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 (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 eight supplemental resolutions to the Master Resolution which authorized the issuance of eight series of Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds (i.e., Series 2005-A, Series 2005-B, Series 2006, Series 2006-A, Series 2006-B, Series 2007, Series 2008 and Taxable Series 2009A (Build America Bonds - Direct Payment) (collectively, the "Outstanding Parity Debt"). Any capitalized terms not otherwise defined herein have the meaning given in the Ninth Supplement, as hereinafter defined.

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, Chapters 1207 and 1371, authorize the commission to issue bonds and other obligations secured by all or part of the money in the Fund to refund and defease all or any portion of Outstanding Parity Debt and the Texas Department of Transportation (department) is reviewing all the tax-exempt Outstanding Parity Debt for refunding and cash defeasance opportunities to achieve debt service savings and create additional capacity for the issuance of new money obligations.

The commission has determined it to be in the best interest of the State and 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 in order to refund all or part of the tax-exempt Outstanding Parity Debt for debt service savings.

The Master Resolution, together with the "Ninth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (Ninth Supplement), 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 Refunding Bonds" (Bonds) with such name and series designation as set forth in the Ninth Supplement, so long as the aggregate principal amount of one or more series of the Bonds does not exceed $1.4 billion and the issuance of a series of the Bonds results in a net present value debt service savings of not less than 3% of the tax-exempt Outstanding Parity Debt refunded.

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.

Under the Ninth Supplement, the Department Representative, as defined in the Ninth 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.

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.

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 Ninth Supplement, the transaction is expected to benefit the commission, the State and the Fund.

IT IS THEREFORE ORDERED by the commission that the chair 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 Ninth Supplement, each Bond Purchase Contract, if applicable, Paying Agent/Registrar Agreement and Escrow Agreement and similar agreements necessary for any series of the Bonds and any cash defeasance (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 Ninth 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, 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.

IF 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 the department representative, on behalf of the commission, is authorized to use all or any portion of lawfully available moneys in the Fund to cash defease and redeem a portion of Outstanding Parity Debt to create additional capacity for the issuance of additional new money obligations.

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.

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

113053 MAR 29 12

Minute Number | Date Passed

NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE TEXAS TRANSPORTATION COMMISSION MOBILITY FUND REVENUE FINANCING PROGRAM

Adopted March 29, 2012

NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE TEXAS TRANSPORTATION COMMISSION MOBILITY FUND REVENUE FINANCING PROGRAM

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NINTH SUPPLEMENTAL RESOLUTION
TO THE MASTER RESOLUTION ESTABLISHING THE
TEXAS TRANSPORTATION COMMISSION
MOBILITY FUND REVENUE FINANCING PROGRAM

THE STATE OF TEXAS '
TEXAS TRANSPORTATION COMMISSION '

WHEREAS, on May 4, 2005, the Texas Transportation Commission (the "Commission"), the governing body of the Texas Department of Transportation (the "Department"), adopted a "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (referred to herein as the "Master Resolution"); and

WHEREAS, in order to enable the Commission to effectively utilize the Texas Mobility Fund to provide for the financing of the transportation projects authorized by Article III, Section 49-k of the Texas Constitution, Subchapter M, Chapter 201 of the Texas Transportation Code, as amended, and any other applicable provisions of State law, the Master Resolution establishes a revenue financing program pursuant to which the Commission can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund; and

WHEREAS, the Commission has previously issued eight series of bonds secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund, to wit:

$900,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-A,

$100,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-B (Variable Rate Bonds),

$750,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006,

$1,040,275,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-A,

$150,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (Multi-Modal Bonds),

$1,006,330,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2007,

$1,100,000,000 Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2008, and
$1,208,495,000 Texas Transportation Commission State of Texas General Obligation

Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds - Direct Payment); and

WHEREAS, the Commission deems it in the best interest of the Mobility Fund to issue Parity Debt, as hereinafter defined, to refund all or any portion of the tax-exempt Outstanding Parity Debt, as hereinafter defined, to achieve a debt service savings; and

WHEREAS, the Chief Financial Officer of the Department has recommended the implementation of a financial plan which involves the use from time to time of the International Swap Dealers Association master agreements with existing swap providers as set forth herein pursuant to which the Commission may enter into interest rate swap transactions with some or all of the existing swap providers with respect to the Bonds or any Parity Debt as hereinafter defined; and

WHEREAS, the Commission further finds and determines that all terms and conditions for the issuance of the bonds herein authorized as Parity Debt have been or can be met and satisfied; and

WHEREAS, the bonds in one or more Series authorized to be issued by this Ninth Supplement are to be issued and delivered pursuant to the Acts, as hereinafter defined, and other applicable laws.

NOW THEREFORE, BE IT RESOLVED BY THE TEXAS TRANSPORTATION COMMISSION THAT:

ARTICLE I
BONDS ISSUED UNDER MOBILITY FUND REVENUE FINANCING PROGRAM

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein (except in the FORM OF BONDS set forth in Exhibit "B" hereto) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Ninth Supplement. The recitals to this Ninth Supplement and the exhibits hereto are incorporated by reference herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this Ninth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. (a) Ninth Supplement. By adoption of the Master Resolution, the Commission has established the Texas Transportation Commission Mobility Fund Revenue Financing Program for the purpose of enabling the Commission to effectively utilize the Mobility Fund to provide for the financing of the transportation projects authorized by the Constitutional Provision, the Enabling Act, and any other applicable provisions of State law pursuant to which the Commission may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund. This Ninth Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the Bonds. This Ninth Supplement is subject to the terms of the Master Resolution and the terms of the Master Resolution are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Bonds Are Parity Debt. As required by Section 6 of the Master Resolution governing the issuance of Long-Term Obligations such as the Bonds, the Commission hereby finds that, upon the issuance of the Bonds, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The Bonds are hereby declared to be Parity Debt under the Master Resolution.

(c) State Guarantee. The Commission hereby exercises the authority provided for in subsection (g) of the Constitutional Provision, Section 201.944, Texas Transportation Code, and Section 2(c) of the Master Resolution and guarantees on behalf of the State the payment of the Bonds and any Credit Agreements executed under Section 7.11 of this Ninth Supplement by pledging the full faith and credit of the State to the payment of the Bonds and any Credit Agreements executed under Section 7.11 of this Ninth Supplement in the event that the revenue and moneys dedicated to and on deposit in the Mobility Fund are insufficient to provide for the payment of the Bonds and any Credit Agreements executed under Section 7.11 of this Ninth Supplement.

Section 1.03. NINTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Ninth Supplement shall be deemed to be and shall constitute a contract between the Commission and the Owners from time to time of the Bonds, and the pledge made in this Ninth Supplement by the Commission and the covenants and agreements set forth in this Ninth Supplement to be performed by the Commission shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time of the Bonds, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the other Bonds by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Ninth Supplement and the Master Resolution.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS NINTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Ninth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Commission, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Ninth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Ninth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Commission, the Owners, and the Paying Agent/Registrar as herein and therein provided.

ARTICLE II
BOND AUTHORIZATION AND SPECIFICATIONS

Section 2.01. <u>AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS</u>. The Bonds designated **"TEXAS TRANSPORTATION COMMISSION STATE OF TEXAS GENERAL OBLIGATION MOBILITY FUND REFUNDING BONDS"** in one or more Series (the "Bonds") are hereby authorized to be issued pursuant to this Ninth Supplement in the maximum aggregate principal amount of $1,400,000,000 for the purpose of (i) refunding the Refunded Bonds and (ii) paying the costs of issuing such Bonds as further specified in each Award Certificate. Each Series of the Bonds shall be designated by the year in which it is awarded pursuant to Section 2.02 below and each Series within a year may have a letter designation following the year all as further provided in the Award Certificate. If the initial Series of Bonds awarded pursuant to Section 2.02 is in calendar year 2012 such initial Series may be designated as 2012A. The authority for the Department Representative to execute and deliver each Award Certificate for a Series of Bonds or to execute any Swap Agreement transactions pursuant to 7.11 of this Resolution shall expire at 5:00 p.m. on March 29, 2013. Bonds priced on or before March 29, 2013 may be delivered to the initial purchaser after such date. The Bonds are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Acts.

The Bonds may be in the form of Taxable Bonds or Tax-Exempt Bonds and either Current Interest Bonds or Capital Appreciation Bonds as provided in Section 2.02, each Award Certificate and the FORM OF BONDS in <u>Exhibit "B"</u> to this Ninth Supplement.

Section 2.02. <u>DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS</u>. (a) <u>Terms of Bonds</u>. For each Series of Bonds, there shall initially be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, in the form of Tax-Exempt Bonds or Taxable Bonds as Current Interest Bonds or Capital Appreciation Bonds bearing interest as provided in each Award Certificate relating to each Series, numbered consecutively for each Series of Bonds from R-1 upward (or CR-1 upward, in the case of Capital Appreciation Bonds), payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations maturing not later than thirty years after the date of issuance, serially or otherwise on the dates, in the years, and in the principal amounts in the case of Current Interest Bonds and Maturity Amounts in the case of Capital Appreciation Bonds, respectively, and dated, all as set forth in each Award Certificate of the Department Representative relating to each Series.

(b) <u>Award Certificate</u>. As authorized by Chapter 1371, Texas Government Code, as amended, the Department Representative is hereby authorized, appointed, and designated to act on behalf of the Commission in selling and delivering the Bonds of each Series and carrying out the other procedures specified in this Ninth Supplement, including determining and fixing the date of the Bonds of each Series, any additional or different designation or title by which the Bonds of each Series shall be known, the price at which the Bonds of each Series will be sold, the years in which the Bonds of each Series will mature, the principal amount to mature in each of such years, the aggregate principal amount of Taxable Bonds, Tax-Exempt Bonds, Current Interest Bonds and Capital Appreciation Bonds of each Series, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds of each Series shall be subject to redemption prior to maturity at the option of the Commission, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds of each Series, including procuring municipal bond insurance with a Bond Insurer, if any, all of which shall be specified in a certificate of the Department Representative (each an "Award Certificate"); provided that (i) the price to be paid for the Bonds of each Series shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon, if any, (ii) none of the Bonds shall bear interest at a rate greater than the Maximum Rate and (iii) Bonds shall be issued to refund all or a portion of the Refunded Bonds only if such refunding, assuming that each Series sold and delivered at the same time constitutes one Series, results in a present value savings on the Annual Debt Service Requirements on the Refunded Bonds, of not less than 3% of the principal amount of such Refunded Bonds being refunded.

In connection with the Bonds of any Series or any outstanding Parity Debt, the Commission, acting through the Department Representative may execute rate swap transactions under a Swap Agreement pursuant to Section 7.11 if, in the written opinion of the Department Representative set forth in the Award Certificate, the Swap Agreement results in a benefit to the Commission in accordance with the Commission's Derivative Management Policy and Section 7.11 of this Ninth Supplement.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds of a Series shall not be delivered unless prior to delivery (i) each Award Certificate relating to that Series of Bonds has been executed and (ii) the Bonds of such Series have been rated by a nationally-recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations as required by Chapter 1371, Texas Government Code, as amended. Each Award Certificate is hereby incorporated into and made a part of this Ninth Supplement.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Commission hereby determines that the delegation of the authority to the Department Representative to approve the final terms and conditions of each Series of the Bonds as set forth in this Ninth Supplement, and the decisions made by the Department Representative pursuant to such delegated authority and incorporated in each Award Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the Commission and the Department Representative is hereby authorized to make and include in each Award Certificate an appropriate finding to that effect.

(c) <u>Sale of the Bonds.</u> To achieve advantageous borrowing costs for the Financing Program, each Series of the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Department Representative in each Award Certificate. In determining whether to sell each Series of the Bonds by negotiated, placement or competitive sale, the Department Representative shall take into account the financial condition of the Financing Program, any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale, the achievement of the HUB goals of the Commission and Department, and any other matters which, in the judgment of the Department Representative, might affect the net borrowing costs on each Series of the Bonds.

If the Department Representative determines that a Series of the Bonds should be sold at a competitive sale, the Department Representative shall cause to be prepared a notice of sale and official statement in such manner as the Department Representative deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for such Series of the Bonds, to receive such bids, and to award the sale of such Series of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Department Representative determines that a Series of the Bonds should be sold by a negotiated sale or placement, the Department Representative shall designate the placement purchaser or the senior managing underwriter for the Bonds and such additional investment banking firms as the Department Representative deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing Program. The Department Representative, acting for and on behalf of the Commission, is authorized to enter into and carry out a Bond Purchase Contract or other agreement for the Bonds to be sold by negotiated sale or placement, with the Underwriter or placement purchaser at such price, with and subject to such terms as determined by the Department Representative pursuant to Section 2.02(b) above. Each Bond Purchase Contract or other agreement shall be substantially in the form and substance previously approved by the Commission in connection with the authorization of Outstanding Parity Debt with such changes as are acceptable to the Department Representative, including those covered by Section 7.10 or Section 7.11 and any provisions determined to be necessary by the Department Representative and Bond Counsel in the event that such Series of Bonds is being sold in a forward delivery transaction.

(d) In General. The Bonds of each Series (i) may be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds of such Series, (iv) shall have the characteristics, (v) shall be Tax-Exempt Bonds or Taxable Bonds and (vi) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit "B" to this Ninth Supplement and as determined by the Department Representative as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in each Award Certificate relating to each Series of the Bonds.

(e) Interest. The Current Interest Bonds shall accrue interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in Exhibit "B" to this Ninth Supplement to their respective dates of maturity or redemption at the rates per annum set forth in each Award Certificate.

The Capital Appreciation Bonds shall accrete interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding of the Compounded Amounts thereof), compounded semiannually on the dates set forth in the Award Certificate (the "Compounding Dates") commencing on the date set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BONDS set forth in Exhibit "B" at the rates set forth in each Award Certificate. Attached to the Award Certificate, if Capital Appreciation Bonds are to be issued, shall be an exhibit (the "Compounded Amount Table") that will set forth the rounded original principal amounts at the

Issuance Date for the Capital Appreciation Bonds and the Compounded Amounts and Maturity Amounts thereof (per $5,000 Maturity Amount) as of each Compounding Date, commencing the date set forth in the Award Certificate, and continuing until the final maturity of such Capital Appreciation Bonds. The Compounded Amount with respect to any date other than a Compounding Date is the amount set forth on the Compounded Amount Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Compounded Amount Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

(f) Payments on Holidays. In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Section 2.03. PAYMENT OF BONDS; PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Current Interest Bonds and Maturity Amount on any Capital Appreciation Bonds shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

The Department Representative is authorized to select a Paying Agent/Registrar for each Series of the Bonds. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Resolution and this Ninth Supplement, and is deemed to have agreed to the provisions thereof and hereof.

The Commission agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the Commission may prescribe. In addition, to the extent required by law, the Commission covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

The Commission expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or minute order of the Commission making such appointment. The Commission further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution or minute order of the Commission giving notice of the Commission's termination of the Commission's agreement with such Paying Agent/Registrar and appointing a successor. The Commission covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the Commission agrees promptly to cause a written notice thereof to be sent to each Owner by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The principal of, premium, if any, and interest on the Current Interest Bonds and Maturity Amounts for any Capital Appreciation Bonds due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the Commission nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Current Interest Bonds and Maturity Amounts for any Capital Appreciation Bonds, shall be payable only upon the presentation and surrender of said Bonds to the Paying Agent/Registrar at its designated office. Interest on the Bonds shall be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar to the address of the Owner appearing in the Security Register on the Record Date or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Owner.

In the event of a nonpayment of interest on a scheduled payment date on a Current Interest Bond, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Commission. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Owner of a Current Interest Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 2.04. REDEMPTION. (a) Generally. The Bonds may be subject to optional and mandatory sinking fund redemption prior to scheduled maturity at such times and with such provisions as provided in each Award Certificate.

(b) Notices of Redemption and Defeasance. (i) Unless waived by any Owner of the Bonds to be redeemed, the Department Representative shall give notice of redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption (unless a lesser period is acceptable to the Paying Agent/Registrar) and on the defeasance date in the case of a defeasance and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days, but not more than 60 days, prior to a redemption date and within thirty (30) days after a defeasance date to each Owner and to each registered securities depository and to any national information service that disseminates such notices. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption or defeasance shall contain a description of the Series of the Bonds to be redeemed or defeased including the complete name of the Bonds, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication or mailing date for the notice, the date of redemption or defeasance, the redemption price, if any, the name of the Paying Agent/Registrar, and the address at which each Series of the Bonds may be redeemed or paid, including a contact person telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Owners of the Bonds shall include a CUSIP number relating to each amount paid to such Owner.

The failure of any Owner of the Bonds to receive notice given as provided in this Section 2.04, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section 2.04 shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent/Registrar shall provide the notices specified in this Section 2.04 only to DTC It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bonds.

(c) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Master Resolution or this Ninth Supplement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Commission, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Commission shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(d) Purchase in Lieu of Redemption. Notwithstanding anything in this Ninth Supplement to the contrary, if and to the extent that the Bonds are subject to optional redemption, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent/Registrar at the direction of the Department Representative on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Department Representative who shall give the Paying Agent/Registrar notice at least forty-five (45) days prior to the scheduled redemption date for the Bonds accompanied by a Favorable Opinion of Bond Counsel. In the event the Paying Agent/Registrar is so directed to purchase Bonds in lieu of optional redemption, no notice to the Owners of the Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Paying Agent/Registrar shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Commission and such purchase is not intended to extinguish or merge such debt. The Bonds to be purchased under this Section 2.04(d) which are not delivered to the Paying Agent/Registrar on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former Owner on the purchase date.

Section 2.05. REGISTRATION; TRANSFER; EXCHANGE OF BONDS; PREDECESSOR BONDS; BOOK-ENTRY-ONLY SYSTEM; SUCCESSOR SECURITIES DEPOSITORY; PAYMENTS TO CEDE & CO. (a) Registration, Transfer, Exchange, and Predecessor Bonds. The Registrar shall obtain, record, and maintain in the Security Register the name and address of each Owner issued under and pursuant to the provisions of this Ninth Supplement. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds in Authorized Denominations upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such Bond to the Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Owner or by his duly authorized agent, in form satisfactory to the Registrar.

Upon surrender for transfer of any Bond at the designated office of the Registrar, there shall be registered and delivered in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the Commission, of Authorized Denominations and having the same Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Owner, Bonds may be exchanged for other Bonds of Authorized Denominations and having the same Maturity, bearing the same rate of interest, and of like aggregate principal amount or Maturity Amount and Series as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the principal office of the Registrar. Whenever any Bonds are so surrendered for exchange, there shall be registered and delivered new Bonds executed on behalf of, and furnished by, the Commission to the Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the principal office of the Registrar or sent by United States mail, first-class, postage prepaid to the Owners or the designee thereof, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Commission, evidencing the same debt, and entitled to the same benefits under the

Master Resolution and this Ninth Supplement, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Owner, except as otherwise herein provided, and except that the Registrar shall require payment by the Owner requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated Bond that is surrendered to the Paying Agent/Registrar or any Bond for which satisfactory evidence of the loss of which has been received by the Commission and the Paying Agent/Registrar and, in either case, in lieu of which a Bond or Bonds have been registered and delivered pursuant to Section 3.05 hereof.

Neither the Commission nor the Registrar shall be required to issue or transfer to an assignee of an Owner any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond called for redemption in part.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Security Register at any time shall be deemed and treated as the absolute Owner thereof for all purposes of this Ninth Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Commission and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Current Interest Bond or Maturity Amount in the case of Capital Appreciation Bonds shall be made only to such Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Book-Entry-Only System. The Bonds of each Series issued in exchange for the Initial Bond for such Series issued as provided in Section 2.06 shall be issued in the form of a separate single fully-registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in this subsection (c) or each Award Certificate relating to a Series of Bonds, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Commission and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Commission and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner as shown on the Security Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ninth Supplement to the contrary but to the extent permitted by law, the Commission and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Security Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the Owners, as shown in the Security Register as provided in this Ninth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Security Register, shall receive a Bond certificate evidencing the obligation of the Commission to make payments of principal, premium, if any, and interest pursuant to this Ninth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ninth Supplement with respect to interest checks being mailed to the Owner at the close of business on the Record Date the words "Cede & Co." in this Ninth Supplement shall refer to such new nominee of DTC.

(d) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the Commission determines to discontinue the book-entry-only system through DTC or a successor or DTC determines to discontinue providing its services with respect to a Series of Bonds, the Commission shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository, and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds of such Series shall no longer be restricted to being registered in the Security Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ninth Supplement.

(e) Payments to Cede & Co. Notwithstanding any other provision of this Ninth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Commission to DTC.

(f) Blanket Issuer Letter of Representations. The Commission heretofore has executed and delivered to DTC a "Blanket Issuer Letter of Representations" with respect to the utilization by the Commission of DTC's book-entry-only system and the Commission intends to utilize such book-entry-only system in connection with each Series of the Bonds.

Section 2.06. INITIAL BOND. The Bonds of each Series shall initially be issued as a fully registered bond, being one bond (or two bonds, being one initial Current Interest Bond and one initial Capital Appreciation Bond, if such Bonds are issued) (singularly or collectively, the "Initial Bond"). Each Initial Bond shall be registered in the name of the initial purchaser(s) of the Series of Bonds as set out in the Award Certificate. Each Initial Bond shall be submitted to the Office of the Attorney General of the State for approval and registration by the Office of the Comptroller of Public Accounts of the State and delivered to the initial purchaser(s) thereof. Immediately after the delivery of the Initial Bond of a Series on the Issuance Date, the Registrar shall cancel the Initial Bond and exchange therefor Bonds in the form of a separate single fully-registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and, except as provided in Section 2.05(d), all of the Outstanding Bonds of such Series shall be registered in the name of Cede & Co., as nominee of DTC.

Section 2.07. FORM OF BONDS. The Bonds (including each Initial Bond), the Registration Certificate of the Comptroller of Public Accounts of the State or the Authentication Certificate, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in Exhibit "B" to this Ninth Supplement with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ninth Supplement and each Award Certificate relating to a Series of Bonds, may have such letters, numbers, or other marks of identification and such legends and endorsements (including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy) thereon as may, consistently herewith, be established by the Commission or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be typewritten, photocopied, printed, lithographed, engraved, or produced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

ARTICLE III
EXECUTION; REPLACEMENT OF BONDS; AND BOND INSURANCE

Section 3.01. EXECUTION AND REGISTRATION. The Bonds shall be executed on behalf of the Commission by the Chairman of the Commission or another member of the Commission under its seal reproduced or impressed thereon and attested by the Executive Director of the Department. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the

Commission and the Department as of their authorization shall be deemed to be duly executed on behalf of the Commission, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ninth Supplement, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit "B" to this Ninth Supplement, executed by the Comptroller of Public Accounts of the State or its duly authorized agent by manual signature, or the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in Exhibit "B" to this Ninth Supplement executed by the manual signature of an authorized officer or employee of the Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

Section 3.02. CONTROL AND CUSTODY OF BONDS. The Department Representative shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation and examination by the Attorney General of the State, including the printing and supply of printed Bonds, and shall take and have charge and control of each Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchaser(s).

Furthermore, any one or more of the Chairman of the Commission and a Department Representative are hereby authorized and directed to furnish and execute such documents relating to the Mobility Fund or the Department and its financial affairs as may be necessary for the issuance of the Bonds of each Series, the approval of the Attorney General, and the registration by the Comptroller of Public Accounts and, together with the Department's Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the initial purchaser(s) and the initial exchange thereof for Bonds of such Series other than the Initial Bond.

Section 3.03. PRINTED OPINION. The initial purchaser(s)' obligation to accept delivery of the Bonds of each Series is subject to the initial purchaser(s) being furnished the final opinion of McCall, Parkhurst & Horton L.L.P. approving the Bonds of such Series as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds of such Series. If bond insurance is obtained for the Bonds, the Bonds may bear an appropriate insurance legend.

Section 3.04. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Commission nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

Section 3.05. MUTILATED, DESTROYED, LOST, AND STOLEN BONDS. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the Commission and the Paying

Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Commission and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Commission or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the Commission shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series and Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Commission in its discretion may, instead of issuing a new Bond, pay such Bond and the interest due thereon to the date of payment.

Upon the issuance of any new Bond under this Section, the Commission may require payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Commission, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ninth Supplement equally and ratably with all other Outstanding Bonds.

Section 3.06. BOND INSURANCE. (a) Purchase of Insurance. In connection with the sale of the Bonds, the Commission may obtain municipal bond insurance policies from one or more Bond Insurers to guarantee the full and complete payment required to be made by or on behalf of the Commission on some or all of the Bonds as determined by the Department Representative. The Department Representative is hereby authorized to sign a commitment letter with a Bond Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to a Bond Insurer and the Department Representative, is hereby approved and authorized. Each Award Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of a Bond Insurer, and any such provisions shall be read and interpreted as an integral part of this Ninth Supplement.

(b) Rights of Bond Insurer(s). As long as a Bond Insurer is not in default on the related bond insurance policy for the Bonds, the Bond Insurer shall be deemed to be the sole Owner of such Bonds insured by it for all purposes of this Ninth Supplement or the Master Resolution.

ARTICLE IV
PAYMENTS, REBATE FUND AND SUBACCOUNTS

Section 4.01. PAYMENTS. (a) Accrued Interest. Immediately after the delivery of each Series of Bonds the Commission shall deposit any accrued interest received from the sale and delivery of such Bonds to the credit of the Interest and Sinking Account to be held to pay interest on such Series of the Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Current Interest Bonds are outstanding and unpaid, commencing on the first interest payment date for the Current Interest Bonds as provided in the Award Certificate(s), the Commission shall make available from the Mobility Fund to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Current Interest Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Commission with an appropriate certificate of cancellation.

Section 4.02. REBATE FUND. A separate and special fund to be known as the Rebate Fund is hereby established by the Commission within the Mobility Fund pursuant to the requirements of section 148(f) of the Code and the tax covenants of the Commission contained in Section 5.01 of this Ninth Supplement for the benefit of the United States of America and the Commission, as their interests may appear pursuant to this Ninth Supplement. Such amounts shall be deposited therein and withdrawn therefrom as is necessary to comply with the provisions of Section 5.01. Any moneys held within the Rebate Fund shall not constitute Security under the Master Resolution.

Section 4.03. ESCROW FUND. An Escrow Fund shall be created for each Series of the Bonds and shall be governed by the terms of each Escrow Agreement.

Section 4.04. TAXABLE BONDS. In connection with the issuance of any Series of Taxable Bonds, the Department Representative may establish additional accounts or funds as necessary to distinguish Taxable Bond proceeds from Tax-Exempt Bond proceeds.

ARTICLE V
COVENANTS REGARDING TAX EXEMPTION

Section 5.01. COVENANTS REGARDING TAX EXEMPTION OF TAX-EXEMPT BONDS. (a) Covenants. The Commission covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Commission covenants as follows:

(1) to take any action to assure that no more than ten percent (10%) of the proceeds of the Tax-Exempt Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Commission, with

respect to such private business use, do not, under the terms of this Ninth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the debt service on the Tax-Exempt Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds five percent (5%) of the proceeds of the Tax-Exempt Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or five percent (5%) of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Tax-Exempt Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Tax-Exempt Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Tax-Exempt Bonds invested for a reasonable temporary period of three (3) years or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the proceeds of the Tax-Exempt Bonds;

(7) to otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. With respect to the Tax-Exempt Bonds, in order to facilitate compliance with the above covenant in subsection (a)(8), a "Rebate Fund" has been established in Section 4.02 of this Ninth Supplement by the Commission for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the Owners.

(c) Proceeds. With respect to the Tax-Exempt Bonds, the Commission understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds not expended prior to the date of issuance of the Bonds. It is the understanding of the Commission that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Commission will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Commission agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Commission hereby authorizes and directs the Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Commission, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds.

Section 5.02. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT. The Commission covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2.01 of this Ninth Supplement on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (i) the expenditure is made, or (ii) the purposes for which the Tax-Exempt Bonds are issued have been accomplished. The foregoing notwithstanding, the Commission shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (i) the fifth anniversary of the delivery of the Tax-Exempt Bonds, or (ii) the date the Tax-Exempt Bonds are retired, unless the Commission obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes hereof, the Commission shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 5.03. DISPOSITION OF PROJECT. The Commission covenants that the property financed or refinanced with the Tax-Exempt Bonds will not be sold or otherwise disposed of in a transaction resulting in the receipt by the Commission of cash or other compensation, unless the Commission obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Commission shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VI
AMENDMENTS AND MODIFICATIONS

Section 6.01. AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS OF BONDS. Subject to the provisions of the Master Resolution, this Ninth Supplement and the rights and obligations of the Commission and of the Owners of the Outstanding Bonds, this Ninth Supplement may be modified or amended at any time without notice to or the consent of any Owner of the Bonds or any other Parity Debt, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Commission contained in this Ninth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Commission in this Ninth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Ninth Supplement, upon receipt by the Commission of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Ninth Supplement;

(iii) To supplement the Security for the Bonds;

(iv) To make such other changes in the provisions hereof, as the Commission may deem necessary or desirable and which shall not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Bonds;

(v) To make any changes or amendments requested by the State Attorney General's Office or the State Bond Review Board as a condition to the approval of the Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Bonds; or

(vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Bonds.

Section 6.02. <u>AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS</u>. (a) <u>Amendments</u>. Subject to the other provisions of this Ninth Supplement and the Master Resolution, the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Section 6.01 hereof, to this Ninth Supplement that may be deemed necessary or desirable by the Commission, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the Owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Ninth Supplement or in the Bonds so as to:

(i) Make any change in the maturity of the Outstanding Bonds;

(ii) Reduce the rate of interest borne by Outstanding Bonds;

(iii) Reduce the amount of the principal payable on Outstanding Bonds;

(iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

(v) Affect the rights of the Owners of less than all Bonds then Outstanding; or

(vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(b) <u>Notice</u>. If at any time the Commission shall desire to amend this Ninth Supplement pursuant to Subsection (a), the Commission shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, <u>The Bond Buyer</u> or <u>The Wall Street Journal</u>) or in the State (including, but not limited to, <u>The Texas Bond Reporter</u>), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Owners of Bonds. Such publication is not required, however, if the Commission gives or causes to be given such notice in writing to each Owner of Bonds. A copy of such notice shall be provided in writing to each rating agency maintaining a rating on the Bonds.

(c) Receipt of Consents. Whenever at any time the Commission shall receive an instrument or instruments executed by all of the Owners or the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Commission may adopt the amendatory resolution in substantially the same form.

(d) Consent Irrevocable. Any consent given by any Owner pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the Commission, but such revocation shall not be effective if the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount prior to the attempted revocation consented to and approved the amendment. Notwithstanding the foregoing, any consent given at the time of and in connection with the initial purchase of Bonds shall be irrevocable.

(e) Ownership. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Security Register kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 6.03. EFFECT OF AMENDMENTS. Upon the adoption by the Commission of any resolution to amend this Ninth Supplement pursuant to the provisions of this Article, this Ninth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Commission and all the Owners of Outstanding Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Ninth Supplement, as amended.

ARTICLE VII
MISCELLANEOUS

Section 7.01. DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS. Proceeds from the sale of each Series of Bonds shall, promptly upon receipt thereof, be applied by the Department Representative as follows:

(i) any underwriting discount or fees and any Credit Agreement fees for each Series of Bonds may be retained by and/or wired directly to such parties; and

(ii) any accrued interest, if any, shall be deposited as provided in Section 4.01; and

(iii) an amount sufficient to pay costs of issuance of a Series of the Bonds shall be deposited in the Bond Proceeds Account; and

(iv) an amount sufficient to pay the Refunded Bonds shall be deposited in one or more Escrow Funds pursuant to each Escrow Agreement.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Account and applied to the payment of principal of and interest on the Current Interest Bonds and Maturity Amounts in the case of Capital Appreciation Bonds.

Section 7.02. MAILED NOTICES. (a) General Notice. Except as otherwise required herein, all notices required or authorized to be given to the Department, any Bond Insurer (as defined in, and pursuant to, Section 3.06 hereof) or the Paying Agent/Registrar pursuant to this Ninth Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the addresses provided by such parties or otherwise given in a manner deemed, in writing, acceptable to such party. Notice to the Department shall be as follows:

. to the Department:
Texas Department of Transportation
125 East 11th Street
Austin, TX 78701
Attn: Chief Financial Officer
Telephone: (512) 305-9507
Facsimile: (512) 463-0283

Section 7.03. DEFEASANCE OF BONDS. (a) Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Bonds shall be deemed to be Defeased Debt within the meaning of the Master Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bonds, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Commission with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Debt shall have become due and payable or (3) any combination of (1) and (2). At such time as Bonds shall be deemed to be a Defeased Debt hereunder, as aforesaid, such Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security as provided in the Master Resolution and this Ninth Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of Bonds as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with the Master Resolution and this Ninth Supplement. Any money so deposited with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Commission also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bonds and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Commission for deposit to the General Account of the Mobility Fund.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Ninth Supplement which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Debt shall have become due and payable, the Paying Agent/Registrar for such Defeased Debt shall perform the services of Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the Department shall make proper arrangements to provide and pay for such services as required by this Ninth Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Ninth Supplement, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bonds affected thereby.

(e) Retention of Rights. Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of any Defeased Debt to be paid at its maturity, the Commission retains the right under State law to later call that Defeased Debt for redemption in accordance with the provisions of this Ninth Supplemental Resolution and each Award Certificate relating to the Defeased Debt, the Commission may call such Defeased Debt for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Section 7.04. PAYING AGENT/REGISTRAR AGREEMENT. The Department Representative is authorized to enter into and carry out the Paying Agent/Registrar Agreement by and between the Commission and the Paying Agent/Registrar with respect to each Series of Bonds in substantially the form previously approved by the Commission in connection with the Outstanding Parity Debt with such changes as approved by the Department Representative, such approval to be conclusively evidenced by execution thereof.

Section 7.05. ESCROW AGREEMENT AND RELATED PROVISONS. (a) Escrow Agreement. The discharge and defeasance of Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement, in the form and containing the terms and provisions as shall be approved by a Department Representative, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the Commission by the underwriters or purchasers, (b) to maximize the Commission's present value savings and/or to minimize the Commission's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Ninth Supplement; and, the Department Representative is hereby authorized to execute and deliver such Escrow Agreement, on behalf of the Commission, in multiple counterparts.

(b) Redemption Prior to Maturity of Refunded Bonds. To maximize the Commission's present value savings and to minimize the Commission's costs of refunding, the Commission hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in each Award Certificate, and the Department Representative is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

(c) Purchase of Defeasance Securities. A Department Representative and the Escrow Agent are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in each Escrow Agreement.

Section 7.06. FURTHER PROCEDURES. General. Each Department Representative is hereby expressly authorized, empowered, and directed form time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Commission all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ninth Supplement, each Series of Bonds, the sale and delivery of each Series of Bonds, and fixing all details in connection therewith, and the Paying Agent/Registrar Agreement, and to approve the Official Statement, or supplements thereto, in connection with each Series of Bonds. In connection with the issuance and delivery of each Series of Bonds, the above-stated officers, with the advice of

General Counsel to the Department and Bond Counsel to the Department, are hereby authorized to approve, subsequent to the date of the adoption of this Ninth Supplement, any amendments to the above named documents, and any technical amendments to this Ninth Supplement as permitted by Section 6.01 (v) or (vi) and a Department Representative is hereby authorized to execute this Ninth Supplement to evidence approval of such changes.

Section 7.07. NONPRESENTMENT OF BONDS. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or if the Maturity Amounts of Capital Appreciation Bonds become due, if moneys sufficient to pay such Bond shall have been deposited with the Paying Agent/Registrar, it shall be the duty of the Paying Agent/Registrar to hold such moneys, without liability to the Commission, any Owner, or any other person for interest thereon, for the benefit of the Owner of such Bond.

Any moneys so deposited with and held by the Paying Agent/Registrar due to nonpresentment of Bonds must be retained by the Paying Agent/Registrar for a period of at least two years after the final maturity date of the Bonds or advance refunding date, if applicable. Thereafter, to the extent permitted by the unclaimed property laws of the State, such amounts shall be paid by the Paying Agent/Registrar to the Commission, free from the trusts created by this Ninth Supplement and Owners shall be entitled to look only to the Commission for payment, and then only to the extent of the amount so repaid by the Paying Agent/Registrar.

Section 7.08. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS. Whenever this Ninth Supplement requires any action to be taken on a Saturday, Sunday, or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Ninth Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 7.09. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this Ninth Supplement on the part of the Commission should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Ninth Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this Ninth Supplement or of the Bonds, but the Owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 7.10. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The Commission shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within 195 days after the end of each fiscal year, financial information and operating data as determined by the Department Representative at the time each Series of Bonds are sold. Each Award Certificate shall specify such financial information and operating data. Any financial statements to be so provided shall be (1) prepared in accordance with the generally accepted accounting principles or such other accounting principles as the Commission may be required to employ from time to time pursuant to the State law or regulation and (2) audited, if the Commission commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Commission shall provide unaudited financial statements within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the Commission changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Commission otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Event Notices. The Commission shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults, if material within the meaning of the federal securities laws;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;

G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;

H. Bond calls, if material within the meaning of the federal securities laws and tender offers;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;

K. Rating changes;

L. Bankruptcy, insolvency, receivership or similar event of the Commission;

M. The consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws; and

N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The Commission shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Commission to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The Commission shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Commission remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Commission in any event will give notice of any deposit made in accordance with Section 7.03 of this Ninth Supplement that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Commission undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Commission's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Commission does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COMMISSION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COMMISSION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND

REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Commission in observing or performing its obligations under this Section shall comprise a breach of or default under this Ninth Supplement for purposes of any other provision of this Ninth Supplement.

Should the Rule be amended to obligate the Commission to make filings with or provide notices to entities other than the MSRB, the Commission hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Commission under federal and state securities laws.

The provisions of this Section may be amended by the Commission from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Commission, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ninth Supplement that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the Commission (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the Commission so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Commission may also amend or repeal the provisions of this continuing disclosure undertaking if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 7.11. <u>OFFICIAL STATEMENT</u>. The Department Representative is authorized to approve and deem final the Preliminary Official Statement for each Series of Bonds. A Department Representative and the General Counsel of the Department are hereby authorized to prepare and complete the Preliminary Official Statement and the Final Official Statement for each Series of Bonds, as necessary.

Section 7.12. <u>CREDIT AGREEMENT</u>. (a) The Department Representative is hereby authorized to enter into ISDA Master Agreements with Goldman Sachs Mitsui Marine Derivative Products, L.P., JPMorgan Chase Bank, N. A., Morgan Stanley Capital Services Inc. and/or any other counterparties, provided, at such time, the credit quality of any such entity is in accordance with the Commission's Derivative Management Policy (the "Swap Agreements"). Such Swap Agreements shall be generally in the form of the "Approved Swap Agreements," as such term is defined in the Fourth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program, adopted by minute order of the Commission on September 28, 2006, provided such agreements shall reflect the security and payment provisions of the Master Resolution, may be in the form of a more recent version or form of the standardized ISDA Master Agreement of the International Swap Dealers Association, Inc., may subordinate any termination obligation of the Commission thereunder to the payment of the principal of and interest on any Bonds (as such term is defined in the Master Resolution) and any other changes as, in the judgment of the Chief Financial Officer, with the advice and counsel of General Counsel and Bond Counsel, are necessary to carry out the intent of the Commission as expressed in this Ninth Supplement and the Commission's Derivative Management Policy, to receive approval of the proceedings related to such Swap Agreements by the Attorney General of the State of Texas, if required by law, or to incorporate credit rating agency comments relating to the Swap Agreements. Each Swap Agreement, including the permitted transactions set forth herein, constitutes a "Credit Agreement" as defined in the Master Resolution and Chapter 1371 and shall be secured by and payable solely from a pledge of the Security under the Master Resolution, except to the extent that a Swap Agreement provides that a termination obligation of the Commission thereunder shall be subordinate to the payment of the principal of and interest on any Bonds (as such term is defined in the Master Resolution). The Department Representative is authorized to enter into such agreements and to enter into transactions in furtherance of and to carry out the intent of this Ninth Supplement and the Commission's Derivative Management Policy.

(b) Pursuant to a Swap Agreement and as authorized by Chapter 1371, the Department Representative is hereby authorized, appointed, and designated to act on behalf of the Commission, to accept and execute confirmations under such Swap Agreement when (1) in his or her judgment, the execution of such confirmation is consistent with the Commission's Derivative Management Policy, and the transaction contemplated in such confirmation shall meet the following limitations and parameters: (i) the term of and the aggregate notional amount of such transaction and all other transactions under the Swap Agreements may not exceed the aggregate principal amount of any maturity of the Bonds (as such term is defined in the Master Resolution) then outstanding, (ii) the interest rate or rates payable by the Commission in such transaction shall not exceed the maximum interest rate permitted under State law, (iii) in his or her judgment, the transaction is expected to (A) reduce the net interest to be paid by the Commission with respect to the relevant Bonds (as such term is defined in the Master Resolution) over the term of the confirmation, (B) alter exposure to market risks and, when used in combination with any Bonds (as such term is defined in the Master Resolution), (C) to enhance the relationship between risk and return, or (D) achieve other policy objectives of the Commission as provided in the Commission's Derivative Management Policy, or (iv) the transaction must be (A) a type of transaction contemplated in the Commission's Derivative Management Policy or (B) a type of transaction described in paragraphs (c) and/or (e) of this Section 7.12, and (v) the authority granted in this paragraph (b) shall expire as provided in Section 2.01 of this Ninth Supplement. When confirmations are executed on behalf of the Commission, the costs thereof and the amounts payable thereunder shall be paid as provided in the relevant Swap Agreement and the Master Resolution.

(c) The Department Representative may accept and execute confirmations for transactions for the purpose of (1) locking-in a fixed rate on a variable rate debt, (2) creating synthetic variable rate exposure for the purpose of managing debt service payments, (3) hedging risks in the context of a particular financing plan, (4) utilizing a forward starting swap, or to the extent permitted by law, a swaption, (5) asset/liability matching purposes or (6) creating basis risk exposure for purposes of managing debt service payments.

(d) The Department Representative is hereby authorized to enter into amendments to the Swap Agreements to allow confirmations thereunder to be issued and entered into with respect to the Bonds (as such term is defined in the Master Resolution) and to make such other amendments as in the judgment of the Department Representative, with the advice and counsel of the General Counsel and Bond Counsel, are necessary to allow the Commission to achieve the benefits of the Swap Agreements in accordance with and subject to the Commission's Derivative Management Policy and this Section 7.12.

(e) In addition to paragraph (b) of this Section 7.12, the Department Representative may accept and execute confirmations for transactions under one or more of the Swap Agreements upon satisfaction of the following respective conditions:

(1) Floating to fixed rate interest rate swap transactions under which the Commission would pay a fixed rate of interest, not to exceed the maximum rate permitted by State law, and the counterparty would pay a variable rate of interest in a maximum notional amount not to exceed to the aggregate principal amount or maturity date of Bonds (as such term is defined in the Master Resolution) then outstanding bearing interest at a variable rate. Prior to entering into such transaction the Chief Financial Officer must determine that (i) it would be beneficial to the Commission to hedge a portion of its variable rate exposure by converting a portion of its variable rate debt to fixed rate debt, (ii) this result could be achieved by refunding the portion of variable rate debt with fixed rate debt or by creating a synthetic fixed rate through the use of a floating to fixed rate interest rate swap with a notional amount equal to the principal amount of bonds being hedged, (iii) the synthetic fixed rate is expected to result in a lower net interest cost than if fixed rate bonds were issued, and (iv) if the variable rate being paid by the Commission on the related Bonds (as such term is defined in the Master Resolution) is computed on a basis different from the calculation of the variable rate under the swap transaction over the stated term of the Swap Agreement, the basis risk of the transaction is expected to be minimal based upon historical relationships.

(2) Fixed to floating rate interest rate swap transactions under which the Commission would pay a variable rate of interest, not to exceed the maximum rate permitted by State law, and the counterparty would pay a fixed rate of interest, with respect to a given principal amount of outstanding Bonds (as such term is defined in the Master Resolution) bearing interest at fixed rates, provided however, that the maximum cumulative notional amount of such fixed to floating interest rate swap transaction shall not exceed the aggregate principal amount or maturity date of Bonds (as such term is defined in the Master Resolution) then outstanding bearing interest at a fixed rate. Prior to entering into such

transaction the Department Representative must determine that converting such portion of the then outstanding fixed rate Bonds (as such term is defined in the Master Resolution) to a variable rate pursuant to the fixed to floating interest rate swap transaction, with the scheduled reduction in the notional amount corresponding to the maturity schedule of the Bonds (as such term is defined in the Master Resolution) being swapped against, would be beneficial to the Commission by lowering the anticipated net interest cost on the outstanding Bonds (as such term is defined in the Master Resolution) to be swapped against.

(3) Basis rate swap transactions under which the Commission would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, provided the rate of interest paid by the Commission shall not exceed the maximum rate permitted by State law, and the counterparty would pay a variable rate of interest computed on a different basis, such as London Inter Bank Offered Rate ("LIBOR"), with respect to a given principal amount of outstanding Bonds (as such term is defined in the Master Resolution), provided however, that the maximum cumulative notional amount of such basis risk interest rate swap transactions shall not exceed 50% of the aggregate principal amount of Bonds (as such term is defined in the Master Resolution) then outstanding. Prior to entering into such transaction, the Department Representative must determine that by entering into the basis risk interest swap transaction (1) the Commission will be able to (i) achieve income from basis spread or upfront cash payments, (ii) preserve call option and advance refunding capability, (iii) lower net interest cost by effecting a synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost by layering tax risk on top of a traditional fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid or mitigate the marked to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments, and (2) the transaction is expected to lower the anticipated net interest cost on the Parity Debt and the maximum maturity date shall not exceed the maturity of the related Bonds (as such term is defined in the Master Resolution) to be swapped against over the stated term of the Swap Agreement.

(4) Interest rate locks, caps, floors, and collars may be executed under one or more of the Swap Agreements for the purpose of limiting the exposure of the Commission to interest rate volatility in connection with the Bonds (as such term is defined in the Master Resolution), including those anticipated to be issued in the future as set forth in a certificate of the Department Representative, provided that the Commission shall not pay a rate of interest that exceeds the maximum rate permitted by State law.

(f) To the extent that the Commission receives any initial payment at the time of entering into a transaction under any agreement authorized by this Section 7.12, such payments shall be applied to pay: (1) debt service on the related obligations related to the transaction or other Bonds (as such term is defined in the Master Resolution), (2) the costs of entering into such transaction, or (3) upon satisfaction or inapplicability of (1) and (2) above, costs of projects which may be financed by the obligations to which the transaction relates authorized by the Constitutional Provision, the Enabling Act and any other applicable provision of State law. To the extent that the Commission receives any net payments as a result of assigning its rights to a termination payment or assigning its rights and obligations under a transaction under any agreement authorized by this Section 7.12, such payments shall be applied to pay: (1) debt service on the related obligations related to the transaction or other Bonds (as such term is defined in the Master Resolution) or (2) costs of projects which may be financed by the obligations to which the transaction relates authorized by the Constitutional Provision, the Enabling Act and any other provisions of State law.

(g) The Department Representative may delegate to another officer or employee of the Department the authority to physically execute specified Swap Agreements and confirmations if it would be inconvenient for him or her to execute such documents.

Section 7.13. <u>REMEDIES</u>. Pursuant to the Constitutional Provision and as allowed by other law, the State has waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State under the Master Resolution and any Supplement pursuant to mandamus proceedings. Any owner of the Bonds in the event of default in connection with any covenant contained in the Master Resolution or in this Ninth Supplement, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Commission, the Department, its officials and employees, the State and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or this Ninth Supplement, by all legal and equitable means, including specifically, the use and filing of mandamus proceedings in any court of competent jurisdiction in Travis County, Texas against the Commission, the Department, its officials and employees, the State or any appropriate official of the State.

Section 7.14. <u>RULES OF INTERPRETATION</u>. For purposes of this Ninth Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words "herein," "hereof" and "hereunder" and other similar words refer to this Ninth Supplement as a whole and not to any particular Article, Section, or other subdivision.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this Ninth Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this Ninth Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Ninth Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Ninth Supplement unless stated otherwise.

Section 7.15. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Ninth Supplement or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Commission or any officer, agent, employee or representative of the Commission in his individual capacity, and neither the directors, members, officers, agents, employees or representatives of the Commission nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed in relation to the issuance of the Bonds, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

Section 7.16. PAYMENT OF ATTORNEY GENERAL FEE. The Commission hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds of each Series or (ii) $9,500 per Series, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Department Representative is hereby instructed to take the necessary measures to make this payment. The Commission is also authorized to reimburse the appropriate Commission funds for such payment from proceeds of the Bonds of each Series.

Section 7.17. CASH DEFEASANCE. The Department Representative is authorized to use all or any portion of lawfully available funds in the Mobility Fund to defease and redeem a portion of the Outstanding Parity Debt. Any such cash may be deposited and invested pursuant to an Escrow Agreement as determined by the Department Representative. The Department Representative is further authorized to redeem such Outstanding Parity Debt, as applicable.

The Commission has caused this Ninth Suppl ement to be executed by a Departm ent Representative and its official seal to be impressed hereon.

TEXAS TRANSPORTATION COMMISSION

By: ____

Department Representative

[SEAL]

EXHIBIT "A"DEFINITIONS

As used in this Ninth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Acts" - The Constitutional Provision, the Enabling Act, and Chapters 1207 and 1371, Texas Government Code, as amended.

"Authorized Denominations" - With respect to each Series of the Bonds (i) as Current Interest Bonds, $5,000 or any integral multiple thereof or (ii) as Capital Appreciation Bonds, $5,000 in Maturity Amount or any integral multiple thereof.

"Authorized Representative" - Means the Executive Director of the Department, each Deputy Executive Director of the Department, each Assistant Executive Director of the Department, the Chief Financial Officer or such other individuals so designated by the Commission to perform the duties of an Authorized Representative under this Ninth Supplement.

"Award Certificate" - Each Award Certificate of the Department Representative to be executed and delivered pursuant to Section 2.02(b) hereof in connection with each Series of Bonds.

"Bonds" - The Bonds issued in one or more Series pursuant to and governed by this Ninth Supplement, as described in Article II hereof which includes the Current Interest Bonds and the Capital Appreciation Bonds, as applicable, in accordance with any Award Certificate.

"Bond Insurer" - One or more companies, if any, insuring any Series of Bonds (or any portion thereof) or any successor thereof or assignee thereof as set forth in any Award Certificate.

"Business Day" - Any day except (i) a Saturday, Sunday or legal holiday, (ii) any other day on which commercial banks and trust companies in the City of New York, or any City in which the principal office of the Commission and the Paying Agent are authorized or required to remain closed, or are closed for any other reason, or (iii) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" - The Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the aggregate principal amount as set forth in an Award Certificate.

"Chief Financial Officer" - Means the Chief Financial Officer of the Department, the Director, Finance Division of the Department, the Deputy Director, Finance Division of the Department, the Innovative Finance and Debt Management Officer of the Department or such other officer or employee of the Department or such other individual so designated by the Commission to perform the duties of Chief Financial Officer under this Ninth Supplement.

"Compounded Amount" - With respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 2.02 of this Ninth Supplement and the Compounded Amount Table relating to such Bonds.

"Compounded Amount Table" - With respect to the Capital Appreciation Bonds, the table attached as an exhibit to the Award Certificate relating to the Bonds that shows the Compounded Amounts per $5,000 Maturity Amount on the Compounding Dates for each maturity to its Maturity.

"Compounding Dates" - Compounding Dates as defined in Section 2.02 of this Ninth Supplement.

"Current Interest Bonds" - The Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in an Award Certificate.

"Defeasance Securities" - Means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Commission adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Commission adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"Department Representative" - A Chief Financial Officer of the Department.

"DTC" - The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" - Securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Electronic Means" - Telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"Favorable Opinion of Bond Counsel" - With respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Acts, the Master Resolution and this Ninth Supplement and that such action will not impair the exclusion of interest on such Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"Federal Securities" - Direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Highest Lawful Rate" - The maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Commission in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, as amended, or any successor provisions).

"Master Resolution" - The "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," adopted by Minute Order of the Commission on May 4, 2005, as may be amended or supplemented from time to time including the First Amendment to the Master Resolution approved by Minute Order of the Commission on September 27, 2007.

"Maturity" - When used with respect to the Bonds, the scheduled maturity of the Bonds.

"Maturity Amount" - The Compounded Amount of a Capital Appreciation Bond due on its Maturity.

"Maturity Date" - The final maturity date of a Series of the Bonds which shall be such date as established pursuant to Section 2.02(b) hereof.

"Maximum Rate" - The lesser of (i) 12% per annum or (ii) the Highest Lawful Rate.

"MSRB" - The Municipal Securities Rulemaking Board and any successor thereto.

"Ninth Supplement" - This Ninth Supplemental Resolution, which was adopted pursuant to authority reserved by the Commission under the Master Resolution and adopted by Minute Order of the Commission on February 23, 2012, as may be amended or supplemented from time to time.

"Outstanding Parity Debt" - The following previously issued and outstanding obligations: "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-A," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2005-B (Multi-Modal Bonds)," the reimbursement obligations under the Liquidity Facility related to the Series 2005-B Bonds, "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-A," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-B," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2007," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2008," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds - Direct Payment)" and the obligations of the

Commission pursuant to the 1992 ISDA Master Agreements, Schedule and Credit Support Annex related to the Fourth Supplement with JPMorgan Chase Bank, N.A., Goldman Sachs Mitsui Marine Derivative Products, L.P. and Morgan Stanley Capital Services Inc., respectively.

"Owner" - The registered owners of the Bonds as shown on the Security Register and to the extent set forth in a Credit Agreement relating to the Bonds, the party contracting with the Commission under a Credit Agreement.

"Paying Agent" - The agent selected and appointed by the Commission for purposes of paying the principal of, premium, if any, and interest on the Bonds to the Owners thereof, as identified in Section 2.03 hereof and any successor to such agent.

"Paying Agent/Registrar" - Collectively, the Paying Agent and the Registrar designated in Section 2.03 of this Ninth Supplement or any successor to such agent.

"Paying Agent/Registrar Agreement" - The agreement having such name executed by and between the Department and the Paying Agent/Registrar.

"Predecessor Bonds" - Predecessor Bonds as defined in Section 2.05(a) hereof.

"Principal Payment Date" - Any date upon which the principal amount of Bonds is due hereunder at Maturity or on any Redemption Date.

"Rebate Fund" - The fund by that name described in Section 4.02 hereof.

"Record Date" - With respect to each interest payment date of a Current Interest Bond, the date as determined in the respective Award Certificate.

"Refunded Bonds" - The Outstanding Parity Debt being refunded by a Series of Bonds as set forth in each Award Certificate of the Department Representative.

"Registrar" - The agent selected and appointed by the Commission for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the Bonds and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

"Rule" - SEC Rule 15c2-12, as amended from time to time.

"SEC" - The United States Securities and Exchange Commission.

"Section" - Unless the context clearly requires otherwise, refers to a Section of this Ninth Supplement.

"Security Register" - The books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

"Series" - A separate series of Bonds as specified by or pursuant to the terms of this Ninth Supplement.

"State" - The State of Texas.

"Taxable Bonds" - Each Series of Bonds bearing interest at a taxable interest rate.

"Tax-Exempt Bonds" - Each Series of Bonds bearing interest which is excludable from gross income for federal taxation purposes pursuant to Section 103 of the Internal Revenue Code of 1986.

EXHIBIT "B"

FORM OF BONDS

UNITED STATES OF AMERICA
TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
GENERAL OBLIGATION MOBILITY FUND REFUNDING BONDS, SERIES 200_

[FORM OF FIRST PARAGRAPH OF FIXED RATE CURRENT INTEREST BOND]

No. R-_____ **$_________**

BOND DATE:	**INTEREST RATE:**	**MATURITY DATE:**	**ISSUE DATE:**	**CUSIP:**

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

The Texas Transportation Commission (the "Commission"), being the governing body of the Texas Department of Transportation (the "Department"), an agency of the State of Texas, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the Maturity Date specified above and to pay interest on the unpaid principal amount hereof from the Issue Date* at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____* and ______* of each year, commencing ______, ____*. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the designated office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the ____________* day of the month next preceding each interest payment date. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof.

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*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

[FORM OF FIRST TWO PARAGRAPHS OF CAPITAL APPRECIATION BOND]

No. CR-_____ **$_________________**

ISSUE DATE:	**INTEREST RATE:**	**MATURITY DATE:**	**CUSIP:**

REGISTERED OWNER:

MATURITY AMOUNT: **DOLLARS**

On the Maturity Date specified above, the Texas Transportation Commission (the "Commission"), being the governing body of the Texas Department of Transportation (the "Department") an agency of the State of Texas, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner set forth above, or the registered assigns thereof, the Maturity Amount specified above, representing the original principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof plus initial premium, if any, from the Issue Date at the interest rate per annum specified above, compounded semiannually on _________ * and ____________ * of each year commencing _____________ *.

The Maturity Amount on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per $5,000 Maturity Amount stated above compounded semiannually at the yield shown on such table.

[REMAINDER OF EACH CURRENT INTEREST BOND AND CAPITAL APPRECIATION BOND]

This Bond is one of a duly authorized issue of bonds designated as "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Series 20__" (the "Bonds"), in the aggregate principal amount of $__________ issued pursuant to the laws of the State of Texas, including specifically the Constitutional Provision, the Enabling Act, and Chapters

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* As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

1207and 1371, Texas Government Code, as amended (collectively, the "Acts"), and pursuant to a resolution of the Commission adopted by minute order on _________, 2012, and entitled Ninth Supplemental Resolution to the Master Resolution Authorizing the Texas Transportation Commission Mobility Fund Revenue Financing Program(the "Ninth Supplement") for the purpose of (i) refunding the Refunded Bonds and (ii) paying the costs of issuing the Bonds. The Bonds are secured by a first lien on and pledge of the Security as defined in the Master Resolution adopted by minute order on May 4, 2005 (as amended by the First Amendment, the "Master Resolution"), on a parity with all other Parity Debt (as defined in the Master Resolution and the Ninth Supplement). Pursuant to the Commission's exercise of such authority in the Ninth Supplement, the Bonds are additionally secured by the State guarantee.

The Master Resolution, as supplemented by the Ninth Supplement, is referred to in this Bond as the "Resolution." Terms used herein and not otherwise defined shall have the meanings given in the Resolution.

*[The Bonds are issued in part as "Current Interest Bonds," which total in principal amount $_______________**, and which pay accrued interest at stated intervals to the Registered Owners and in part as "Capital Appreciation Bonds," which total in original principal amount $__________________ and pay no accrued interest prior to their Stated Maturities.]

Redemption Provisions

[As provided in each Award Certificate]**

Notice of redemption shall be given at the times and in the manner provided in the Ninth Supplement.

If this Bond is in a denomination in excess of $5,000, portions of the principal sum hereof in ***[principal amount] ****[Maturity Amount] of $5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Registered Owner hereof, upon the surrender of this Bond at the principal office of the Paying Agent/Registrar, a new Bond or Bonds of like maturity, series and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the ***[principal amount] ****[Maturity Amount] hereof. If this Bond is selected for redemption, in whole or in part, neither the Commission nor the Paying Agent/Registrar shall be required to transfer this Bond to an assignee of the Registered Owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be

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*To be included with respect to a Series of Bonds only if Current Interest Bonds and Capital Appreciation Bonds are both issued.

**As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

***Current Interest Bonds only.

****Capital Appreciation Bonds only.

applicable to any exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are special obligations of the Commission, payable, together with the previously issued Outstanding Parity Debt and any additional Parity Debt issued in accordance with the terms of the Resolution, solely from and equally secured by a first lien on and pledge of the Security. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the Department, except with respect to the Security. Pursuant to the Commission's exercise of such authority, the Bonds are additionally secured by the State guarantee. The Constitutional Provision provides that while the Bonds are outstanding and for any fiscal year during which the moneys and revenues dedicated to and on deposit in the Mobility Fund are insufficient to make all payments when due, there is appropriated and there shall be deposited in the Mobility Fund, out of the first money coming into the State Treasury in each fiscal year that is not otherwise appropriated by the constitution, an amount which is sufficient to pay the principal of and interest on [and Maturity Amount in the case of Capital Appreciation Bond]* the Bonds minus any amount in the Mobility Fund that is available for that payment in accordance with applicable laws.

The pledge of revenues and funds and the other obligations of the Commission under the Resolution may be discharged at or prior to the maturity of the Bonds upon the making of provision for their payment on the terms and conditions set forth in the Resolution.

Subject to satisfying the terms and conditions stated in the Resolution, the Commission has reserved the right to issue additional Parity Debt payable solely from and equally and ratably secured by a parity lien on and pledge of the Security and other moneys and securities pledged under the Resolution to the payment of the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the designated office of the Paying Agent/Registrar, and to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds, the Security; the nature and extent and manner of enforcement of the pledge; the terms and conditions for the issuance of additional Parity Debt; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Registered Owners of the Bonds; the rights and remedies of the Registered Owner hereof with respect hereto and thereto; the rights, duties and obligations of the Commission; the terms and provisions upon which the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond and this Bond thereafter no longer to be secured by the Resolution or be deemed to be outstanding thereunder; and for the other terms and provisions thereof.

This Bond, subject to certain limitations contained in the Resolution, may be transferred only upon its presentation and surrender at the designated office of the Paying Agent/Registrar named below, or its successor with the Assignment hereon duly endorsed by, or accompanied by a written

*Capital Appreciation Bonds only.

instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully-registered Bonds of the same Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate *[principal amount] **[Maturity Amount] will be issued to the designated transferee or transferees.

The Commission and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of *[principal] **[the Maturity Amount] hereof at its Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Commission nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Commission. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the Department is a duly organized and legally existing agency of the State, organized under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this Bond and the series of which it is a part are duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas and the Resolution; that this series of bonds does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of this Bond and the Series of which it is part as aforestated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN TESTIMONY WHEREOF, the Department has caused its seal to be impressed or a facsimile thereof to be printed hereon and this Bond to be executed in the name of and on behalf of the Commission with the manual or facsimile signatures of its Chairman or a Commission Member, and attested by the Executive Director as of the Bond Date.

TEXAS TRANSPORTATION COMMISSION

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*Current Interest Bonds only.

**Capital Appreciation Bonds only.

By: ___________________________________
Chairman [Commission Member]

ATTEST:

____
Executive Director

(SEAL)

[INSERTIONS FOR THE INITIAL CURRENT INTEREST BOND AND CAPITAL APPRECIATION BOND]

The Initial Bond shall be in the form set forth in this exhibit, except that:

A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.

B. The first paragraph of the Current Interest Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in each Award Certificate):

"The Texas Transportation Commission (the "Commission"), being the governing body of the Texas Department of Transportation (the "Department"), an agency of the State of Texas, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, on _________* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date (April 1)	Principal Amount	Interest Rate

(Information from each Award Certificate to be inserted)

The Commission promises to pay interest on the unpaid principal amount hereof from the Issue Date specified above at the respective per annum rate of interest specified above computed on the basis of

*As determined in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

a 360-day year of twelve 30-day months; such interest being payable on _____ *, commencing ______, ____*. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the ____________*. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof."

C. The first two paragraphs of the Capital Appreciation Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

"On the respective Maturity Dates set forth in the following schedule, the Texas Transportation Commission (hereinafter referred to as the "Commission"), being the governing body of the Texas Department of Transportation (the "Department"), an agency of the State of Texas, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner set forth above, or the registered assigns thereof, the respective Maturity Amounts set forth in the following schedule:

Maturity Dates	Maturity Amounts	Interest Rates

(Information from Award Certificate to be inserted)

The respective Maturity Amounts specified above, represent the original principal amounts hereof and accrued and compounded interest thereon. Interest shall accrue on the principal amounts hereof from the Issue Date at the interest rate per annum specified above, compounded semiannually on _________* and ____________* of each year commencing _____________*.

The respective Maturity Amounts on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying

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*As determined in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

*As determined in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per $5,000 Maturity Amount stated above compounded semiannually at the yield shown on such table."

D. The Initial Bond for a Current Interest Bond shall be numbered "T-1", the Initial Bond for a Capital Appreciation Bond shall be numbered "TCR-1" and the Initial Bond for a Variable Rate Bond shall be numbered "V-1".

Form of Registration Certificate of Comptroller of Public Accounts
to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER '
OF PUBLIC ACCOUNTS '
THE STATE OF TEXAS ' **REGISTER NO. _______**

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this ________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

AUTHENTICATION CERTIFICATE OF
PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Resolution; the bond or bonds of the above titled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

_____________________________________,
as Paying Agent/Registrar

Registered this date:

____

By: ___________________________

Authorized Signature

Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

____

____

(Please insert Social Security or Taxpayer Identification Number of Transferee)

____

____

____

(Please print or typewrite name and address, including zip code, of Transferee)

____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints __________________ attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ______________________

Signature guaranteed by:

____

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Bond in every particular.