

TEXAS TRANSPORTATION COMMISSION

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MINUTE ORDER

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Pursuant to Minute Order 110472, dated March 30, 2006, the Texas Transportation Commission (commission) approved a “Master Resolution Establishing a Financing Program for Bonds, Other Public Securities and Credit Agreements Secured by and Payable from Revenue Deposited to the Credit of the State Highway Fund,” as subsequently amended and restated (master resolution), establishing a revenue financing program (state highway fund revenue financing program) to provide a financing structure to facilitate the commission’s exercise of the powers and authority conferred by Section 49-n, Article III, of the Texas Constitution, Section 222.003, Transportation Code, and other applicable law, including Chapter 1371, Government Code, pursuant to which the commission is authorized to issue obligations, including bonds, notes and other public securities, and execute credit agreements, secured by and payable from a pledge of and lien on revenues deposited to the credit of the state highway fund, as provided by the master resolution. Any terms not otherwise defined herein have the meaning given in the sixth supplement, as hereinafter defined.

The commission has previously issued its \$300 million “Texas Transportation Commission State Highway Fund First Tier Revenue Bonds, Series 2014-B (SIFMA Index Floating Rate Bonds)” (Series 2014-B Bonds) pursuant to the amended and restated sixth supplemental resolution to the master resolution (sixth supplement).

Pursuant to the provisions of the sixth supplement, the Series 2014-B Bonds are subject to mandatory tender for purchase, without right of retention, on April 1, 2017 (initial mandatory tender date) and shall be remarketed by the remarketing agent for such Series 2014-B Bonds (remarketing agent) in one or more series or subseries and in one or more successive index floating rate periods of the same or different durations or in one or more of the several interest rate modes authorized by the sixth supplement.

In the sixth supplement, the commission (i) directed the department representative to execute and deliver an award certificate in connection with each proposed conversion of Series 2014-B Bonds containing the information specified in the sixth supplement for each conversion, (ii) authorized the department representative to replace the remarketing agent and enter into a remarketing agreement (remarketing agreement) with a successor remarketing agent, and (iii) reserved the right to enter into one or more credit agreements (credit agreements) with one or more credit agreement providers (credit agreement providers) to pay the purchase price of all or a portion of tendered Series 2014-B Bonds.

As part of the ongoing management of the state highway fund revenue financing program, the commission has been requested to consider several actions in connection with the remarketing of the Series 2014-B Bonds on the initial mandatory tender date, to be approved by the department representative, which shall be designated for purposes of the sixth supplement to include the chief financial officer of the Texas Department of Transportation (department) and the director, Project Finance, Debt and Strategic Contracts Division.

To secure payment of the purchase price of tendered Series 2014-B Bonds pursuant to the terms of the sixth supplement, the commission has determined that it is in the best interests of the state to authorize (i) a credit agreement in the form of a liquidity agreement, substantially in the form presented to the commission with this minute order with such changes as are approved by the department representative (liquidity agreement) between the commission and the liquidity provider identified in the liquidity agreement (liquidity provider), in the aggregate principal amount that, when combined with the principal amount covered by the continuing covenant agreement, as hereinafter defined, does not exceed \$300 million and (ii) a credit agreement in the form of a continuing covenant agreement, substantially in

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the form presented to the commission with this minute order with such changes as are approved by the department representative (continuing covenant agreement) between the commission and the purchaser identified in the continuing covenant agreement (direct purchaser), in the aggregate principal amount that, when combined with the principal amount covered by the liquidity agreement, as hereinafter defined, does not exceed \$300 million. The commission intends tender and redemption payments made under such credit agreements will be refinanced with refunding bonds or other obligations issued under Chapter 1207, Government Code, and, therefore the commission will treat such payments as having the intended term and payment schedule of such refunding bonds or other obligations, as determined by the department representative.

In the event the department cannot reach an agreement with the liquidity provider or the direct purchaser, the department representative is authorized to proceed with execution of one or more alternative credit agreements with one or more alternative credit agreement providers that meet the qualifications and cost structure that provides the next best value and terms for the state highway fund revenue financing program as determined by the department representative.

A remarketing memorandum or other offering document (collectively, remarketing memorandum) shall be prepared for distribution by the remarketing agent on or before the initial mandatory tender date in connection with the remarketing of the Series 2014-B Bonds.

IT IS THEREFORE ORDERED by the commission that the department representative is authorized and directed to take such action as is necessary or appropriate for the remarketing agent to remarket the Series 2014-B Bonds on the initial mandatory tender date, including obtaining rating confirmations, giving any notices and taking other actions as may be required pursuant to the terms of the sixth supplement.

IT IS FURTHER ORDERED by the commission that the department representative is authorized and directed to execute and deliver the remarketing agreement, with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of such remarketing agreement.

IT IS FURTHER ORDERED by the commission that the department representative is authorized and directed to execute and deliver the liquidity agreement and the continuing covenant agreement (collectively with the remarketing agreement and any related award certificates, the transaction documents), with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of such liquidity agreement and continuing covenant agreement.

IT IS FURTHER ORDERED by the commission that the preparation of a remarketing memorandum is hereby approved, in the form approved by the department representative or in substantially the form of an official statement previously approved by the commission in connection with senior obligations, 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 such remarketing memorandum.

IT IS FURTHER ORDERED by the commission that any other agreements, instruments or ancillary documents necessary or appropriate in connection with the remarketing of the Series 2014-B Bonds or the execution and delivery of the transaction documents and the performance of the terms and

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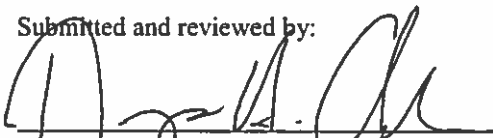
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conditions of any such documents, are hereby approved, including any amendments to the sixth supplement, and the department representative or its designee is authorized and directed to execute and deliver such documents. The department representative's authority to take such actions as are contemplated by the commission's prior delegation of continuing authority under the sixth supplement for the Series 2014-B Bonds, including authority to establish, alter, or consent to changes in interest rates, interest rate modes, and interest rate periods and to execute and enter into agreements, is hereby ratified, confirmed and approved.

IT IS FURTHER ORDERED by the commission that each member of the commission, the executive director, each department representative and the general counsel are authorized and directed to perform such acts and execute such documents, notices and other instruments, including certifications to and agreements with the remarketing agent, liquidity provider, direct purchaser, tender agent, calculation agent, the Attorney General of Texas, the Texas Comptroller of Public Accounts, and other parties, as may be necessary or appropriate to carry out the intent and purpose of this minute order and other orders of the commission relating to the state highway fund revenue financing program and the transaction documents.

Submitted and reviewed by:


Director, Project Finance, Debt and
Strategic Contracts Division

Recommended by:


Executive Director

114853 FEB 23 '17

Minute Date
Number Passed