

ESCROW AGREEMENT

BETWEEN

VIRGINIA PORT AUTHORITY

AND

U.S. BANK NATIONAL ASSOCIATION,

AS ESCROW AGENT AND 1997 TRUSTEE

November 1, 2016

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## **ESCROW AGREEMENT**

This **ESCROW AGREEMENT** is dated November 1, 2016 (this “Agreement”), between the **VIRGINIA PORT AUTHORITY**, a body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), and **U.S. BANK NATIONAL ASSOCIATION**, Richmond, Virginia, as escrow agent hereunder and as trustee under Resolution 97-5, as supplemented and amended (the “1997 Resolution”), and its successors and assigns (referred to herein as the “Escrow Agent” or the “1997 Trustee”, as applicable).

On May 6, 2010, the Authority issued \$68,630,000 in original aggregate principal amount of its Port Facilities Revenue Refunding Bonds, Series 2010 (the “Series 2010 Bonds”). [On October 22, 2013, the Authority issued \$37,945,000 in original aggregate principal amount of its Port Facilities Revenue Refunding Bond, Series 2013 (the “Series 2013 Bonds”).] On March 19, 2015, the Authority issued \$85,130,000 in aggregate principal amount of its Port Facilities Revenue Refunding Bonds, Series 2015A (AMT) (the “Series 2015A Bonds”) and \$56,755,000 in aggregate principal amount of its Port Facilities Revenue Refunding Bonds, Series 2015B (Taxable) (the “Series 2015B Taxable Bonds”, and together with the Series 2015A Bonds, the “Series 2015 Bonds”). The Series 2010 Bonds, the Series 2013 Bonds and the Series 2015 Bonds are collectively referred to herein as the “Refunded Bonds”. The Authority issued the Refunded Bonds under the 1997 Resolution.

The Authority has issued, and there are currently outstanding in original principal amount of \$14,158,674.96, its Master Equipment Leases (collectively, the “Outstanding Equipment Leases”) under the 1997 Resolution.

Concurrently with the execution and delivery of this Agreement, the Authority is issuing its \$\_\_\_\_\_ Port Facilities Revenue Refunding Bonds, Series 2016A (Taxable) (the “Series 2016A Taxable Bonds”) and its \$\_\_\_\_\_ Port Facilities Revenue Refunding Bonds, Series 2016B (AMT) (the “Series 2016B Bonds”, and together with the Series 2016A Taxable Bonds, collectively, the “Refunding Bonds”). The Refunding Bonds are being issued pursuant to (i) Chapter 10, Title 62.1, Code of Virginia of 1950, as amended (the “Act”), (ii) Resolution No. 16-9 adopted by the Authority’s Board of Commissioners (the “Board”) on September 21, 2016 (the “2016 Resolution”), (iii) Series Resolution No. 16-10 adopted by the Board on September 21, 2016 (the “Series Resolution”), and (iv) a Series Certificate of the Authority’s Executive Director executed and delivered as of \_\_\_\_\_, 2016 (together with the Series Resolution, the “2016A and 2016B Series Resolution”).

A portion of the proceeds of the Refunding Bonds will be used, along with other available funds, to (a) effect a refunding, defeasance and redemption (the “Refunding”) of all of the Refunded Bonds as set forth in Exhibit A; and (b) terminate the Outstanding Equipment Lease.

**NOW, THEREFORE**, the parties to this Agreement, for and in consideration of the mutual promises, covenants and agreements set forth in this Agreement and other good and valuable consideration, agree as follows:

### **ARTICLE I**

## DEFINITIONS

Capitalized terms shall have the meanings given to them in the 2016 Resolution. In addition, each of the following capitalized words and terms used in this Agreement shall have the meaning given to it in this Article unless the context or use clearly indicates another or different meaning:

**“Agreement”** means this Agreement, as it may be amended from time to time.

**“Authority”** means the Virginia Port Authority.

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

**“Closing Date”** means November 1, 2016.

**“Defeasance Obligations”** shall mean (i) Government Obligations (as defined in the 1997 Resolution) which are not subject to redemption other than at the option of the holder thereof and (ii) if and to the extent permitted by law, Defeasance Municipal Obligations (as defined in the 1997 Resolution).

**“DTC”** means The Depository Trust Company, New York, New York.

**“Escrow Agent”** means U.S. Bank National Association, with its designated corporate trust office located in Richmond, Virginia, or any successor thereto, in its capacity as escrow agent under this Agreement.

**“Escrow Funds”** means the segregated and irrevocable trust funds established under Section 2.1.

**“Initial Cash Balances”** shall have the meaning set forth in Section 2.3.

**“Initial Defeasance Obligations”** means the Defeasance Obligations to be delivered to the Escrow Agent on the Closing Date as set forth on Exhibit A.

**“Letter of Representations”** means the letter from the Authority to DTC, a copy of which is attached to this Agreement as Exhibit C.

**“Redemption Date”** means, as to the Series 2010 Bonds, July 1, 2019, as to the Series 2013 Bonds, November 1, 2016, as to the Series 2015A Bonds, July 1, 2025, and, as to the Series 2015B Taxable Bonds, December 6, 2016.

**“Refunded Bonds”** has the meaning set forth in the recitals. Details of such Bonds are listed in Exhibit A.

**“Refunding”** has the meaning set forth in the recitals.

**“Refunding Bonds”** has the meaning set forth in the recitals.

**“Series 2010 Bonds”** has the meaning set forth in the recitals.

**“Series 2013 Bonds”** has the meaning set forth in the recitals.

**“Series 2015A Bonds”** has the meaning set forth in the recitals.

**“Series 2015B Taxable Bonds”** has the meaning set forth in the recitals.

**“Series 2016A Taxable Bonds”** has the meaning set forth in the recitals.

**“Series 2016B Bonds”** has the meaning set forth in the recitals.

**“SLGs”** means U.S. Treasury Securities—State and Local Government Series.

**“Verification Report”** means the report of The Arbitrage Group, Inc., attached to this Agreement as Exhibit B, concluding, among other things, that the Initial Cash Balances and the principal and interest on the Initial Defeasance Obligations will be sufficient without reinvestment to pay all of the interest on and the redemption price of the Refunded Bonds when due.

**“1997 Resolution”** means the 1997 Resolution as defined in the recitals.

**“1997 Trustee”** means U.S. Bank National Association, as trustee under the 1997 Resolution.

**“2016 Resolution”** means the 2016 Resolution as defined in the recitals.

**“2016A and 2016B Series Resolution”** has the meaning set forth in the recitals.

## **ARTICLE II ESTABLISHMENT OF ESCROW FUNDS**

### **Section 2.1 Establishment of Escrow Funds; Issuance of Series 2016A Taxable Bonds and Series 2016B Bonds.**

(a) There is hereby established with the Escrow Agent a special, segregated and irrevocable escrow fund, designated the “Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2016A Taxable Escrow Fund” (the “Series 2016A Taxable Escrow Fund”) and a special, segregated and irrevocable escrow fund, designated the “Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2016B Tax-Exempt Escrow Fund” (the “Series 2016B Tax-Exempt Escrow Fund”), and together with the Series 2016A Taxable Escrow Fund, collectively, the “Escrow Funds”).

(b) The Escrow Agent shall hold each of the Escrow Funds in its

custody as a trust fund for the benefit of the holders of the related series of the Refunded Bonds, respectively, separate and apart from each other, other funds of the Authority and the Escrow Agent. The Escrow Funds and all amounts in each of the Escrow Funds are irrevocably pledged to the payment of the related Refunded Bonds, respectively.

(c) Pursuant to the 2016 Resolution and the 2016A and 2016B Series Resolution, the Authority has authorized the issuance and delivery of the Refunding Bonds, a portion of the proceeds of which are to be deposited into each of the Escrow Funds, along with other available funds, as described in Sections 2.2 and 2.3 to provide for the refunding, defeasance and redemption of the Refunded Bonds.

**Section 2.2 Refunding and Defeasance of Refunded Bonds; Sufficiency.** (a) Pursuant to Section 1201 of the 1997 Resolution, the Authority hereby irrevocably instructs the 1997 Trustee to redeem all of the Refunded Bonds on the applicable Redemption Date and to give the notices as required by Section 3.15 in connection with such redemption. Upon the giving of the instructions set forth in this paragraph and the deposit with the Escrow Agent of moneys sufficient to establish the Initial Cash Balances and to purchase the Initial Defeasance Obligations, as required by Section 2.3(b), all of the Refunded Bonds will be refunded and defeased in advance of their stated maturity. The Authority hereby irrevocably instructs the 1997 Trustee to give the notices as required by Section 3.14 in connection with such defeasance, as soon as practicable after the Closing Date, and in any case not later than is provided in Section 3.14.

(b) In reliance solely upon the Verification Report and for purposes of Sections 1201 and 210 of the 1997 Resolution, the Authority hereby determines with respect to the Refunded Bonds and Outstanding Equipment Leases that the Initial Cash Balances and the principal of and interest on the Initial Defeasance Obligations in the Escrow Funds, if and when received and without any reinvestment thereof, will provide moneys in an amount which shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on the Refunded Bonds and Outstanding Equipment Leases on or prior to the redemption date thereof, all as set forth in the Verification Report and, accordingly, the Refunded Bonds will be deemed paid in full and no longer outstanding and will cease to be entitled to any lien, benefit or security under the 1997 Resolution, all as of the Closing Date, in accordance with Section 1201 of the 1997 Resolution.

**Section 2.3 Deposits; Establishment of Initial Cash Balances.** (a) Pursuant to the 1997 Resolution and this Agreement, the Authority irrevocably directs the 1997 Trustee on the Closing Date to transfer to the Escrow Agent for deposit in the Series 2016A Taxable Escrow Fund (i) \$\_\_\_\_\_ (consisting of \$\_\_\_\_\_ original balance plus \$\_\_\_\_\_ being the Good Faith Deposit on the Series 2016A Taxable Bonds), (ii) \$\_\_\_\_\_ from the Series \_\_\_\_\_ Debt Service Account, (iii) \$\_\_\_\_\_ from the Series \_\_\_\_\_ Debt Service Account, (iv) \$\_\_\_\_\_ from the Series \_\_\_\_\_ subaccount of the Debt Service Reserve Account and (v) \$\_\_\_\_\_ from the proceeds of the sale of the Series 2016A Taxable Bonds. Pursuant to the 1997 Resolution and this Agreement, the Authority irrevocably directs the 1997 Trustee on the Closing Date to transfer to the Escrow Agent for deposit in the Series 2016B Tax-Exempt Escrow Fund (i) \$\_\_\_\_\_ (constituting the Good Faith Deposit for the Series

2016B Bonds), (ii) \$\_\_\_\_\_ from the Series \_\_\_\_ Debt Service Account, and (iii) \$\_\_\_\_\_ from the proceeds of the sale of the Series 2016B Bonds. If there are insufficient moneys in the Accounts that are allocable to the Refunded Bonds for the Trustee to make the transfers described in the preceding two sentences above, on the Closing Date the Authority will deposit with the Trustee from any moneys available to it the amount of any deficiency.

(b) Immediately upon receipt of the amounts described in paragraph (a), the Escrow Agent shall apply a substantial portion of the amount of these transfers to purchase the Initial Defeasance Obligations. The initial cash balance of the Series 2016A Taxable Escrow Fund will be \$\_\_\_\_\_ and the initial cash balance of the Series 2016B Tax-Exempt Escrow Fund will be \$\_\_\_\_\_ (together the “Initial Cash Balances”).

### **ARTICLE III COVENANTS OF ESCROW AGENT AND 1997 TRUSTEE**

**Section 3.1 General Covenants.** The Escrow Agent shall establish the Initial Cash Balances and purchase the Initial Defeasance Obligations as provided in Section 2.3 and hold all Defeasance Obligations purchased or deposited pursuant to this Agreement and all interest, income, and profit derived therefrom and the Initial Cash Balances and all other uninvested cash in the Escrow Fund (the “Trust Estate”) as irrevocable segregated and separate trust funds for the sole and exclusive benefit of the holders of the related Refunded Bonds until payment and redemption in full of such Refunded Bonds. The Escrow Agent shall keep the Trust Estate wholly segregated from other funds and securities on deposit with it, shall never commingle the Trust Estate with other funds or securities held by it, and shall never at any time use, lend, or borrow the same in any way other than as provided in this Agreement. Nothing contained in this Agreement shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Funds if it is impractical, but money of an equal amount, must always be maintained on deposit in the Escrow Funds as a trust fund held by the Escrow Agent in its fiduciary capacity under this Agreement.

**Section 3.2 No Reinvestment.** Except as otherwise may be provided in accordance with Section 5.1, the maturing principal and interest on any Initial Defeasance Obligations shall not be reinvested. The Escrow Agent shall hold all cash balances not invested as provided in this Agreement in cash on deposit in the applicable Escrow Fund and not invested for the benefit of any person, firm or entity (including the Escrow Agent) on demand and in trust for the purposes of this Agreement and shall secure the same in accordance with applicable Virginia law for the securing of public sinking funds.

**Section 3.3 Disclaimers.** The Escrow Agent shall not be liable or responsible (i) for the accuracy of any Verification Report or (ii) for the sufficiency of the Escrow Funds and earnings on them to pay the principal of and premium and interest on the Refunded Bonds.

**Section 3.4 Tax Covenant.** The Escrow Agent will not knowingly or intentionally take any action in the investment or securing of the proceeds of Defeasance Obligations

acquired hereunder that would cause either the Refunded Bonds or the Series 2016B Bonds to be classified as “arbitrage bonds” under Section 148 of the Code.

**Section 3.5 Collection and Application of Income.** The Escrow Agent will promptly collect principal of, interest on, and income and profit from the Defeasance Obligations held under this Agreement and promptly apply the same solely and only to the payment of the principal of and premium and interest on the Refunded Bonds as the same become due and to such other purposes as may be expressly stated in this Agreement.

**Section 3.6 Payments of Principal of and Premium and Interest on Refunded Bonds.** On the applicable Redemption Date, as set forth in Exhibit C to the Verification Report, the Escrow Agent shall transfer by wire transfer to DTC in accordance with the Letter of Representations sufficient moneys from the matured principal and interest on the applicable Defeasance Obligations and any cash balance held in the applicable Escrow Fund for the payment of the principal of and premium and interest on the related Refunded Bonds. Any excess funds in the Escrow Funds after full redemption of the Refunded Bonds shall be transferred to the Authority.

**Section 3.7 Fees and Expenses of Escrow Agent.** The Escrow Agent will not charge the Authority for any costs or expenses for the purchase of the Initial Defeasance Obligations if such Initial Defeasance Obligations are SLGs. After the date of this Agreement, any fees of the Escrow Agent and its expenses incurred in carrying out its responsibilities under this Agreement will be paid by the Authority to the Escrow Agent from moneys lawfully available and appropriated for such purpose, as billed by the Escrow Agent. All fees and expenses of the Escrow Agent in carrying out any of the duties, terms, or provisions of this Agreement shall be paid solely from moneys lawfully available and appropriated for such purpose as described in this Section and shall not be paid from the Escrow Funds. The Escrow Agent waives any right it may otherwise have to make any claim or set-off or assert any lien against funds on deposit in the Escrow Funds for the payment of such costs and expenses or for any other claims it may have against the Authority.

**Section 3.8 Duties Under Agreement.** (a) The Escrow Agent will have no duties or responsibilities to the Authority or any other person in connection herewith except those specifically provided herein and will not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful misconduct in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the Authority and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement.

(b) Unless specifically provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Authority with respect to arrangements or contracts with others, the Escrow Agent's sole duty under this Agreement being to

safeguard the Trust Estate and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent will be obligated, in making such determination, to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent will be liable for its own gross negligence or willful misconduct.

(c) In determining the occurrence of any such event or contingency, the Escrow Agent may request from the Authority or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire of and consult with the Authority at any time. The Escrow Agent may consult with legal counsel, and the opinion of such counsel will be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

**Section 3.9 Indemnification.** The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action, or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been indemnified otherwise than from the Escrow Funds by the Authority and/or the owners of any of the Refunded Bonds to its satisfaction against any and all costs and expenses, outlays, counsel fees, and other disbursements, including its own reasonable fees.

**Section 3.10 Liability of Escrow Agent.** The Escrow Agent shall have no other responsibilities to the Authority or any other person in connection with this Agreement except as specifically provided in this Agreement. So long as the Escrow Agent applies any funds held in escrow hereunder, to pay the Refunded Bonds as provided in this Agreement and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds.

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

**Section 3.12 Statements.** The Escrow Agent will submit to the Authority statements within fifteen days after July 1, 2017, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement since the Closing Date, and also listing the Defeasance Obligations and cash balances on deposit in the Escrow Funds and all moneys held by it received as interest on or profit from the collection of the Defeasance Obligations, as of the date of the report.

**Section 3.13 Insufficiency.** If at any time it shall appear to the Escrow Agent that the available proceeds of the related Defeasance Obligations and cash balances in the applicable Escrow Fund will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Authority immediately, and the Authority agrees that it will from any funds lawfully available and appropriated for such purpose

make up the anticipated deficit so that no default in the making of any such payment will occur. The Escrow Agent shall in no manner be responsible for the Authority's failure to make any payments to the Escrow Funds.

**Section 3.14 Notice of Defeasance.** (a) On the Closing Date, the 1997 Trustee shall send the notice of intended defeasance substantially in the form attached to this Agreement as Exhibit D by electronic transmission in the format prescribed by the Municipal Securities Rulemaking Board ("MSRB") to be posted to the MSRB's EMMA system at the address as shown in Exhibit F.

- (b) On the date such notice of defeasance is given, the 1997 Trustee shall also send such notice to DTC in accordance with the Letter of Representations.
- (c) Notices given pursuant to this Section will be at the Authority's expense.

**Section 3.15 Notice of Redemption.** (a) On the Closing Date, the 1997 Trustee agrees that it will give the notice of redemption in substantially the form attached as Exhibit E and in accordance with industry standards at the time of mailing, not less than 30 nor more than 60 days before the Redemption Date pursuant to Section 303 of the 2016 Resolution to the registered owners of the Refunded Bonds at their respective addresses as they last appear on the registration books maintained by the Trustee for such Refunded Bonds.

- (b) On the date such notice of redemption is given, the 1997 Trustee shall also send such notice to DTC in accordance with the Letter of Representations.
- (c) Notices given pursuant to this Section will be at the Authority's expense.

#### **ARTICLE IV COVENANTS OF THE AUTHORITY**

**Section 4.1 Limitation of Escrow Agent's Liability.** The Escrow Agent shall have no responsibility or liability whatsoever for (i) any of the Authority's recitals in this Agreement, and (ii) any undertaking of the Authority under this Agreement or in connection with the issuance of the Refunding Bonds, except as otherwise provided in this Agreement.

**Section 4.2 No Further Direction.** All payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions hereof shall be made and done by the Escrow Agent without any further direction or authority of the Authority except as provided in Section 5.1.

**Section 4.3 Tax Covenant.** The Authority will take no action regarding the proceeds of the Series 2016B Bonds that would cause any of the Refunded Bonds or the Series 2016B Bonds to be classified as "arbitrage bonds" under Section 148 of the Code, and the Authority will take any and all further action necessary to insure that the Series 2010 Bonds, the Series 2013 Bonds, the Series 2015A Bonds and the Series 2016B Bonds are not classified as "arbitrage bonds" under Section 148 of the Code.

#### **ARTICLE V**

## AMENDMENTS, IRREVOCABILITY OF AGREEMENT

**Section 5.1 Amendments.** (a) This Agreement may be amended or supplemented for any one or more of the following purposes: (i) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement, or for severing any provision of this Agreement that has been determined to be illegal by a court of competent jurisdiction; and (ii) solely to protect the rights of the owners of the Refunded Bonds, to add to the covenants and agreements of the Authority or the Escrow Agent contained in this Agreement other covenants and agreements thereafter to be observed by the Authority or the Escrow Agent, or to surrender any right or power herein reserved to or conferred upon the Authority; and (iii) to make provision for the sale, redemption, investment or reinvestment of the Defeasance Obligations held by the Escrow Agent hereunder or any portion of the proceeds thereof other than as provided for in Section 3.2 (any such amendment, supplement or direction to sell, redeem, invest or reinvest to be referred to as a “Subsequent Action”).

(b) No Subsequent Action shall be effective unless and until the Authority submits to the Escrow Agent the following items:

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

(2) An unqualified opinion of bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that (A) the Subsequent Action will not cause the interest on either the Refunded Bonds or the Series 2016B Bonds to become includable in gross income for federal income tax purposes, and (B) the Subsequent Action does not adversely affect the legal rights of the holders of the Refunded Bonds.

(3) In the case of a Subsequent Action described in (a)(iii) of this Section 5.1, a report of a firm of nationally recognized independent certified public accountants or verification agents to the effect that the amounts (which will consist of cash held in the Escrow Fund) available or to be available for payment of the Refunded Bonds will remain sufficient, without reinvestment, to pay when due all principal of and premium and interest on the Refunded Bonds after the taking of the Subsequent Action.

(4) Evidence satisfactory to the Escrow Agent that the document or documents effecting the Subsequent Action have been sent to Moody’s Investors Service, Inc. (“Moody’s”) and Standard and Poor’s Rating Services (“Standard & Poor’s”) before the execution of such document or documents and, in the case of a Subsequent Action described in (a)(iii) of this Section 5.1, written evidence from Moody’s and Standard & Poor’s that the undertaking of such Subsequent Action will not result in a withdrawal or reduction in the ratings assigned to the Refunded Bonds.

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

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

## **ARTICLE VI NOTICES**

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

Virginia Port Authority  
600 World Trade Center  
Norfolk, Virginia 23510  
Attention: Executive Director

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

**Section 6.2 Notices to Escrow Agent or 1997 Trustee.** All notices and communications to the Escrow Agent or the 1997 Trustee, as applicable, shall be addressed in writing to:

U.S. Bank National Association  
1021 East Cary Street  
Two James Center, Suite 1850  
Richmond, Virginia 23219  
Attention: U.S. Bank Corporate Trust Services

or at such other address as is furnished from time to time by the Escrow Agent or the 1997 Trustee.

## **ARTICLE VII REPLACEMENT OF ESCROW AGENT, ACTS BY ESCROW AGENT**

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

**Section 7.2 Resignation and Discharge of Escrow Agent.** (a) The Escrow

Agent may resign and thereby become discharged from the trusts hereby created, by written notice mailed to the Authority by registered or certified mail. Such resignation shall take effect upon the appointment of a new Escrow Agent hereunder and acceptance of the trusts (to include all cash held hereunder) hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed, and the Escrow Agent may, after sixty (60) days subsequent to its resignation, petition the Circuit Court of the City of Richmond, Virginia, for the appointment of a successor Escrow Agent if one has not yet been appointed.

(b) If the Escrow Agent resigns before this Agreement expires, the Escrow Agent shall rebate to the Authority a ratable portion of any fee theretofore paid by the Authority to the Escrow Agent but not yet earned for its services under this Agreement.

**Section 7.3 Removal and Replacement of Escrow Agent.** The Escrow Agent may be removed and replaced at any time by written instruments of the Authority delivered to the Escrow Agent specifying the removal and replacement date and evidencing the appointment by the Authority of a new Escrow Agent and acceptance by such new Escrow Agent of the trusts (to include all cash held hereunder) hereby created.

## **ARTICLE VIII TERMINATION OF AGREEMENT**

**Section 8.1 Termination.** Upon the final disbursement for the payment of all of the Refunded Bonds as provided for above, the Escrow Agent will transfer any balance remaining in the Escrow Fund to the Authority, and thereupon this Agreement shall terminate. This Agreement is irrevocable prior to its termination.

## **ARTICLE IX MISCELLANEOUS**

**Section 9.1 Patriot Act.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly the Escrow Agent will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Escrow Agent may also request identifying information to sufficiently verify the identities of individuals claiming authority to represent the entity.

**Section 9.2 Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Virginia.

**Section 9.3 Counterpart Signatures.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Agreement.

**IN WITNESS WHEREOF**, the Virginia Port Authority has caused this Agreement to be signed in its name by its duly authorized officer, and U.S. Bank National Association, as Escrow Agent, has caused this Agreement to be signed in its corporate name by one of its duly authorized representatives, all as of the date first above written.

**VIRGINIA PORT AUTHORITY**

By: \_\_\_\_\_  
John F. Reinhart, Executive Director

**U.S. BANK NATIONAL ASSOCIATION,**  
as Escrow Agent and 1997 Trustee

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

**EXHIBIT A  
REFUNDED BONDS**

(Series 2010 Bonds)

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	1,575,000.00		
07/01/2018	1,655,000.00		
07/01/2019	1,710,000.00		
07/01/2020	1,795,000.00	100.000	
07/01/2021	1,865,000.00	100.000	
07/01/2022	1,960,000.00	100.000	
07/01/2023	2,060,000.00	100.000	
07/01/2024	265,000.00	100.000	
07/01/2024	1,875,000.00	100.000	
07/01/2025	2,245,000.00	100.000	
07/01/2030	8,750,000.00	100.000	
07/01/2030	4,125,000.00	100.000	
07/01/2040	37,235,000.00	100.000	

Total: \$67,115,000.00

(Series 2013 Bonds)

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	2,135,000.00	[120.806]	
07/01/2018	2,200,000.00	[120.806]	
07/01/2019	2,275,000.00	[120.806]	
07/01/2020	2,340,000.00	[120.806]	
07/01/2021	2,415,000.00	[120.806]	
07/01/2022	2,490,000.00	[120.806]	
07/01/2023	2,565,000.00	[120.806]	
07/01/2024	2,645,000.00	[120.806]	
07/01/2025	2,725,000.00	[120.806]	
07/01/2026	2,805,000.00	[120.806]	
07/01/2027	2,900,000.00	[120.806]	
07/01/2028	9,840,000.00	[120.806]	

Total: \$37,335,000.00

(Series 2015 Bonds)

<u>Series 2015A Bonds</u>			
<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2029	8,915,000.00	100.00	
07/01/2030	9,360,000.00	100.00	
07/01/2031	9,825,000.00	100.00	
07/01/2032	10,320,000.00	100.00	
07/01/2033	10,835,000.00	100.00	
07/01/2034	11,380,000.00	100.00	
07/01/2035	11,950,000.00	100.00	
07/01/2036	12,545,000.00	100.00	

Total: \$85,130,000.00

<u>Series 2015B Taxable Bonds</u>			
<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	4,545,000.00	[106.883]	
07/01/2018	4,605,000.00	[106.883]	
07/01/2019	4,675,000.00	[106.883]	
07/01/2020	4,775,000.00	[106.883]	
07/01/2021	4,885,000.00	[106.883]	
07/01/2022	5,020,000.00	[106.883]	
07/01/2023	5,155,000.00	[106.883]	
07/01/2024	5,305,000.00	[106.883]	
07/01/2025	5,470,000.00	[106.883]	
07/01/2026	5,655,000.00	[106.883]	
07/01/2027	5,835,000.00	[106.883]	

Total: \$55,925,000

**EXHIBIT B**  
**VERIFICATION REPORT**

**EXHIBIT C**  
**DTC LETTER OF REPRESENTATIONS**

**EXHIBIT D**

**FORM OF NOTICE OF DEFEASANCE**

**NOTICE OF DEFEASANCE TO HOLDERS OF  
CERTAIN VIRGINIA PORT AUTHORITY  
PORT FACILITIES REVENUE REFUNDING BONDS,  
SERIES 2010**

**ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$68,630,000**

<u>Maturity (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	1,575,000.00		
07/01/2018	1,655,000.00		
07/01/2019	1,710,000.00		
07/01/2020	1,795,000.00	100.000	
07/01/2021	1,865,000.00	100.000	
07/01/2022	1,960,000.00	100.000	
07/01/2023	2,060,000.00	100.000	
07/01/2024	265,000.00	100.000	
07/01/2024	1,875,000.00	100.000	
07/01/2025	2,245,000.00	100.000	
07/01/2030	8,750,000.00	100.000	
07/01/2030	4,125,000.00	100.000	
07/01/2040	37,235,000.00	100.000	

Notice is given by U.S. Bank National Association, as trustee (the “1997 Trustee”) under Resolution No. 97-5 adopted by the Virginia Port Authority’s (the “Authority”) Board of Commissioners on May 27, 1997, as previously amended and restated (the “1997 Resolution”), on behalf and at the direction of the Authority, that on November 1, 2016 (the “Closing Date”), the Authority issued its Port Facilities Revenue Refunding Bonds, Series 2016A Taxable (the “Series 2016A Taxable Bonds”). The Authority used a portion of the proceeds of the Series 2016A Taxable Bonds, along with certain other available funds, on the Closing Date to refund and defease the Authority’s \$68,630,000 Port Facilities Revenue Refunding Bonds, Series 2010 (as set forth above, the “Refunded Bonds”), outstanding on the Closing Date in original aggregate principal amount of \$67,115,000.00. The Refunded Bonds were issued as a Series under the 1997 Resolution.

The 1997 Trustee serves as escrow agent (the “Escrow Agent”), as set forth in an Escrow Agreement dated the Closing Date between the Authority and the Escrow Agent. The proceeds of the Series 2016A Taxable Bonds, which shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on the Refunded Bonds on the redemption date thereof, and accordingly, the Refunded Bonds are deemed paid in full and no longer outstanding or entitled to any lien, benefit or security under the 1997 Resolution, all as of

the Closing Date, in accordance with Section 1201 of the 1997 Resolution. **The redemption date of the Refunded Bonds will be July 1, 2019.**

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

No representation is made as to the correctness of the CUSIP numbers printed on the above-described bonds or contained in this Notice. The CUSIP numbers have been included above solely as a convenience to the registered owners of the above-described bonds.

Dated: November 1, 2016

U.S. BANK NATIONAL ASSOCIATION,  
as 1997 Trustee

**FORM OF NOTICE OF DEFEASANCE**

**NOTICE OF DEFEASANCE TO HOLDERS OF  
VIRGINIA PORT AUTHORITY  
PORT FACILITIES REVENUE REFUNDING BONDS,  
SERIES 2015A (AMT)  
ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$85,130,000**

<u>Maturity (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2029	8,915,000.00	100.00	
07/01/2030	9,360,000.00	100.00	
07/01/2031	9,825,000.00	100.00	
07/01/2032	10,320,000.00	100.00	
07/01/2033	10,835,000.00	100.00	
07/01/2034	11,380,000.00	100.00	
07/01/2035	11,950,000.00	100.00	
07/01/2036	12,545,000.00	100.00	

Notice is given by U.S. Bank National Association, as trustee (the “1997 Trustee”) under Resolution No. 97-5 adopted by the Virginia Port Authority’s (the “Authority”) Board of Commissioners on May 27, 1997, as previously amended and restated (the “1997 Resolution”), on behalf and at the direction of the Authority, that on November 1, 2016 (the “Closing Date”), the Authority issued its Port Facilities Revenue Refunding Bonds, Series 2016A Taxable (the “Series 2016A Taxable Bonds”). The Authority used a portion of the proceeds of the Series 2016A Taxable Bonds, along with certain other available funds, on the Closing Date to refund and defease the Authority’s \$85,130,000 Port Facilities Revenue Refunding Bonds, Series 2015A (AMT) (as set forth above, the “Refunded Bonds”), outstanding on the Closing Date in original aggregate principal amount of \$85,130,000.00. The Refunded Bonds were issued as a Series under the 1997 Resolution.

The 1997 Trustee serves as escrow agent (the “Escrow Agent”), as set forth in an Escrow Agreement dated the Closing Date between the Authority and the Escrow Agent. The proceeds of the Series 2016A Taxable Bonds, which shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on the Refunded Bonds on the redemption date thereof, and accordingly, the Refunded Bonds are deemed paid in full and no longer outstanding or entitled to any lien, benefit or security under the 1997 Resolution, all as of the Closing Date, in accordance with Section 1201 of the 1997 Resolution. **The redemption date of the Refunded Bonds will be July 1, 2025.**

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

No representation is made as to the correctness of the CUSIP numbers printed on the above-described bonds or contained in this Notice. The CUSIP numbers have been included above solely as a convenience to the registered owners of the above-described bonds.

Dated: November 1, 2016

U.S. BANK NATIONAL ASSOCIATION,  
as 1997 Trustee

[EXHIBIT E

FORM OF NOTICE OF REDEMPTION

NOTICE OF REDEMPTION TO HOLDERS OF  
VIRGINIA PORT AUTHORITY  
PORT FACILITIES REVENUE BOND,  
SERIES 2013]

<u>Maturity (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	2,135,000.00	[120.806]	
07/01/2018	2,200,000.00	[120.806]	
07/01/2019	2,275,000.00	[120.806]	
07/01/2020	2,340,000.00	[120.806]	
07/01/2021	2,415,000.00	[120.806]	
07/01/2022	2,490,000.00	[120.806]	
07/01/2023	2,565,000.00	[120.806]	
07/01/2024	2,645,000.00	[120.806]	
07/01/2025	2,725,000.00	[120.806]	
07/01/2026	2,805,000.00	[120.806]	
07/01/2027	2,900,000.00	[120.806]	
07/01/2028	9,840,000.00	[120.806]	

NOTICE IS GIVEN that pursuant to Sections 301 and 303 of Resolution No. 97-5 adopted by the Virginia Port Authority (the "Authority") on May 27, 1997, as previously amended and supplemented (the "1997 Resolution"), and Section 2 of Series Resolution No. 13-11 duly adopted by the Authority on May 28, 2013, that those maturities of the Authority's \$37,945,000 Port Facilities Revenue Bond, Series 2013, set forth above (the "Refunded Bonds") will be redeemed on November 1, 2016 (the "Redemption Date").

The Refunded Bonds will be redeemed at the redemption price set forth above (expressed as a percentage of their principal amount), plus accrued interest to the Redemption Date. Interest on the Refunded Bonds will cease to accrue on the Redemption Date. The redemption price of the Refunded Bonds and accrued interest to the Redemption Date will be payable upon the presentation and surrender of the Refunded Bonds at the following designated corporate trust office of the Escrow Agent for the Refunded Bonds:

U.S. Bank National Association  
Global Corporate Trust Services  
111 Filmore Ave E  
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up

after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

The Refunded Bonds were deemed paid in full and no longer outstanding under the 1997 Resolution, and no longer entitled to any lien, benefit or security thereunder, effective as of November 1, 2016.

No representation is made as to the correctness of the CUSIP numbers printed on the above-described bonds or contained in this Notice. The CUSIP numbers have been included above solely as a convenience to the registered owners of the above-described bonds.

Under provisions of the Internal Revenue Code, payments on municipal securities may be subject to backup withholding at the applicable rate from such payments to registered owners who have not certified their Taxpayer Identification Number on IRS Form W-9 or W-8. Registered owners who wish to avoid backup withholding should submit a completed and signed IRS Form W-9 or W-8 when presenting their Refunded Bonds for payment.

November 1, 2016

**VIRGINIA PORT AUTHORITY**

By: U.S. Bank National Association  
as 1997 Trustee

## FORM OF NOTICE OF REDEMPTION

### NOTICE OF REDEMPTION TO HOLDERS OF VIRGINIA PORT AUTHORITY PORT FACILITIES REVENUE BONDS, SERIES 2015B (TAXABLE)

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>	<u>CUSIP</u>
07/01/2017	4,545,000.00	[106.883]	
07/01/2018	4,605,000.00	[106.883]	
07/01/2019	4,675,000.00	[106.883]	
07/01/2020	4,775,000.00	[106.883]	
07/01/2021	4,885,000.00	[106.883]	
07/01/2022	5,020,000.00	[106.883]	
07/01/2023	5,155,000.00	[106.883]	
07/01/2024	5,305,000.00	[106.883]	
07/01/2025	5,470,000.00	[106.883]	
07/01/2026	5,655,000.00	[106.883]	
07/01/2027	5,835,000.00	[106.883]	

NOTICE IS GIVEN that pursuant to Sections 301 and 303 of Resolution No. 97-5 adopted by the Virginia Port Authority (the "Authority") on May 27, 1997, as previously amended and supplemented (the "1997 Resolution"), and Section 2 of Series Resolution No. 14-13 duly adopted by the Authority on November 18, 2014, that those maturities of the Authority's \$56,755,000 Port Facilities Revenue Bonds Series 2015B (Taxable), set forth above (the "Refunded Bonds") will be redeemed on December 6, 2016 (the "Redemption Date").

The Refunded Bonds will be redeemed at the redemption price set forth above (expressed as a percentage of their principal amount), plus accrued interest to the Redemption Date. Interest on the Refunded Bonds will cease to accrue on the Redemption Date. The redemption price of the Refunded Bonds and accrued interest to the Redemption Date will be payable upon the presentation and surrender of the Refunded Bonds at the following designated corporate trust office of the Escrow Agent for the Refunded Bonds:

U.S. Bank National Association  
Global Corporate Trust Services  
111 Filmore Ave E  
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the

Redemption Price.

The Refunded Bonds were deemed paid in full and no longer outstanding under the 1997 Resolution, and no longer entitled to any lien, benefit or security thereunder, effective as of November 1, 2016.

No representation is made as to the correctness of the CUSIP numbers printed on the above-described bonds or contained in this Notice. The CUSIP numbers have been included above solely as a convenience to the registered owners of the above-described bonds.

Under provisions of the Internal Revenue Code, payments on municipal securities may be subject to backup withholding at the applicable rate from such payments to registered owners who have not certified their Taxpayer Identification Number on IRS Form W-9 or W-8. Registered owners who wish to avoid backup withholding should submit a completed and signed IRS Form W-9 or W-8 when presenting their Refunded Bonds for payment.

November 1, 2016

**VIRGINIA PORT AUTHORITY**

By: U.S. Bank National Association  
as 1997 Trustee

## **EXHIBIT F**

### **NAMES AND ADDRESSES OF REGISTERED DEPOSITORIES AND NAMES OF MUNICIPAL REPORTING SERVICES**

#### Names and Addresses of Registered Depositories

Call Notification Department  
The Depository Trust Company  
711 Stewart Avenue  
Garden City, New York 11530  
Tel: (516) 227-4327  
Fax: (516) 227-4039  
[redemptionnotification@dtcc.com](mailto:redemptionnotification@dtcc.com)

#### Address of the Municipal Securities Rulemaking Board

Municipal Securities Rulemaking Board  
1900 Duke Street  
Suite 600  
Alexandria, Virginia 22314  
Phone: (703) 797-6600  
Fax: (703) 797-6704  
<http://www.emma.msrb.org>