TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

ALL Districts

Section 49-p, Article III of the Texas Constitution (constitutional provision) and Transportation Code, Section 222.004 (section 222.004), and other applicable law, including Government Code, Chapter 1371, authorize the Texas Transportation Commission (commission) to issue general obligation bonds, notes and other public securities (bonds) and to enter into credit agreements. The commission may issue general obligation bonds for one or more of the following purposes: 1) to pay, or reimburse the State Highway Fund for payment of, all or part of the costs of highway improvement projects including loans for highway improvement projects; 2) to pay (a) the costs of administering projects authorized under section 222.004, (b) the costs or expense of the issuance of the bonds or (c) all or part of a payment owed or to be owed under a credit agreement; and 3) refunding outstanding bonds.

Pursuant to Minute Order 112100 adopted by the commission on January 28, 2010, the commission approved a "Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (master resolution) to establish a general obligation financing program in an aggregate principal amount not to exceed $5 billion pursuant to which the commission may issue bonds and execute credit agreements secured by and payable from the general revenues of the state pursuant to the constitutional provision and section 222.004.

There currently remains $1,442,008,139.56 authorized but unissued general obligation bonds pursuant to the constitutional provision.

In furtherance of financing highway improvement projects the commission has determined it to be in the best interest of the state to issue additional general obligation bonds for highway improvement projects.

The master resolution, together with the "Fourth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (fourth supplement), prescribes the terms, provision and covenants related to the issuance of additional general obligations bonds in one or more series with such title and series designation as set forth in the fourth supplement and any series of bonds may be issued for refunding purposes if the refunding results in a net present value debt service savings of not less than 3% of the outstanding bonds refunded.

Under the fourth supplement, the department representative, as defined in the fourth 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 the bonds, and shall further determine such price, interest rate or rates and such terms of the bonds, as prescribed in each award certificate in accordance with the fourth supplement.

Under the fourth supplement, the department representative is authorized to price all or a portion 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, remarketing 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 bonds, which preliminary official statement and official statement will include a description of the general obligation pledge of the state's full faith and credit.

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 the bonds and such other documents and certificates necessary 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 fourth supplement, any bond purchase contract, award certificate and paying agent agreement (collectively, program documents), and the program documents are approved in substantially the form presented to the commission with such changes as the department representative 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 mobility fund debt 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, if any.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of the bonds, 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, including the application and submission to the board, as necessary.

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. A 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 the highway improvement projects to be financed with the proceeds of the bonds issued pursuant to the master resolution and the fourth supplement are necessary highway improvements and related structures.

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, certificates, notices and applications, including volume cap allocation

requests, if necessary, and execution of certifications to the underwriters, 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 general obligation financing program established by the master resolution, the fourth supplement, 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