



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda Item #7

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 27, 2015

MOTION

**Made By: Mr. Kasprovicz, Seconded By: Mr. Rosen
Action: Motion Carried, Unanimously**

AUTHORIZING THE WITHDRAWAL OF FUNDS FROM THE REVENUE STABILIZATION FUND ESTABLISHED FOR COMMONWEALTH OF VIRGINIA TRANSPORTATION CAPITAL PROJECTS REVENUE BONDS

WHEREAS, on March 16, 2011, the Commonwealth Transportation Board (the "Board") adopted a resolution (the "2011 CPR Bond Resolution") to issue revenue obligations of the Commonwealth of Virginia (the "Commonwealth") to be designated the "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2011" (the "2011 CPR Bonds");

WHEREAS, on May 25, 2011, the Board issued the 2011 CPR Bonds under the provisions of the Master Indenture of Trust dated as of May 1, 2010, as previously supplemented (the "Master Indenture"), between the Board and Wells Fargo Bank, National Association (the "Trustee"), and the Second Supplemental Indenture of Trust dated as of May 1, 2011 (the "Second Supplement" and, together with the Master Indenture, the "Indenture"), between the Board and the Trustee;

WHEREAS, in the 2011 CPR Bond Resolution the Board also authorized the establishment of a fund (the "Revenue Stabilization Fund") pursuant to the Indenture and the transfer thereto of up to \$50,000,000 from the Priority Transportation Fund created under Section 33.2-1527 of the Code of Virginia of 1950, as amended, to provide an additional source of payment and security for the 2011 CPR Bonds and the other bonds issued and outstanding under the Indenture (collectively, the "CPR Bonds");

WHEREAS, the Board established the Revenue Stabilization Fund to set aside funds from the Priority Transportation Fund to ensure compliance with the requirement under subdivision C of Section 33.2-1527 of the Code of Virginia of 1950, as amended, that the revenues then in the Priority Transportation Fund or reasonably anticipated to be deposited into the Priority Transportation Fund pursuant to the law then in effect not be insufficient to make 100% of the contractually required debt service payments on the CPR Bonds and all other bonds, obligations, or other evidences of debt that expressly require as a source for debt service payments or for the repayment thereof the revenues of the Priority Transportation Fund (the "Coverage Requirement"), and the Second Supplement provides for the application of amounts in the Revenue Stabilization Fund to pay debt service on the CPR Bonds and the exclusion of such debt service in computing the Coverage Requirement;

WHEREAS, Section 5.1(b) of the Second Supplement provides in pertinent part that the Board may direct the Trustee to reduce the balance in the Revenue Stabilization Fund to any amount, including zero, at any time, by delivering to the Trustee an Officer's Certificate (as defined in the Master Indenture) stating that the reduction will not cause a failure to satisfy the Coverage Requirement;

WHEREAS, due to the increased amount of revenues flowing into the Priority Transportation Fund pursuant to Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia, 2013 Regular Session, as amended, the finance staff of the Virginia Department of Transportation (the "Department") has advised the Board that the balance in the Revenue Stabilization Fund is no longer required to assure compliance with the Coverage Requirement and such balance may be reduced to zero;

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

1. Reduction of Balance in Revenue Stabilization Fund. The Board determines that it is in the best interest of the Commonwealth and the Board for the balance in the Revenue Stabilization Fund to be reduced to zero and the balance now in such fund to be returned to the Priority Transportation Fund.

2. Authorization of Further Action. The Board authorizes (i) Department finance staff to prepare the Officer's Certificate required under Section 5.1(b) of the Second Supplement to cause the balance in the Revenue Stabilization Fund to be reduced to zero and the balance now in such fund to be returned to the Priority Transportation Fund and (ii) the Chief Financial Officer of the Department to act as the Board Representative (as defined in the Master Indenture) for such Officer's Certificate.

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

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