

TEXAS TRANSPORTATION COMMISSION

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Section 49-k, Article III of the Texas Constitution (constitutional provision) and Transportation Code, Chapter 201, Subchapter M, and other applicable law, including Government Code, Chapter 1371, authorize the Texas Transportation Commission (commission) to issue bonds and other obligations secured by all or part of the money in the Texas Mobility Fund (fund). Obligations may be issued 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; 3) create debt service accounts; 4) pay interest on obligations for a period of no longer than two years; 5) refund or cancel outstanding obligations; and 6) pay the commission's costs of issuance (collectively, projects).

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.

Transportation Code, §201.947 provides that the commission may not issue obligations before the Texas Department of Transportation (department) has developed a strategic plan that outlines how the proceeds of obligations will be used and the benefit the state will derive from use of money in the fund and pursuant to Minute Order 109800, dated September 30, 2004, the Texas Mobility Fund Strategic Plan as developed by the department was adopted and has not been amended.

Pursuant to Minute Order 110081 dated May 4, 2005, (authorizing minute order), the commission has approved a "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" as amended by the "First Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" pursuant to Minute Order 111083 dated September 27, 2007 (as may be further amended from time to time, the Master resolution) to establish a revenue financing program (mobility fund revenue financing program) initially established in the aggregate principal amount outstanding at any time of not to exceed \$6.5 billion 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 fund and any applicable state guarantee authorized pursuant to Section 2(c) of the Master resolution. Any terms not otherwise defined herein have the meanings given in the Master resolution.

The authorizing minute order further approved a first supplemental resolution and a second supplemental resolution to the Master resolution which authorized the issuance of the \$900,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-A (the series 2005-A bonds) and the \$100,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-B (Variable Rate Bonds) (the series 2005-bonds), respectively.

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Pursuant to Minute Order 110530 dated May 25, 2006, the commission further approved a third supplemental resolution to the Master resolution which authorized the issuance of the \$750,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006 (the series 2006 bonds).

Pursuant to Minute Order 116084 dated September 28, 2006, the commission further approved a fourth supplemental resolution and a fifth supplemental resolution to the Master resolution which authorized the issuance of the \$1,040,275,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-A (the series 2006-A bonds) and \$150,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (Multi-Modal Bonds) (the series 2006-B bonds), respectively.

Pursuant to Minute Order 110940 dated May 24, 2007, the commission further approved a sixth supplemental resolution to the Master resolution which authorized the issuance of \$1,006,330,000 in Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2007 (the series 2007 bonds).

Pursuant to Minute Order 111083 dated September 27, 2007, the commission further approved a seventh supplemental resolution to the Master resolution which authorized the issuance of \$1,100,000,000 in Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2008 (the series 2008 bonds).

Pursuant to Minute Order 111786 dated April 30, 2009, the commission further approved an amended and restated eighth supplemental resolution to the Master resolution which authorized the issuance of \$1,208,495,000 in Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds – Direct Payment) (the series 2009A bonds) (the series 2009A bonds, the series 2008 bonds, the series 2007 bonds, the series 2006 bonds, the series 2006-A bonds, the series 2006-B bonds, the series 2005-A bonds, and the series 2005-bonds, together with the reimbursement obligations under the liquidity facility related to the series 2006-B bonds and series 2005-B bonds, collectively "outstanding parity debt").

Pursuant to Minute Order 113053 dated March 29, 2012, the commission further approved a ninth supplemental resolution the Master resolution (ninth supplement) which authorized the issuance of up to \$1.4 billion in one or more series of bonds to refund tax-exempt outstanding parity debt for debt services savings, such refunding bonds, if and when issued, to constitute outstanding parity debt or to be on parity with all previously issued outstanding parity debt remaining.

The commission has determined it to be in the best interest of the state 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.

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The Master resolution, together with the "Tenth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (tenth supplement) attached hereto, prescribes the terms, provisions and covenants related to the issuance of additional bonds in one or more series entitled "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds" (bonds) with such name and series designation as set forth in the tenth supplement, so long as the aggregate principal amount of one or more series of the bonds does not exceed \$600 million.

Under the tenth supplement, the department representative, as defined in the tenth supplement, is authorized to determine the method of sale for each series of bonds as well as the price and other terms of each series of the bonds as prescribed in each award certificate including whether to continue the issuance of any refunding bonds authorized pursuant to the ninth supplement together with any new money bonds authorized herein and the tenth supplement.

Under the tenth supplement, the department representative is authorized to price all or a portion of the bonds as variable rate bonds and may need to utilize liquidity provider(s), tender agents, remarketing agents and other entities performing similar functions in connection with any such variable rate bonds.

The commission understands that the underwriters intend to distribute a preliminary official statement (POS) and final official statement (official statement) in substantially the form previously approved by the commission in connection with the March 1, 2012, remarketing of a portion of the outstanding parity debt with such changes as approved by the department representative, on behalf of the commission, in connection with the public offering and sale of the bonds, which POS 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 bonds and any related credit agreements.

Government Code, §1231.041 provides that a state agency may not issue a state security, including a bond, unless the issuance is approved by the Texas Bond Review Board (board) or exempted under law, including by board rule, from review by the board.

Pursuant to Minute Order 112801 dated August 25, 2011, the commission approved a revised Derivative Management Policy which policy established a Derivative Committee to review and make recommendations regarding the commission's use of derivative financial products. The commission is authorized to enter into credit agreements related to the bonds with some or all of the existing swap providers previously approved by the commission and any qualified swap providers as determined by the department representative, on behalf of the commission, in compliance with the Derivative Management Policy when, in the judgment of the department representative, on behalf of the commission, and in accordance with the commission's Derivative Management Policy, Government Code, Chapter 1371 and the tenth supplement, the transaction is expected to benefit the commission, the state and the fund.

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IT IS THEREFORE ORDERED by the commission that the chairman and executive director are authorized and directed to execute and deliver each series of the bonds 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 tenth supplement, each bond purchase contract, if applicable, paying agent/registrar agreement, any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any series of the bonds (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 any necessary ancillary documents in connection with the issuance of a series of the bonds and the program documents 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 department representative, on behalf of the commission, is hereby authorized to enter into any appropriate confirmation for any interest rate swap transaction relating to outstanding parity debt and bonds with any or all of the existing swap providers with such changes (including any amendments to the agreements with existing swap providers) as the department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the amendments with existing swap providers in accordance with the derivative management policy and the tenth supplement.

IT IS FURTHER ORDERED by the commission that the POS and the official statement are approved for distribution 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 POS and the official statement by the department representative, and the department representative, on behalf of the commission, is authorized to deem the POS 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 department representative, on behalf of the commission, is authorized and directed to file with the board an application for approval or exemption, as applicable, and necessary in connection with the issuance of each series of bonds.

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 bonds and the payment obligations of the commission under the Swap Agreements.

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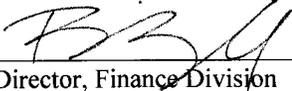
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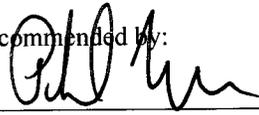
IT IS FURTHER ORDERED by the commission that each member of the commission, each department representative, the executive director and general counsel are authorized and directed to perform all such acts and execute such documents and notices, including execution of certifications to the underwriters or purchasers, the Attorney General, the Comptroller of Public Accounts, the 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 and the program documents.

Submitted and reviewed by:



Director, Finance Division

Recommended by:



Executive Director

113090 APR 26 12

Minute
Number

Date
Passed