

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 1 of 24

VARIOUS Districts

The Texas Transportation Commission (commission), as the governing body of the Texas Department of Transportation (department), may designate toll projects and systems and authorize the department to acquire, develop, finance, refinance, design, construct, reconstruct, expand, operate and/or maintain them.

Pursuant to Minute Order 114205, dated February 26, 2015, the department entered into 1) a Comprehensive Development Agreement dated March 4, 2016, regarding the State Highway 288 Toll Lanes project in Harris County (SH 288 CDA), and 2) an associated Project Lease dated October 25, 2016 (SH 288 Lease), both with Blueridge Transportation Group, LLC, a Delaware limited liability company (Developer). Section 31.1.1 of the SH 288 CDA provides the department with the right to terminate the SH 288 CDA and SH 288 Lease if the department determines in its discretion that a termination is in the department's best interest. Upon such a determination, the department must notify the developer and specify the date upon which the termination shall take effect. Upon termination, control of the State Highway 288 Toll Lanes project reverts to the department. The commission has determined that pursuing termination of the SH 288 CDA and SH 288 Lease is in the best interest of the department.

Pursuant to Transportation Code, Chapter 431, Subchapters A through C (Chapter 431) the commission is authorized to create a transportation corporation to assist and act on behalf of the commission to promote and develop new and expanded public transportation facilities and systems, including the issuance of bonds, notes and other obligations and the incurrence of contractual obligations including loan agreements, in accordance with Title 43, Texas Administrative Code, §15.95.

The commission has received an application from three qualified voters in the state for the incorporation of a transportation corporation pursuant to Chapter 431, including the suggested forms of certificate of formation and bylaws for the corporation.

The commission has determined that the creation of a corporation pursuant to Chapter 431 to assist in the acquisition, development, financing, refinancing, design, construction, reconstruction, expansion, tolling, operation and/or maintenance of any toll project as determined by the commission is advisable and in the best interest of the state to assist the commission in fulfilling the purposes of Chapter 431, including promoting and developing public transportation facilities and systems by new and alternative means, reducing burdens and demands on the limited funds available to the commission, and increasing the effectiveness and efficiency of the commission.

Chapter 431 provides that a corporation may be created only if the commission adopts a resolution authorizing the creation of the corporation and approving the certificate of formation and bylaws of the corporation, and further provides that the commission shall appoint the initial directors of the corporation.

IT IS THEREFORE ORDERED by the commission that the department is authorized to exercise its termination rights under the SH 288 CDA.

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 2 of 24

VARIOUS Districts

IT IS FURTHER ORDERED by the commission that the resolution creating the corporation, approving its certificate of formation and bylaws, and appointing the initial directors, attached as exhibit A, is adopted.

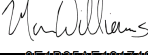
IT IS FURTHER ORDERED by the commission that the executive director, on behalf of the commission, is authorized and directed to perform all such acts and execute such documents necessary to carry out the intent of this minute order and the resolution.

Submitted and reviewed by:

DocuSigned by:

E40115FC36E4474...
Director, Project Finance, Debt
and Strategic Contracts Division

Recommended by:

DocuSigned by:

0E1B35AE191749E...
Executive Director

116663 March 28, 2024

Minute Number	Date Passed
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Exhibit A
To Minute Order

**RESOLUTION APPROVING CREATION OF A TRANSPORTATION
CORPORATION;
APPROVING THE CERTIFICATE OF FORMATION AND INITIAL BYLAWS; AND
APPROVING OTHER MATTERS IN CONNECTION THEREWITH**

**THE STATE OF TEXAS
TEXAS TRANSPORTATION COMMISSION**

WHEREAS, the Texas Transportation Commission (the "Commission") has received from three qualified voters of the State of Texas an application for creation of a transportation corporation (the "Application") pursuant to Transportation Code, Subchapters A through C of Chapter 431, as amended, as set forth in "Attachment 1" hereto; and

WHEREAS, the Application included, as exhibits, a proposed Certificate of Formation and initial Bylaws for the transportation corporation; and

WHEREAS, in order to facilitate the developing, financing, refinancing, designing, constructing, reconstructing, acquiring, expanding, tolling, operating and/or maintaining of any toll project to be developed by the Texas Department of Transportation (the "Department"), the Commission finds it in the best interest of the State to authorize the creation of a non-profit corporation pursuant to Transportation Code, Subchapters A through C of Chapter 431, to act on behalf of the Commission in connection with any such toll project as determined by the Commission;

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

Section 1. Creation of Corporation. The creation of the Corporation proposed in the Application (the "Corporation") is hereby determined to be advisable and is approved and the Corporation is authorized to act on behalf of the Commission to further the public purposes stated herein, in accordance with the Certificate of Formation and initial Bylaws.

Section 2. Authorization to Act. The Corporation is authorized to act on behalf of the Commission in accordance with the Certificate of Formation and initial Bylaws and the Commission is hereby conferring all powers to the Corporation, in accordance with Transportation Code, Section 431.060(c), in order for the Corporation to develop, finance, refinance, design, construct, reconstruct, acquire, expand, toll, operate and/or maintain any toll project within the State that is to be developed by the Department, as determined by the Commission, including executing contracts with the Department or a development team, borrowing money, assigning rights under contracts and other related matters.

Section 3. Designation of Area. In order to promote and develop public transportation facilities and systems throughout the State, the Corporation may act on behalf of the Commission in any area of the State. The Commission reserves the right to create more than one corporation pursuant to Transportation Code, Section 431.023(d).

Section 4. Certificate of Formation. The Certificate of Formation in the form attached to the Application, and as set forth in "Attachment 2" hereto, is hereby approved.

Section 5. Bylaws. The initial Bylaws of the Corporation attached to the Application, and as set forth in "Attachment 3" hereto, are hereby approved.

Section 6. Initial Directors. The initial Directors of the Corporation are:

Stephen Stewart
Richard McMonagle
Mohamed Bur

all of whom are full-time, permanent employees of the Department.

Section 7. Other Matters. The Chief Financial Officer and the Director, Project Finance, Debt and Strategic Contracts Division of the Department are each hereby authorized, empowered and directed to do and perform all such acts and things as necessary, in their judgment, to complete Attachments 2 and 3 hereto, and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Commission all such instruments and documents whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the accompanying Minute Order related to the creation and organization of the Corporation.

**ATTACHMENT 1 TO THE RESOLUTION
APPLICATION SEEKING THE INCORPORATION OF
A TRANSPORTATION CORPORATION**

**APPLICATION SEEKING THE INCORPORATION OF
A TRANSPORTATION CORPORATION**

WHEREAS, each of the undersigned three individuals are citizens and qualified voters of the State of Texas (the "State"); and

WHEREAS, the undersigned three individuals do hereby request that the Texas Transportation Commission (the "Commission") create a transportation corporation pursuant to the provisions of Subchapters A through C, Chapter 431, Texas Transportation Code for the purpose of developing, financing, refinancing, designing, constructing, reconstructing, acquiring, expanding, tolling, operating and/or maintaining any toll project within the State that is to be developed by the Department, as determined by the Commission; and

WHEREAS, attached hereto as "Exhibit 1" is the form of the certificate of formation proposed to be used in organizing the corporation; and

WHEREAS, attached hereto as "Exhibit 2" is the initial bylaws proposed to be used by the corporation; and

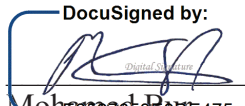
WHEREAS, the undersigned three individuals do additionally request that the Commission approve the proposed certificate of formation and initial bylaws, in the form attached hereto, and appoint the initial directors of the corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this March 25, 2024.

DocuSigned by:

E5670E9944BB433...
Stephen Stewart, Incorporator

DocuSigned by:
R.C. McMonagle
26AD9F41BC7D49C...
Richard McMonagle, Incorporator

DocuSigned by:

E23276538DE475...
Mohamed Ba, Incorporator

**EXHIBIT 1 TO THE APPLICATION
(Attachment 2 to the Resolution)**

**CERTIFICATE OF FORMATION
OF THE CORPORATION**

**CERTIFICATE OF FORMATION
OF THE _____ CORPORATION**

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the State of Texas (the "State"), acting as incorporators of a corporation under the provisions of Subchapters A through C of Chapter 431, Texas Transportation Code, the Texas Transportation Corporation Act (the "Act"), do hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I

The name of the corporation is _____ Corporation (the "Corporation").

ARTICLE II

The Corporation is a public non-profit corporation.

ARTICLE III

The period of duration of the Corporation shall be perpetual.

ARTICLE IV

The Corporation is organized for the purpose of acting on behalf of the Texas Transportation Commission (the "Commission") and the Texas Department of Transportation (the "Department") by acquiring, developing, financing, refinancing, designing, constructing, reconstructing, expanding, tolling, operating or maintaining some or all of any toll project within the State that is to be developed by the Department, as determined by the Commission.

The Corporation is formed as a transportation corporation pursuant to the provisions of the Act, as it now or may hereafter be amended, that authorize the Corporation to assist and act on behalf of the Commission and the Department to further the purposes for its creation.

In order to perform its purpose, the Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State to non-profit corporations incorporated under the Act including, without limitation, the powers granted under the Act and the Nonprofit Corporation Act, Chapter 22, Business Organizations Code. Additionally, the Corporation shall have all the powers and authority granted by the provisions of its Bylaws, which may be amended from time to time in accordance with the procedures set forth therein.

The Corporation shall have all other powers of a like or different nature not prohibited by law that are available to non-profit corporations in the State and which are necessary or useful to enable the Corporation to perform the purpose for which it is created. Furthermore, the Corporation as an instrumentality of the Commission shall have the powers of an issuer under Chapter 1371 of the Texas Government Code ("Chapter 1371") and the purposes and activities detailed in this

Article IV qualify as eligible projects as defined in Chapter 1371. The Corporation shall enjoy all the associated benefits of an issuer under Chapter 1371 in connection with all bonds, notes and other obligations issued or incurred by the Corporation.

To accomplish its purpose, in the exercise of its powers, the Corporation shall be authorized to:

1. contract with persons, governmental entities, for-profit and non-profit entities for the purpose of implementing its purpose and enter into agreements with governmental entities including the Department for the operation and maintenance of assets constructed by the Corporation;
2. issue bonds, notes or other obligations, incur contractual obligations including executing loan agreements, assign any necessary agreements, rights, duties and obligations and otherwise exercise its borrowing power to accomplish the purposes for which it was created. In particular, the Corporation shall have the power to issue toll revenue bonds, notes or other obligations and enter into contracts and loan agreements, and assume agreements of the Department, for the development, financing, refinancing, design, construction, reconstruction, expansion, tolling, operation or maintenance of a toll project. The Corporation shall also have the power to enter into agreements with the Department regarding the responsibility of each party for the development, financing, refinancing, design, construction, reconstruction, expansion, tolling, operation or maintenance of a toll project and the support to be provided to the Corporation by the Department, including any necessary toll equity or other loan agreements between the Corporation and the Department, and take other actions necessary or convenient to implementing a toll project;
3. procure professional and other services necessary or convenient for the design, construction, financing and permitting of a toll project;
4. accept funds of the Department and other entities;
5. accept property from any persons or entities;
6. apply for grants of funds, services and things of value and to accept awards of such grants;
7. accept donations of funds, services and things of value; and
8. engage in other lawful activities to accomplish the implementation of a toll project

The Corporation is created as a transportation corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (3), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq. Texas Civil Practice and Remedies Code.

ARTICLE V

The Corporation shall have no members and shall have no stock.

ARTICLE VI

All powers of the Corporation shall be vested in a board of directors (the "Board") consisting of three (3) persons who shall be appointed by the Commission and who shall be full-time, permanent employees of the Department. The initial directors are identified in Article IX below and shall serve for the term expiring on the date set forth therein, so long as such director remains a full-time, permanent employee of the Department. Subsequent directors shall be appointed by the Commission. Subject to the requirement that a director must be a full-time, permanent employee of the Department, each subsequent director shall serve for a term of six (6) years or until his or her successor is appointed by the Commission, unless such director has been appointed to fill an unexpired term, in which case the term of such director shall expire on the expiration date of the term of the director who he or she was appointed to replace. Any director, including initial directors, that remain full-time, permanent Department employees shall continue to serve until a successor is appointed regardless of whether their term has expired. Any director may be removed from office at any time, with or without cause, by the Commission.

ARTICLE VII

The street address of the initial registered office of the Corporation is 125 E. 11th Street, Austin, Texas 78701, which is within the State of Texas, and the name of its initial registered agent at such address is Benjamin H. Asher.

ARTICLE VIII

The names and street addresses of the incorporators, each of whom is a qualified voter within the State, are:

NAME	ADDRESS
Stephen Stewart	125 East 11th Street, Austin, Texas 78701
Richard McMonagle	125 East 11th Street, Austin, Texas 78701
Mohamed Bur	125 East 11th Street, Austin, Texas 78701

ARTICLE IX

The names, street addresses and titles of the initial directors, each of whom is a full-time, permanent employee of the Department, are:

NAME	ADDRESS	TITLE
Stephen Stewart	125 East 11th Street, Austin, Texas 78701	Director
Richard McMonagle	125 East 11th Street, Austin, Texas 78701	Director
Mohamed Bur	125 East 11th Street, Austin, Texas 78701	Director

The initial directors, so long as they remain full-time, permanent employees of the Department, shall serve a term that expires March 31, 2030, and shall hold office for the term for which the initial director was appointed and until the director's successor is elected or appointed and has qualified.

ARTICLE X

A resolution approving this Certificate of Formation and authorizing the Corporation to act on its behalf to further the public purposes stated herein and in the resolution was adopted by the Commission on March 28, 2024.

ARTICLE XI

No director shall be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director, except for liability (i) for any breach of the director's duty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the director received an improper benefit, whether the benefit resulted from an act taken within the scope of the director's office, or (iv) for acts or omissions for which the liability of a director is expressly provided by statute. Any repeal or amendment of this Article by the Board shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director existing at the time of such repeal or amendment. In addition to the circumstances in which a director is not personally liable as set forth in the preceding sentences, a director shall not be liable to the fullest extent permitted by any amendment to the State statutes hereafter enacted that further limits the liability of a director.

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and regardless of any other provisions of this Certificate of Formation or the laws of the State, the Corporation: (a) shall not permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes); (b) shall not direct any of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Corporation after payment of reasonable expenses, debt and such reserves as may be necessary as set forth in the authorizing documents related to the issuance of debt by the Corporation shall accrue to the Commission.

At such time as all bonds, notes and obligations, including contractual obligations, issued or incurred by the Corporation have been paid or irrevocable provisions have been made for their payment, the Commission shall have an unrestricted right to receive any income earned by the Corporation, exclusive of amounts needed to cover reasonable expenditures and reasonable

reserves for future activities. Any income of the Corporation received by the Commission shall be deposited into such account or fund of the Department as determined by the Commission. No part of the Corporation's income shall inure to the benefit of any private interests.

If the Board determines by resolution that the purposes for which the Corporation was formed have been substantially met and all bonds issued by and all obligations incurred by the Corporation have been fully paid or provision made for such payment, the Board may execute a certificate of dissolution which states those facts and declares the Corporation dissolved in accordance with applicable law then in existence. In the event of dissolution or liquidation of the Corporation, all assets will be turned over to the Commission for deposit into such account or fund as the Commission shall direct.

ARTICLE XIII

The Corporation is a constituted authority and a public or governmental instrumentality within the meaning of State law, the regulations of the United States Treasury Department and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code. Although the Corporation is authorized to act on behalf of the Commission as provided in this Certificate of Formation, no agreement, bond, debt or obligation of the Corporation shall be deemed to be the agreement, bond, debt or obligation, or the lending of credit, or a grant of public money or thing of value, of or by the Commission, the Department or any other political subdivision or authority or agency of the State, or a pledge of the faith and credit of any of them. No action of the Corporation shall be an action of the Commission, the Department or its agents or employees, and neither this Certificate of Formation nor any action by the Board or the Commission shall create a joint enterprise.

ARTICLE XIV

At such time as all bonds, notes and obligations, including contractual obligations and loan agreements, issued or incurred by the Corporation have been fully paid or irrevocable provisions have been made for their payment, the Commission may at any time consider and approve a minute order directing the Board to proceed with the dissolution of the Corporation, at which time the Board shall proceed with the dissolution of the Corporation in accordance with applicable laws of the State. The failure of the Board to proceed with the dissolution of the Corporation in accordance with this Section shall be deemed a cause for the removal from office of any or all of the directors as permitted by Article VI of this Certificate of Formation.

ARTICLE XV

This Certificate of Formation may not be changed or amended unless approved by the Commission. Upon receipt of such approval, amendments to this Certificate of Formation may be adopted by an affirmative vote of a majority of the Board. Any amendment shall take effect upon the issuance of a certificate of amendment by the Texas Secretary of State.

ARTICLE XVI

This Certificate of Formation and any amendments hereto shall be effective when fully executed and filed by the Office of the Texas Secretary of State. The undersigned affirm that the person designated as the registered agent of the Corporation has consented, either in electronic or written form, to the appointment. Each of the undersigned executes this Certificate of Formation subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that he and she is authorized to execute this Certificate of Formation.

ARTICLE XVII

All other matters pertaining to the internal affairs of the Corporation and not addressed in this Certificate of Formation shall be governed by the Bylaws of the Corporation, so long as such Bylaws are not inconsistent with this Certificate of Formation or the laws of the State.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ of _____,
_____.

Incorporator
Name: Stephen Stewart

Incorporator
Name: Richard McMonagle

Incorporator
Name: Mohamed Bur

**EXHIBIT 2 TO APPLICATION
(Attachment 3 to the Resolution)**

**BYLAWS
OF THE
CORPORATION**

Attachment 3

BYLAWS

OF THE

_____ **CORPORATION**

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ARTICLE I

PURPOSE, POWERS

The _____ Corporation (the "Corporation") is organized for the purpose of aiding, assisting, and acting on behalf of the Texas Transportation Commission (the "Commission") in the promotion and development of public transportation facilities and systems of the Texas Department of Transportation (the "Department") by acquiring, developing, financing, refinancing, designing, constructing, expanding, tolling, operating or maintaining some or all of any toll project in the State of Texas (the "State") that is to be developed by the Department, as determined by the Commission.

The Corporation is formed pursuant to the provisions of Subchapters A through C, Chapter 431, Texas Transportation Code (the "Act") as it now or may hereafter be amended, which authorizes the Corporation to assist and act on behalf of the Commission to accomplish governmental purposes of the Commission as requested by the Commission and to engage in activities in the furtherance of the purposes for its creation, and pursuant to Title 43, Texas Administrative Code, Section 15.95.

In order to perform its purpose as stated in these bylaws, the Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State to non-profit corporations incorporated under the Act, including, without limitation, the Texas Business Organizations Code, Chapter 22.

The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in the State and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, execute loan agreements, and otherwise exercise its borrowing power to accomplish the purposes for which it was created. In particular, the Corporation shall have the power to enter into contracts for the development, financing, refinancing, design, construction, reconstruction, expansion, tolling, operation or maintenance of any toll project in the State that is to be developed by the Department, as determined by the Commission.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Appointment, Powers, Number, and Term of Office. All powers of the Corporation shall be vested in the Board of Directors (the "Board"). The Board shall be composed solely of full-time, permanent employees of the Department, and shall initially consist of three (3)

persons who shall be appointed by the Commission, as evidenced by the approval of the Certificate of Formation by the Commission. Each initial Director shall serve for the term expiring on the date set forth in the Certificate of Formation, so long as such Director remains a full-time, permanent employee of the Department. Subsequent Directors shall be appointed by the Commission. Each subsequent Director, so long as such Director remains a full-time, permanent employee of the Department, shall serve for a term of six (6) years. Directors may be appointed to succeed themselves. Each Director, including the initial directors, shall be eligible for reappointment. Subject to continuing to be a full-time, permanent employee of the Department, each Director, including the initial directors, shall serve until a successor is appointed. Any Director may be removed from office at any time, with or without cause, by the Commission.

Should any Director cease being a full-time, permanent employee of the Department, the Commission shall appoint a replacement Director at the next meeting of the Commission at which such action may be considered. The term of a Director who ceases being a full-time, permanent employee of the Department shall automatically terminate as of the last day of the Director's employment by the Department.

Section 2. Meetings of Directors. The Directors may hold their meetings and may have an office and keep the books of the Corporation at the initial registered office specified in the Certificate of Formation, or such other place or places within the State as the Board may from time to time determine; provided, however, in the absence of any such determination, the initial registered office at 125 E. 11th Street, Austin, Texas 78701 shall be the registered office of the Corporation in the State.

The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of the Commission under Chapter 551, Texas Government Code (the "Open Meetings Act") and is subject to and shall comply with all other requirements of the Open Meetings Act, in accordance with Texas Transportation Code Section 431.004. Recognizing that the Directors, as employees of the Department, will likely at times discuss Department business with each other, the Directors shall use due care to ensure they do not discuss matters within the jurisdiction of the Corporation at such times, but only at meetings in accordance with the Open Meetings Act.

The Corporation and the Board are subject to, and shall comply with the requirements of Chapter 552, Texas Government Code (commonly referred to as the "Public Information Act"), in accordance with Texas Transportation Code Section 431.005.

Section 3. Regular Meetings. Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 4. Special and Emergency Meetings. Special and emergency meetings of the Board shall be held whenever called by the President of the Board or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary/Treasurer shall give notice of each special meeting in person, by telephone, electronic transmission (e.g., facsimile transmission or electronic mail) or mail at least seven (7)

days before the meeting to each Director. The Secretary/Treasurer shall give notice of each emergency meeting in person, by telephone or electronic transmission at least two hours before the meeting to each Director. Notice of each special and emergency meeting shall also be given in the manner required of the Commission under the Open Meetings Act. Unless otherwise indicated in the notice thereof, and consistent with the requirements of the Open Meetings Act, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special or emergency meeting.

Section 5. Quorum. A majority of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action, unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary/Treasurer of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

Section 6. Conduct of Business. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the President shall preside, and in the absence of the President, the Vice President shall preside.

The Secretary/Treasurer of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary/Treasurer, the presiding officer may appoint any person to act as secretary of the meeting.

Section 7. Compensation of Directors. Directors shall not receive any salary or compensation for their services as Directors; provided that a Director may receive reimbursement from the Corporation for expenses incurred which are reasonable and necessary in carrying out the Corporation's purposes, but not to exceed the amounts and only to the extent a full-time permanent employee of the Department would be reimbursed for expenses incurred for Department purposes.

Section 8. Director's Reliance on Consultant Information. A Director shall not be liable if, while acting in good faith and with ordinary care, the Director relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person, that were prepared or presented by:

- (a) one or more other officers of the Corporation;

(b) legal counsel, public accountants, financial advisors, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or

(c) employees of the Department.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Corporation shall be the President, Vice President, Secretary/Treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that one person shall not concurrently hold the offices of President and Secretary/Treasurer. The term of office for each officer shall be six (6) years. Officers shall be elected by a majority vote of the Board. Officers may be re-elected.

Section 2. Powers and Duties of the President. The President shall be a member of the Board and shall preside at all meetings of the Board, if present. The President shall be the principal executive officer of the Corporation and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Corporation. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate of Formation, the President or the Vice President may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation. The President shall have such other duties as are assigned by the Board. The President may call special and emergency meetings of the Board.

Section 3. Powers and Duties of the Vice President. The Vice President shall be a member of the Board. The Vice President shall perform the duties and exercise the powers of the President upon the President's death, absence, disability, or resignation, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken. The Vice President shall have such other powers and duties as may be assigned to him or her by the Board or the President.

Section 4. Secretary/Treasurer. The Secretary/Treasurer shall keep or cause to be kept the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Corporation and subject to any limitations contained in the Certificate of Formation, he or she may sign with the President in the name of the Corporation and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; he or she shall have charge of the Corporation's books, records, documents and instruments, including the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Corporation during business hours. The Secretary/Treasurer shall have custody of all the funds and securities of the Corporation which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the

Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of the Corporation's cash account; he or she shall enter or cause to be entered regularly in the books of the Corporation to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation (other than amounts relating to bonds or other obligations issued by the Corporation if account of such amounts is kept by a trustee or other fiduciary). The Secretary/Treasurer shall additionally perform all acts and duties incident to the position of Secretary/Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require. The Secretary/Treasurer need not be a member of the Board, but, if not, shall be a full-time, permanent employee of the Department.

Section 5. Hearing Officer. The Chief Financial Officer and the Director of the Project Finance, Debt and Strategic Contracts Division of the Department or the designee thereof shall each serve as "hearing officer" of the Corporation for the purpose of conducting any public hearing required under the Internal Revenue Code of 1986 as a condition precedent to the issuance of tax-exempt bonds by the Corporation.

ARTICLE IV

ISSUANCE OF BONDS

Section 1. Power. The Corporation shall have the power to issue bonds, notes or other obligations as provided by the Act for the purposes set out in the Certificate of Formation and these Bylaws.

Section 2. Security for Bonds. Bonds, notes or other obligations issued by the Corporation will be issued without any recourse to the Commission, the Department or the State and the bonds shall be payable by the Corporation solely from the security pledged pursuant to the bond documents providing for the issuance of the bonds (the "Bond Documents").

Section 3. Financial Advisor, Other Consultants. The Corporation may engage a financial advisor or co-financial advisor, and other such consultants as it deems appropriate, for a debt issuance or other financial advisory needs related to the duties or activities of the Corporation, and the fee charged by the financial advisor and other consultants shall be paid from the proceeds of debt obligations or other lawfully available funds to the extent permitted by law.

Section 4. Bond Counsel and Disclosure Counsel. The Corporation shall select the bond counsel or co-bond counsel. The Corporation may separately select and engage the services of disclosure counsel and other legal counsel. The Corporation may select legal counsel who have been engaged by the Department to serve the Corporation within the scope of any contract for legal counsel as may be required to enable the Corporation to conduct any authorized activities.

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The fees of all such counsel shall be paid from proceeds of debt obligations or other lawfully available funds to the extent permitted by law.

Section 5. Bond Approvals. The Corporation shall obtain all required approvals of the Texas Bond Review Board and the Texas Attorney General.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the same as that of the Commission.

Section 2. Seal. The seal of the Corporation shall be such as from time to time may be approved by the Board.

Section 3. Notice and Waiver of Notice. Whenever any notice, except for notice of an emergency meeting, is required to be given under the provisions of these Bylaws, such notice, if given by mail, shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Resignations. Any Director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary/Treasurer. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Indemnification by State. The actions of a full-time, permanent employee of the Department in carrying out the duties of a Director are in the course and scope of the employee's employment by the Department and, pursuant to Chapter 104, Texas Civil Practice and Remedies Code, the State will indemnify any such employee for actual damages, court costs and attorney's fees adjudged against the employee as provided therein. The personal liability of an employee of the Department carrying out the duties of a Director is also limited by the provisions of Chapter 108, Texas Civil Practice and Remedies Code.

Section 2. Indemnification by Corporation. To the extent authorized by Section 431.032, Texas Transportation Code, and other law, the Corporation will indemnify a Director or officer, to the extent not indemnified by the State, for necessary expenses and costs incurred by the director

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in connection with any claim asserted against the Director or officer in a court action or otherwise for negligence or misconduct (other than willful misconduct).

Section 3. Directors and Officers Liability Insurance. If reasonably available and authorized by law, the Corporation may obtain directors and officers liability insurance for the Directors in amounts customary for directors of similar corporations.

ARTICLE VII

ADMINISTRATIVE SUPPORT, CONSULTANTS

Section 1. Administrative Support. The Corporation may utilize the services of employees of the Department for administrative support, including financial, legal, technical, clerical and other services, as needed and as available from the Department. The Corporation may also engage or otherwise use the services of private entities, including private entities providing services to the Department, for needed support services and, in so doing, shall comply with any applicable procurement laws.

Section 2. Consultants. The Corporation may engage or otherwise use the services of private consultants to the Department or other private consultants as needed, and, in so doing, shall comply with any applicable procurement laws.

Section 3. Fees. The Corporation may require fees in amounts needed to pay for administrative support or consultant services to be paid by a Developer; such amounts may also be paid from proceeds of debt obligations to the extent permitted by law, or from other available revenues provided by a Developer.

ARTICLE VIII

AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws may be adopted by a majority of the Board at any regular meeting, or at any special meeting if notice of the proposed amendment is contained in the notice of the special meeting. Any proposed change or amendment to the Bylaws must be approved by the Commission to be effective.