Pursuant to Minute Order 110081, dated May 4, 2005, the Texas Transportation Commission (commission) approved a "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," as subsequently amended by the first amendment, second amendment and third amendment (master resolution), to establish a revenue financing program (mobility fund revenue financing program) pursuant to which the commission may issue obligations including bonds, notes and other public securities and execute credit agreements secured by and payable from a pledge of and lien on all or part of the moneys in the Texas Mobility Fund (fund). Under such master resolution, the commission approved eleven supplemental resolutions to the master resolution which authorized the issuance of thirteen series of "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds" which are still outstanding as follows: Series 2006, Series 2006-A, Series 2006-B, Series 2007, Series 2008, Taxable Series 2009A (Build America Bonds - Direct Payment), Series 2014, Series 2014-A, Series 2014-B, Series 2015-A and Series 2015-B (collectively, the "outstanding parity debt"). Any terms not otherwise defined herein have the meaning given in the twelfth supplement, as hereinafter defined.

Section 49-k, Article III of the Texas Constitution (constitutional provision) authorizes the commission to issue bonds and other obligations secured by all or part of the money in the fund to: 1) pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways; 2) provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the state in its major goal of improving the mobility of the residents of the state; 3) create debt service accounts; 4) pay interest on obligations for a period of not longer than two years; 5) refund or cancel outstanding obligations; and 6) pay the commission’s costs of issuance.

Transportation Code, Chapter 201, Subchapter M, provides that the commission may guarantee on behalf of the state the payment of any obligations and credit agreements secured by the fund by pledging the full faith and credit of the state to the payment of the obligations and credit agreements in the event the revenue and money dedicated to the fund and on deposit in the fund under the constitutional provision, are insufficient for that purpose.

The commission has determined it to be in the best interest of the state and the fund to issue additional obligations, on parity with the previously issued outstanding parity debt, secured by revenues and money dedicated to the fund and on deposit in the fund under the constitutional provision and by a pledge of the full faith and credit of the state to refund all or part of the outstanding parity debt for: (i) savings to the state; (ii) outstanding variable rate obligations; and/or (iii) to renew or replace credit agreements relating to variable rate obligations.

The master resolution, together with the "Twelfth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (twelfth supplement), prescribes the terms, provisions and covenants related to the issuance of additional bonds in one or more series of "State of Texas General Obligation Mobility Fund Obligations" (obligations) with such title and series designation as set forth in the twelfth supplement which may be issued for refunding purposes if the refunding results in any of the following: (i) provides a net present value debt service savings of not less than 3% of the outstanding parity debt refunded; (ii) provides long-term fixed rates for refunded variable rate bonds; (iii) other variable rate financing for refunded variable rate bonds; or (iv) any combination thereof.

Under the twelfth supplement, the department representative, as defined in the twelfth supplement, includes the chief financial officer of the Texas Department of Transportation (department) and the innovative financing/debt management officer of the department, is authorized to determine the method of sale for each series of obligations as well as the price and other terms of each series of the obligations as prescribed in each award certificate.

Under the twelfth supplement, the department representative is authorized to price all or a portion of one or more series of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarking agents, calculation agents and other entities performing various functions in connection with any such interest rate structures.

The commission understands that a preliminary official statement and final official statement will be distributed in connection with the public offering of one or more series of the obligations, which preliminary official statement and official statement will include a description of the general obligation pledge of the state's full faith and credit in the event the revenue and money dedicated to and on deposit in the fund are insufficient for payments due on the obligations and any related credit agreements.

IT IS THEREFORE ORDERED by the commission that the chairman of the commission and the executive director of the department are authorized and directed to execute and deliver each series of the obligations and such other documents and certificates to carry out the intent of this order and the department representative, on behalf of the commission, is authorized and directed to execute and deliver the twelfth supplement, each purchase contract, if applicable, paying agent/registrar agreement and escrow agreement and similar agreements necessary for any series of the obligations (collectively, program documents), in the form approved by the department representative or in substantially the form previously approved by the commission in connection with the outstanding parity debt, as applicable, with such changes as the department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that the department representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any variable rate bonds (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate bonds are approved in substantially the form previously approved by the commission in connection with the outstanding parity debt, as defined in the twelfth supplement, with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that the chief financial officer of the department is hereby designated an authorized representative for purposes of the master resolution.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of a series of the obligations, the program documents and the variable rate documents, if any, are hereby approved, and the department representative, on behalf of the commission, is authorized and directed to execute and deliver such documents.

IT IS FURTHER ORDERED by the commission that the preliminary official statement and the official statement are approved for distribution in connection with the public offering and sale of each series of refunding obligations in such form as a chief financial officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such official statement. The chief financial officer, on behalf of the commission, is authorized to deem any preliminary official statement and official statement final for purposes of rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that a pledge of the full faith and credit of the state be utilized in connection with each series of the obligations and the payment obligations of the commission under any credit agreements.

IT IS FURTHER ORDERED by the commission that each member of the commission, each department representative, the executive director of the department and general counsel of the department are authorized and directed to perform all such acts and execute such documents and notices, including execution of certifications to the underwriters or purchasers, the attorney general, the comptroller of public accounts, the bond review board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the mobility fund revenue financing program, the program documents and the variable rate documents, if any.

Submitted and reviewed by:

Interim Chief Financial Officer

Recommended by:

Executive Director

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Minute Number Date Passed