEOUS**

The references in this Official Statement to the Trust Agreement, the Payment Agreement and other documents are brief outlines of certain of their provisions. These outlines do not purport to be complete and reference is made to such documents, copies of which will be furnished by the Treasury Board, upon request made to the Office of the State Treasurer, Department of the Treasury, James Monroe Building, 101 North 14th Street, Richmond, Virginia 23219 (telephone: 804-225-2142), or by the Transportation Board, upon request made to Mr. James W. Atwell, Assistant Commissioner for Finance, Virginia Department of Transportation, Room 305, 1401 East Broad Street, Richmond, Virginia 23219 (telephone: 804-786-5128).

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The execution and delivery of this Official Statement has been duly authorized by the Transportation Board.

*Appendix A:*  
**Commonwealth of Virginia**  
**Financial and Other Information**

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*Appendix B:*  
**Commonwealth of Virginia**  
**Demographic and Economic**  
**Information**

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*Appendix C:*  
**Commonwealth of Virginia**  
**Report on Audit**  
**for the Year Ended June 30, 1994**

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*Appendix D:*  
**Form of Bond Counsel Opinion**

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***Appendix E:***  
**Notice of Sale**

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**DRAFT**  
12-7-94

**NOTICE OF SALE**  
**Commonwealth Transportation Board**  
\$ \_\_\_\_\_\*  
**Commonwealth of Virginia**  
**Transportation Revenue Bonds, Series 1995A**  
**(Northern Virginia Transportation District Program)**

Scaled bids for the purchase of \$ \_\_\_\_\_\* principal amount of Commonwealth Transportation Board Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) will be received by the Transportation Board until the following time at the following location:

<b>Time:</b> 10:00 a.m. (Richmond Time) January __, 1995 unless postponed as described below.	<b>Location:</b> Treasury Board Conference Rm. James Monroe Building, Third Floor 101 North 14th Street Richmond, VA 23219
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Such bids will be publicly opened at such time and such location.

**Description of Bonds; Interest Payment Dates**

The Series 1995A Bonds will be issued only as fully registered bonds in book-entry form. The Series 1995A Bonds will be dated January 15, 1995, and will be issued in denominations of \$5,000 or any integral multiple of \$5,000. Interest on the Series 1995A Bonds will be calculated on a 30/360 basis and will be payable semi-annually on May 15 and November 15, commencing May 15, 1995.

**Book-Entry Only**

Initially, one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York or its nominee, which will be designated as the securities depository for the Series 1995A Bonds. So long as DTC is acting as securities depository for the Series 1995A Bonds, a book-entry system will be employed, evidencing ownership of the Series 1995A Bonds in principal amounts of \$5,000 and integral multiples of \$5,000, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. Principal of, redemption premium, if any, and interest on the Series 1995A Bonds will be payable to DTC or its nominee as registered owner of the Series 1995A Bonds. Principal of, redemption premium, if any, and interest on the Series 1995A Bonds will be payable in lawful money of the United States of America by the Paying Agent. Transfer of principal, redemption premium, if any, and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. Neither the Transportation Board nor the Trustee will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Series 1995A Bonds or (b) the Trustee or the Transportation Board determines that (i) DTC is incapable of discharging its duties or (ii) continuation with DTC as securities depository is not in the best interest of the Transportation Board or the Beneficial Owners or (iii) the Transportation Board determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 1995A Bonds is not in the best interest of the Transportation Board or the Beneficial Owners, the Transportation Board will discontinue the book-entry system with DTC. If the Transportation Board fails to identify another qualified securities depository to replace DTC, the Transportation Board will cause the execution and delivery of replacement bonds in the form of fully registered certificates.

\* Preliminary, subject to change as described herein.

**Principal Amortization**

Principal on the Series 1995A Bonds will be paid (subject to the right of prior redemption) through either serial maturities and/or term maturities with annual sinking fund redemption on May 15 in the following years and amounts:

<u>May 15,</u>	<u>Principal Amount*</u>	<u>May 15,</u>	<u>Principal Amount*</u>
1995	\$ ____,000	2008	\$ ____,000
1996	__ __,000	2009	__ __,000
1997	__ __,000	2010	__ __,000
1998	__ __,000	2011	__ __,000
1999	__ __,000	2012	__ __,000
2000	__ __,000	2013	__ __,000
2001	__ __,000	2014	__ __,000
2002	__ __,000	2015	__ __,000
2003	__ __,000	2016	__ __,000
2004	__ __,000	2017	__ __,000
2005	__ __,000	2018	__ __,000
2006	__ __,000	2019	__ __,000
2007	__ __,000	2020	__ __,000

\* Preliminary, subject to change as described herein.

**Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemption**

The successful bidder may provide in the bid form for all of the Series 1995A Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 1995A Bonds, one of which must include the 2020 maturity to be combined into up to two term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on May 15 of the first year which has been combined to form such term bond and continuing on May 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the amortization schedule subject to change as described herein. The Series 1995A Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Series 1995A Bonds of the same maturity.

**Optional Redemption**

The Series 1995A Bonds maturing on or before May 15, 200\_ are not subject to optional redemption. The Series 1995A Bonds maturing on and after May 15, 200\_ will be subject to redemption before maturity at the Transportation Board's option on and after May 15, 200\_, in whole or in part at any time, in increments of \$5,000 or any multiple of \$5,000 during the following redemption periods, upon payment of the following redemption prices, which are expressed as percentages of the principal amount of the Series 1995A Bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
May 15, 200_ through May 14, 200_	__ %
May 15, 200_ through May 14, 200_	__ %
May 15, 200_ and thereafter	__ %

### **Notice of Redemption**

Notice of redemption will be given by the Trustee by registered or certified mail not less than 30 and no more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 1995A Bonds, to the substitute securities depository, or if none, to the respective registered owners of the Series 1995A Bonds to be redeemed at their addresses shown on the registration books maintained by the Trustee. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. During the period that DTC or its nominee is the registered owner of the Series 1995A Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners. A defect on such notice of redemption will not affect the validity of such redemption proceedings.

### **Authorization and Security**

The Series 1995A Bonds are being issued pursuant to the Master Trust Agreement and the Second Supplemental Trust Agreement, each between the Transportation Board and the Trustee.

The Trust Agreement provides that the Series 1995A Bonds are secured by and payable solely from the revenues, receipts and funds appropriated by the General Assembly for such purpose, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, first from (1) the Northern Virginia Transportation District Fund, (2) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed are located, (3) to the extent required, legally available revenues in the Transportation Trust Fund, and (4) such other funds which may be appropriated by the General Assembly for such purposes, and from moneys held by the Trustee in certain funds established under the Trust Agreement. The Series 1995A Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and are not a debt nor is there a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions. See the section in the Official Statement "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 1995A BONDS."

### **Bid Specifications**

Bidders are required to name the rate or rates of interest that the Series 1995A Bonds are to bear, in multiples of 1/8 or 1/20 of one percent. Any number of rates may be named. Each bidder must specify in its bid the amount and maturities of Series 1995A Bonds of each rate. The Series 1995A Bonds maturing on the same date must bear interest at the same rate. No maturity of the Series 1995A Bonds may bear an interest rate lower than the interest rate on any earlier maturity of the Series 1995A Bonds. Bids must be for not less than 99% nor more than 101% of the par value of the aggregate principal amount of the Series 1995A Bonds, plus accrued interest from the dated date (January 15, 1995) to the date of delivery of the Series 1995A Bonds. No bid for other than all of the Series 1995A Bonds will be considered.

All bids must be unconditional and must be on the official bid form which may be obtained from the Transportation Board at the address shown in the last paragraph of this Notice of Sale. Each bid should be enclosed in a sealed envelope, marked on the outside "Bid for Commonwealth Transportation Board Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program)" addressed to the Commonwealth Transportation Board, James Monroe Building, 101 North 14th Street, Third Floor, Treasury Board Conference Room, Richmond, VA 23219. A good faith deposit (the "Deposit"), in the form of a certified or bank cashier's check payable unconditionally to the order of the Commonwealth Transportation Board or a financial surety bond, in the amount of \$600,000 is required for each bid. If a check is used, it must be from an incorporated bank or trust company, and it must accompany each bid. If a financial surety bond is used, it must be from an insurance company acceptable to the Transportation Board, in its sole discretion, and licensed to issue such a bond in the Commonwealth, and such financial surety bond must be submitted to the Transportation Board prior to the opening of the bids and must be in the form and substance acceptable to the Transportation Board, in its sole discretion. The

financial surety bond must identify the bidder whose Deposit is guaranteed by such financial surety bond. If the Series 1995A Bonds are awarded to a bidder utilizing a financial surety bond, then such successful bidder is required to submit its deposit to the Transportation Board in the form of a wire transfer not later than 12:00 p.m. Richmond time on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the Transportation Board to satisfy the Deposit requirement.

The Deposit of the successful bidder will be deposited and credited to the purchase price and no interest will be allowed thereon. Proceeds of the Deposit will be retained by the Transportation Board as liquidated damages in case the successful bidder fails to comply with the terms of its bid. Checks of unsuccessful bidders will be returned upon award of the Series 1995A Bonds to the successful bidder.

#### **Basis of Award**

ALL BIDS SHALL REMAIN FIRM UNTIL 3:00 PM (RICHMOND TIME) ON THE DATE OF SALE. An award of the Series 1995A Bonds, if made, will be made by the Chairman of the Transportation Board or his designee as soon as possible after acceptance of the bids but no later than 3:00 p.m. (Richmond time) on the day such bids are received. Unless all bids are rejected, the Series 1995A Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Transportation Board. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payments) on the Series 1995A Bonds, will equate the sum of such discounted semi-annual payments to the bid price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Series 1995A Bonds (January 15, 1995). In case of a tie, the Transportation Board may select the successful bidder. The Transportation Board reserves the right to waive irregularities in any bid and to reject any or all bids.

#### **Adjustments to Principal Amount**

*Changes to the Notice of Sale.* The principal amounts of the Series 1995A Bonds as set forth on the front cover of the Notice of Sale (the "Preliminary Amounts") may be revised. **ANY SUCH REVISION WILL BE PUBLISHED AS AN AMENDMENT TO THE NOTICE OF SALE AND DISTRIBUTED ON MUNIFACTS NEWS SERVICE ("MUNIFACTS") NO LATER THEN 3:00 P.M., RICHMOND TIME, ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE.** Bidders shall submit bids and the Series 1995A Bonds shall be awarded based on this Notice of Sale, as it may be amended.

*Changes to the Winning Bid.* After selecting the winning bid, the Transportation Board will determine the final amount of the Series 1995A Bonds (the "Final Amount"). Each of the Preliminary Amounts may be increased or decreased by an amount not exceeding 10% of such amount or \$100,000, which ever is greater, and the change in the sum of the Preliminary Amounts will not exceed 10% of such amount. Such adjusted principal amounts shall constitute the Final Amounts for each such maturity and, in aggregate, such adjusted principal amounts shall constitute the Final Amount. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRELIMINARY AMOUNT WITHIN THESE LIMITS.** The Final Amount will be communicated to the successful bidder by 10:00 a.m., Richmond time, on the date following the date of the sale provided the successful bidder shall have provided the Initial Reoffering Prices as described herein under "Undertakings of the Successful Bidder." The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of the Series 1995A Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the Initial Reoffering Prices required to be delivered to the Transportation Board as stated herein.



#### **Undertakings of the Successful Bidder**

The successful bidder shall make a bona fide public offering of the Series 1995A Bonds and shall, within 30 minutes after being notified of the award of the Series 1995A Bonds, advise the Transportation Board in writing (via facsimile transmission) of the initial public offering prices of the Series 1995A Bonds (the "Initial Reoffering Prices"). In addition, the successful bidder must, by facsimile transmission or delivery received by the Transportation Board within 24 hours after notification of the award, furnish the following information to the Transportation Board to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Series 1995A Bonds are sold at the prices or yields at which the successful bidder advised the Transportation Board that the Series 1995A Bonds were initially offered to the public).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the Transportation Board, in its sole discretion, determines is necessary to complete the Official Statement in final form.

Prior to the delivery of the Series 1995A Bonds, the successful bidder shall furnish to the Transportation Board a "Certificate Regarding Issue Price," in a form acceptable to Bond Counsel, establishing that the successful bidder has made a bona fide public offering of the Series 1995A Bonds at the initial public offering prices set forth in such certificate and that a substantial amount of the Series 1995A Bonds of each maturity was sold to the public (excluding bond houses, brokers and other intermediaries) at such initial public offering prices.

#### **Delivery of Bonds**

The Series 1995A Bonds will be delivered on or about February \_\_, 1995 in New York, New York, at DTC against payment of the purchase price therefor (less the amount of the Deposit plus accrued interest) in Federal Reserve Bank Funds ("Fed Funds").

Delivery of the Series 1995A Bonds by the Transportation Board is subject to, among other things, the consent of the Governor of the Commonwealth and the delivery of the opinion of Bond Counsel referred to below.

There will also be furnished the usual closing papers, including (1) a certificate signed by officials who signed the Series 1995A Bonds stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or delivery of the Series 1995A Bonds or in any manner questioning the proceedings and authority under which the Series 1995A Bonds are issued, or affecting the validity of the Series 1995A Bonds and (2) a certificate signed by the Chairman of the Transportation Board relating to the Official Statement.

#### **Legal Opinion**

The approving opinion of McGuire, Woods, Bartle & Boothe, Richmond, Virginia, Bond Counsel, in substantially the form set forth in the Preliminary Official Statement, will be furnished without cost to the successful bidder. The Preliminary Official Statement contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Series 1995A Bonds and a discussion of Bond Counsel's opinion insofar as it concerns such exclusion.

#### **CUSIP Numbers**

CUSIP numbers will be applied for with respect to the Series 1995A Bonds, but the Transportation Board will assume no obligation for the assignment or printing of such numbers of the Series 1995A Bonds or the correctness of such numbers, and neither the failure to print such numbers on any of the Series 1995A Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Series 1995A Bonds.

### **Official Statement**

The Preliminary Official Statement dated January \_\_, 1995 and the information contained therein have been deemed final by the Transportation Board as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission with permitted omissions, but is subject to change without notice and to completion or amendment in the Official Statement in final form ("Final Official Statement").

The Transportation Board, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Series 1995A Bonds, within seven (7) business days of the award of the Series 1995A Bonds, provided that the successful bidder cooperates in timely provision of the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board, including an obligation, if any, to update the Final Official Statement.

### **Postponement and Amendment**

The Transportation Board reserves the right to postpone, from time to time, the date and time established for the receipt of bids or to amend any of the terms of the Series 1995A Bonds. **ANY SUCH POSTPONEMENT OR AMENDMENT WILL BE ANNOUNCED BY MUNIFACTS NOT LATER THAN 9:00 A.M., RICHMOND TIME, ON THE DATE ANNOUNCED FOR RECEIPT OF BIDS.** If any date and time fixed for the receipt of bids and the sale of the Series 1995A Bonds is postponed, an alternative sale date and time will be announced via Munifacts at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit a sealed bid for the purchase of the Series 1995A Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the date and time of sale and except for any changes announced by Munifacts at the time the sale date and time are announced.

### **Additional Information**

For further information relating to the Series 1995A Bonds, reference is made to the Preliminary Official Statement, dated January \_\_, 1995, prepared for and authorized by the Transportation Board. Bidders are required to use the Bid Form which, together with the Preliminary Official Statement, may be obtained from James Atwell at the Virginia Department of Transportation, 1401 East Broad Street, Third Floor, Richmond Virginia 23219 (telephone: 804-786-5128; facsimile: 804-786-6250) or from the financial advisor, Public Financial Management, Inc., Two Logan Square, Suite 1600, 18th and Arch Streets, Philadelphia, Pennsylvania 19103 (telephone: 215-567-6100; facsimile: 215-567-4180).

Dated: January \_\_, 1995

\_\_\_\_\_  
Robert E. Martinez, Chairman  
Commonwealth Transportation Board

**BID FORM**  
**Commonwealth Transportation Board**  
 \$ \_\_\_\_\_\*  
**Commonwealth of Virginia**  
**Transportation Revenue Bonds, Series 1995A\***  
**(Northern Virginia Transportation District Program)**

Chairman of the Commonwealth Transportation Board  
 James Monroe Building, Treasury Board Conference Room, Third Floor  
 101 North 14th Street, Richmond, VA 23219.

January \_\_, 1995

Dear Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the official Notice of Sale, dated January 15, 1995, which is hereby made a part of this bid, we hereby offer to purchase the Commonwealth of Virginia Transportation Revenue Bonds, Series 1995A (Northern Virginia Transportation District Program) described in the said Notice of Sale, as it may be amended, in the Preliminary Official Statement which has been furnished to us. We offer to purchase the Series 1995A Bonds at a price of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), which is not less than 99% nor more than 101% of the Principal Amount of \$ \_\_\_\_\_ plus accrued interest from January 15, 1995 to the date of delivery, at the interest rates set out below.

May 15	Principal Amount*	Interest Rate	May 15	Principal Amount*	Interest Rate	May 15	Principal Amount*	Interest Rate
1995	\$ _____	_____ %	2003	\$ _____	_____ %	2012	\$ _____	_____ %
1996	\$ _____	_____ %	2004	\$ _____	_____ %	2013	\$ _____	_____ %
1997	\$ _____	_____ %	2005	\$ _____	_____ %	2014	\$ _____	_____ %
1998	\$ _____	_____ %	2006	\$ _____	_____ %	2015	\$ _____	_____ %
1999	\$ _____	_____ %	2007	\$ _____	_____ %	2016	\$ _____	_____ %
2000	\$ _____	_____ %	2008	\$ _____	_____ %	2017	\$ _____	_____ %
2001	\$ _____	_____ %	2009	\$ _____	_____ %	2018	\$ _____	_____ %
2002	\$ _____	_____ %	2010	\$ _____	_____ %	2019	\$ _____	_____ %
			2011	\$ _____	_____ %	2020	\$ _____	_____ %

(CROSS OUT THE SERIAL BOND MATURITIES BEING BID AS TERM BONDS)  
 Term Bonds (optional no more than two term bonds)

First Year of Mandatory Redemption	Year of Maturity	Total Principal Amounts	Interest Rate
_____	_____	_____	_____ %
_____	_____	_____	_____ %

(LEAVE BLANK IF NO TERM BONDS ARE SPECIFIED)

If term bonds are included in this bid, the sinking fund installments and maturity of such term bonds shall correspond to the principal amounts shown above for the applicable years, subject to changes as described in the NOS.

We will pay accrued interest on the Series 1995A Bonds from January 15, 1995 to the date of delivery and will accept delivery of the Bonds through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 1995.

Please indicate (X) the appropriate choice regarding the good faith deposit:

- \_\_\_\_\_ We have posted a surety bond in the amount of \$600,000 in accordance with the detailed Notice of Sale.  
 \_\_\_\_\_ We enclose a certified or cashier's check for \$600,000 in accordance with the detailed Notice of Sale.

We acknowledge and agree that the Deposit represents the reasonable measure of damages to be incurred by the Transportation Board if, as the successful bidder, we fail to comply with the terms of our bid.

We, if the successful bidder, will (a) within 30 minutes after being notified of the award of the Series 1995A Bonds, advise the Transportation Board of the Initial Reoffering Prices of the Bonds and (b) within 24 hours, furnish the Transportation Board the information described in the section of the detailed Notice of Sale entitled "Undertakings of the Successful Bidder."

Attached is a list of the members of our account on whose behalf this bid is made.

By: \_\_\_\_\_  
 Name of Firm \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_  
 Signature \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

NOTE: The following is stated for information only and is not a part of the above bid: The true interest cost for the above bid is \_\_\_\_\_%. If we are to be notified that we have been awarded the Series 1995A Bonds, you may contact and rely on the information provided by \_\_\_\_\_, whose telephone number is \_\_\_\_\_.

The above good faith check, if applicable, has been returned and receipt thereof is duly acknowledged. By: \_\_\_\_\_

\*Preliminary, subject to change pursuant to the terms of the Notice of Sale.

12-15-94

Item 16:

Moved by Mr. Roudabush, seconded by Mr. White, that the Board approve the report of the Internal Audit Committee which met on November 16, 1994. The Committee reviewed the reports for the Salem Data Center, Staunton Data Center, Jamestown-Scotland Ferry cash control, accounts receivable, Norfolk-Virginia Beach Expressway cash control payroll, procurement, and inventory and accepted as adequate the actions taken, or to be taken, on the reports. A summary of resolved follow-up was presented and accepted. A follow-up report on the Dulles Toll Road Charge Fund was presented and accepted. The report of the Internal Audit Division's quality assurance review was also presented and accepted.

In accordance with Department Policy Memoranda 5-1, the Commonwealth Transportation Board's Internal Audit Committee shall periodically report to the Board or Commissioner as to the effectiveness of the internal audit function. The Committee commends the audit staff for the good job they are doing, the significant audit findings they have uncovered, and the impressive effort they have made to perform this function. The Committee feels that management should encourage the entire VDOT staff to support the Internal Audit Division staff and their recommendations.

Motion carried.

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Item 17:

Mr. Roudabush suggested that VDOT staff send briefing materials regarding the Route 29 interchanges to the Board Members prior to the Workshop meeting in January.

Mr. Myers submitted a disclosure statement declaring the he is "able to participate in these transactions fairly, objectively, and in the public interest. The transactions involving Route 29 in and around Charlottesville and Albemarle affect the public generally and my interest will be to represent the best interests of the citizens of the Commonwealth as a whole."

Mr. Myers' complete disclosure statement is on file in the Chairman's office.

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12-15-94

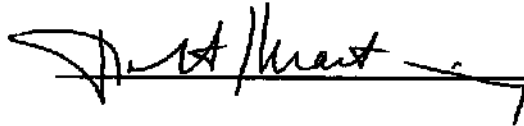
Mr. Rich thanked VDOT staff for their assistance during the year.

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Meeting adjourned at 11:30 a.m.

The next meeting will be held on January 19, 1995, in Richmond, Virginia.

Approved:



Attested:

