

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

NOTICE OF AND AGENDA FOR A REGULAR MEETING

TO BE HELD BY THE BOARD OF DIRECTORS

DATE: TUESDAY, AUGUST 25, 2020
TIME: 5:30 PM
PLACE: HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
TELECONFERENCE MEETING

PRESIDING: S. DAVID DEANDA, JR, CHAIRMAN

THIS MEETING WILL BE CONDUCTED IN ACCORDANCE WITH SECTION 418.016 OF THE TEXAS GOVERNMENT CODE. SECTION 418.016 TEMPORARILY SUSPENDS VARIOUS PROVISIONS THAT REQUIRE GOVERNMENT OFFICIALS AND MEMBERS OF THE PUBLIC TO BE PHYSICALLY PRESENT AT A SPECIFIED MEETING LOCATION AND ALLOWS FOR TELEPHONIC OR VIDEOCONFERENCE MEETINGS.

MEMBERS OF THE PUBLIC ARE WELCOME TO PARTICIPATE REMOTELY BY TELEPHONE
DIAL-IN NUMBER : +1 956-413-7950
CONFERENCE ID: 939 182 569#
WEBLINK: [Join Microsoft Teams Meeting](#)

An electronic copy of the agenda packet can be obtained at www.hcrma.net

PLEDGE OF ALLEGIANCE

INVOCATION

CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR A REGULAR MEETING

PUBLIC COMMENT

1. REPORTS
 - A. Report on Program Manager Activity for 365 Tollway Project and IBTC Environmental Clearance Document – Eric Davila, HCRMA.
 - B. Report on 365 Tollway Project Financing Activities – Richard Ramirez, Hilltop Securities.
2. CONSENT AGENDA *(All matters listed under Consent Agenda are considered to be routine by the Governing Body and will be enacted by one motion. There will be no separate discussion of these items; however, if discussion is desired, that item(s) will be removed from the Consent Agenda and will be considered separately. The Governing Body may also elect to go into Executive Session on any item on this agenda, whether or not such item(s) are posted as an Executive Session Item, at any time during the meeting when authorized by provisions of the Open Public Meeting Act.)*
 - A. Approval of Minutes for the Regular Meeting held July 28, 2020.
 - B. Approval of Project & General Expense Report for the period from July 7, 2020 to August 7, 2020.
 - C. Approval of Financial Reports for July 2020.

3. REGULAR AGENDA

- A. Resolution 2020-20 – Approving the First Reading of the Hidalgo County Regional Mobility Authority's Amended and Restated bylaws.
- B. Resolution 2020-21 – Re-Asserting Local Tollway Project Entity Primacy Rights Over the 365 Tollway, Segments 1 and 2.
- C. Resolution 2020-22 – Approving Authority policies for post issuance compliance and continuing disclosure.
- D. Resolution 2020-23 – Approval of Access Management Policy for the Hidalgo County Regional Mobility Authority.
- E. Resolution 2020-24 – Amended and Restated Resolution authorizing the issuance of one or more series of Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020 either as tax-exempt or taxable bonds; Approval and Designation of a Pricing Committee to determine the interest rates, maturity dates, form of bonds, redemption provisions, bond insurance provisions, and other matters pertaining to such bonds; Approving the projects; Prescribing the form, terms, conditions, and Resolving other matters incident and related to the issuance, sale, and delivery of the bonds, including the designation and appointment of a syndicate of underwriters and approval and distribution of an official statement pertaining thereto; Authorizing the execution of a paying agent/registrar agreement, a purchase agreement, and an escrow agreement; Approving a Supplement to the Indenture of Trust; Ratifying the pledge agreement; Ratifying the designation of bond counsel and Approving other agreements related thereto; making other findings and provisions relating to the subject and matters incident thereto.

4. CHAIRMAN'S REPORT

- A. None.

5. TABLED ITEMS

- A. None.

6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION OF REAL PROPERTY), AND SECTION 551.074 (PERSONNEL MATTERS)

- A. Consultation with Attorney on legal issues pertaining to the Texas Department of Transportation State Infrastructure Bank Loan for the 365 Tollway Project (Section 551.071 T.G.C.)
- B. Consultation with Attorney on legal issues pertaining to Professional Service Agreements for Engineering, Surveying and Environmental Services (Section 551.071 T.G.C.).
- C. Consultation with Attorney on legal issues pertaining to the voluntary acquisition of real property for various parcels for the 365 Tollway Project and International Bridge Trade Corridor Project (Sections 551.071 and 551.072 T.G.C.).
- D. Consultation with Attorney on legal issues pertaining to the acquisition, including the use of Eminent Domain, for property required to complete the project alignments of the 365 Tollway Project (Sections 551.071 and 551.072 T.G.C.).
- E. Consultation with Attorney on legal issues pertaining to the Environmental Clearance Document for the International Bridge Trade Corridor Project (Section 551.071 T.G.C.).
- F. Consultation with Attorney on legal issues pertaining to the issuance of one or more Series of Hidalgo County Regional Mobility Authority bonds and related agreements and provisions relating to the subject (Section 551.071 T.G.C.).
- G. Consultation with Attorney on personnel matters related to the COVID-19 pandemic (Section 551.074 T.G.C.).

H. Consultation with Attorney regarding the terms and conditions of the Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020 (Section 551.071 T.G.C.).

ADJOURNMENT OF REGULAR MEETING

CERTIFICATION

I, the Undersigned Authority, do hereby certify that the attached agenda of the Hidalgo County Regional Mobility Authority Board of Directors is a true and correct copy and that I posted a true and correct copy of said notice on the Hidalgo County Regional Mobility Authority Web Page (www.hcrma.net) and the bulletin board in the Hidalgo County Court House (100 North Closner, Edinburg, Texas 78539), a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 19th day of August 2020 at 5:00 pm and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Maria E. Alaniz
Administrative Assistant

Note: If you require special accommodations under the Americans with Disabilities Act, please contact Maria E. Alaniz at 956-402-4762 at least 96 hours before the meeting.

PUBLIC COMMENT POLICY

Public Comment Policy: "At the beginning of each HCRMA meeting, the HCRMA will allow for an open public forum/comment period. This comment period shall not exceed one-half (1/2) hour in length and each speaker will be allowed a maximum of three (3) minutes to speak. Speakers addressing the Board through a translator will be allowed a maximum of six (6) minutes.

All individuals desiring to address the HCRMA must be signed up to do so, prior to the open comment period. For meetings being held by telephonic or videoconference, individuals may contact Maria. E. Alaniz at (956) 402-4762 before 5:00 pm day of the meeting.

The purpose of this comment period is to provide the public an opportunity to address issues or topics that are under the jurisdiction of the HCRMA. For issues or topics which are not otherwise part of the posted agenda for the meeting, HCRMA members may direct staff to investigate the issue or topic further. No action or discussion shall be taken on issues or topics which are not part of the posted agenda for the meeting. Members of the public may be recognized on posted agenda items deemed appropriate by the Chairman as these items are considered, and the same time limitations applies."

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Item 1A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

X

AGENDA ITEM
DATE SUBMITTED
MEETING DATE

1A
08/04/2020
08/25/2020

1. Agenda Item: **REPORT ON PROGRAM MANAGER ACTIVITY FOR 365 TOLLWAY PROJECT AND IBTC ENVIRONMENTAL CLEARANCE DOCUMENT**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Report on 365 Tollway and IBTC Projects
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: Report only.
6. Program Manager's Recommendation: Approved Disapproved X None
7. Planning Committee's Recommendation: Approved Disapproved X None
8. Board Attorney's Recommendation: Approved Disapproved X None
9. Chief Auditor's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: Approved Disapproved X None
11. Chief Development Engineer's Recommendation: X Approved Disapproved None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD OF DIRECTORS MEETING FOR AUGUST 2020

HCRMA Board of Directors

S. David Deanda, Jr., Chairman
Forrest Runnels, Vice-Chairman
Ricardo Perez, Secretary/Treasurer
Francisco “Frank” Pardo, Director
Paul S. Moxley, Director
Alonzo Cantu, Director
Ezequiel Reyna, Jr., Director

HCRMA Administrative Staff

Pilar Rodriguez, PE, Executive Director
Eric Davila, PE, PMP, CCM, Chief Dev. Eng.
Ramon Navarro IV, PE, CFM, Chief Constr. Eng.
Celia Gaona, CIA, Chief Auditor/Compliance Ofcr.
Jose Castillo, Chief Financial Ofcr.

General Engineering Consultant

HDR ENGINEERING, INC.

Report on HCRMA Program Management Activity
Chief Development Engineer – Eric Davila, PE, PMP, CCM

► OVERVIEW

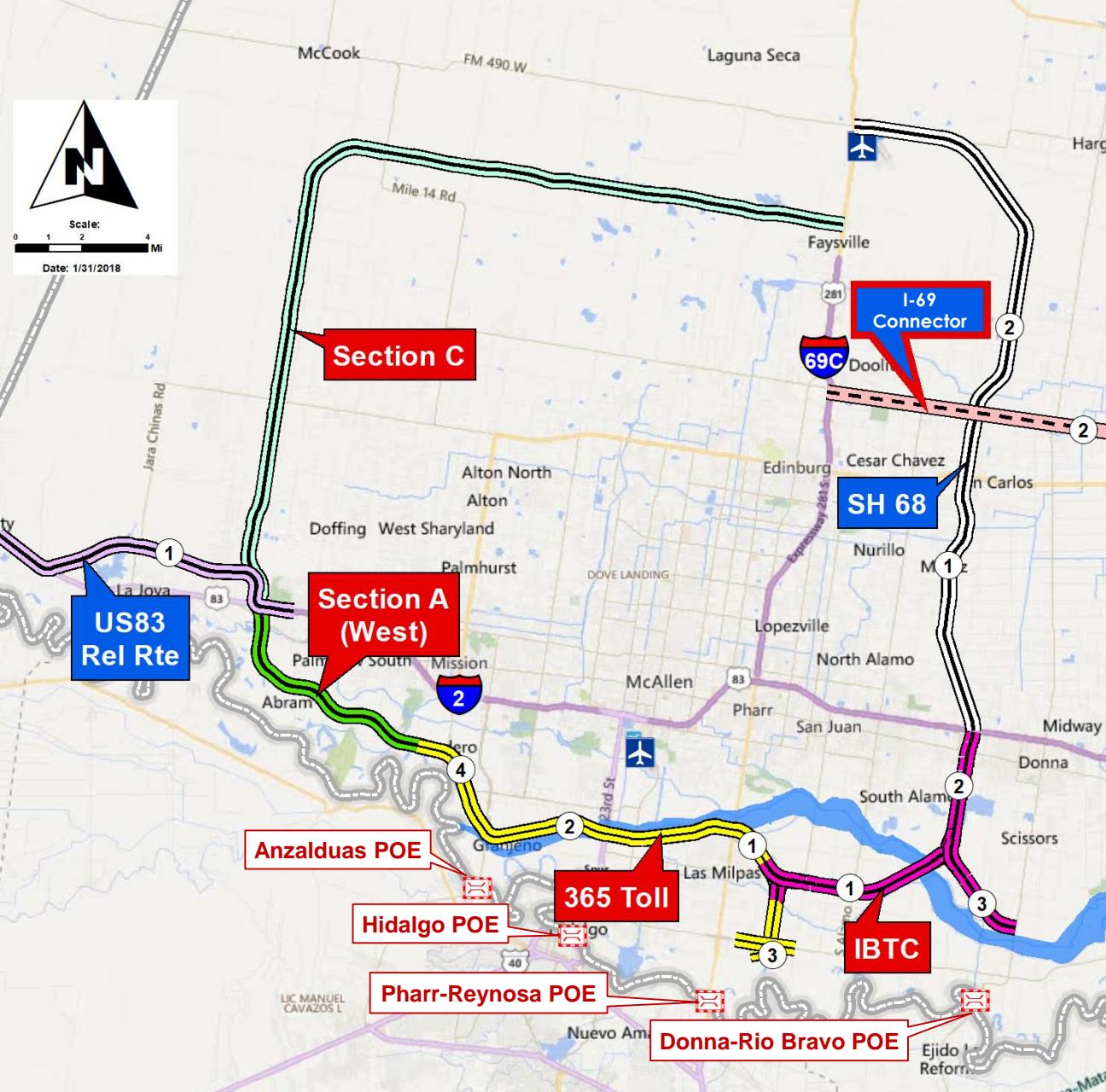
- 365 TOLL Project Overview
- IBTC Project Overview
- Overweight Permit Summary
- Construction Economics Update

MISSION STATEMENT:

“To provide our customers with a rapid and reliable alternative for the safe and efficient movement of people, goods and services”

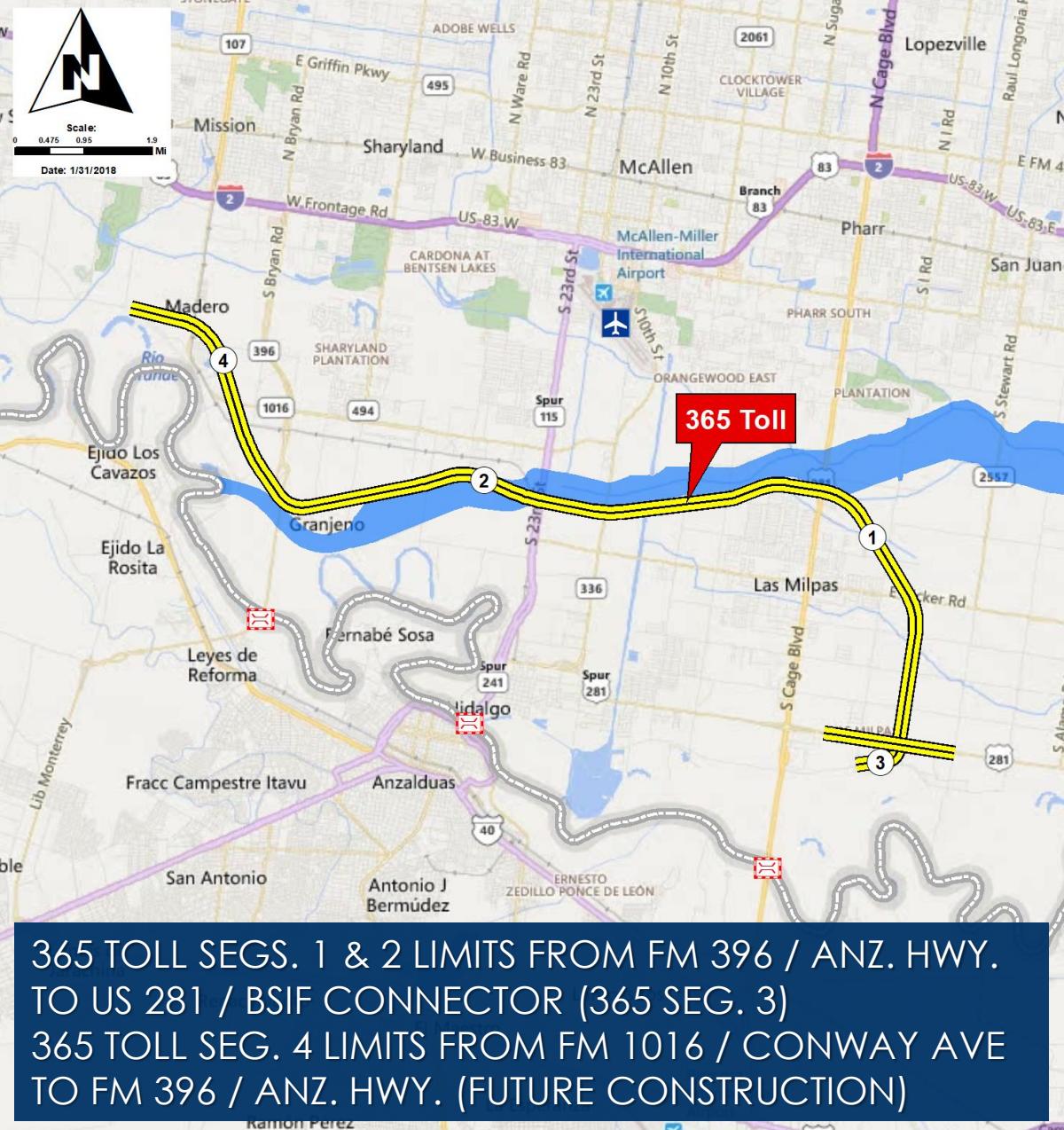
HCRMA STRATEGIC PLAN

DEVELOP THE
INFRASTRUCTURE TO
SERVE A POPULATION
OF APPROXIMATELY
800,000 RESIDENTS
AND
5 INTERNATIONAL
PORTS OF ENTRY



ROAD TO 2021 UTP

- 2021 UTP Draft Funding Table (released by TxDOT Nov 2019)
 - 365 Toll appears fully funded for construction – project needs revised PDA and FAA
 - IBTC construction is listed – HCRMA provided updated estimate and project needs revised PDA.
 - Pending announcement of public outreach meeting for in early July 2020.
- What's in the RGVMPO (Local Plan)
 - 365 Toll Project (TIP / MTP) thru construction
 - IBTC Project (TIP / MTP) thru design (pending funding commitments to list thru construction)
- Moving Forward:
 - Align both plans together in the 2021 UTP
 - Negotiate PDA's and IBTC and updated FAA for 365 Tollway.



MAJOR MILESTONES:

NEPA CLEARANCE
07/03/2015

98% ROW AS OF
09/30/2018

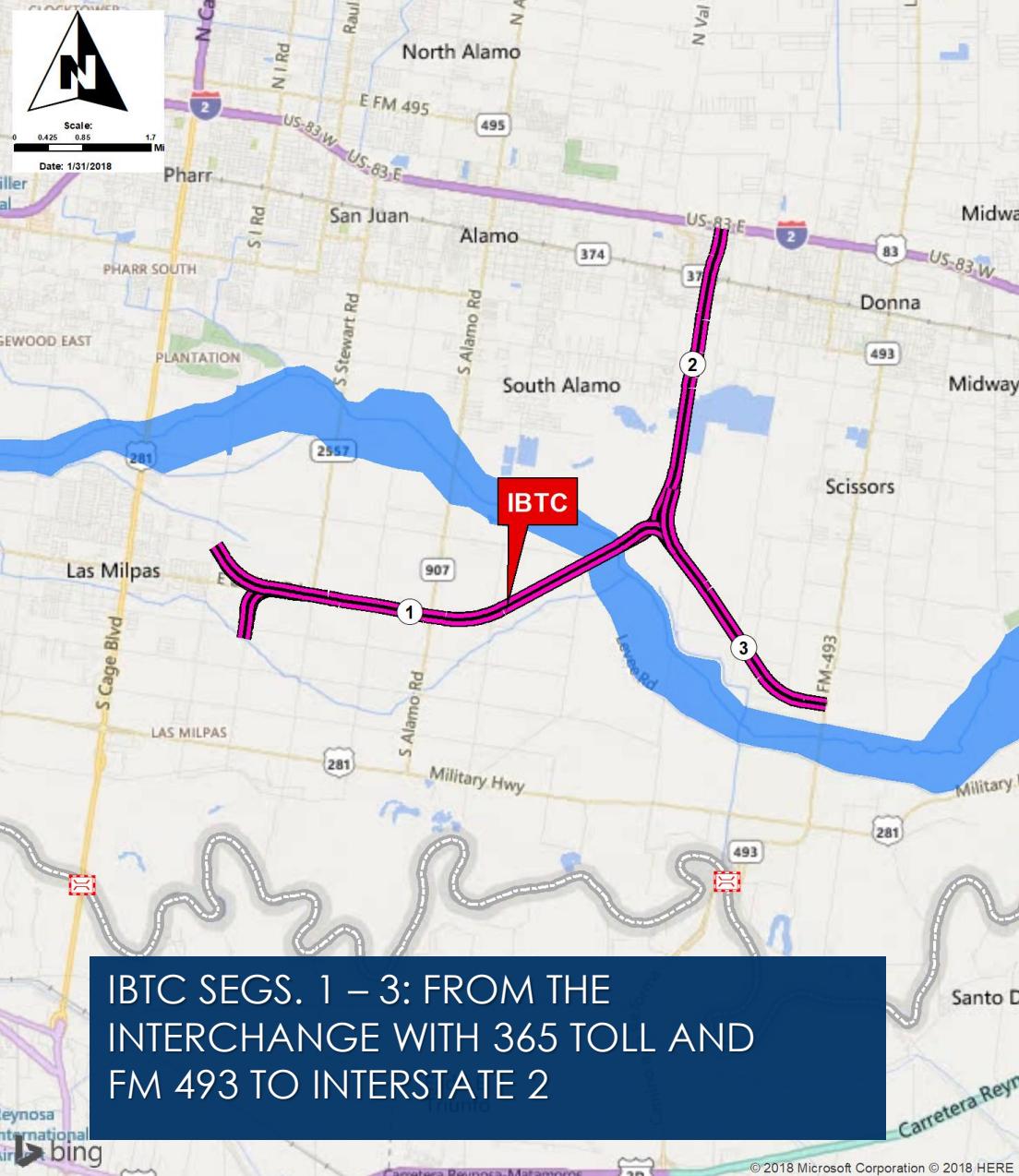
PH 1: 365 SEG. 3 -
LET: 08/2015
STARTED: 02/2016

**PH 2: 365 TOLL
SEGS. 1 & 2 -**
RE-LET: TBD
START: TBD



► TENTATIVE SCHEDULE:

- 04/2020-05/2020**, Submit RGVMPO TIP Revisions based on draft 2021 UTP Funding Tables that are up for potential adoption by the Texas Transportation Commission (TTC) in 08/2020,
- 08/2020**, Obtain addl. funding commitments via adoption of 2021 UTP by the TTC,
- 09/2020 - 10/2020**, TTC to read then adopt a new Minute Order (M.O.) for a new FAA to incorporate the gap funding into the project,
- 11/2020**, HCRMA to provide NTP on Investment Grade T&R Study with a 5-month completion period ending 04/2021,
- 11/2020**, Revise RGVMPO TIP listing for 365 Toll showing the approved funding source(s) for approval by FHWA 01/2021,
- 12/2020**, HCRMA to submit Utility Mitigation Plan for approval by TxDOT ahead of Federal Project Authorization and Agreement (FPAA) Modification request,
- 01/2021-02/2021**, TxDOT to process the FPAA Modification for the gap funding on 365 Tollway,
- 03/2021**, TxDOT to provide “release to advertise” notice to HCRMA,
- 03/2021 - 04/2021**, HCRMA to advertise the 365 Toll (60 days) & hold prebid last week in that period,
- 05/2021**, Open Bids by 1st week & by 2nd week conditionally award contract,
- 07/2021**, Receive TxDOT / FHWA concurrence with award of contract,
- 07/2021-08/2021**, HCRMA meets with rating agencies, prices bonds, and conducts toll revenue bond sale,
- 08/2021**, Purchase remaining 5% of ROW and finalize remaining utility relocation agreements,
- 09/2021**, Commence 42-month construction, and
- 03/2025**, Open to traffic.



IBTC

MAJOR MILESTONES:

OBTAINED EA ENV
CLASSIF.: 11/2017

EST. NEPA CLEARANCE:
LATE 2020

EST. LETTING: 06/2021

EST. OPEN: 03/2025

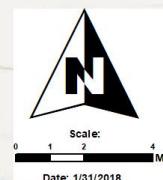


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► IBTC SCHEDULE

International Bridge Trade Corridor (IBTC) (CSJ: 0921-02-142)

(From the Interchange with 365 Toll and FM 493 to Interstate 2)



Hidalgo County

I-69 Connector

* Collaboration between HCRMA, CCRMA, and TxDOT.

Date: 1/31/2018

Date: 1/31/2011

bing

10

I-69 Connector

(COLLABORATION W/ TXDOT, CCRMA, AND HCRMA)

DESCRIPTION:

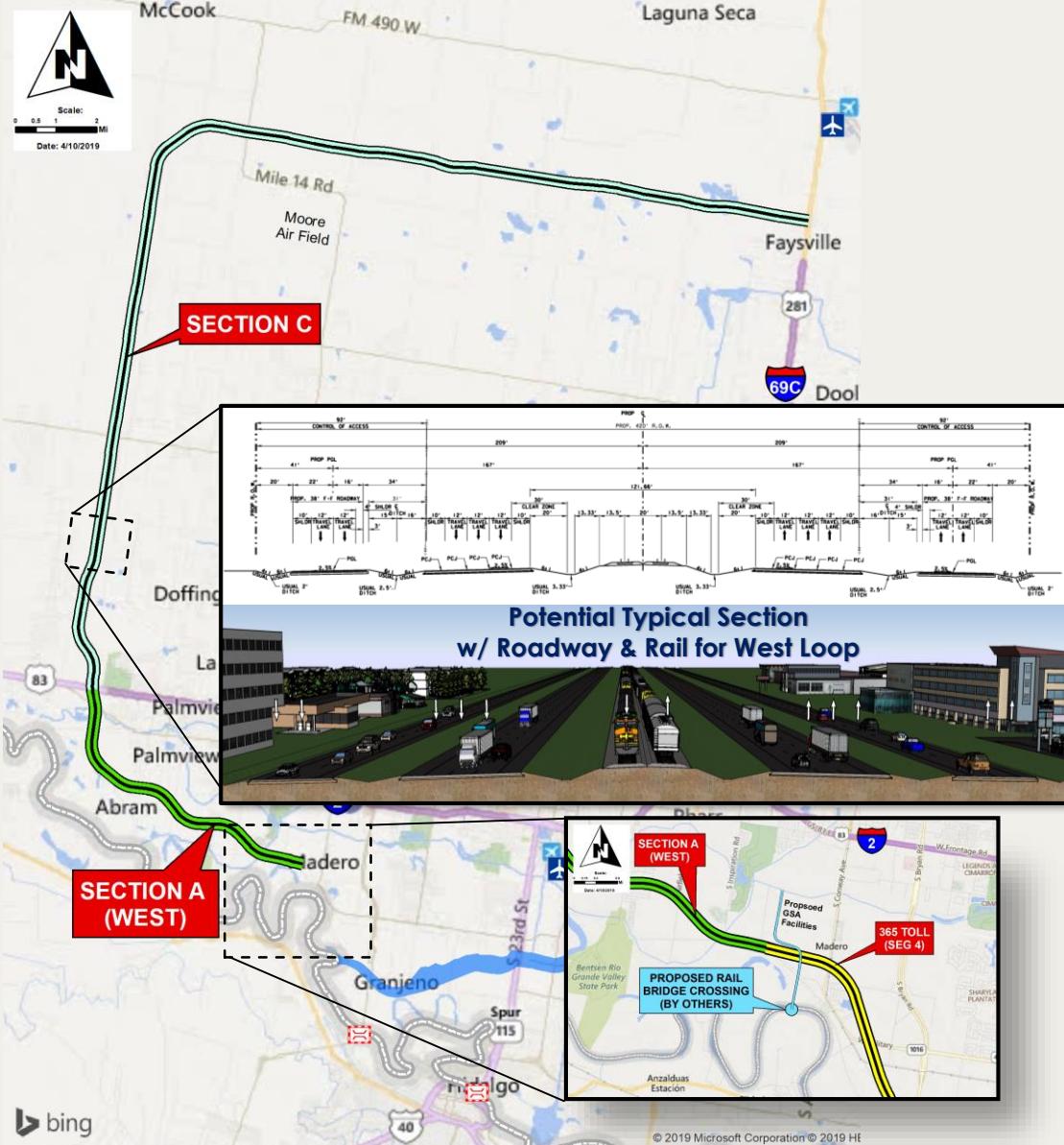
- ▶ PROJECT LENGTH ~27 MILES
- ▶ FROM I-69C IN HIDALGO COUNTY TO I69-E IN CAMERON COUNTY
- ▶ KEY PARALLEL CORRIDOR TO I-2 WITH IMPORTANCE TO MOBILITY PROJECTS BY TXDOT, CCRMA AND HCRMA
- ▶ TXDOT COMMITTED SUPPLEMENTAL DEVELOPMENT AUTHORITY FUNDS FOR THE ENTIRE 27 MILE CORRIDOR AS AN EXPRESSWAY FACILITY.
- ▶ TXDOT HAS COMMITTED TO FUNDING THE DEVELOPMENT OF THE SCHEMATIC DESIGN AND ENVIRONMENTAL DOCUMENTS.
- ▶ FEASIBILITY STUDIES KICKED OFF WITH A STAKEHOLDER MEETING OCT 2019.
- ▶ PUBLIC MEETING ON FEASIBILITY STUDIES HELD DECEMBER 2019.



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WEST LOOP

SECTION A(WEST) / SECTION C

*COMPLIMENTS PROPOSED MISSION/MADERO-REYNOSA INTERNATIONAL BORDER CROSSING (BY OTHERS)

DESCRIPTION:

- ▶ COMBINED PROJECT LENGTH: 38 MILES FROM FM 1016 / CONWAY AVE (MISSION/MADERO) TO I-69C (NORTH EDINBURG)
- ▶ LIKELY TO BE CLASSIFIED AS AN ENVIRONMENTAL IMPACT STATEMENT (EIS) NEPA DOCUMENT (36 TO 48 MONTHS)—TO BE ENGAGED AFTER IBTC CLEARANCE.
- ▶ POTENTIAL FOR CLASS I RAIL WITHIN THE ROW PENDING DEVELOPMENTS FOR RAIL CROSSING IN MISSION AREA.
- ▶ INTERLOCAL AGREEMENT IN PLACE WITH CITY OF MISSION FOR HCRMA'S ASSISTANCE WITH ENVIRONMENTAL CLEARANCE EFFORTS.
- ▶ MARCH 2020 - HELD AN ILA KICK OFF MEETING WITH THE CITY OF MISSION TO BEGIN ALIGNING ENV. CLEARANCE EFFORTS WITH THE CITY'S INTENDED OVERALL PROJECT PLAN.
- ▶ MAY 2020 – HCRMA PROVIDED CITY OF MISSION W DRAFT SCOPES FOR ENV / TRAFFIC ENG. FOR THEIR PROPOSED ENV. CLEARANCE EFFORTS AT THE PROPOSED RAIL BRIDGE CROSSING.



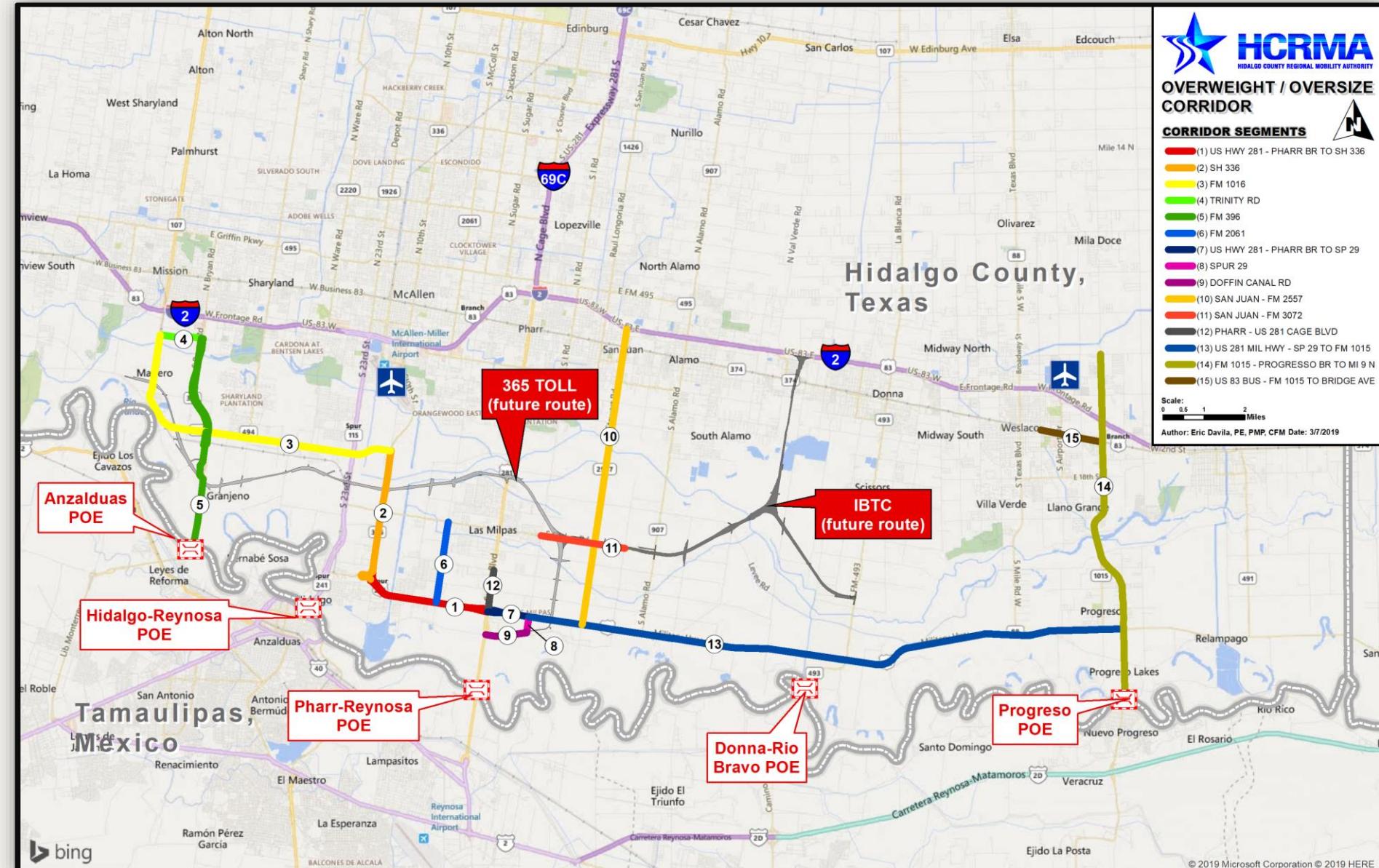
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**OVERWEIGHT / OVERSIZE
CORRIDOR**
CORRIDOR SEGMENTS

- (1) US HWY 281 - PHARR BR TO SH 336
- (2) SH 336
- (3) FM 1016
- (4) TRINITY RD
- (5) FM 396
- (6) FM 2061
- (7) US HWY 281 - PHARR BR TO SP 29
- (8) SPUR 29
- (9) DOFFIN CANAL RD
- (10) SAN JUAN - FM 2557
- (11) SAN JUAN - FM 3072
- (12) PHARR - US 281 CAGE BLVD
- (13) US 281 MIL HWY - SP 29 TO FM 1015
- (14) FM 1015 - PROGRESO BR TO MI 9 N
- (15) US 83 BUS - FM 1015 TO BRIDGE AVE

 Scale:


Author: Eric Davila, PE, PMP, CFM Date: 3/7/2019



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► **OVERWEIGHT REPORT FOR 2014 – PRESENT**
PERIOD: JAN 1, 2014 – JULY 31, 2020

OW

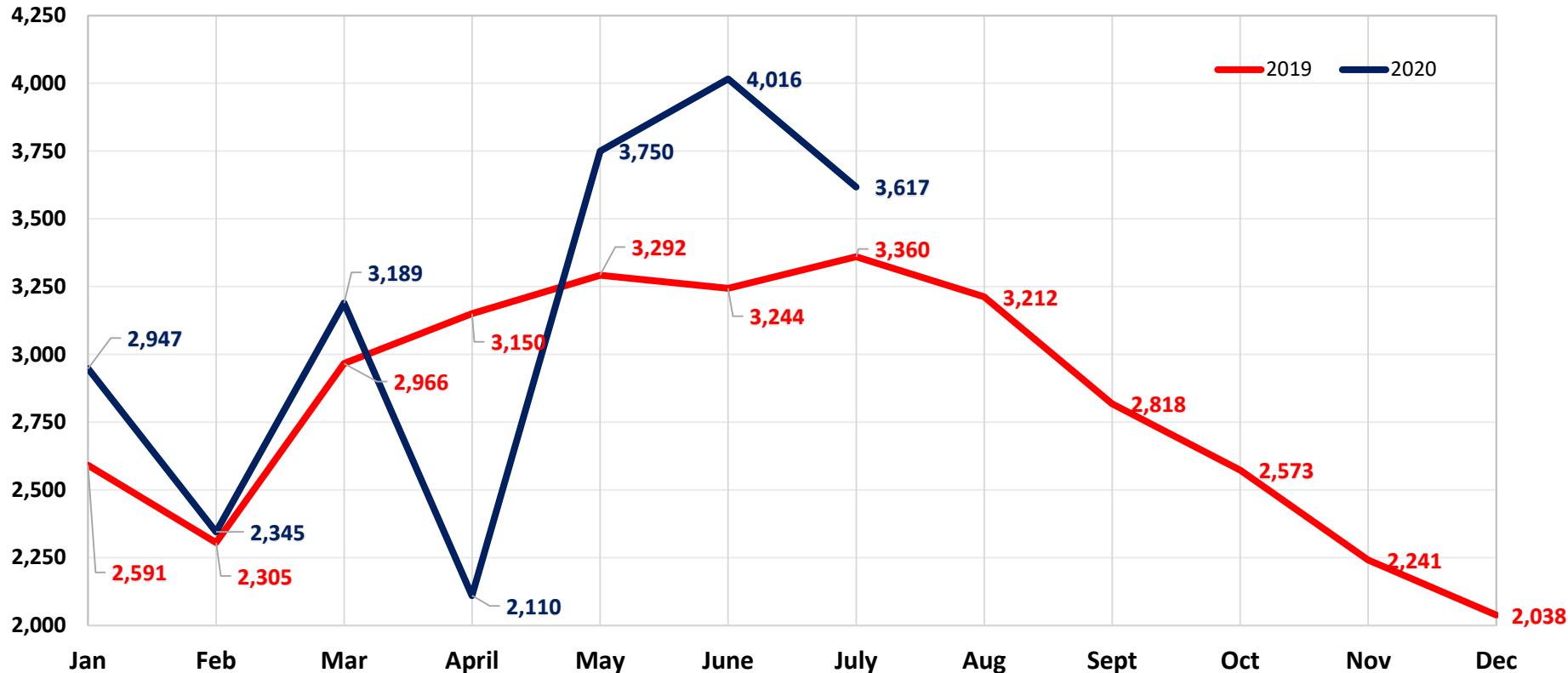
| | |
|--------------------------------|----------------------|
| Total Permits Issued: | 170,613 |
| Total Amount Collected: | \$ 25,555,542 |
| ■ Convenience Fees: | \$ 596,742 |
| ■ Total Permit Fees: | \$ 24,958,800 |
| – Pro Miles: | \$ 511,839 |
| – TxDOT: | \$ 21,214,980 |
| – HCRMA: | \$ 3,231,981 |

► **OVERWEIGHT REPORT FOR YEAR 2020**
PERIOD: JAN 1, 2020 – JULY 31, 2020

OW

| | |
|--------------------------------|---------------------|
| Total Permits Issued: | 21,974 |
| Total Amount Collected: | \$ 4,481,530 |
| ■ Convenience Fees: | \$ 86,730 |
| ■ Total Permit Fees: | \$ 4,394,800 |
| – Pro Miles: | \$ 65,922 |
| – TxDOT: | \$ 3,735,580 |
| – HCRMA: | \$ 593,298 |

Overweight/Oversized Permit Count 2019 - 2020 Monthly Comparison



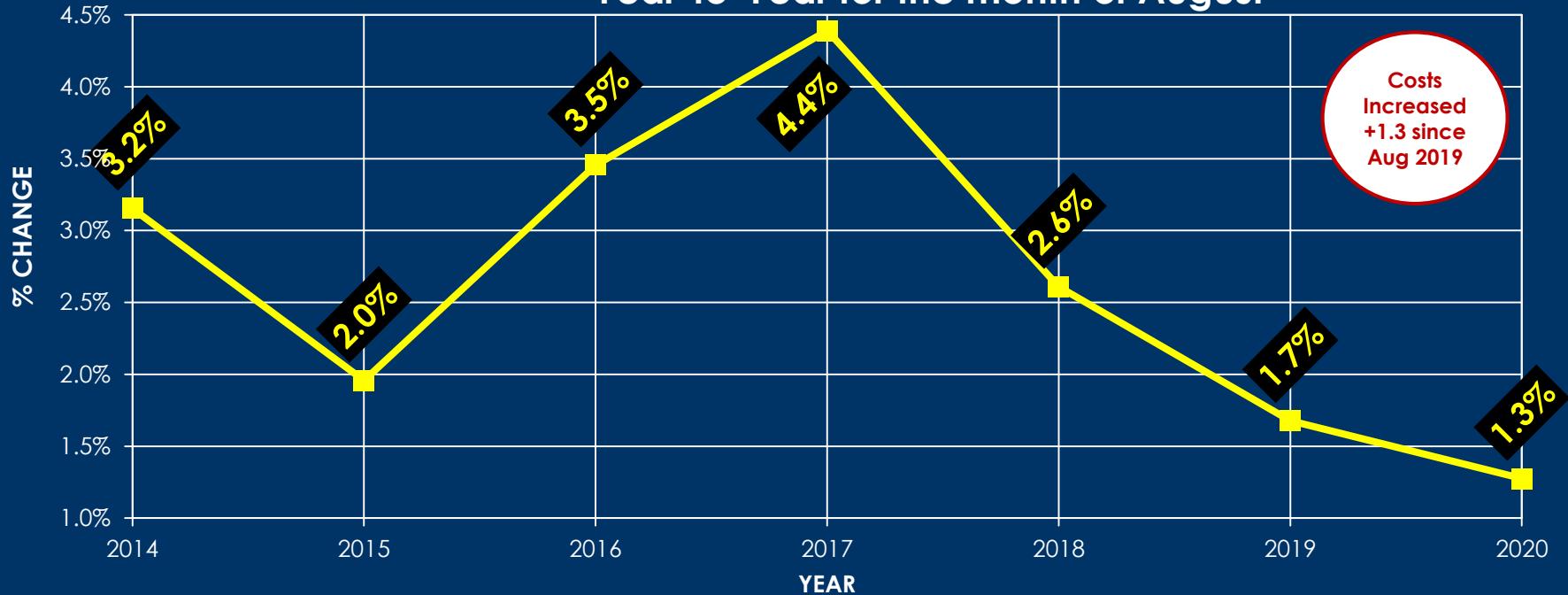
Notes:

1. Unprecedented stay at home orders in response to COVID-19 containment in April 2020 on both sides of the US/ Mexico Border attributed toward a 33% drop in overweight permit purchases within Hidalgo County – April 2019 (3,150 permits) vs. April 2020 (2,110 permits).
2. By the end of May 2020, the total permit count of 3,750 was a 14% increase compared to May 2019 permit count of 3,292 – showing a resurgence in the utilization of overweight permits to allow for greater efficiencies in the transport of perishable agricultural goods.

► CONSTR. ECONOMICS AUGUST 2020

CE

Construction Cost Index (CCI) Change (%) Year-to-Year for the month of August





20-CITY AVERAGE

| ITEM | UNIT | \$PRICE | %MONTH | %YEAR |
|------------------------------|------|---------|--------|-------|
| ASPHALT PAVING | | | | |
| PG 58 | TON | 391.80 | -1.3 | -7.7 |
| Cutback, MC800 | TON | 374.53 | +0.5 | -4.6 |
| Emulsion, RAPID SET | TON | 356.40 | 0.0 | -1.1 |
| Emulsion, SLOW SET | TON | 367.58 | +0.2 | -0.9 |
| PORTLAND CEMENT | | | | |
| Type one | TON | 148.52 | +0.1 | +6.1 |
| MASONRY CEMENT | | | | |
| 70-lb bag | TON | 10.76 | +0.5 | +1.7 |
| CRUSHED STONE | | | | |
| Base course | TON | 12.60 | +0.1 | +3.2 |
| Concrete course | TON | 11.78 | 0.0 | +8.6 |
| Asphalt course | TON | 13.77 | +0.1 | +2.0 |
| SAND | | | | |
| Concrete | TON | 10.45 | +0.2 | +12.6 |
| Masonry | TON | 12.43 | +0.2 | +3.3 |
| READY-MIX CONCRETE | | | | |
| 3,000 psi | CY | 121.63 | -0.1 | +2.3 |
| 4,000 psi | CY | 140.68 | +1.0 | +6.3 |
| 5,000 psi | CY | 193.29 | -1.5 | +4.7 |
| CONCRETE BLOCK | | | | |
| Normal weight: 8" x 8" x 16" | C | 147.03 | 0.0 | +0.4 |
| Lightweight: 8" x 8" x 16" | C | 171.87 | -0.1 | +1.0 |
| 12" x 8" x 16" | C | 182.79 | -0.1 | +0.3 |

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Item 1B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|----------|----------------|----------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | 1B |
| PLANNING COMMITTEE | ____ | DATE SUBMITTED | 08/19/20 |
| FINANCE COMMITTEE | ____ | MEETING DATE | 08/25/20 |
| TECHNICAL COMMITTEE | ____ | | |

1. Agenda Item: REPORT ON 365 TOLLWAY PROJECT FINANCING ACTIVITIES.
2. Nature of Request: (Brief Overview) Attachments: Yes No
Report on 365 Tollway Project Financing Activities – Richard Ramirez, Hilltop Securities.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No N/A
5. Staff Recommendation: Report only.
6. Program Manager's Recommendation: Approved Disapproved None
7. Planning Committee's Recommendation: Approved Disapproved None
8. Board Attorney's Recommendation: Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved None
10. Chief Financial Officer's Recommendation: Approved Disapproved None
11. Chief Development Engineer's Recommendation: Approved Disapproved None
12. Chief Construction Engineer's Recommendation: Approved Disapproved None
13. Executive Director's Recommendation: Approved Disapproved None

August 12, 2020

Hidalgo County Regional Mobility Authority
118 S. Cage Blvd, 4th Floor
Pharr, TX 78577
Attention: Mr. Pilar Rodriguez, Executive Director

Re: US\$9,905,000 Hidalgo County Regional Mobility Authority, Texas, Senior Lien Vehicle Registration Fee Revenue Bonds, Series 2020A, dated: September 01, 2020, due: December 01, 2030

Dear Ms. Rodriguez:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

ma

enclosures

cc: ***Mr. Richard Ramirez, Managing Director***
First Southwest Company

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

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August 12, 2020

Hidalgo County Regional Mobility Authority
118 S. Cage Blvd, 4th Floor
Pharr, TX 78577
Attention: Mr. Pilar Rodriguez, Executive Director

Re: *US\$58,160,000 Hidalgo County Regional Mobility Authority, Texas, Taxable Senior Lien Vehicle Registration Fee Revenue & Refunding Bonds, Series 2020B, dated: August 01, 2020, due: December 01, 2030*

Dear Ms. Rodriguez:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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Sincerely yours,

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ma
enclosures

cc: ***Mr. Richard Ramirez, Managing Director***
First Southwest Company

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RatingsDirect®

Summary:

Hidalgo County Regional Mobility Authority, Texas; Miscellaneous Tax

Primary Credit Analyst:

Kristin Button, Farmers Branch (1) 214-765-5862; kristin.button@spglobal.com

Secondary Contact:

Joshua Travis, Farmers Branch 972-367-3340; joshua.travis@spglobal.com

Table Of Contents

Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

Hidalgo County Regional Mobility Authority, Texas; Miscellaneous Tax

Credit Profile

US\$58.16 mil taxable senior lien vehicle registration fee rev & rfdg bnds ser 2020B dtd 08/01/2020 due 12/01/2030

| | | |
|-------------------------|------------|-----|
| <i>Long Term Rating</i> | AA-/Stable | New |
|-------------------------|------------|-----|

US\$9.905 mil senior lien vehicle registration fee rev bnds ser 2020A dtd 09/01/2020 due 12/01/2030

| | | |
|-------------------------|------------|-----|
| <i>Long Term Rating</i> | AA-/Stable | New |
|-------------------------|------------|-----|

Hidalgo Cnty Regl Mobility Auth sr lien vehicle registration fee

| | | |
|-------------------------|------------|----------|
| <i>Long Term Rating</i> | AA-/Stable | Affirmed |
|-------------------------|------------|----------|

Rating Action

S&P Global Ratings assigned its 'AA-' long-term rating to Hidalgo County Regional Mobility Authority, Texas' series 2020A senior-lien vehicle registration fee revenue bonds and series 2020B taxable senior-lien vehicle registration fee revenue and refunding bonds totaling approximately \$68 million. At the same time, S&P Global Ratings affirmed its 'AA-' long-term rating on the authority's parity debt outstanding based on the application of its "Priority-Lien Tax Revenue Debt" criteria, published Oct. 22, 2018. The outlook is stable.

Proceeds of a \$10 annual vehicle registration fee, which Hidalgo County and the Texas Department of Motor Vehicles impose and collect on the authority's behalf, secure the bonds. The \$10 fee is the maximum amount authorized by Chapter 502, of the Texas Transportation Code (as amended). Proceeds from the revenue bonds will fund infrastructure in preparation for a future toll road project and the refunding bonds will produce net present values savings on existing debt.

Credit overview

Pledged revenues are projected by steady collections, which is primarily due to an increase in the number of vehicles supported by population growth and the essential nature of the registration process required for vehicles. Revenues declined in April when the governor approved a 60-day deferment of registration fees but the revenues started to rebound in June and July when registrations picked up again. Although the revenue picture is stable for now, it is possible that a prolonged recovery could pressure revenues. In its recent article, S&P Global Economics said that while its base-case scenario called for gradual economic recovery through next year, the surge in COVID-19 and hospitalizations has raised concerns that a more likely scenario is that the pandemic-induced recession has not bottomed out (see "U.S. Economic Update: A Recovery At Risk As COVID-19 Surges," published July 22, 2020, on RatingsDirect). Our outlook is generally for two years, but we see significant downside risks due to the pandemic and U.S. recession over the next six-to-12 months.

Key credit considerations include:

- The local economy's strength and continued population growth, which drives annual increases in fee collections;
- The estimated fiscal 2019 collections that provide adequate-to- strong 1.61 coverage of maximum annual debt service (MADS);
- The additional bonds test (ABT) of 1.50x maximum annual debt service;
- Debt service reserve funded at the lesser of 1.25x average annual debt service, 1.00x MADS, or 10% of principal;
- Our view that nationwide vehicle registration fees have historically demonstrated low volatility, with no history of significant volatility at the local level; and
- The county's general creditworthiness supports and does not constrain the priority-lien rating.

Environmental, social, and governance factors

Our ratings incorporate our view regarding the health and safety risks posed by the COVID-19 pandemic. Hidalgo County's unemployment rate is high, reflected in a 17% rate for May 2020, which we view as elevated social risk compared to the sector standard. However, we also note that in other times of high unemployment, pledged revenues remained stable. We also view governance and environmental risks as in line with our view of the sector.

Stable Outlook

Downside scenario

If coverage and liquidity declines to levels that we no longer consider strong, we could lower the rating. A lower rating would also follow a multi-notch deterioration in the general obligation (GO) rating on the county.

Upside scenario

We could raise the rating if collections continue to grow, leading to material improvement in coverage, assuming no changes in other credit factors. However, an upgrade is limited to one notch, unless the GO rating on Hidalgo County improves.

Credit Opinion

Economic fundamentals: Strong

Hidalgo County, with an estimated population of 774,769, is located in the McAllen-Edinburg metropolitan statistical area. Similar to many Texas border municipalities, income levels are low, with per capita effective buying income at just 50% of the nation's average. The county encompasses McAllen, Pharr, Edinburg (the county seat), Mission, Weslaco, and Mercedes, with McAllen, Edinburg, and Mission being the largest municipalities and economic centers. The area economy is diversified by the tourist industry, agribusiness, and international trade with Mexico.

The county has five international ports of entry for commercial and pedestrian traffic, and international trade with Mexico is a main focus for the area's economy. Higher-education opportunities include the University of Texas-Rio Grande Valley (UTRGV), South Texas College, and Texas A&M. UTRGV's medical school welcomed its first class in 2016 and Texas A&M opened its McAllen campus in 2018. Officials see these developments as an important step in becoming an economy that is self-reliant from one that has historically relied on retail sales from tourists.

Coverage and liquidity: Adequate-to-Strong

Over the past 10 years, vehicle registrations have grown in line with the county's population and employment growth. Hidalgo County's population increased overall by about 15% and total vehicle registrations increased by an average annual rate of 3.5% from 2009-2019. Pledged revenues declined only once in this period. In fiscal 2017, collections decreased 2.0% and although the reason for the drop was not clear, officials believe recent changes in the state's registration process could have contributed to the decline. The 2019 collections of \$6.398 million provided 1.61x MADS coverage, which occurs in 2032 (\$3.99 million). For fiscal 2020, revenues are 1.5%, or \$57,820, behind collections in fiscal 2019. However, revenues continue to rise following the governor's allowance for a 60-day deferment of registration fees beginning in April. Given the minimal decline in pledged revenues so far in fiscal 2020, coverage would likely remain adequate-to-strong and consistent with the 'AA-' rating.

Bond covenants include an ABT of 1.50x MADS based on revenue performance in 12 of the most recent 15 months, and a reserve fund equal to the least of MADS, 1.25x average annual debt service, or 10% of par. The county has pledged not to lower or rescind the fee that generates pledged revenue during the life of the bonds.

The authority does not have plans to issue additional parity debt. Given revenue growth trends and no plans to bond down, we expect that coverage will remain stable.

Volatility: Low

We assess the volatility of revenue to determine the likelihood of the availability of revenue during different economic cycles. We have two levels of volatility assessment: macro and micro.

Our macro volatility assessment begins with an assessment of the historical volatility of the economic activity being taxed, and includes an analysis of societal, demographic, political, and other factors that could affect these activities. Based on the variance of national economic activity that we believe most closely represents the taxing base over multiple economic cycles, we use our macro volatility assessment to inform our opinion on expectations of volatility. On a macro level, we consider vehicle registration fees to have low historical volatility assessment, reflecting relative stability of the revenue throughout various economic cycles.

On a micro level, using the history of pledged revenue collections, we see no internal or external influences that we believe improve or worsen the macro assessment of volatility as low. With only one decline in collections since 2009, we expect that usage will remain relatively stable throughout economic cycles, especially given the county's participation in a large and growing MSA.

Obligor linkage: Close

We believe pledged revenue has exposure to Hidalgo County's operating risk based on how it is collected and distributed. The pledged vehicle registration fees are collected primarily by the county assessor-collector along with other state motor vehicle registration fees and remitted to the authority. Vehicle registration fees, for vehicles registered directly with the Texas Department of Motor Vehicles (TDMV), are collected by TDMV and remitted to the county for the benefit of the authority.

Given our view of the close linkage between the authority and the county, the rating on the authority's bonds is capped at a maximum of one notch above the GO rating on Hidalgo County. Therefore, a multi-notch upgrade is possible only

if an improvement in our assessment of the pledged revenue on a stand-alone basis is accompanied by an improvement in the GO rating on the county. On the other hand, we could lower the rating if there is a multi-notch downgrade on the county.

Rating linkage to Hidalgo County

We assess Hidalgo County's general operations, because we view overall creditworthiness as a key determinant of an obligor's ability to pay all of its obligations, including bonds secured by a special tax. A history of positive budgetary performance and favorable budget-to-actual variances has led to very strong flexibility and liquidity. The county's management maintains good financial policies and practices, including conservative revenue and expenditure assumptions, reporting monthly budget-to-actual performance, a formal debt-management policy that includes quantitative measurable benchmarks and ratios, a formal investment policy, and a formal reserve policy to maintain an unreserved fund balance of no less than 10% or greater than 15% of expenditures. Hidalgo County's weak economy, as measured by income and wealth levels, partially offsets the strength of the county's financial profile.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors

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Item 2A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|---------------|----------------|-----------------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | <u>2A</u> |
| PLANNING COMMITTEE | <u> </u> | DATE SUBMITTED | <u>08/06/20</u> |
| FINANCE COMMITTEE | <u> </u> | MEETING DATE | <u>08/25/20</u> |
| TECHNICAL COMMITTEE | <u> </u> | | |

1. Agenda Item: APPROVAL OF MINUTES FOR REGULAR MEETING HELD JULY 28, 2020.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and Approval of Minutes for the Hidalgo County Regional Mobility Authority Board of Directors Regular Meeting held July 28, 2020.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: Motion to approve the minutes for the Board of Director's Regular Meeting held July 28, 2020, as presented.
6. Planning Committee's Recommendation: Approved Disapproved X None
7. Finance Committee's Recommendation: Approved Disapproved X None
8. Board Attorney's Recommendation: X Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: Approved Disapproved X None
11. Chief Development Engineer's Recommendation: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

**STATE OF TEXAS
COUNTY OF HIDALGO
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

The Hidalgo County Regional Mobility Authority Board of Directors convened for a Workshop and Regular Meeting on **Tuesday, July 28, 2020**, at 5:30 pm by video/ teleconference, with the following participating:

| | |
|----------------|---|
| Board Members: | S. David Deanda, Jr., Chairman Forrest Runnels, Vice-Chairman Ricardo Perez, Secretary/Treasurer Alonzo Cantu, Director Paul S. Moxley Director Francisco "Frank" Pardo, Director Ezequiel Reyna, Jr., Director |
| Absent: | None |
| Staff: | Pilar Rodriguez, Executive Director Ramon Navarro, Chief Construction Engineer Eric Davila, Chief Development Engineer Celia Gaona, Chief Auditor/Compliance Officer Jose Castillo, Chief Financial Officer Sergio Mandujano, Construction Recordkeeper Specialist Maria Alaniz, Administrative Assistant III Ivonne Rodriguez, Administrative Assistant II Blakely Fernandez, Bracewell Law, Legal Counsel Richard Ramirez, Hilltop Securities, Financial Advisor |

PLEDGE OF ALLEGIANCE

Chairman Deanda led the Pledge of Allegiance.

INVOCATION

Ms. Gaona led the Invocation.

CALL TO ORDER OF A WORKSHOP

Chairman Deanda called the Workshop to order at 5:28 pm.

1. Hidalgo County Regional Mobility Authority Board of Directors Annual Ethics and Compliance Training.
Ms. Blakely Fernandez, Bracewell Law, presented the Annual Ethics and Compliance Training to the Hidalgo County Regional Mobility Authority Board of Directors and Staff.
2. Review of Quarterly Investment Report for Period Ending June 30, 2020 – HCRMA Staff.
Mr. Pilar Rodriguez, HCRMA, reviewed the Quarterly Investment Report for Period Ending June 30, 2020.

ADJOURNMENT OF WORKSHOP

CALL TO ORDER FOR REGULAR MEETING AND ESTABLISH A QUORUM

PUBLIC COMMENT

No Comments.

Chairman Deanda called the Regular Meeting to order at 5:49 pm.

1. REPORTS

- A. Report on Program Manager Activity for 365 Tollway Project and IBTC Environmental Clearance Document – Eric Davila, HCRMA.
Mr. Eric Davila reported on Program Manager Activity for 365 Tollway Project and IBTC Environmental Clearance Document. No action taken.
- B. Report on 365 Tollway Project Financing Activities – Richard Ramirez, Hilltop Securities.
Mr. Richard Ramirez, Hilltop Securities, reported on the 365 Tollway Project Financing Activities. No action taken.

2. CONSENT AGENDA.

Motion by Frank Pardo, with a second by Ezequiel Reyna, to approve the Consent Agenda. Motion carried unanimously.

- A. Approval of Minutes for the Regular Meeting held June 23, 2020 and Special Board Meeting held July 14, 2020.
Approved the Minutes for the Regular Meeting held June 23, 2020 and Special Board Meeting held July 14, 2020.
- B. Approval of Project & General Expense Report for the period from June 6, 2020 to July 6, 2020.
Approved the Project & General Expense Report for the period from June 6, 2020 to July 6, 2020.
- C. Approval of Financial Reports for June 2020.
Approved the Financial Reports for June 2020.
- D. Approval of Quarterly Investment Report for the Period Ending June 30, 2020.
Approved the Quarterly Investment Report for the Period Ending June 30, 2020.
- E. Resolution 2020 – 19 – Authorizing Ivonne Rodriguez, Administrative Assistant, as a signatory for a Hidalgo County Regional Mobility Authority credit card with PlainsCapital Bank and authorizing monthly credit limit of \$5,000.
Approved Resolution 2020-19 – Authorizing Ivonne Rodriguez, Administrative Assistant, as a signatory for a Hidalgo County Regional Mobility Authority credit card with PlainsCapital Bank and authorizing monthly credit limit of \$5,000.

3. REGULAR AGENDA

- A. None.

4. CHAIRMAN'S REPORT

- A. None.

5. TABLED ITEMS

Motion by Ezequiel Reyna, with a second by Frank Pardo, to remove Resolution 2020-12 from the table. Motion carried unanimously.

- A. Resolution 2020-12 – Approval of One Year Extension to the Professional Service Agreement with Hilltop Securities (First Southwest) to provide Financial Advisory Services to the Hidalgo County Regional Mobility Authority.

Motion by Alonzo Cantu, with a second by Frank Pardo, to approve a 6-Month Extension to the Professional Service Agreement with Hilltop Securities (First Southwest) to provide Financial Advisory Services to the Hidalgo County Regional Mobility Authority. Motion carried unanimously.

6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION OF REAL PROPERTY) AND SECTION 551.074 (PERSONNEL MATTERS)

The Board of Directors did not enter into Executive Session on any item(s).

- A. Consultation with Attorney on legal issues pertaining to the Texas Department of Transportation State Infrastructure Bank Loan for the 365 Tollway Project (Section 551.071 T.G.C.).

No action taken.

- B. Consultation with Attorney on legal issues pertaining to Professional Service Agreements for Engineering, Surveying and Environmental Services (Section 551.071 T.G.C.).

No action taken.

- C. Consultation with Attorney on legal issues pertaining to the acquisition of real property for various parcels for the 365 Tollway Project and International Bridge Trade Corridor Project (Sections 551.071 and 551.072 T.G.C.).

No action taken.

- D. Consultation with Attorney on legal issues pertaining to the acquisition, including the use of Eminent Domain, for property required to complete the project alignments of the 365 Tollway Project (Sections 551.071 and 551.072 T.G.C.).

No action taken.

- E. Consultation with Attorney on legal issues pertaining to the Environmental Clearance Document for the International Bridge Trade Corridor Project (Section 551.071 T.G.C.).

No action taken.

- F. Consultation with Attorney on legal issues pertaining to the issuance of one or more Series of Hidalgo County Regional Mobility Authority bonds and related agreements and provisions relating to the subject (Section 551.071 T.G.C.).

No action taken.

- G. Consultation with Attorney on personnel matters related to the COVID-19 pandemic (Section 551.074 T.G.C.).

No action taken.

H. Consultation with Attorney regarding the terms and conditions of the Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020 (Section 551.071 T.G.C.).

No action taken.

ADJOURNMENT

There being no other business to come before the Board of Directors, motion by Ezequiel Reyna, with a second by Forrest Runnels, to adjourn the meeting at 6:00 pm.

S. David Deanda, Jr, Chairman

Attest:

Ricardo Perez, Secretary/Treasurer

Item 2B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

**BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE**

X

**AGENDA ITEM
DATE SUBMITTED
MEETING DATE**

2B
08/17/20
08/25/20

1. Agenda Item: **APPROVAL OF PROJECT AND GENERAL EXPENSE REPORT FROM JULY 6, 2020 THROUGH AUGUST 7, 2020**
2. Nature of Request: (Brief Overview) Attachments: Yes No
Consideration and approval of project and general expense report for the period from July 6, 2020 through August 7, 2020.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No N/A Funding Source: VRF Bond

| | |
|--|----------------------|
| General Account | \$ 139,679.78 |
| Disbursement Account | \$ 83,118.42 |
| R.O.W Services | \$ 24,251.22 |
| Total Project Expenses for Reporting Period | \$ 247,049.42 |

Total Project Expenses for Reporting Period **\$ 247,049.42**

5. Staff Recommendation: **Motion to approve the project and general expense report for the July 6, 2020 to August 7, 2020 as presented.**

6. Planning Committee's Recommendation: Approved Disapproved **X**None

7. Finance Committee's Recommendation: Approved Disapproved **X**None

8. Board Attorney's Recommendation: Approved Disapproved **X**None

9. Chief Auditor's Recommendation: Approved Disapproved **X**None

10. Chief Financial Officer's Recommendation: **X**Approved Disapproved None

11. Chief Development Engineer's Recommendation: **X**Approved Disapproved None

12. Chief Construction Engineer's Recommendation: **X**Approved Disapproved None

13. Executive Director's Recommendation: **X**Approved Disapproved None



Memorandum

To: S. David Deanda Jr., Chairman
From: Pilar Rodriguez, PE, Executive Director
Date: August 17, 2020
Re: **Expense Report for the Period from July 6, 2020 to August 7, 2020**

Attached is the expense report for the period commencing on July 6, 2020 and ending on August 7, 2020.

Expenses for the General Account total \$139,679.78, the Disbursement Account total \$83,118.42, and ROW Services total \$24,251.22. The aggregate expense for the reporting period is \$247,049.42.

Based on review by this office, **approval of expenses for the reporting period is recommended in the aggregate amount of \$247,049.42.**

This leaves a fund balance (all funds) after expenses of \$2,445,901.25.

If you should have any questions or require additional information, please advise.



July 7 - Aug 7

August

| Plains Capital 41 | | Make Check Payable to | Date Work Performed | Amount |
|-----------------------|--|--|--------------------------|----------------------|
| Wages & Benefits | | City of Pharr | July 2020 \$ | 107,463.73 |
| | | Office Depot | August 2020 \$ | 99.11 |
| | | Office Depot | August 2020 \$ | 11.69 |
| | | A-Fast Delivery, LLC | July 2020 \$ | 132.75 |
| | | Copy Zone | July 2020 \$ | 512.76 |
| | | Pathfinder Public Affairs | July 2020 \$ | 10,000.00 |
| | | Bracewell, LLP | July 2020 \$ | 3,200.00 |
| Accounting Fees | | City of Pharr | July 2020 \$ | 205.00 |
| Rent | | City of Pharr | August 2020 \$ | 4,480.00 |
| | | City of Pharr | July 2020 \$ | 2,728.73 |
| | | City of Pharr | 8/1/2020-8/31/2020 \$ | 455.00 |
| | | Xerox-Dahill | 8/8/2020-09/07/2020 \$ | 683.21 |
| | | Xerox | 08/01/2020-08/31/2020 \$ | 194.05 |
| Professional Services | | Pena Designs | July 2020 \$ | 200.00 |
| | | Credit Card Services | 7/04/20-8/03/20 \$ | 1,051.97 |
| | | Credit Card Services | 7/04/20-8/03/20 \$ | 3,213.59 |
| | | Advance Publishing LLC | August 12, 2020 \$ | 204.75 |
| | | Felimon Gauna, Jr. | Thru 6/26/2020 \$ | 2,700.00 |
| | | The Sliding Door Co. | 8/18/2020 \$ | 1,626.44 |
| | | San Miguel Lawn Care Services | 8/9/2020 \$ | 465.00 |
| | | A Better Water Solution - Get Filtered | July 2020 \$ | 52.00 |
| | | | | \$ 139,679.78 |

Wilmington Trust 45/Capital Projects

| | | | |
|----------------------|---|-------------------|---------------------|
| Engineering Services | Bracewell, LLP | July 2020 \$ | 4,800.00 |
| | Bracewell, LLP | July 2020 \$ | 800.00 |
| | Blanton & Associates, Inc. | Thru 7/31/2020 \$ | 2,174.56 |
| | Blanton & Associates, Inc. | Thru 7/31/2020 \$ | 9,197.86 |
| | C&M Associates, Inc. | Thru 7/31/2020 \$ | 64,078.00 |
| | Top Cut Lawn Care, Inc. | 8/12/2020 \$ | 648.00 |
| | San Miguel Lawn Care Services | 8/5/2020 \$ | 795.00 |
| | San Miguel Lawn Care Services | 8/5/2020 \$ | 625.00 |
| | | | \$ 83,118.42 |
| R.O.W. Services | Requisitions | | |
| | Barron, Adler, Clough & Oddo, LLP | 8/31/2020 \$ | 22,772.27 |
| | Hidalgo County Water Improvement District 3 | Thru 2019 \$ | 478.95 |
| | | | \$ 23,251.22 |

SIB Construction Account 45

| | | | |
|------------|--------------------------|--------------|--------------------|
| Legal Fees | Escobedo & Cardenas, LLP | July 2020 \$ | 1,000.00 |
| | | | \$ 1,000.00 |

| | |
|-------------------------|-------------------|
| Sub Total - General \$ | 139,679.78 |
| Sub Total - Projects \$ | 83,118.42 |
| Sub Total - SIB Acq \$ | 1,000.00 |
| Sub Total - SIB R.O. \$ | 23,251.22 |
| Total \$ | 247,049.42 |

Approved: _____
S. David Deanda, Jr., Chairman

Recommend Approval: _____
Pilar Rodriguez, Executive Director

Approved: _____
Ricardo Perez, Secretary/Treasurer

Date: _____ **8/25/2020**

Item 2C

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

AGENDA ITEM
DATE SUBMITTED
MEETING DATE

2C
08/17/20
08/25/20

1. Agenda Item: **APPROVAL OF THE FINANCIAL REPORT FOR THE MONTHS OF JULY 2020.**
2. Nature of Request: (Brief Overview) Attachments: Yes No
Consideration and approval of financial report for the months of July 2020.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No N/A
Funding Source:
5. Staff Recommendation: **Motion to approve the Financial Report for the month of July 2020, as presented.**
6. Planning Committee's Recommendation: Approved Disapproved None
7. Finance Committee's Recommendation: Approved Disapproved None
8. Board Attorney's Recommendation: Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved None
10. Chief Financial Officer's Recommendation: Approved Disapproved None
11. Chief Development Engineer's Recommendation: Approved Disapproved None
12. Chief Construction Engineer's Recommendation: Approved Disapproved None
13. Executive Director's Recommendation: Approved Disapproved None

**HIDALGO CO. REGIONAL MOBILITY AUTHORITY
STATEMENT OF NET POSITION JULY 31, 2020**

| ASSETS | | |
|--|-----------------------------|--------------------------|
| CURRENT ASSETS | | |
| Cash | \$ | 168,181 |
| Investment-Cap. Projects nonrestricted | | 33,815 |
| Pool Investments | | 2,270,510 |
| Promiles-Prepaid/Escrow Overweight Permit Fees | | 55,190 |
| Accounts Receivable - VR Fees | | 529,170 |
| Prepaid expense | | 35,516 |
| | | <hr/> |
| Total Current Assets | | <hr/> <u>3,092,382</u> |
| RESTRICTED ASSETS | | |
| Investment-debt service | | 1,306,509 |
| Investment-debt service jr. lien | | <hr/> <u>5,529,447</u> |
| | | <hr/> |
| Total Restricted Assets | | <hr/> <u>6,835,956</u> |
| CAPITAL ASSETS | | |
| Land-enviornmental | | 441,105 |
| Leasehold improvements | | 237,660 |
| Office equipment/other | | 26,732 |
| Construction in progress | | 126,709,799 |
| Accumulated depreciation | | <hr/> (24,589) |
| | | <hr/> |
| Total Capital Assets | | <hr/> <u>127,390,707</u> |
| TOTAL ASSETS | | |
| | <hr/> <u>\$ 137,319,045</u> | |

LIABILITIES AND NET POSITION

| CURRENT LIABILITIES | | |
|---|-----------------------------|-------------------------|
| Accounts payable-City of Pharr | \$ | 110,205 |
| Unearned Revenue - Overweight Permit Escrow | | 55,190 |
| Current Portion of Bond Premium | | <hr/> 76,452 |
| | | <hr/> |
| Total Current Liabilities | | <hr/> <u>241,847</u> |
| RESTRICTED LIABILITIES | | |
| Current Portion of Long-Term Debt | | <hr/> <u>1,255,000</u> |
| | | <hr/> |
| Total Restricted Liabilities | | <hr/> <u>1,255,000</u> |
| LONG-TERM LIABILITIES | | |
| 2013 VRF Bonds Payable | | 53,485,000 |
| Jr. Lien Bonds | | 22,191,926 |
| Bond premium | | 1,758,386 |
| Other Payables | | <hr/> 5,377,193 |
| | | <hr/> |
| Total Long-Term Liabilities | | <hr/> <u>82,812,505</u> |
| | | <hr/> |
| Total Liabilities | | <hr/> <u>84,309,352</u> |
| NET POSITION | | |
| Investment in Capital Assets, Net of Related Debt | | 43,246,750 |
| Restricted for: | | |
| Debt Service | | 6,835,956 |
| Unrestricted | | <hr/> 2,926,987 |
| | | <hr/> |
| Total Net Position | | <hr/> <u>53,009,693</u> |
| TOTAL LIABILITIES AND NET POSITION | | |
| | <hr/> <u>\$ 137,319,045</u> | |



Pharr, TX

Balance Sheet
Account Summary
As Of 07/31/2020

| Account | Name | Balance |
|---------------------------------|---|------------------------------|
| Fund: 41 - HCRMA-GENERAL | | |
| Assets | | |
| <u>41-1-1100-000</u> | GENERAL OPERATING | 168,181.35 |
| <u>41-1-1102-000</u> | POOL INVESTMENTS | 2,270,510.58 |
| <u>41-1-1113-000</u> | ACCOUNTS RECEIVABLES-VR FEES | 529,170.00 |
| <u>41-1-1113-100</u> | PROMILES-PREPAID/ESCROW OVERWE | 55,190.00 |
| <u>41-1-1117-000</u> | LEASEHOLD IMPROVEMENTS | 237,659.63 |
| <u>41-1-1118-000</u> | CONSTRUCTION IN PROGRESS | 126,709,798.57 |
| <u>41-1-1119-001</u> | LAND-ENVIRONMENTAL | 441,105.00 |
| <u>41-1-1121-000</u> | FURNITURE & FIXTURES | 18,125.00 |
| <u>41-1-1122-000</u> | COMPUTER EQUIP/SOFTWARE | 8,606.51 |
| <u>41-1-1123-000</u> | ACCUMULATED DEPRECIATION | -24,588.79 |
| <u>41-1-1601-000</u> | PREPAID EXPENSE | 35,516.44 |
| | Total Assets: | <u>130,449,274.29</u> |
| Liability | | |
| <u>41-2-1212-001</u> | A/P CITY OF PHARR | 110,205.42 |
| <u>41-2-1212-009</u> | OTHER PAYABLES | 5,377,193.33 |
| <u>41-2-1213-009</u> | CURRENT-UNAMORTIZED PREMIUM | 76,451.51 |
| <u>41-2-1213-100</u> | UNEARNED REV.-OVERWEIGHT | 55,190.00 |
| <u>41-2-1214-001</u> | BONDS PAYABLE-CURRENT | 1,255,000.00 |
| <u>41-2-1214-002</u> | BONDS PAYABLE-LONG TERM PORTIO | 53,485,000.00 |
| <u>41-2-1214-003</u> | UNAMORTIZED PREMIUM ON BOND | 1,758,385.67 |
| <u>41-2-1214-010</u> | LONG TERM BONDS- JR LIEN | 22,191,926.44 |
| | Total Liability: | <u>84,309,352.37</u> |
| Equity | | |
| <u>41-3-3400-000</u> | FUND BALANCE | 46,308,843.03 |
| | Total Beginning Equity: | <u>46,308,843.03</u> |
| Total Revenue | | 4,437,130.64 |
| Total Expense | | 4,606,051.75 |
| Revenues Over/Under Expenses | | <u>-168,921.11</u> |
| | Total Equity and Current Surplus (Deficit): | <u>46,139,921.92</u> |
| | Total Liabilities, Equity and Current Surplus (Deficit): | <u>130,449,274.29</u> |



Pharr, TX

Budget Report

Account Summary

For Fiscal: 2020 Period Ending: 07/31/2020

| Fund: 41 - HCRMA-GENERAL | | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|---|----------------|-----------------------|----------------------|-------------------|---------------------|----------------------------------|----------------|
| Revenue | | | | | | | |
| <u>41-4-1504-000</u> VEHICLE REGISTRATION FEES | | 6,900,000.00 | 6,900,000.00 | 529,170.00 | 3,849,320.00 | -3,050,680.00 | 55.79 % |
| <u>41-4-1504-001</u> VFR DIVIDENDS/INTEREST | | 1,000,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 % |
| <u>41-4-1505-005</u> PROMILES-OW/OS PERMIT FEES | | 40,000.00 | 1,000,000.00 | 112,185.00 | 576,747.00 | -423,253.00 | 57.67 % |
| <u>41-4-1506-000</u> INTEREST REVENUE | | 0.00 | 40,000.00 | 756.97 | 11,063.64 | -28,936.36 | 27.66 % |
| | Revenue Total: | 7,940,000.00 | 7,940,000.00 | 642,111.97 | 4,437,130.64 | -3,502,869.36 | 55.88 % |
| Expense | | | | | | | |
| <u>41-52900-1100-000</u> SALARIES | | 593,000.00 | 593,000.00 | 52,507.74 | 274,336.15 | 318,663.85 | 46.26 % |
| <u>41-52900-1104-000</u> OVERTIME | | 500.00 | 500.00 | 0.00 | 33.35 | 466.65 | 6.67 % |
| <u>41-52900-1105-000</u> FICA | | 51,500.00 | 51,500.00 | 2,535.46 | 18,927.28 | 32,572.72 | 36.75 % |
| <u>41-52900-1106-000</u> HEALTH INSURANCE | | 29,300.00 | 29,300.00 | 1,277.39 | 14,022.25 | 15,277.75 | 47.86 % |
| <u>41-52900-1115-000</u> EMPLOYEES RETIREMENT | | 53,900.00 | 53,900.00 | 3,938.61 | 20,613.86 | 33,286.14 | 38.24 % |
| <u>41-52900-1116-000</u> PHONE ALLOWANCE | | 7,500.00 | 7,500.00 | 450.00 | 2,307.70 | 5,192.30 | 30.77 % |
| <u>41-52900-1117-000</u> CAR ALLOWANCE | | 30,000.00 | 30,000.00 | 1,800.00 | 9,046.16 | 20,953.84 | 30.15 % |
| <u>41-52900-1122-000</u> EAP- ASSISTANCE PROGRAM | | 0.00 | 0.00 | 5.36 | 36.18 | -36.18 | 0.00 % |
| <u>41-52900-1178-000</u> ADMIN FEE | | 11,700.00 | 11,700.00 | 1,125.00 | 5,775.00 | 5,925.00 | 49.36 % |
| <u>41-52900-1179-000</u> CONTINGENCY | | 42,000.00 | 42,000.00 | 0.00 | 0.00 | 42,000.00 | 0.00 % |
| <u>41-52900-1200-000</u> OFFICE SUPPLIES | | 15,000.00 | 15,000.00 | 482.24 | 5,120.12 | 9,879.88 | 34.13 % |
| <u>41-52900-1603-000</u> BUILDING REMODEL | | 30,000.00 | 30,000.00 | 1,909.72 | 24,985.51 | 5,014.49 | 83.29 % |
| <u>41-52900-1604-000</u> MAINTENANCE & REPAIR | | 5,000.00 | 5,000.00 | 279.95 | 598.69 | 4,401.31 | 11.97 % |
| <u>41-52900-1605-000</u> JANITORIAL | | 500.00 | 500.00 | 0.00 | 838.97 | -338.97 | 167.79 % |
| <u>41-52900-1606-000</u> UTILITIES | | 2,700.00 | 2,700.00 | 243.84 | 1,457.68 | 1,242.32 | 53.99 % |
| <u>41-52900-1607-000</u> CONTRACTUAL ADM/IT SERVICES | | 8,500.00 | 8,500.00 | 470.77 | 4,000.77 | 4,499.23 | 47.07 % |
| <u>41-52900-1610-000</u> DUES & SUBSCRIPTIONS | | 20,000.00 | 20,000.00 | 236.00 | 11,306.00 | 8,694.00 | 56.53 % |
| <u>41-52900-1610-001</u> SUBSCRIPTIONS-SOFTWARE | | 3,500.00 | 3,500.00 | 542.97 | 622.96 | 2,877.04 | 17.80 % |
| <u>41-52900-1611-000</u> POSTAGE/FEDEX/COURTIER | | 2,500.00 | 2,500.00 | 381.00 | 1,290.25 | 1,209.75 | 51.61 % |
| <u>41-52900-1620-000</u> GENERAL LIABILITY | | 5,000.00 | 5,000.00 | 0.00 | 2,902.00 | 2,098.00 | 58.04 % |
| <u>41-52900-1621-000</u> INSURANCE-E&O | | 1,500.00 | 1,500.00 | 0.00 | 1,404.00 | 96.00 | 93.60 % |
| <u>41-52900-1622-000</u> INSURANCE-SURETY | | 800.00 | 800.00 | 0.00 | 0.00 | 800.00 | 0.00 % |
| <u>41-52900-1623-000</u> INSURANCE-LETTER OF CREDIT | | 550.00 | 550.00 | 0.00 | 0.00 | 550.00 | 0.00 % |
| <u>41-52900-1623-001</u> INSURANCE-OTHER | | 4,500.00 | 4,500.00 | 0.00 | 5,079.05 | -579.05 | 112.87 % |
| <u>41-52900-1630-000</u> BUSINESS MEALS | | 1,000.00 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 % |
| <u>41-52900-1640-000</u> ADVERTISING | | 4,000.00 | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 % |
| <u>41-52900-1650-000</u> TRAINING | | 8,000.00 | 8,000.00 | 0.00 | 4,438.00 | 3,562.00 | 55.48 % |
| <u>41-52900-1660-000</u> TRAVEL | | 10,000.00 | 10,000.00 | 0.00 | 4,445.90 | 5,554.10 | 44.46 % |
| <u>41-52900-1662-000</u> PRINTING & PUBLICATIONS | | 10,000.00 | 10,000.00 | 487.74 | 3,553.48 | 6,446.52 | 35.53 % |
| <u>41-52900-1703-000</u> BANK SERVICE CHARGES | | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 % |
| <u>41-52900-1705-000</u> ACCOUNTING FEES | | 30,000.00 | 30,000.00 | 205.00 | 27,980.00 | 2,020.00 | 93.27 % |
| <u>41-52900-1710-000</u> LEGAL FEES | | 50,000.00 | 50,000.00 | 0.00 | 6,454.50 | 43,545.50 | 12.91 % |
| <u>41-52900-1710-001</u> LEGAL FEES-GOV.AFFAIRS | | 120,000.00 | 120,000.00 | 11,360.00 | 61,360.00 | 58,640.00 | 51.13 % |
| <u>41-52900-1712-000</u> FINANCIAL CONSULTING FEES | | 2,000.00 | 2,000.00 | 0.00 | 1,270.00 | 730.00 | 63.50 % |
| <u>41-52900-1712-001</u> INSURANCE CONSULTANT | | 7,000.00 | 7,000.00 | 0.00 | 0.00 | 7,000.00 | 0.00 % |
| <u>41-52900-1715-000</u> RENT-OFFICE | | 54,000.00 | 54,000.00 | 4,480.00 | 31,360.00 | 22,640.00 | 58.07 % |
| <u>41-52900-1715-001</u> RENT-OFFICE EQUIPMENT | | 8,500.00 | 8,500.00 | 683.21 | 4,782.47 | 3,717.53 | 56.26 % |
| <u>41-52900-1715-002</u> RENT-OTHER | | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 % |
| <u>41-52900-1716-000</u> CONTRACTUAL WEBSITE SERVICES | | 3,600.00 | 3,600.00 | 200.00 | 1,200.00 | 2,400.00 | 33.33 % |
| <u>41-52900-1731-000</u> MISCELLANEOUS | | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 % |
| <u>41-52900-1732-000</u> PENALTIES & INTEREST | | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 % |
| <u>41-52900-1850-000</u> CAPITAL OUTLAY | | 7,500.00 | 7,500.00 | 0.00 | 0.00 | 7,500.00 | 0.00 % |
| <u>41-52900-1899-000</u> NON-CAPITAL | | 15,000.00 | 15,000.00 | 617.41 | 1,429.60 | 13,570.40 | 9.53 % |
| <u>41-52900-1999-003</u> TRANSFER OUT TO DEBT | | 3,975,312.00 | 3,975,312.00 | 331,109.38 | 2,319,765.66 | 1,655,546.34 | 58.35 % |

| | | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance (Favorable (Unfavorable) | Percent Used |
|---|------------------------------|--------------------------|-------------------------|--------------------|--------------------|---|-----------------|
| 41-52900-1999-005 | TRANS OUT DEB-JR LIEN | 1,104,081.00 | 1,104,081.00 | 0.00 | 1,104,081.00 | 0.00 | 100.00 % |
| 41-52900-1999-009 | TRANSFER OUT-CAPITAL PROJ | 850,000.00 | 850,000.00 | 0.00 | 339,000.00 | 511,000.00 | 39.88 % |
| 41-53000-1100-000 | SALARIES | 490,000.00 | 490,000.00 | 20,831.19 | 110,832.70 | 379,167.30 | 22.62 % |
| 41-53000-1104-000 | OVERTIME | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 % |
| 41-53000-1105-000 | FICA | 43,600.00 | 43,600.00 | 1,611.98 | 8,466.23 | 35,133.77 | 19.42 % |
| 41-53000-1106-000 | HEALTH INSURANCE | 24,900.00 | 24,900.00 | 871.48 | 10,676.96 | 14,223.04 | 42.88 % |
| 41-53000-1115-000 | EMPLOYEES RETIREMENT | 45,700.00 | 45,700.00 | 1,755.11 | 9,339.26 | 36,360.74 | 20.44 % |
| 41-53000-1116-000 | PHONE ALLOWANCE | 9,600.00 | 9,600.00 | 276.90 | 1,476.80 | 8,123.20 | 15.38 % |
| 41-53000-1117-000 | CAR ALLOWANCE | 43,200.00 | 43,200.00 | 830.76 | 4,430.72 | 38,769.28 | 10.26 % |
| 41-53000-1122-000 | EAP- ASSISTANCE PROGRAM | 0.00 | 0.00 | 2.68 | 18.76 | -18.76 | 0.00 % |
| 41-53000-1178-000 | ADMN FEE | 15,600.00 | 15,600.00 | 450.00 | 2,400.00 | 13,200.00 | 15.38 % |
| 41-53000-1179-000 | CONTINGENCY | 27,200.00 | 27,200.00 | 0.00 | 0.00 | 27,200.00 | 0.00 % |
| 41-53000-1200-000 | OFFICE SUPPLIES | 1,500.00 | 1,500.00 | 96.96 | 286.79 | 1,213.21 | 19.12 % |
| 41-53000-1201-000 | SMALL TOOLS | 10,000.00 | 10,000.00 | 0.00 | 0.00 | 10,000.00 | 0.00 % |
| 41-53000-1608-000 | UNIFORMS | 6,000.00 | 6,000.00 | 0.00 | 0.00 | 6,000.00 | 0.00 % |
| 41-53000-1610-000 | DUES & SUBSCRIPTIONS | 2,000.00 | 2,000.00 | 0.00 | 744.23 | 1,255.77 | 37.21 % |
| 41-53000-1610-001 | SUBSCRIPTIONS - SOFTWARE | 7,000.00 | 7,000.00 | 390.00 | 4,390.00 | 2,610.00 | 62.71 % |
| 41-53000-1640-000 | ADVERTISING | 2,500.00 | 2,500.00 | 0.00 | 0.00 | 2,500.00 | 0.00 % |
| 41-53000-1650-000 | TRAINING | 5,000.00 | 5,000.00 | 0.00 | 375.00 | 4,625.00 | 7.50 % |
| 41-53000-1660-000 | TRAVEL | 8,000.00 | 8,000.00 | 0.00 | 610.06 | 7,389.94 | 7.63 % |
| 41-53000-1715-001 | RENTAL - OFFICE EQUIPMENT | 2,400.00 | 2,400.00 | 194.05 | 1,358.35 | 1,041.65 | 56.60 % |
| 41-53000-1715-002 | RENT-OTHER | 750.00 | 750.00 | 0.00 | 0.00 | 750.00 | 0.00 % |
| 41-53000-1850-000 | CAPITAL OUTLAY | 54,000.00 | 54,000.00 | 0.00 | 0.00 | 54,000.00 | 0.00 % |
| 41-53000-1899-000 | NON-CAPITALIZED | 22,000.00 | 22,000.00 | 3,576.10 | 3,576.10 | 18,423.90 | 16.26 % |
| 41-54000-1100-000 | SALARIES | 350,000.00 | 350,000.00 | 15,573.57 | 82,797.00 | 267,203.00 | 23.66 % |
| 41-54000-1104-000 | OVERTIME | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 % |
| 41-54000-1105-000 | FICA | 29,600.00 | 29,600.00 | 1,227.60 | 6,463.96 | 23,136.04 | 21.84 % |
| 41-54000-1106-000 | HEALTH INSURANCE | 16,800.00 | 16,800.00 | 602.66 | 7,800.58 | 8,999.42 | 46.43 % |
| 41-54000-1115-000 | EMPLOYEES RETIREMENT | 31,000.00 | 31,000.00 | 1,323.42 | 7,037.28 | 23,962.72 | 22.70 % |
| 41-54000-1116-000 | PHONE ALLOWANCE | 3,600.00 | 3,600.00 | 138.45 | 738.40 | 2,861.60 | 20.51 % |
| 41-54000-1117-000 | CAR ALLOWANCE | 14,400.00 | 14,400.00 | 830.76 | 4,430.72 | 9,969.28 | 30.77 % |
| 41-54000-1122-000 | EAP- ASSISTANCE PROGRAM | 0.00 | 0.00 | 1.34 | 9.38 | -9.38 | 0.00 % |
| 41-54000-1178-000 | ADMN FEE | 5,850.00 | 5,850.00 | 225.00 | 1,200.00 | 4,650.00 | 20.51 % |
| 41-54000-1179-000 | CONTINGENCY | 18,400.00 | 18,400.00 | 0.00 | 0.00 | 18,400.00 | 0.00 % |
| 41-54000-1200-000 | OFFICE SUPPLIES | 1,000.00 | 1,000.00 | 59.99 | 59.99 | 940.01 | 6.00 % |
| 41-54000-1610-000 | DUES & SUBSCRIPTIONS | 2,500.00 | 2,500.00 | 590.00 | 846.17 | 1,653.83 | 33.85 % |
| 41-54000-1610-001 | SUBSCRIPTIONS-SOFTWARE | 71,350.00 | 71,350.00 | 5,108.74 | 11,120.80 | 60,229.20 | 15.59 % |
| 41-54000-1650-000 | TRAINING | 3,000.00 | 3,000.00 | 0.00 | 0.00 | 3,000.00 | 0.00 % |
| 41-54000-1660-000 | TRAVEL | 5,000.00 | 5,000.00 | 0.00 | 951.75 | 4,048.25 | 19.04 % |
| 41-54000-1850-000 | CAPITAL OUTLAY | 25,000.00 | 25,000.00 | 0.00 | 0.00 | 25,000.00 | 0.00 % |
| 41-54000-1899-000 | NON-CAPITALIZED | 16,100.00 | 16,100.00 | 6,456.00 | 6,456.00 | 9,644.00 | 40.10 % |
| 41-58000-1604-001 | MAINTENANCE AND REPAIR -BSIF | 6,000.00 | 6,000.00 | 0.00 | 930.00 | 5,070.00 | 15.50 % |
| 41-58000-1606-002 | UTILITIES - BSIF | 1,200.00 | 1,200.00 | 64.41 | 403.22 | 796.78 | 33.60 % |
| Expense Total: | | 8,603,393.00 | 8,603,393.00 | 480,417.94 | 4,606,051.75 | 3,997,341.25 | 53.54 % |
| Fund: 41 - HCRMA-GENERAL Surplus (Deficit): | | -663,393.00 | -663,393.00 | 161,694.03 | -168,921.11 | 494,471.89 | 25.46 % |
| Report Surplus (Deficit): | | -663,393.00 | -663,393.00 | 161,694.03 | -168,921.11 | 494,471.89 | 25.46 % |



Pharr, TX

Bank Statement Register

GENERAL OPERATING

Period 7/1/2020 - 7/31/2020

Bank Statement

| | |
|-------------------|------------|
| Beginning Balance | 179,195.91 |
| Plus Debits | 411,045.62 |
| Less Credits | 401,590.41 |
| Adjustments | 0.00 |
| Ending Balance | 188,651.12 |

General Ledger

| | |
|--------------------------|------------|
| Account Balance | 168,181.35 |
| Less Outstanding Debits | 0.00 |
| Plus Outstanding Credits | 20,469.77 |
| Adjustments | 0.00 |
| Adjusted Account Balance | 188,651.12 |

08/11/2020

| | |
|---------------------------|------------|
| Statement Ending Balance | 188,651.12 |
| Bank Difference | 0.00 |
| General Ledger Difference | 0.00 |

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1100-000

GENERAL OPERATING

Cleared Deposits

| Item Date | Reference | Item Type | Description | Amount |
|----------------------------|-----------------------|-----------|-------------------|------------|
| 07/31/2020 | <u>DEPOSIT 073120</u> | Deposit | FUND 41- PROMILES | 18,738.00 |
| 07/31/2020 | <u>DEPOSIT 073120</u> | Deposit | FUND 41- PROMILES | 22,896.00 |
| 07/31/2020 | <u>DEPOSIT 073120</u> | Deposit | FUND 41- PROMILES | 23,004.00 |
| 07/31/2020 | <u>DEPOSIT 073120</u> | Deposit | FUND 41- PROMILES | 22,410.00 |
| 07/31/2020 | <u>DEPOSIT 073120</u> | Deposit | FUND 41- PROMILES | 25,137.00 |
| Total Cleared Deposits (5) | | | | 112,185.00 |

Cleared Checks

| Item Date | Reference | Item Type | Description | Amount |
|--------------------------|-------------|-----------|--------------------------|-----------|
| 05/28/2020 | <u>2415</u> | Check | DAHILL | -683.21 |
| 05/29/2020 | <u>2421</u> | Check | THE SLIDING DOOR COMPANY | -4,750.00 |
| 06/25/2020 | <u>2424</u> | Check | A BETTER WATER SOLUTION | -52.00 |
| 06/25/2020 | <u>2425</u> | Check | A FAST DELIVERY | -117.00 |
| 06/25/2020 | <u>2426</u> | Check | COPYZONE | -398.72 |
| 06/25/2020 | <u>2429</u> | Check | OFFICE DEPOT | -1,034.24 |
| 06/25/2020 | <u>2430</u> | Check | XEROX CORPORATION | -194.05 |
| Total Cleared Checks (7) | | | | -7,229.22 |

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|------------|-----------------------|------------|----------------------------|-------------|
| 07/15/2020 | <u>BNK DFT 071520</u> | Bank Draft | FUND 41- TO REC WIRE TXFRS | -300,000.00 |
| 07/31/2020 | <u>DFT0001603</u> | Bank Draft | CITY OF PHARR | -71,781.43 |

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|------------|--------------------|---------------|-------------------------------------|------------|
| 07/31/2020 | <u>DFT0001604</u> | Bank Draft | PATHFINDER PUBLIC AFFAIRS | -10,000.00 |
| 07/31/2020 | <u>DFT0001605</u> | Bank Draft | BRACEWELL LLP ATTORNEYS AT LAW | -1,360.00 |
| 07/31/2020 | <u>DFT0001606</u> | Bank Draft | CITY OF PHARR | -205.00 |
| 07/31/2020 | <u>DFT0001607</u> | Bank Draft | CITY OF PHARR | -4,480.00 |
| 07/31/2020 | <u>DFT0001608</u> | Bank Draft | CITY OF PHARR | -2,306.99 |
| 07/31/2020 | <u>DFT0001609</u> | Bank Draft | CITY OF PHARR | -470.77 |
| 07/31/2020 | <u>DFT0001610</u> | Bank Draft | PENA DESIGNS | -200.00 |
| 07/31/2020 | <u>DFT0001611</u> | Bank Draft | PLAINS CAPITAL-CREDIT CARD SERVICES | -3,557.00 |
| 07/31/2020 | <u>MISC 073120</u> | Miscellaneous | FUND 41- WILMINGTON TRUST | 298,860.62 |
| | | | Total Cleared Other (11) | -95,500.57 |

Outstanding Checks

| Item Date | Reference | Item Type | Description | Amount |
|------------|-------------|-----------|-------------------------------|------------|
| 07/31/2020 | <u>2431</u> | Check | A BETTER WATER SOLUTION | -52.00 |
| 07/31/2020 | <u>2432</u> | Check | A FAST DELIVERY | -298.20 |
| 07/31/2020 | <u>2433</u> | Check | CARSON MAP COMPANY, INC. | -590.00 |
| 07/31/2020 | <u>2434</u> | Check | COPYZONE | -487.74 |
| 07/31/2020 | <u>2435</u> | Check | DAHILL | -683.21 |
| 07/31/2020 | <u>2436</u> | Check | LIFTOFF, LLC | -7,236.00 |
| 07/31/2020 | <u>2437</u> | Check | OFFICE DEPOT | -389.88 |
| 07/31/2020 | <u>2438</u> | Check | SHI GOVERNMENT SOLUTIONS | -2,763.73 |
| 07/31/2020 | <u>2439</u> | Check | SOUTHERN COMPUTER WAREHOUSE | -6,148.52 |
| 07/31/2020 | <u>2440</u> | Check | THE SLIDING DOOR COMPANY | -1,626.44 |
| 07/31/2020 | <u>2441</u> | Check | XEROX CORPORATION | -194.05 |
| | | | Total Outstanding Checks (11) | -20,469.77 |



Pharr, TX

Bank Statement Register

POOL INVESTMENTS

Period 7/1/2020 - 7/31/2020

Bank Statement

| Beginning Balance | 1,969,753.61 |
|-------------------|--------------|
| Plus Debits | 300,756.97 |
| Less Credits | 0.00 |
| Adjustments | 0.00 |
| Ending Balance | 2,270,510.58 |

General Ledger

| | |
|--------------------------|--------------|
| Account Balance | 2,270,510.58 |
| Less Outstanding Debits | 0.00 |
| Plus Outstanding Credits | 0.00 |
| Adjustments | 0.00 |
| Adjusted Account Balance | 2,270,510.58 |

| | |
|---------------------------|--------------|
| Statement Ending Balance | 2,270,510.58 |
| Bank Difference | 0.00 |
| General Ledger Difference | 0.00 |

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1102-000 POOL INVESTMENTS

Cleared Deposits

| Item Date | Reference | Item Type | Description | Amount |
|----------------------------|-----------------------|-----------|----------------------------|------------|
| 07/15/2020 | <u>DEPOSIT 071520</u> | Deposit | FUND 41- TO REC WIRE TXFRS | 300,000.00 |
| Total Cleared Deposits (1) | | | | 300,000.00 |

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|-------------------------|-------------------|-----------|----------------|--------|
| 07/31/2020 | <u>INT 073120</u> | Interest | FUND 41- LOGIC | 756.97 |
| Total Cleared Other (1) | | | | 756.97 |



Pharr, TX

Balance Sheet
Account Summary
As Of 07/31/2020

| Account | Name | Balance |
|--------------------------------------|---|---------------------|
| Fund: 42 - HCRMA-DEBT SERVICE | | |
| Assets | | |
| 42-1-4105-000 | WILMINGTON-DEBT SERVICE | 1,306,509.43 |
| 42-1-4105-001 | DEBT SVC - JR LIEN | 5,529,446.96 |
| | Total Assets: | 6,835,956.39 |
| Liability | | |
| | Total Liability: | 0.00 |
| Equity | | |
| 42-3-4400-000 | FUND BALANCE | 4,508,767.72 |
| | Total Beginning Equity: | 4,508,767.72 |
| Total Revenue | | 3,461,818.88 |
| Total Expense | | 1,134,630.21 |
| Revenues Over/Under Expenses | | 2,327,188.67 |
| | Total Equity and Current Surplus (Deficit): | 6,835,956.39 |
| | Total Liabilities, Equity and Current Surplus (Deficit): | 6,835,956.39 |



Pharr, TX

Budget Report
Account Summary
For Fiscal: 2020 Period Ending: 07/31/2020

| | | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|---|------------------------------|--------------------------|-------------------------|--------------------|--------------------|--|-----------------|
| Fund: 42 - HCRMA-DEBT SERVICE | | | | | | | |
| Revenue | | | | | | | |
| 42-4-1506-000 | INTEREST INCOME | 0.00 | 0.00 | 7.38 | 2,567.36 | 2,567.36 | 0.00 % |
| 42-4-1506-001 | INTEREST INCOME-JR LIEN | 0.00 | 0.00 | 1,973.05 | 35,404.86 | 35,404.86 | 0.00 % |
| 42-4-1999-000 | TRANSFERS IN-FROM GENERAL FU | 0.00 | 0.00 | 331,109.38 | 3,423,846.66 | 3,423,846.66 | 0.00 % |
| | Revenue Total: | 0.00 | 0.00 | 333,089.81 | 3,461,818.88 | 3,461,818.88 | 0.00 % |
| Expense | | | | | | | |
| 42-52900-4703-001 | INTEREST EXPENSE-VRF 13 BOND | 0.00 | 0.00 | 0.00 | 1,132,630.21 | -1,132,630.21 | 0.00 % |
| 42-52900-4727-000 | FEES | 0.00 | 0.00 | 0.00 | 2,000.00 | -2,000.00 | 0.00 % |
| | Expense Total: | 0.00 | 0.00 | 0.00 | 1,134,630.21 | -1,134,630.21 | 0.00 % |
| Fund: 42 - HCRMA-DEBT SERVICE Surplus (Deficit): | | | | | | | |
| | Report Surplus (Deficit): | 0.00 | 0.00 | 333,089.81 | 2,327,188.67 | 2,327,188.67 | 0.00 % |



Pharr, TX

Bank Statement Register

WILMINGTON-DEBT SERVICE

Period 7/1/2020 - 7/31/2020

Bank Statement

| | |
|-------------------|--------------|
| Beginning Balance | 975,392.67 |
| Plus Debits | 331,116.76 |
| Less Credits | 0.00 |
| Adjustments | 0.00 |
| Ending Balance | 1,306,509.43 |

General Ledger

| | |
|--------------------------|--------------|
| Account Balance | 1,306,509.43 |
| Less Outstanding Debits | 0.00 |
| Plus Outstanding Credits | 0.00 |
| Adjustments | 0.00 |
| Adjusted Account Balance | 1,306,509.43 |

108/11/2020

| | |
|---------------------------|--------------|
| Statement Ending Balance | 1,306,509.43 |
| Bank Difference | 0.00 |
| General Ledger Difference | 0.00 |

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-4105-000 WILMINGTON-DEBT SERVICE

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|-------------------------|--------------------|---------------|---------------------------|------------|
| 07/31/2020 | <u>MISC 073120</u> | Miscellaneous | FUND 42- WILMINGTON TRUST | 331,116.76 |
| Total Cleared Other (1) | | | | 331,116.76 |



Pharr, TX

Bank Statement Register

DEBT SVC - JR LIEN

Period 7/1/2020 - 7/31/2020

Bank Statement

| | |
|-------------------|--------------|
| Beginning Balance | 5,527,473.91 |
| Plus Debits | 1,973.05 |
| Less Credits | 0.00 |
| Adjustments | 0.00 |
| Ending Balance | 5,529,446.96 |

General Ledger

| | |
|--------------------------|--------------|
| Account Balance | 5,529,446.96 |
| Less Outstanding Debits | 0.00 |
| Plus Outstanding Credits | 0.00 |
| Adjustments | 0.00 |
| Adjusted Account Balance | 5,529,446.96 |

08/11/2020

| | |
|---------------------------|--------------|
| Statement Ending Balance | 5,529,446.96 |
| Bank Difference | 0.00 |
| General Ledger Difference | 0.00 |

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-4105-001 DEBT SVC - JR LIEN

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|-------------------------|------------------------|-----------|-------------------------|----------|
| 07/31/2020 | <u>INTEREST 073120</u> | Interest | FUND 42- LOGIC INTEREST | 1,973.05 |
| Total Cleared Other (1) | | | | 1,973.05 |



Pharr, TX

Balance Sheet
Account Summary
As Of 07/31/2020

| Account | Name | Balance |
|---|--|-------------------|
| Fund: 45 - HCRMA - CAP.PROJECTS FUND | | |
| Assets | | |
| <u>45-1-1102-000</u> | Pool Investment | <u>33,815.12</u> |
| | Total Assets: | <u>33,815.12</u> |
| Liability | | |
| | Total Liability: | <u>0.00</u> |
| Equity | | |
| <u>45-3-1400-000</u> | Fund Balance | <u>-90,940.34</u> |
| | Total Beginning Equity: | <u>-90,940.34</u> |
| Total Revenue | | 419,165.30 |
| Total Expense | | 294,409.84 |
| Revenues Over/Under Expenses | | <u>124,755.46</u> |
| | Total Equity and Current Surplus (Deficit): | <u>33,815.12</u> |
| | Total Liabilities, Equity and Current Surplus (Deficit): | <u>33,815.12</u> |



Pharr, TX

Budget Report
Account Summary
For Fiscal: 2020 Period Ending: 07/31/2020

| | | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|--|----------------------------------|--------------------------|-------------------------|--------------------|--------------------|--|-----------------|
| Fund: 45 - HCRMA - CAP.PROJECTS FUND | | | | | | | |
| Revenue | | | | | | | |
| 45-4-1506-000 | Interest Revenue | 0.00 | 0.00 | 0.83 | 165.30 | 165.30 | 0.00 % |
| 45-4-1999-000 | TRANSFER IN - GENERAL FUND | 0.00 | 0.00 | -55,000.00 | 339,000.00 | 339,000.00 | 0.00 % |
| 45-4-4710-000 | CITY CONTRIBUTIONS | 0.00 | 0.00 | 80,000.00 | 80,000.00 | 80,000.00 | 0.00 % |
| | Revenue Total: | 0.00 | 0.00 | 25,000.83 | 419,165.30 | 419,165.30 | 0.00 % |
| Expense | | | | | | | |
| 45-52900-8810-003 | 365 RIGHT OF WAY | 0.00 | 0.00 | 23,397.27 | 158,342.52 | -158,342.52 | 0.00 % |
| 45-52900-8820-000 | IBTC - Environmental | 0.00 | 0.00 | 44,717.92 | 117,398.32 | -117,398.32 | 0.00 % |
| 45-52900-8820-003 | IBTC - ROW | 0.00 | 0.00 | 1,443.00 | 4,329.00 | -4,329.00 | 0.00 % |
| 45-52900-8841-000 | LEGAL FEES | 0.00 | 0.00 | 3,130.00 | 14,340.00 | -14,340.00 | 0.00 % |
| | Expense Total: | 0.00 | 0.00 | 72,688.19 | 294,409.84 | -294,409.84 | 0.00 % |
| Fund: 45 - HCRMA - CAP.PROJECTS FUND Surplus (Deficit): | | | | | | | |
| | Report Surplus (Deficit): | 0.00 | 0.00 | -47,687.36 | 124,755.46 | 124,755.46 | 0.00 % |



Pharr, TX

Bank Statement Register

Pool Investment

Period 7/1/2020 - 7/31/2020

08/01/2020

Bank Statement

General Ledger

| | | | |
|-------------------|------------|--------------------------|-----------|
| Beginning Balance | 103,540.16 | Account Balance | 33,815.12 |
| Plus Debits | 25,000.83 | Less Outstanding Debits | 0.00 |
| Less Credits | 94,725.87 | Plus Outstanding Credits | 0.00 |
| Adjustments | 0.00 | Adjustments | 0.00 |
| Ending Balance | 33,815.12 | Adjusted Account Balance | 33,815.12 |

| | |
|---------------------------|-----------|
| Statement Ending Balance | 33,815.12 |
| Bank Difference | 0.00 |
| General Ledger Difference | 0.00 |

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

45-1-1102-000

Pool Investment

Cleared Other

| Item Date | Reference | Item Type | Description | Amount |
|--------------------------|--------------------|---------------|-----------------------------------|------------|
| 07/31/2020 | <u>DFT0001612</u> | Bank Draft | BRACEWELL LLP ATTORNEYS AT LAW | -2,080.00 |
| 07/31/2020 | <u>DFT0001613</u> | Bank Draft | BLANTON & ASSOCIATES, INC. | -702.08 |
| 07/31/2020 | <u>DFT0001614</u> | Bank Draft | BLANTON & ASSOCIATES, INC. | -1,230.00 |
| 07/31/2020 | <u>DFT0001615</u> | Bank Draft | BLANTON & ASSOCIATES, INC. | -13,796.79 |
| 07/31/2020 | <u>DFT0001616</u> | Bank Draft | C&M ASSOCIATES, INV. | -28,989.05 |
| 07/31/2020 | <u>DFT0001617</u> | Bank Draft | TOP CUT LAWN CARE, INC. | -648.00 |
| 07/31/2020 | <u>DFT0001618</u> | Bank Draft | SAN MIGUEL LAWN CARE SERVICES | -795.00 |
| 07/31/2020 | <u>DFT0001619</u> | Bank Draft | SAN MIGUEL LAWN CARE SERVICES | -625.00 |
| 07/31/2020 | <u>DFT0001620</u> | Bank Draft | BARRON, ADLER, CLOUGH & ODDO, LLP | -22,772.27 |
| 07/31/2020 | <u>DFT0001621</u> | Bank Draft | ESCOBEDO & CARDENAS, LLP | -1,050.00 |
| 07/31/2020 | <u>MISC 073120</u> | Miscellaneous | FUND 45- WILMINGTON TRUST | -22,037.68 |
| 07/31/2020 | <u>MISC 073120</u> | Miscellaneous | FUND 45- WILMINGTON TRUST | 25,000.83 |
| Total Cleared Other (12) | | | | -69,725.04 |

Item 3A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|---------------|----------------|-----------------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | <u>3A</u> |
| PLANNING COMMITTEE | <u> </u> | DATE SUBMITTED | <u>08/04/20</u> |
| FINANCE COMMITTEE | <u> </u> | MEETING DATE | <u>08/25/20</u> |
| TECHNICAL COMMITTEE | <u> </u> | | |

1. Agenda Item: RESOLUTION 2020-20 – APPROVING THE FIRST READING OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY'S AMENDED AND RESTATED BYLAWS.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of Resolution 2020-20 – Approving the 1st reading of the HCRMA's amended and restated bylaws.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: Motion to approve Resolution 2020-20 – Approving the First Reading of the Hidalgo County Regional Mobility Authority's Amended and Restated Bylaws, as presented.
6. Program Manager's Recommendation: Approved Disapproved X None
7. Planning Committee's Recommendation: Approved Disapproved X None
8. Board Attorney's Recommendation: X Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: Approved Disapproved X None
11. Chief Development Engineer's Recommendation: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2020 – 20

APPROVING THE FIRST READING OF THE HIDALGO COUNTY
REGIONAL MOBILITY AUTHORITY'S AMENDED AND RESTATED
BYLAWS

THIS RESOLUTION is adopted this 25th day of August, 2020, by the Board of Directors of the Hidalgo County Regional Mobility Authority at a regular meeting.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority was created by Order of the Hidalgo County (the “County”) dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the “Commission”) dated November 17, 2005, pursuant to provisions under the Act; and

WHEREAS, the bylaws of the Authority were originally adopted on October 2, 2006, with a First Amendment to such bylaws adopted by Resolution 2008-11 on May 20, 2008; and

WHEREAS, the Authority amended the bylaws in two readings. The First Reading on August 27, 2014, with Resolution 2014-80, and the second reading on September 24, 2014 with Resolution 2014-80.1; and

WHEREAS, the Authority amended the bylaws in two readings. The First Reading on March 26, 2015, with Resolution 2015-08, and the second reading on March 22, 2016 with Resolution 2016-39; and

WHEREAS, the Board finds it to be in the best interest of the Authority to amend and restate the bylaws to capture additional statutory and regulatory requirements; and, in order to provide adequate review of the proposed changes, agrees to adopt such provisions to the bylaws in two readings;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby approves the First Reading of the Amended and Restated Bylaws of the Hidalgo County Regional Mobility Authority, attached hereto as Exhibit A (including a redline highlighting the changes to the bylaws).

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 25th day of August, 2020, at which meeting a quorum was present, and that the same now appears of record in its official minutes.

S. David Deanda Jr., Chairman

Ricardo Perez, Secretary/Treasurer

EXHIBIT A
AMENDED AND RESTATED BYLAWS OF THE HIDALGO COUNTY REGIONAL
MOBILITY AUTHORITY

AMENDED AND RESTATED BYLAWS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

The bylaws of the Hidalgo County Regional Mobility Authority (the “Authority”), initially adopted by the Authority on October 12, 2006, and amended by that First Amendment to the Bylaws on May 20, 2008, and Amended and Restated on March 26, 2015 is hereby amended and restated as provided below by the Board of Directors of the Authority on August 25, 2020.

§ 1. The Authority

These bylaws are made and adopted for the regulation of the affairs and the performance of the functions of the Hidalgo County Regional Mobility Authority (the “Authority”), a regional mobility authority authorized and existing pursuant to Chapter 370 of the Texas Transportation Code, as the same may be amended from time to time (the “RMA Act”), as well as rules adopted by the Texas Department of Transportation (“TxDOT”), as may be amended from time to time, concerning the operation of regional mobility authorities, located at Title 43 Texas Administrative Code, Rule 26.01, *et seq.* (the “RMA Rules”).

- a. The Authority was created pursuant to Texas Transportation Commission (the “Commission”) Minute Order Number 110315 adopted by the Commission on November 17, 2005.
- b. The Authority is a political subdivision of the State of Texas.

§ 2. Principal Office

The domicile and principal office of the Authority shall be in Hidalgo County.

§ 3. General Powers

The activities, property, and affairs of the Authority will be managed by its Board of Directors (the “Board”), which may exercise all powers and do all lawful acts permitted by the Constitution and statutes of the State of Texas (the “State”), the RMA Act, the RMA Rules, and these bylaws.

§ 4. Initial Board

- a. The initial Board of the Authority shall be composed of seven (7) Directors, appointed as follows:
 - (1) The Governor shall appoint one (1) Director, who shall serve as the presiding officer of the Board. The Governor’s Appointee must be a resident of Hidalgo County.
 - (2) The Commissioners Court of Hidalgo County shall appoint five (5) Directors, two (2) with terms of two (2) years and three (3) with terms of (1) year. Each Director must be a resident of Hidalgo County.

(3) The City of McAllen shall recommend one (1) Director with a term of two (2) years to the Commissioners Court of Hidalgo County for appointment to the Authority. Such Director may be a resident of the City of McAllen and must be a resident of Hidalgo County.

- b. The terms of the initial Directors of the Authority shall begin on the date of their appointment by the office or entity which appointed them through February 1 of the year in which the term of each initial Director expires.
- c. Directors may be reappointed at the discretion of the entity which appointed them.
- d. Each initial Director shall serve until his or her successor has been duly appointed and qualified or until his or her death, resignation, or removal from office in accordance with these bylaws.

§ 5. Subsequent Directors

- a. When the term of an initial Director of the Authority expires, and thereafter, when the term of each Director subsequently appointed Director expires, the entity that appointed or recommended the Director whose term is expiring shall appoint or recommend a successor to that Director.
- b. Subject to Section 7 of these bylaws, each successor to an initial Director, and each Director thereafter appointed, shall be appointed for a two (2)-year term commencing on February 2 of the year of appointment and expiring on February 1 two (2) years later. Each Director shall serve until his or her successor has been duly appointed and qualified or until his or her death, resignation, or removal from office in accordance with these bylaws or provisions of state law.
- c. Upon the admission of a new entity into the Authority, the number of Directors may be increased in accordance with any then-applicable laws and regulations.
- d. In the event that the addition or withdrawal of a county from the Authority results in ~~an~~ even number of Directors on the Board, the governor shall appoint an additional Director.
- e. Directors qualified to serve under applicable law and these bylaws may be reappointed following the expiration of their terms. Except as otherwise provided by applicable law, there is no limitation on the number of terms a Director may serve.

§ 6. Qualifications of Directors

- a. All Directors will have and maintain the qualifications set forth in this Section 6 and in the RMA Act or RMA Rules.
- b. All appointments to the Board shall be made without regard to disability, sex, religion, age, or national origin.

- c. Each Director appointed by the Commissioners Court of Hidalgo County or recommended by a municipality located within Hidalgo County must be a resident of the County at the time of their appointment. All gubernatorial appointees must also be residents of Hidalgo County at the time of his or her respective appointments.
- d. An elected official is not eligible to serve as a Director.
- e. An employee of a city, county, or other governmental entity located wholly or partly within the boundaries of the Authority is not eligible to serve as a Director. An employee of TxDOT is not eligible to serve as a Director.
- f. A person who is an officer, employee, or paid consultant of a Texas trade association in the field of road construction or maintenance, public transportation or aviation, or whose spouse is an officer, manager, or paid consultant of a Texas trade association in the aforementioned fields, is not eligible to serve as a Director or as the Authority's Executive Director.
- g. A person who owns an interest in real property that will be acquired for an Authority project is not eligible to serve as a Director, if it is known at the time of the person's proposed appointment that the property will be so acquired.
- h. A person is not eligible to serve as a Director or as the Authority's Executive Director if the person or the person's spouse:
 - (1) is employed by or participates in the management of a business entity or other organization, other than a governmental entity, that is regulated by or receives money from TxDOT, the Authority, or Hidalgo County, unless the Commission approves an exception;
 - (2) owns or controls, directly or indirectly, more than a ten ~~(10)~~ percent (10%) interest in a business entity or other organization that is regulated by or receives money from TxDOT, the Authority, or Hidalgo County, other than compensation for acquisition of highway right-of-way;
 - (3) uses or receives a substantial amount of tangible goods, services, or money from TxDOT, or the Authority, or Hidalgo County;
 - (4) is an officer, employee, or paid consultant of a Texas trade association in the field of road construction or maintenance, public transportation, or aviation; or
 - (5) is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of TxDOT, the Authority, or Hidalgo County.
- i. A person is not ineligible to serve as a Director or Executive Director of the

Authority if the person has received funds from TxDOT for acquisition of highway right-of-way, unless the acquisition was for a project of the Authority.

- j. All Directors shall annually certify ~~to the Secretary of the Board~~ that he or she is qualified to serve as a Director of the Authority, pursuant to and in accordance with these bylaws, the RMA Act, and the RMA Rules, as may be amended. Such certification shall be made in a form as provided by the Authority; provided, however, that the submission ~~to the Secretary~~ of those similar certifications required by the State of Texas shall satisfy this requirement.

§ 7. Vacancies

A vacancy on the Board shall be filled promptly by the entity that made the appointment that falls vacant. Each Director appointed to a vacant position shall be appointed for the unexpired term of the Director's predecessor in that position. Reappointment to a full term is permitted thereafter.

§ 8. Resignation and Removal

- a. **Resignation.** A Director may resign at any time upon giving written notice to the Authority and the entity that appointed that Director.
- b. **Removal.** A Director may be removed from the Board if the Director does not possess at the time the Director is appointed, or does not maintain, the qualifications required by the RMA Act, the RMA Rules, or these bylaws; or, if the Director violates any of the foregoing. In addition, a Director who cannot discharge the Director's duties for a substantial portion of the term for which he or she is appointed because of illness or disability, or a Director who is absent from more than half of the regularly scheduled Board meetings during a given calendar year, may be removed. If the Executive Director of the Authority knows that a potential ground for removal of a Director exists, the Executive Director shall notify the Chairman of the potential ground for removal. The Chairman then shall notify the entity that appointed such Director of potential ground for removal. Additionally, the Hidalgo County Commissioners Court or the City Council may respectively remove a Director appointed by that entity for cause. A Director shall be considered removed from the Board only after the Authority receives notice of removal from the entity that appointed such Director.

§ 9. Compensation of Directors

Directors shall serve without compensation, but will be reimbursed for their actual expenses of attending each meeting of the Board and for such other expenses as may be reasonably incurred in their carrying out the duties and functions as set forth herein.

§ 10. Conflicts of Interest; Ethics and Compliance

- a. A Director or employee of the Authority shall not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence that Director or employee in the discharge of official duties on behalf of the Authority or that the Director or employee knows or should know is being offered with the intent to influence the Director or employee's official conduct;
- (2) accept other employment or engage in a business or professional activity that the Director or employee might reasonably expect would require or induce the Director or employee to disclose confidential information acquired by reason of the official position;
- (3) accept other employment or compensation that could reasonably be expected to impair the Director's or employee's independence of judgment in the performance of the Director's or employee's official duties;
- (4) make personal investments, including investments of a spouse, that could reasonably be expected to create a substantial conflict between the Director's or employee's private interest and the interest of the Authority or that could impair the ability of the Director or employee to make independent decisions;
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Director's or employee's official powers or performed the Director's or employee's official duties in favor of another;
- (6) have a personal interest in an agreement executed by the Authority; or
- (7) contract with the Authority or be directly or indirectly interested in a contract with the Authority or the sale of property to the Authority.

b. Directors shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including Chapters 171 or 176 of the Texas Local Government Code and any conflict of interest policy adopted by the Board.

c. The Authority shall adopt a written internal compliance and ethics program within the first anniversary of its creation. The ethics and compliance program shall satisfy the requirements of Rule 10.51 of Title 43, Texas Administrative Code, and shall:

- (1) be designed to detect and prevent violations of the law, including regulations, and ethical standards applicable to the entity or its officers or employees; and
- (2) provide that:
 - (A) High-level personnel are responsible for oversight of compliance

with the program's standards and procedures;

- (B) Appropriate care is being take to avoid the delegation of substantial discretionary authority to individuals whom the Authority knows, or should know have a propensity to engage in illegal activities;
- (C) Compliance standards and procedures are effectively communicated to all of the Authority's employees and Board by requiring them to participate in periodic training in ethics and the requirements of the compliance program;
- (D) Compliance standards and procedure are effectively communicated to all of the Authority's agents;
- (E) Reasonable steps are being taken to achieve compliance by using monitoring and auditing systems reasonably designed to detect non-compliance and providing and publicizing a system for reporting noncompliance without fear of retaliation;
- (F) Consistent enforcement of compliance standards and procedures is administered through appropriate disciplinary mechanisms;
- (G) Reasonable steps are taken to respond appropriately to detected offenses and to prevent future offenses; and
- (H) A written code of conduct ~~for employees~~ is adopted to address record retention, fraud, equal opportunity employment, bullying, sexual harassment and misconduct, conflicts of interest, personal use of Authority property, and gifts and honoraria.

§ 11. Additional Obligations of Directors

Directors shall comply with additional requirements provided by the RMA Act and RMA Rules, including:

- a. The requirement to file an annual personal financial statement with the Texas Ethics Commission as provided by §370.2521 of the RMA Act;
- b. The requirement to complete training on the RMA's responsibilities under the Open Meetings Act and the Public Information Act as provided by §§551.005 and 552.012 of the Texas Government Code;
- c. The nepotism laws under Chapter 573, Texas Government Code; and
- d. The HCRMA Ethics and Compliance Program as adopted by the Board under

Title 43 of the Texas Administrative Code, Rule 10.51.

§ 12. Meetings

- a. Regular Meetings. All regular meetings of the Board shall be held in Hidalgo County, at a specific site, date, and time to be determined by the Chairman. The Chairman may postpone any regular meeting if it is determined that such meeting is unnecessary or that a quorum will not be achieved, but no fewer than four (4) regular meetings shall be held during each calendar year.
- b. Special Meetings. Special meetings and emergency meetings of the Board may be called, upon proper notice, at any time by the Chairman or at the request of any three (3) Directors. Special meetings and emergency meetings shall be held at such time and place as is specified by the Chairman, if the Chairman calls the meeting, or by the three (3) Directors, if they call the meeting.
- c. Agendas. The Chairman shall set the agendas for meetings of the Board, except that the agendas of meetings called by three (3) Directors shall be set by those Directors.
- d. Chairman-Pro Tem. In the event that neither the Chairman or Vice Chairman is available to preside over the called meeting of the Board at which a quorum is present, the Directors present at the meeting may elect a Chairman-Pro Tem to preside over the meeting.

§ 13. Voting; Quorum

- a. Voting. Each Director, including the Chairman, has equal voting status and may vote on Authority matters.
- b. Quorum. A majority of the Directors constitutes a quorum, and the vote of a majority of the Directors present at a meeting at which a quorum is present will be necessary for any action to be taken by the Board. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the Directors then serving in office will constitute a quorum.

§ 14. Meetings by Telephone

As authorized by §370.262 of the RMA Act, the Board, committees of the Board, staff, or any combination thereof, may participate in and hold open or closed meetings by means of teleconference or other electronic communications equipment by which all persons participating in the meeting can communicate with each other and at which public participation is permitted by a speaker telephone or other electronic communications equipment at a conference room of the Authority or other facility in a

county of the Authority that is accessible to the public. Such meetings are subject to the notice requirements set forth in §§551.125(c) – (f) of the Texas Open Meetings Act, however they are not subject to the additional requirements of §§551.125(b) of the Act. The notice must state the location where members of the public can attend to hear those portions of the meeting open to the public. Participation in a meeting pursuant to this Section 14 constitutes being present in person at such meeting, except that a Director will not be considered in attendance when the Director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened as generally provided under Section 17 of these bylaws. Each part of a meeting conducted by telephone conference call or other electronic means that by law must be open to the public shall be accessible to the public at the location specified in the notice and shall be tape-recorded and documented by written minutes. On conclusion of the meeting, the tape recording and the written minutes of the meeting shall be made available to the public within a reasonable period of time.

§ 15. Procedure

All meetings of the Board and its committees shall be conducted generally in accordance with Robert's Rules of Order pursuant to statutorily proper notice of meeting posted as provided by law. The Chairman at any time may change the order of items to be considered from that set forth in the notice of meeting, provided that all agenda items that require a vote by the Board shall be considered at the meeting for which they have been posted. To the extent procedures prescribed by applicable statutes, the RMA Rules or these bylaws conflict with Robert's Rules of Order, the statutes, the RMA Rules, or these bylaws shall govern.

§ 16. Committees

- a. Executive Committee. The Authority shall establish an Executive Committee, consisting of the officers of the Authority as identified in Section 21, and such other members as the Chairman may direct. Meetings of the Executive Committee shall be conducted on no less than three (3) days' notice to the Executive Committee members, unless such members agree to waive this notice requirement. A majority of the members of the Executive Committee constitutes a quorum of the Committee, and the vote of a majority of the members present at a meeting at which a quorum is present will be necessary for any action taken by the Executive Committee. Minutes shall be kept of all meetings of the Executive Committee. Consistent with this Section 16, the Executive Committee shall have and may exercise all of the authority of the Board, subject to the limitations imposed by applicable law; provided, however, that the Executive Committee shall not enter into or approve any contract, nor authorize the expenditure of funds on behalf of the Authority, except to the extent explicitly authorized in a resolution of the Board. Actions requiring Board approval shall be submitted to the Board as recommendations of the Executive Committee.

b. Ad Hoc and Standing Committees. The Chairman at any time may designate from among the Directors one or more ad hoc or standing committees, each of which shall be comprised of three (3) or more Directors, and may designate one (1) or more Directors as alternate members of such committees, who may, subject to any limitations imposed by the Chairman, replace absent or disqualified members at any meeting of that committee. The Chairman serves as an ex-officio member of each committee.

c. Authority of Committees. If approved by resolution and passed by a majority vote of the Board, a committee shall have and may exercise all of the authority of the Board, to the extent provided in such resolution and subject to the limitations imposed by applicable law; provided that no Committee shall be authorized to enter into or approve any contract, nor authorize the expenditure of funds on behalf of the Authority. All contracts and expenditures of the Authority shall be made by the Board of Directors.

d. Committee Members. The Chairman shall appoint the chairman of each committee, as well as Directors to fill any vacancies in the membership of the committees. At the next regular meeting of the Board following the Chairman's formation of a committee, the Chairman shall deliver to the Directors and the Secretary a ~~written~~ description of the committee, including (a) the name of the committee, (b) whether it is an ad hoc or standing committee, (c) its assigned function(s) and/or task(s), (d) whether it is intended to have a continuing existence or to dissolve upon the completion of a specified task and/or the occurrence of certain events, (e) the Directors designated as members and alternate members to the committee, and its chairman, and (f) such other information as requested by any Director. The Secretary shall enter such written description into the official records of the Authority. The Chairman shall provide a written description of any subsequent changes to the name, function, task, term, or composition of any committee in accordance with the procedure described in the preceding two sentences. A committee also may be formed by a majority vote of the Board, which vote (and not independently the Chairman) also shall specify the committee's chairman and provide the descriptive information otherwise furnished by the Chairman in accordance with the preceding three sentences.

e. Committee Meetings. A meeting of any committee formed pursuant to this Section 16 may be called by the Chairman, the chairman of the applicable committee, or by any two members of the committee. All committees comprised of a quorum of the Board shall keep regular minutes of their proceedings and report to the Board as required. The designation of a committee of the Board and the delegation thereto of authority shall not operate to relieve the Board, or any Director, of any responsibility imposed upon the Board or the individual Director by law. To the extent applicable, the provisions of these bylaws relating to meetings, quorums, meetings by telephone, and procedure shall govern the meetings of the Board's committees.

§ 17. Notice of Meetings

Notice of each meeting of the Board shall be sent by mail, electronic mail, or facsimile to all Directors entitled to vote at such meeting. If sent by mail, such notice will be deemed delivered when it is deposited in the United States mail with sufficient postage prepaid. If sent by electronic mail or facsimile, the notice will be deemed delivered when transmitted properly to the correct email address or number, provided that an additional copy of such notice shall be sent by overnight delivery as confirmation of the notice sent by electronic mail or facsimile. Such notice of meetings also may be given by telephone, provided that any of the Chairman, Executive Director, Secretary, or their designee speaks personally to the applicable Director to give such notice.

§ 18. Waiver of Notice

Whenever any notice is required to be given to any Director by statute or by these bylaws, a written waiver of such notice signed by the person or persons entitled to such notice, whether before or after the time required for such notice, shall be deemed equivalent to the giving of such notice.

§ 19. Attendance as Waiver

Attendance of a Director at a meeting of the Board or a committee thereof will constitute a waiver of notice of such meeting, except that a Director will not be considered in attendance when the Director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

§ 20. Officers

The officers of the Authority shall consist of a Chairman, a Vice-Chairman, a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be held simultaneously by the same person. The individuals elected as officers shall not be compensated for their service as officers. However, officers shall be reimbursed for all expenses incurred in conducting proper Authority business and for travel expenses incurred in the performance of their duties. If desired, the Board may also designate an Assistant Secretary and Assistant Treasurer, who shall also be considered officers of the Authority.

§ 21. Election and Term of Office

Except for the office of Chairman, which is filled by the Governor's appointment, officers will be elected by the Board for a term of one (1) year, subject to Section 22 of these bylaws. The election of officers to succeed officers whose terms have expired shall be by a vote of the Directors of the Authority at the first meeting of the Authority held after February 1 of each year or at such other meeting as the Board determines.

§ 22. Removal and Vacancies of Officers

Each officer shall hold office until a successor is chosen and qualified, or until the officer's death, resignation, or removal, or, in the case of a Director serving as an officer, until such officer ceases to serve as a Director. Any officer, except the Chairman, may resign at any time upon giving written notice to the Board. The Chairman may resign at any time upon giving written notice to the Board and the Governor. Any officer except the Chairman may be removed from service as an officer at any time, with or without cause, by the affirmative vote of a majority of the Directors of the Authority. The Directors of the Authority may at any meeting vote to fill any vacated officer position except the Chairman position due to an event described in this Section 22 for the remainder of the unexpired term.

§ 23. Chairman

The Chairman is appointed by the Governor and is a Director of the Authority. The Chairman shall appoint all committees of the Board as specified in these bylaws (except as otherwise provided in Section 16 of these bylaws), call all regular meetings of the Board, and preside at and set the agendas for all meetings of the Board (except as provided in the concluding sentence of Section 12 of these bylaws). The Chairman shall ~~further~~ review and approve all requests for reimbursement of expenses sought by the Executive Director.

§ 24. Vice Chairman

The Vice Chairman must be a Director of the Authority. During the absence or disability of the Chairman, upon the Chairman's death (and pending the Governor's appointment of a successor new Chairman), or upon the Chairman's request, the Vice Chairman shall perform the duties and exercise the authority and powers of the Chairman.

§ 25. Secretary

The Secretary need not be a Director of the Authority. The Secretary shall:

- a. keep true and complete records of all proceedings of the Directors in books provided for that purpose and shall assemble, index, maintain, and keep up-to-date a book of all of the policies adopted by the Authority;
- b. attend to the giving and serving of all notices of meetings of the Board and its committees and such other notices as are required by the office of Secretary and as may be directed by the RMA Act, any trust indenture binding on the Authority, Directors of the Authority, or the Executive Director;
- c. seal with the official seal of the Authority (if any) and attest all documents, including trust agreements, bonds, and other obligations of the Authority that require the official seal of the Authority to be impressed thereon;

- d. execute, attest, and verify signatures on all contracts in which the total consideration equals or exceeds an amount established in resolutions of the Board, contracts conveying property of the Authority, and other agreements binding on the Authority which by law or Board resolution require attestation;
- e. certify resolutions of the Board and any committee thereof;
- f. maintain custody of the corporate seal, minute books, accounts, and all other official documents and records, files and contracts that are not specifically entrusted to some other officer or depository; and
- g. hold such administrative offices and perform such other duties as the Directors or the Executive Director shall require.

§ 26. Treasurer

The Treasurer need not be a Director of the Authority. The Treasurer shall:

- a. execute all requisitions to the applicable bond trustee for withdrawals from the construction fund, unless the Board designates a different officer, Director, or employee of the Authority to execute any or all of such requisitions;
- b. execute, and if necessary attest, any other documents or certificates required to be executed and attested by the Treasurer under the terms of any trust agreement or supplemental trust agreement entered into by the Authority;
- c. maintain custody of the Authority's funds and securities and keep a full and accurate account of all receipts and disbursements, and endorse, or cause to be endorsed, in the name of the Authority and deposit, or cause to be deposited, all funds in such bank or banks as may be designated by the Authority as depositories;
- d. render to the Directors at such times as may be required an account of all financial transactions coming under the scope of the Treasurer's authority;
- e. give a good and sufficient bond, to be approved by the Authority, in such an amount as may be fixed by the Authority;
- f. invest such of the Authority's funds as directed by resolution of the Board, subject to the restrictions of any trust agreement entered into by the Authority; and
- g. hold such administrative offices and perform such other duties as the Directors of the Authority or the Executive Director shall require. If, and to the extent that, the duties or responsibilities of the Treasurer and those of any administrator conflict and are vested in different persons, the conflicting duties and responsibilities shall be deemed vested in the Treasurer.

§ 27. Administrators

The chief administrator of the Authority shall be the Executive Director. Other administrators may be appointed by the Executive Director with the consent of the Board. All such administrators, except for the Executive Director, shall perform such duties and have such powers as may be assigned to them by the Executive Director or as set forth in Board Resolutions. Any administrator may be removed, with or without cause, at any time by the Executive Director. All administrators will be reimbursed for expenses incurred in performance of their duties as approved by the Executive Director and the Executive Director's expense reimbursements shall be approved by the Executive Committee.

§ 28. Executive Director

- a. The Executive Director will be selected by the Board and shall serve at the pleasure of the Board, performing all duties assigned by the Board and implementing all resolutions adopted by the Board.
- b. In addition, the Executive Director:
 - (1) shall be responsible for general management, hiring and termination of employees, and day-to-day operations of the Authority;
 - (2) shall be responsible for preparing a draft of the Strategic Plan for the Authority's operations as described in Section 37 of these bylaws;
 - (3) shall be responsible for preparing a draft of the Authority's written Annual Report, as described in Section 37 of these bylaws;
 - (4) at the invitation of the Hidalgo County Commissioners Court or of the city council of a municipality located within the County, shall appear, with representatives of the Board, before the inviting body to present the Authority's Annual Report and respond to questions and receive comments regarding the Report or the Authority's operations;
 - (5) may execute inter-agency and interlocal contracts and service contracts approved by the Board;
 - (6) may execute contracts, contract supplements, contract change orders, and purchase orders not exceeding amounts established in Resolutions of the Board; and
 - (7) shall have such obligations and authority as may be described in one or more Resolutions enacted from time to time by the Board.
- c. The Executive Director may delegate the foregoing duties and responsibilities as

the Executive Director deems appropriate; provided such delegation does not conflict with applicable law or any express direction of the Board.

§ 29. Interim or Outsourced Executive Director

The Board may designate an Interim Executive Director to perform the duties of the Executive Director during such times as the position of Executive Director is vacant. The Interim Executive Director need not be an employee of the Authority. Alternatively, the Board may contract with any municipality in Hidalgo County through an interlocal agreement to provide administrative and other professional services in lieu of or in addition to hiring an Executive Director.

§ 30. Indemnification by the Authority

- a. **Indemnification.** Any person made a party to or involved in any litigation, including any civil, criminal or administrative action, suit or proceeding, by reason of the fact that such person is or was a Director, officer, ~~or~~ administrator, or employee of the Authority or by reason of such person's alleged negligence or misconduct in the performance of his or her duties as such Director, officer, ~~or~~ administrator, or employee shall be indemnified by the Authority, to the extent funds are lawfully available and subject to any other limitations that exist by law against liability and the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with any action therein, except in relation to matters as to which it is adjudged that such Director, officer, or administrator is liable for gross negligence or willful misconduct in the performance of his or her duties.
- b. **Exception.** In the event of a conviction for an offense involving the conduct for which the Director, officer, ~~or~~ administrator, or employee was indemnified, the officer, Director, ~~or~~ administrator, or employee shall be liable to the Authority for the amount of indemnification paid, with interest at the legal rate for interest on a judgment from the date the indemnification was paid, as provided by §370.258 of the RMA Act. A conviction or judgment entered in connection with a compromise or settlement of any such litigation shall not by itself be deemed to constitute an adjudication of liability for such gross negligence or willful misconduct.
- c. **Right to be Paid.** The right to indemnification will include the right to be paid by the Authority for expenses incurred in defending a proceeding in advance of its final disposition in the manner and to the extent permitted by the Board in its sole discretion. In addition to the indemnification described above that the Authority shall provide a Director, officer or administrator, the Authority may, upon approval of the Board in its sole discretion, indemnify a Director, officer, or administrator under such other circumstances, or may indemnify an employee, against liability and reasonable expenses, including attorneys' fees, incurred in connection with any claim asserted against him or her in said party's capacity as a Director, officer, administrator, or employee of the Authority, subject to any

limitations that exist by law. Any indemnification by the Authority pursuant to this Section 30 shall be evidenced by a resolution of the Board.

§ 31. Expenses Subject to Indemnification

As used herein, the term “expenses” includes fines or penalties imposed and amounts paid in compromise or settlement of any such litigation only if:

- a. independent legal counsel designated by a majority of the Board, excluding those Directors who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought, shall have advised the Board that, in the opinion of such counsel, such Director, officer, administrator, or other employee is not liable to the Authority for gross negligence or willful misconduct in the performance of his or her duties with respect to the subject of such litigation; and
- b. a majority of the Directors shall have made a determination that such compromise or settlement was or will be in the best interest of the Authority.

§ 32. Procedure for Indemnification

Any amount payable by way of indemnity under these bylaws may be determined and paid pursuant to an order of or allowance by a court under the applicable provisions of the laws of the State of Texas in effect at the time and pursuant to a resolution of a majority of the Directors, other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought. In the event that all the Directors are made parties to such litigation, a majority of the Board shall be authorized to pass a resolution to provide for legal expenses for the entire Board.

§ 33. Additional Indemnification

The right of indemnification provided by these bylaws shall not be deemed exclusive of any right to which any Director, officer, administrator, or other employee may be entitled, as a matter of law, and shall extend and apply to the estates of deceased Directors, officers, administrators, and other employees.

§ 34. Contracts and Purchases

All contracts and purchases on behalf of the Authority shall be entered into and made in accordance with rules of procedure prescribed by the Board and applicable laws and rules of the State of Texas and its agencies.

§ 35. Sovereign Immunity

Unless otherwise required by law, the Authority will not by agreement or otherwise waive or impinge upon its sovereign immunity.

§ 36. Termination of Employees

Employees of the Authority shall be employees at will unless they are a party to an employment agreement with the Authority executed by the Chairman upon approval by the Board. Employees may be terminated at any time, with or without cause, by the Executive Director subject to applicable law and the policies in place at the time of termination.

§ 37. Reports

The Executive Director shall direct that all reports required under State law, the RMA Act, the RMA Rules or requested by TxDOT shall be prepared and delivered. At the time of the adoption of these bylaws, the required reports include:

- a. Strategic Plan. Each even-numbered year, the Authority shall issue a Strategic Plan of its operations covering the next five (5) fiscal years, beginning with the next odd-numbered fiscal year. A draft of each Strategic Plan shall be submitted to the Board for review, approval, and, subject to revisions required by the Board, adoption. ([Section 370.261\(a\), Texas Transportation Code](#))
- b. Annual Report. Under the direction of the Executive Director (or in the absence of an Executive Director, the Chairman), the staff of the Authority shall prepare a draft of an Annual Report on the Authority's activities during the preceding year and describing all revenue bond issuances anticipated for the coming year, the financial condition of the Authority, all project schedules, and the status of the Authority's performance under the most recent Strategic Plan. The draft shall be submitted to the Board not later than January 30th for review, approval, and, subject to revisions required by the Board, adoption. Not later than March 31¹⁴ following the conclusion of the preceding fiscal year, the Authority shall file with the Hidalgo County Commissioners Court the Authority's Annual Report, as adopted by the Board. ([Section 370.261\(b\), Texas Transportation Code](#))
- c. Financial Reports. The Authority shall submit to Hidalgo County and the City of McAllen (i) its annual operating and capital budgets for each fiscal year, along with any amended or supplemental operating or capital budget, within ninety (90) days of the beginning of the fiscal year; (ii) its annual financial information and notice of material events required to be disclosed under Rule 15c2-12 of the United States Securities and Exchange Commission, within thirty (30) days after disclosure; and (iii) a statement of any surplus revenue held by the Authority and a summary of how the Authority intends to use such surplus, within ninety (90) days of the beginning of the fiscal year. Such financial reports must be approved by the Board and certified as correct by the ~~chief administrative officer~~ Executive Director of the Authority. ([Rule 26.61, Title 43, Texas Administrative Code](#))
- d. Annual Audit. The Authority shall submit annual audit, conducted by an

independent certified public accountant in accordance with generally accepted auditing standards (as modified by the governor's Uniform Grant Management Standards, or the standards of the Office of Management and Budget A-133, Audits of States, Local Governments, and Non-profit Organizations, as applicable) to Hidalgo County and the City of McAllen within one hundred twenty (120) days after the end of the fiscal year. (Section 370.182, Texas Transportation Code; Rule 26.62, Title 43, Texas Administrative Code)

- e. Investment Reports. Within thirty (30) days' of acceptance of an independent auditor's report, the Authority shall submit to Hidalgo County and the City of McAllen an independent auditor's review of the annual reports of investment transactions prepared by the Authority's investment officers. Such investment reports must be approved by the Board and certified as correct by the ~~chief administrative officer~~ Executive Director of the Authority. (Rule 26.61, Title 43, Texas Administrative Code)
- f. Project Report. Not later than December 31 of year, the Authority shall submit to the Commission a written report that describes the progress made during that year on each transportation project or system of projects of the Authority, including the initial project for which the Authority was created. (Rule 26.65(b), Title 43, Texas Administrative Code)
- g. Presentation of Reports. At the invitation of the Hidalgo County Commissioners Court or of the city council of a municipality located within Hidalgo County, representatives of the Board and the Executive Director shall appear before the inviting body to present the Annual Report, provide any other information requested, and respond to questions and receive comments. (Rule 26.63, Title 43, Texas Administrative Code)
- h. Notice of Debt. The Authority shall give ninety (90) days' notice to the Hidalgo County Commissioners Court of the date of issuance of revenue bonds. (Section 3701.261(c), Texas Transportation Code)
- i. Compliance Report. Within one hundred fifty (150) days after the end of the fiscal year, in the form required by TxDOT, the Authority shall submit to TxDOT's Executive Director a report that lists each duty the Authority is required to perform under Title 43 Texas Administrative Code Chapter 26(G) that indicates the Authority has performed the requirements for the fiscal year. The Compliance Report must be approved by the Board and certified as correct by the ~~chief administrative officer~~ Executive Director of the Authority. (Rule 26.65(a), Title 43, Texas Administrative Code)
- j. Overweight Permits. The Authority shall provide monthly and annual reports, in a format approved by TxDOT, to TxDOT's Finance Division regarding all permits issued and all fees collected during the period covered by the report. (Rule 28.102(j), Title 43, Texas Administrative Code)

§ 38. Rates and Regulations; Compliance with Law

The Board shall, in accordance with all applicable trust agreements, the RMA Act, the RMA Rules, or other law, establish toll rates and fees, weight restrictions, designate speed limits, establish fines for toll violators, and adopt rules and regulations for the use and occupancy of said project.

§ 39. Seal

The official seal of the Authority shall consist of the embossed impression of a circular disk with the words "Hidalgo County Regional Mobility Authority, 2006" on the outer rim, with a star in the center of the disk.

§ 40. Fiscal Year

The fiscal year for the Authority shall be from January 1 to December 31.

§ 41. Public Access Policy

The Authority shall maintain an access policy to be adopted by the Board that provides the public with a reasonable opportunity to appear before the Board to speak on any issue under the jurisdiction of the Authority.

§ 42. Appeals Procedure

The Authority shall maintain an appeals procedure to be adopted by the Board and amended from time to time that sets forth the process by which parties may bring to the attention of the Authority their questions, grievances, or concerns and may appeal any action taken by the Authority.

§ 43. Amendments to Bylaws

Except as may be otherwise provided by law, these bylaws may be amended, modified, altered, or repealed in whole or in part, at any regular meeting of the Board after ten (10) days' advance notice has been given by the Chairman to each Director of the proposed change. These bylaws may not be amended at any special or emergency meeting of the Board.

§ 44. Dissolution of the Authority

a. Voluntary Dissolution

- (1) The Authority may not be dissolved unless the dissolution is approved by the Commission. The Board may submit a request to the Commission for approval to dissolve.

(2) The Commission may approve a request to dissolve only if:

- (A) all debts, obligations, and liabilities of the Authority have been paid and discharged or adequate provision has been made for the payment of all debts, obligations and liabilities;
- (B) there are no suits pending against the Authority, or adequate provision has been made for the satisfaction of any judgment, order or decree that may be entered against it in any pending suit; and
- (C) the Authority has commitments from other governmental entities to assume jurisdiction of all Authority transportation facilities.

b. Involuntary Dissolution

- (1) The Commission by order may require the Authority to dissolve if the Commission determines that the Authority has not substantially complied with the requirements of a Commission Rule or an agreement between the department and the Authority and the Commission has given the Board thirty (30) days' written notice of its intention to adopt such an order.
- (2) The Commission may not require dissolution unless:
 - (A) The Conditions described in Section 44(a)(2)(A) and (B) have been met; and
 - (B) The holders of any indebtedness have evidenced their agreement to the dissolution.

* * * * *

Adopted October 2, 200

First Amendment approved May 20, 2008

Amended and Restated Bylaws approved September 24, 2014

Amended and Restated Bylaws approved March 26, 2015

[Amended and Restated Bylaws approved August 25, 2020]

Item 3B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|---------------|----------------|-----------------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | <u>3B</u> |
| PLANNING COMMITTEE | <u> </u> | DATE SUBMITTED | <u>08/06/20</u> |
| FINANCE COMMITTEE | <u> </u> | MEETING DATE | <u>08/25/20</u> |
| TECHNICAL COMMITTEE | <u> </u> | | |

1. Agenda Item: RESOLUTION 2020-21 – RE-ASSERTING LOCAL TOLL PROJECT ENTITY PRIMACY RIGHTS OVER 365 TOLLWAY, SEGMENTS 1 AND 2.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of Resolution 2020-21 – Re-asserting local toll project entity primacy rights over 365 Tollway, Segments 1 and 2.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: Motion to approve Resolution 2020-21 – Re-asserting local toll project entity primacy rights over 365 Tollway, Segments 1 and 1, as presented.
6. Program Manager's Recommendation: Approved Disapproved X None
7. Planning Committee's Recommendation: Approved Disapproved X None
8. Board Attorney's Recommendation: X Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: Approved Disapproved None
11. Chief Development Engineer's Recommendation: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION No. 2020 - 21**

**RE-ASSERTING LOCAL TOLL PROJECT ENTITY PRIMACY RIGHTS
OVER THE 365 TOLLWAY, SEGMENTS 1 AND 2**

THIS RESOLUTION is adopted this 25th day of August, 2020 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act") and a local toll project entity pursuant to Chapter 373, Texas Transportation Code (the "Primacy Act");

WHEREAS, on November 17, 2005, the Texas Transportation Commission (the "Commission") created the Authority pursuant to (i) the Act; (ii) Title 43, Texas Administrative Code; (iii) a petition of the Hidalgo County Commissioners Court (the "County"); and (iv) findings by the Commission that the creation of the Authority would result in certain direct benefits to the State of Texas (the "State"), local governments, and the traveling public and would improve the State's transportation system;

WHEREAS, the Commission determined that the Authority would benefit the State by constructing needed roadway projects as identified by the County, including the approximately 104-mile Hidalgo County Loop (the "Loop System");

WHEREAS, the Authority identified two projects suitable for initial development under the Loop System, and the same have been rescoped over time: SH365 from FM 1016, 1.7 miles south of US 83, eastward to FM 3072, approximately 0.9 miles west of FM 2557, and then southward to US 281 (Military Highway), a distance of approximately 14.31 miles (initially the "Trade Corridor Connector" and later renamed the "365 Tollway") and frontage roads from 365 Tollway to Valleyview Interchange, main lanes to I-2, and connector road to FM 493 (the "International Bridge Trade Corridor");

WHEREAS, the Primacy Act provides for local toll project entities, including the Authority, to develop toll projects;

WHEREAS, the Commission and the Authority entered into a Market Valuation Waiver Agreement on June 24, 2010;

WHEREAS, by Resolution 2010-38, the Authority initially stated its intention to exercise its option to develop, finance, construct, and operate the Trade Corridor Connector and the International Bridge Trade Corridor as toll projects under the Primacy Act;

WHEREAS, by Resolution 2016-73, the Authority restated its intention to exercise its option to develop, finance, construct, and operate Segments 1 and 2 of the 365 Tollway (a new four lane

toll project from FM 396 (Anzalduas Highway) eastward to FM 3072, approximately 0.9 miles west of FM 2557, and then southward to US 281 (Military Highway), a distance of approximately 12.2 miles) (the “Project”);

WHEREAS, the Project Development, Operation, and Maintenance Agreement dated October 18, 2016 by and between the Authority and Texas Department of Transportation (the “Department”) for the Project provides that the Department waives the time limits for developing the Project as provided for in Section 373.055 of the Primacy Act in lieu of later dates;

WHEREAS, the International Bridge Trade Corridor has been revised to be developed as a non-tolled project, no longer subject to the Primacy Act; and

WHEREAS, the Board finds it to be in the best interest of the Authority and the County to reassert and maintain its option to develop, finance, construct, and operate the Project pursuant to its rights under the Primacy Act;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Authority hereby asserts local primacy and exercises its option to develop, finance, construct and operate the Project.

Section 3. The Executive Director is authorized to deliver written notice to the Department, pursuant to Section 373.051(a) of the Primacy Act, of the Authority’s intent to reassert maintain primacy over the Project.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING on the 25th day of August, 2020, at which meeting a quorum was present.

S. David Deanda, Chairman

Ricardo Perez, Secretary

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Item 3C

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|----------|----------------|----------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | 3C |
| PLANNING COMMITTEE | ____ | DATE SUBMITTED | 08/13/20 |
| FINANCE COMMITTEE | ____ | MEETING DATE | 08/25/20 |
| TECHNICAL COMMITTEE | ____ | | |

1. Agenda Item: **RESOLUTION 2020-22 – APPROVING AUTHORITY POLICIES FOR POST ISSUANCE COMPLIANCE AND CONTINUING DISCLOSURE**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of Resolution 2020-22 – Approving Authority policies for post issuance compliance and continuing disclosure.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: **Motion to approve Resolution 2020-22 – Approving Authority policies for post issuance and continuing disclosure, as presented.**
6. Program Manager's Recommendation: Approved Disapproved X None
7. Planning Committee's Recommendation: Approved Disapproved X None
8. Board Attorney's Recommendation: X Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: X Approved Disapproved None
11. Chief Development Engineer's Recommendation: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2020 -22

APPROVAL OF POST ISSUANCE COMPLIANCE PROCEDURES AND A
CONTINUING DISCLOSURE POLICY FOR THE HIDALGO COUNTY
REGIONAL MOBILITY AUTHORITY

THIS RESOLUTION is adopted this 25th day of August, 2020 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, on April 21, 2005, Hidalgo County (the "County") petitioned the Texas Transportation Commission (the "Commission") for authorization to create the Hidalgo County Regional Mobility Authority (the "Authority") pursuant to the provisions of the Texas Transportation Code; and

WHEREAS, the Commission authorized the creation of the Authority on November 17, 2005; and

WHEREAS, the Authority now operates pursuant to, among other statutory provisions, Chapters 370 and 502, Texas Transportation Code, and the corresponding Commission regulations, policies and procedures, as amended from time to time (collectively, the "Authorizing Law"); and

WHEREAS, the County is authorized by Section 502.402, Texas Transportation Code, to adopt an order authorizing the adoption and implementation of an Optional Vehicle Registration Fee in the amount of \$10.00, effective January 1, 2008 (the "Vehicle Registration Fee"); and

WHEREAS, the Authorizing Law requires that the County remit the Vehicle Registration Fee to the Authority to fund long-term transportation projects in the County (the "Projects") and pursuant to that certain Transportation Project and Pledge Agreement by and between the County and the Authority, dated as of July 24, 2013, as amended (the "Agreement"), the County has agreed to pledge the Vehicle Registration Fees toward payment of the principal of, interest on, redemption requirements of, and various charges and expenses related to obligations issued by the Authority for the Projects; and

WHEREAS, in preparation for the issuance of such obligations by the Authority, the Board of Directors has determined it is in the Authority's best interest to review and approve the post issuance compliance procedures and continuing disclosure policy for the Hidalgo County Regional Mobility Authority; and

WHEREAS, the Authority's counsel has reviewed the policies and has made its recommendation to the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporate in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves the post issuance compliance procedures for the Hidalgo County

Regional Mobility Authority attached hereto as Exhibit A.

Section 3. The Board hereby approves the continuing disclosure policy for the Hidalgo County Regional Mobility Authority attached hereto as Exhibit B.

* * *

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING ON THE 25TH DAY OF AUGUST, 2020, AT WHICH MEETING A QUORUM WAS PRESENT.

David Deanda
Chairman

Ricardo Perez
Secretary/Treasurer

Exhibit A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY PROCEDURES FOR POST-ISSUANCE COMPLIANCE

Adopted as of this 25th day of August, 2020

I. GENERAL

These Procedures for Post-Issuance Compliance (the "Procedures") are for the purpose of maintaining and evidencing compliance with the federal tax requirements that apply to the bond financings of the Hidalgo County Regional Mobility Authority (the "Authority"). In furtherance of such purposes the Authority has adopted these Procedures with respect to the following:

- General Recordkeeping & Record Retention
- Timely return filings
- Proper and timely use of bond proceeds and proper use of bond-financed property
- Arbitrage - yield restriction and rebate
- Reissuance requirements
- Corrective Action

These Procedures apply to any obligations to which Sections I 03 and 141 through 150 of the Internal Revenue Code of 1986 (the "Code") are applicable, whether or not such obligations are in fact tax-exempt. For example, these Procedures will be followed with respect to any issue of tax credit bonds to which such sections of the Code apply. It is the intention of the Authority to modify or amend these Procedures in the future in order to comply with any requirements set forth in subsequent rulings and other advice published by the Internal Revenue Service (the "Service" or the "IRS"), as such authorities may apply to the Authority and its obligations.

II. RESPONSIBLE PARTIES

The Authority acknowledges that as the issuer of debt obligations subject to the Code, It is responsible for post-issuance compliance with respect to such debt obligations. The Chief Financial Officer of the Authority has general oversight of the post-issuance compliance of bond financings. In addition, the following parties are responsible for the duties listed next to their title:

| | |
|--------------------------|---|
| Chief Financial Officer: | Oversees of all financial functions of the Authority |
| Chief Financial Officer: | Responsible for all accounting functions of the Authority |
| Chief Financial Officer: | Responsible for banking, cash management, investment, and certain debt administration activities of the Authority |
| Office Manager: | Responsible for the cataloguing and storage of various financial records of the Authority |

Bond Counsel: Provides legal counsel involving all aspects of the issuance of obligations and post-issuance compliance

Arbitrage Consultant: Responsible for all aspects of arbitrage rebate compliance activity on behalf of the Authority, if any

Parties responsible for the financing aspects and the operations aspects of bond-financed facilities will coordinate efforts to ensure that any actions taken with respect to a bond-financed facility will be in compliance with the requirements of the Code. The Authority will provide training and/or make available educational materials regarding compliance requirements (e.g., private use requirements) to the parties responsible for the oversight of bond-financed facilities.

III. GENERAL RECORDKEEPING & RECORD RETENTION

General record retention duties are the responsibility of Office Manager and Executive Director. The Office Manager will maintain a copy of the following documents on file at all times:

- Audited Financial Statements
- Reports of any examinations by the Internal Revenue Service of the Authority's financings

With respect to each issue of obligations, the Office Manager will retain the following for the life of the obligations (including the life of any obligations issued to refund the original debt) plus three years:

- Bond transcript, including authorizing documents, offering document, the federal tax certificate and certificates regarding issue price
- Minutes and resolution(s) authorizing the issue
- Any formal elections (e.g., election to employ an accounting methodology other than specific tracing)
- Records relating to the payment of debt service (including credit enhancement)
- Documentation relating to investments and arbitrage compliance, as described in "Arbitrage Yield Restriction and Rebate - Recordkeeping" below
- Documentary evidence of when and for what purpose the bond proceeds were expended, as described in "Expenditures of Bond Proceeds - Recordkeeping" below
- Any grant requests or fundraising materials and documentation of grants or fundraising receipts relating to projects that also may be financed, in whole or in part, with bond proceeds
- Any agreement of a type described in "Private Business Use - Special Legal Entitlements" that relates to a bond-financed facility
- Bond paying agent/trustee statements
- Rebate compliance reports
- Related IRS filings (e.g. Form 8038-T Rebate)
- IRS correspondence regarding such issue

- Other documentation (including written advice of) material to the particular requirements that are applicable to the tax status of the financing

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents. A copy of such documents will also be placed with the Authority's Bond Counsel.

IV. RETURN FILINGS

Bond Counsel will be responsible for the timely filing of the Form 8038-G information report (or such other series 8038 form as may be applicable to a specific issue of bonds) with the Service, which filing may be completed by Bond Counsel after the issuance of the obligations. The Authority must file a separate Form 8038-G for each issue of bonds not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bonds are issued.

V. EXPENDITURE OF BOND PROCEEDS

General

The Chief Financial Officer is responsible for oversight of the expenditure of bond proceeds, including monitoring whether such expenditures are made in a timely manner for the purposes for which the bonds were authorized in order to meet qualify for rebate exceptions set forth in the Code and Regulations and whether investments of unexpended Bond proceeds continue to qualify for temporary period exceptions to yield-restriction requirements. Bond Counsel may be consulted regarding allocation of expenditures between each Bond issue to ensure timely expenditure of Bond proceeds.

Additionally, the Chief Financial Officer will monitor compliance with the requirement of the Regulations that proceeds of a bond issue are to be allocated to expenditures by the later of 18 months after the expenditure was made or the date the project is placed in service (and in no event, later than 60 days after (i) the fifth anniversary of the issue date or (ii) retirement of the issue).

With respect to the reimbursement of any expenditure paid prior to the date of issue of the bonds, the Chief Financial Officer will monitor compliance with the requirement of the Regulations that such reimbursement allocation to bond proceeds is made not later than 18 months after the later of (i) the date the original expenditure is made or (ii) the date the project is placed in service, but in no event more than three years after the original expenditure is paid. Furthermore, the Chief Financial Officer will monitor compliance with the requirement of the Regulations that such reimbursement allocation is for the reimbursement of expenditures paid on or after 60 days prior to the date of a reimbursement resolution (including for this purpose a bond order).

Recordkeeping

With respect to each issue of obligations, the Authority will retain the following for the life of the obligations plus three years:

- Documentation of allocation of bond proceeds to expenditures (e.g., allocation of bond proceeds for expenditures for the construction, renovation, or purchase of facilities)
- Documentation of allocations of bond proceeds to bond issuance costs
- Copies of all requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to bond proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of bond-financed facilities
- Records of expenditure reimbursements incurred prior to issuing bonds for bond-financed facilities
- List or schedule of all bond-financed facilities or equipment
- Depreciation schedules, if any, for bond-financed depreciable property
- Documentation of any purchase or sale of bond-financed assets

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents.

VI. PRIVATE BUSINESS USE

General

To confirm that the Bonds serve governmental purposes rather than providing proscribed benefits to nongovernmental persons engaged in "private business" activity, it must be determined whether the Authority expects that there will be any private business use of the proceeds of the bonds. Private business use exists if more than 5% (and, in certain circumstances, 10%) of the proceeds of the issue or the property to be financed by the bond proceeds are used directly or indirectly by any nongovernmental person in that person's trade or business. In addition, no more than 5% (and, in certain circumstances, 10%) of the proceeds of an issue may be secured directly or indirectly by property or payments derived from private business use under the "private security or payment test." Private business use may occur due to arrangements (typically contractual) that give nongovernmental persons special legal entitlements with respect to the use of bond-financed property (including a sale or other transfer of bond-financed property to a nongovernmental person). Finally, no more than 5% of the proceeds of an issue of bonds may be used to make loans or arrangement that allow a nongovernmental person to defer payments that it is obligated to make with respect to the financed property or the bonds.

The Authority's finance team will coordinate with the parties responsible for the use and operation of a bond-financed facility by communicating the private business use restrictions to such parties and requiring that all activity that may give rise to such use be communicated to Bond Counsel in advance of such use. The Executive Director is responsible for tracking trade or business activity by third parties as it relates to each issue of obligations and will monitor such activity no less frequently than yearly and, in any event, upon being notified of any new activity that will give rise to a significant amount of trade or business activity by a third party.

Special Legal Entitlements that Can Create Private Business Use

A special legal entitlement that can create private business use can arise from arrangements that convey ownership rights, leasehold rights, or management rights (e.g., priority rights to use the facility) or other similar rights. Recognizing that a special legal entitlement may give rise to private business use, each time the Authority intends to enter into one of the following, the Authority will determine if such agreement relates to any bond-financed facility:

- Management and other service contracts
- Research agreements
- Naming rights contracts
- Ownership
- Leases
- Subleases
- Leasehold improvement contracts
- Joint venture arrangements
- Limited liability corporation arrangements
- Partnership agreements
- Non-contractual use of bond-financed office space and/or parking facilities by any nongovernmental person
- Any other contract conferring a special legal entitlement or special economic benefit that are comparable to ownership

If such an agreement will be with respect to a bond-financed facility, the Authority will take measures designed to preserve the intended federal income tax status of that issue of Bonds. Such measures may include ensuring that such agreement falls into an applicable exception under the private business use rules, making a determination that private use will not exceed the applicable limit or such other action as may be recommended by Bond Counsel, including taking remedial actions with respect to the issue of Bonds whose federal tax status is implicated.

VII. PAYMENTS ON THE BONDS

The trustee/paying agent for the bonds shall determine the amount of principal and interest payable on each payment date for the bonds. Periodically, and no less frequently than annually, the Chief Financial Officer will review the amount of the interest payments to verify that proper payments of interest have been made.

VIII. ARBITRAGE - YIELD RESTRICTION & REBATE

General

The Chief Financial Officer is responsible for monitoring the Authority's compliance with the yield restriction requirements of section 148(a) of the Code and the requirements of section 148(f) of the Code. Such monitoring includes, but is not limited to:

- Tracking the allocation of bond proceeds to expenditures for compliance with any temporary period and spending exceptions, no less frequently than yearly
- Ensuring that any forms required to be filed with the IRS relating to arbitrage and any payments required pursuant thereto are filed in a timely manner
- Ensuring that "fair market value" is used with respect to the purchase and sale of investments

Additionally, the Authority will hire a rebate analyst (Arbitrage Consultant) to monitor compliance with rebate and yield restriction rules on a periodic basis, at least every five years.

Compliance with the investment rules will require that the Authority be able to account for, in terms of dates and amounts, all uses (including disbursements and investment activity) of particular categories of bond-related money. The Chief Financial Officer will account for all of the following disbursements: monies in the project fund, debt service fund, and any other fund into which proceed of the obligations have been deposited, including any reserve fund. In doing so, the Chief Financial Officer will use any reasonable consistently applied accounting method to account for gross proceeds, investments and expenditures of an issue.

Recordkeeping

With respect to each issue of obligations, the Authority will retain the following for the life of the obligations plus three years:

- Documentation of allocations of investments and calculations of investment earnings
- Documentation for investments of the bond proceeds related to:
 - a) Investment contracts (e.g., guaranteed investment contracts)
 - b) Credit enhancement transactions (e.g., bond insurance contracts)
 - c) Financial derivatives (e.g., swaps, caps, etc.)
 - d) Bidding of financial products
- Documentation regarding arbitrage compliance, including:
 - a) Computation of bond yield
 - b) Computation of rebate and yield reduction payments
 - c) Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
 - d) Form 8038-R, *Request for Recovery of Overpayments Under Arbitrage Rebate Provisions*

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents.

IX. REISSUANCE

Prior to making any changes to the terms of an obligation, including its underlying security, the Authority will consult with Bond Counsel to determine whether such change will result in the reissuance of such obligation for federal tax law purposes. If it is determined that a change will result in a reissuance, the Authority will take such action, including the recalculation of yield, the filing of a new form 8038-G and the payment of rebate obligations, as is necessary to maintain the tax status of the bonds.

X. CORRECTIVE ACTION

Reports regarding the aforementioned compliance policies with respect to any issue of bonds will be made by the party given responsibility for such area to the Authority's Executive Committee of the Board of Directors with the annual budget each year. At such time, the Executive Committee of the Board and Executive Director will determine whether any corrective action is required with respect to the applicable issue.

A corrective action may be required if, for example, it is determined that bond proceeds were not properly expended, the Authority is not in compliance with the arbitrage requirements imposed by the Code or the Authority has taken a deliberation action that results in impermissible private business use (e.g., sale of bond-financed property). If the Authority determines or is advised that corrective action is necessary with respect to any issue of its obligations, the Authority will, as may be applicable, in a timely manner:

- seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (or any successor notice thereto)
- take remedial action described under Section 1.141-12 of the Code
- take such other action as recommended by Bond Counsel

Exhibit B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY¹ DISCLOSURE POLICIES AND PROCEDURES

Implemented as of this 25th day of August, 2020

I. PURPOSE AND INTENT

It is the stated policy and objective of Hidalgo County Regional Mobility Authority (the “Issuer”) to (i) ensure that the Issuer’s financial disclosures are fair and accurate, and comply with all applicable federal and state securities laws, (ii) satisfy in a timely manner all contractual obligations undertaken pursuant to the Issuer’s Continuing Disclosure Undertakings, and (iii) promote best practices relating to financial disclosures by the Issuer.

These Disclosure Policies and Procedures (the “Procedures”) are adopted by the Issuer on the date hereof pursuant to a resolution by the governing body of the Issuer for the purpose of establishing, maintaining, and evidencing compliance with internal procedures, promoting compliance with federal and state securities laws, documenting the process for preparing and reviewing Disclosure Documents, and assisting the Issuer’s compliance with its Continuing Disclosure Undertakings.

It is the intention of the Issuer to modify or amend these Procedures in the future in order to comply with any changes in legal or regulatory requirements to the extent such changes may apply to the Issuer and its obligations, or improve the realization of the purpose and intent of these Procedures.

II. DEFINITIONS

Capitalized terms used in these Procedures shall have the meanings set forth below:

“*Auditor*” means the independent outside auditor retained by the Issuer to conduct an annual audit of the Issuer and prepare a report thereon.

“*Annual Report*” means the annual financial information and operating data required to be filed pursuant to the Continuing Disclosure Undertakings.

“*Annual Review*” means the annual evaluation of the Procedures that is performed by the DWG.

“*Annual Training*” means annual disclosure training for staff and officials of the Issuer involved in preparing or approving the Disclosure Documents.

“*Audited Financial Statements*” means the audited financial statements or comprehensive annual financial reports of the Issuer.

“Bond Counsel” means the attorney or law firm retained to provide an opinion regarding the validity of the bonds or other municipal securities described in the Offering Documents.

“Continuing Disclosure Undertakings” means the Issuer’s contractual obligations relating to its outstanding securities entered into to permit the underwriters of such securities to comply with the Rule.

“Continuing Disclosure Undertakings Master List” means a current list of each Continuing Disclosure Undertaking of the Issuer, identified by name of the issue covered and the CUSIP numbers associated therewith, for which the Issuer remains obligated to advance funds to pay or support the municipal securities covered, together with a description of the tables and other matters required in the Annual Report for such Continuing Disclosure Undertaking, the date on or before which the Annual Report and Audited Financial Statements must be filed, a description of information required in any notice of a failure to file the Annual Report and Audited Financial Statements, and a description of each event for which notice must be filed and whether the event must be filed in a timely manner or within ten business days of the occurrence of the event.

“Contributors” means those Issuer officials involved in preparing or approving the Disclosure Documents or staff assigned by the DWG Chair or identified to the DWG Chair by a director or manager of a department, agency, office or other unit of the Issuer, to assist with the review or preparation of one or more sections of a Disclosure Document.

“Disclosure Document” means any of the Issuer’s documents and materials prepared, issued, or distributed in connection with the Issuer’s disclosure obligations under applicable federal securities laws or that could potentially subject the Issuer to liability under applicable federal securities laws, and shall include, but not be limited to, the following: the Offering Documents; the Annual Report; any filing made by the Issuer with EMMA pursuant to Continuing Disclosure Undertakings, including an Event Notice; any voluntary filing made by the Issuer that is filed on EMMA; investor presentations; rating agency presentations; and any other document that is reviewed and approved in accordance with these Procedures.

“Disclosure Working Group” or “DWG” means the Issuer’s chief executive officer, chief financial officer, treasurer, chief legal officer, chief budget officer, chief revenue officer, chief accounting officer, internal auditor, or the designee of any of the foregoing, the Financial Advisor, Bond Counsel, and Disclosure Counsel, if any

“Disclosure Working Group Chair” or “DWG Chair” means any of the executive director, chief financial officer, internal auditor, chief legal officer, or a designee of one of the foregoing authorized to act upon the designator’s behalf.

“EMMA” means the Electronic Municipal Market Access system maintained by the MSRB.

“Event Notice” means a notice for any of the events listed in the Rule.

“Financial Advisor” means an individual or firm providing financial advice to the Issuer, including a municipal advisor.

“Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt

obligation; or (C) guarantee of (A) or (B). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The terms used in the definition of Financial Obligation have the meanings ascribed to them in 83 F.R. 44700 (Aug. 31, 2018).

“Financial Obligations Master List” means a list of the Issuer’s existing Financial Obligations. The Financial Obligations Master List should include for each Financial Obligation listed such terms of the Financial Obligation as may be necessary to comply with the information reporting requirements of event (15) (see below) and monitoring requirements of event (16) (see below). The Financial Obligations Master List should be updated on a continuing basis upon incurrence of each new Financial Obligation or modification of an existing Financial Obligation.

“Financing Group” means, in addition to certain officials and staff of the Issuer, Bond Counsel, Disclosure Counsel (if any), the Financial Advisor, the Underwriter, counsel to the Underwriter, and any other party engaged by the Issuer to assist in the offer, placement, and sale of the bonds or municipal securities described in an Offering Document.

“MSRB” means the Municipal Securities Rulemaking Board.

“Offering Documents” means all preliminary and final official statements, offering memoranda and other materials prepared by or for the Issuer, together with any amendments or supplements thereto, for use in connection with the offering of notes, bonds, other municipal securities, or other obligations of the Issuer subject to the antifraud provisions of federal securities law.

“Required Date” means the latest date or dates after the end of the Issuer’s fiscal year when the Audited Financial Statements and Annual Report are required to be filed with the MSRB under the Issuer’s Continuing Disclosure Undertakings, as identified by the Continuing Disclosure Undertakings Master List.

“Rule” means Securities and Exchange Commission Rule 15c2-12, adopted pursuant to the Securities Exchange Act of 1934, 17 CFR § 240.15c2-12, as amended from time to time.

“Underwriter” means the broker, dealer, or municipal securities dealer offering or placing the bonds or other municipal securities described in the Offering Documents to or with investors.

III. DISCLOSURE WORKING GROUP

A. DWG CHAIR

The DWG Chair is responsible for oversight of compliance with these Procedures. The DWG Chair is the leader of the DWG and: (i) is the primary point of contact or establishes the primary point of contact regarding issues or information that should or may need to be disclosed in the Disclosure Documents; (ii) assigns responsibilities and coordinates with Contributors for assembling, drafting, and verifying the accuracy of information in the Disclosure Documents; (iii) establishes the schedule or timing requirements for drafting, reviewing, revising, and approving the Disclosure Documents, including the circulation and review of the draft Disclosure Documents; (vi) communicates with senior Issuer officials regarding the Disclosure Documents; (vii) unless another official of the Issuer so acts, serves as the spokesperson to investors and the public on questions regarding disclosure matters of the Issuer; (viii) monitors compliance with these Procedures; (ix) maintains records demonstrating the Issuer’s compliance with these

Procedures; (x) schedules and coordinates the Annual Review; (xi) recommends to the governing body of the Issuer consideration of changes to these Procedures; (xii) maintains the Continuing Disclosure Undertakings Master List and the Financial Obligations Master List; and (xiii) schedules and coordinates the Annual Training. The DWG Chair may designate staff or, upon approval of the Issuer, engage the Financial Advisor to assist in the execution of her responsibilities above, if appropriate.

The DWG Chair is also responsible for filing or causing the filing of Disclosure Documents, including the Audited Financial Statements, the Annual Report, and Event Notices with EMMA by the deadlines stated in the Continuing Disclosure Undertakings. The DWG Chair may designate staff or, upon approval by the Issuer and DWG, a Disclosure Dissemination Agent, to assist in complying with this responsibility.

B. DWG

The DWG is responsible for compliance with these Procedures and promoting compliance with federal and state securities laws. In that regard, the DWG is primarily responsible for (i) consulting and coordinating with various parties and offices of the Issuer regarding the content of the Disclosure Documents, (ii) determining the content of the Disclosure Documents, (iii) reviewing and revising drafts of the Disclosure Documents, and (iv) approving the final versions of the Disclosure Documents.

The DWG should meet as often as necessary to fulfill its obligations under these Procedures.² The DWG is encouraged to provide suggestions to improve these Procedures and the Disclosure Documents in the Annual Review or as otherwise needed.

Contributors, staff and officials must cooperate with the DWG and provide the DWG with any information, assurances or certifications that it deems necessary to ensure that the Disclosure Documents are accurate and complete in all material respects.

All information that is discussed and contained in the Disclosure Documents or that is submitted to the DWG for inclusion in the Disclosure Documents should be kept confidential, to the extent allowed by law, and may not be transmitted to third parties without the express permission of the DWG.

IV. DISCLOSURE PROCEDURES

A. PRIMARY DISCLOSURE

The following process will be used in connection with reviewing the form and content of Offering Documents and any supplements thereto.

1) DWG CHAIR

- The DWG Chair will coordinate internally and with the Financing Group. The DWG Chair will coordinate with the Financing Group to ensure that all appropriate members of the DWG are included on the distribution lists of the Financing Group, assign portions of the

² For certain issuers or obligated persons, it may be necessary to meet on a quarterly or annual basis in order to fulfill their obligations under these Procedures. The DWG Chair should consult with Bond Counsel regarding timing of such meetings and members of the DWG should be prepared to meet by internet, telephone, or in person as needed to address disclosure issues arising under these Procedures.

Offering Documents, including appendices, to Contributors with responsibility for the financial information or operating data described therein and to Bond Counsel, as appropriate.

- The DWG Chair will regularly communicate with senior Issuer officials throughout each financing, if necessary, and, when approval or execution by a senior Issuer official or officials is required before distribution, provide an opportunity for questions and discussion of the content of the Offering Documents. The DWG Chair will be responsible for ensuring that the Offering Documents are provided to senior Issuer officials that are responsible for signing and certifying as to the accuracy of the disclosure in a timely manner to enable them to make such certification.
- If requested by the governing body of the Issuer or any Issuer official signing the Offering Document or approving its use, the DWG Chair will certify that (i) the Offering Document has been prepared in accordance with these Procedures and (ii) to best of the knowledge of the DWG and the DWG Chair, the Offering Document is accurate and complete in all material respects and does not make any untrue statement of a material fact or omit any material fact necessary to make the statements made therein, in light of the circumstances in which they are made, not misleading. This process may occur with respect to: (1) posting or other distribution of (i) a preliminary Offering Document, and deeming final thereof, (ii) a final Offering Document, and (iii) any supplement or amendment to a preliminary or final Offering Document, and (2) execution of (i) any purchase agreement or (ii) closing document by an Issuer official containing a representation, warranty, or certification that the Offering Document is accurate and complete in all material respects and does not make any untrue statement of a material fact or omit any material fact necessary to make the statements made therein, in light of the circumstances in which they are made, not misleading.
- The DWG Chair will keep a record of the Contributors, and other Issuer staff and officials, members of the Financing Group, and any other outside consultant that reviewed, drafted, approved, or certified the disclosure in the Offering Documents.

2) DWG

- The process of preparing Offering Documents should not be viewed as the mechanical insertion of more current numbers in prior Offering Documents. While the DWG may look to past disclosure in Offering Documents as a starting point, the DWG should think critically about the substance of the disclosure, assure that the disclosure is current, and consider the need for revisions in form and content.
- The DWG will consult with Contributors and other appropriate Issuer staff and officials, the Auditor, Bond Counsel, and other outside consultants, including the General Engineering Consultant, if necessary, regarding the disclosure in the Offering Documents.
- If an Offering Document will be a “final official statement” as defined in the Rule, the DWG Chair will instruct such members of the DWG and Contributors, in consultation as necessary with Bond Counsel, and the Dissemination Agent, if any, to review the Continuing Disclosure Undertakings Master List and the Issuer’s filings with EMMA for the

preceding five years to identify whether any failures to comply have occurred. The DWG will consult with Bond Counsel to determine whether disclosure of any such failures is required in the Offering Document and draft such disclosure for inclusion in the Offering Document, as is required under federal securities law. To the extent practicable, remedial filings with respect to any such failures to file shall be prepared and filed in accordance with these Procedures.

- The DWG will review, revise, and comment on initial and revised drafts of the Offering Document.
- The DWG must approve the final version of an Offering Document prior to approval or execution by the Issuer or an Issuer official, or posting or distribution when such approval is not required. Before final approval, the DWG must determine that the material facts described therein are consistent with those known to the DWG, and that the final version of the Offering Document (1) does not make any untrue statement of a material fact or omit any material fact necessary to make the statements made therein, in light of the circumstances in which they are made, not misleading, and (2) is accurate and complete in all material respects.
- Approval of an Offering Document shall be evidenced by written sign-off (which may be delivered by e-mail) from each member of the DWG with responsibility for the disclosure provided in the Offering Document. Upon receipt of written sign-off from such members of the DWG, the DWG Chair shall provide the Offering Document to the Issuer or Issuer official for approval or execution certifying that it has been approved by the DWG. In circumstances in which approval or execution by the Issuer or Issuer official is not required, the DWG Chair will authorize the distribution of the Offering Document. The DWG Chair should retain the written sign-offs received from such members of the DWG in the records maintained pursuant to these Procedures.

B. CONTINUING DISCLOSURE

In connection with the issuance of municipal securities, the Issuer has entered into (and in the future may enter into) a Continuing Disclosure Undertaking for the benefit of the holders and beneficial owners of the municipal securities of each such issuance, as required by the Underwriters in accordance with the Rule. The Issuer is required to comply with these Continuing Disclosure Undertakings for so long as it remains obligated to advance funds to pay or support the municipal securities covered by the respective Continuing Disclosure Undertaking.

Under the Continuing Disclosure Undertakings, the Issuer is obligated to provide (1) annual financial information consisting of (i) Audited Financial Statements and (ii) the Annual Report on or before the date specified in the Continuing Disclosure Undertaking, and notice of any failure to provide such annual financial information, and (2) in a timely manner, notice of any of the events specified in the Continuing Disclosure Undertaking to the MSRB by means of the EMMA system.

The DWG Chair maintains the Continuing Disclosure Undertakings Master List of the Issuer, and upon approval of the DWG and the Issuer, may retain a Disclosure Dissemination Agent to maintain and continuously update such Continuing Disclosure Undertakings Master List as well as to make all filings required to be made by the Issuer under the Continuing Disclosure Undertakings.

1) AUDITED FINANCIAL STATEMENTS

- The DWG Chair will work with relevant officials of the Issuer to assure that the engagement letter with the Auditor requires completion and delivery by the Auditor of the Issuer's annual Audited Financial Statements with sufficient time to permit the presentation to and acceptance by the Issuer of the Audited Financial Statements and for the DWG to review and incorporate data and other information provided therein into the Annual Report prior to the respective Required Date.
- The DWG Chair will file the Audited Financial Statements with EMMA upon availability or together with the Annual Report, provided such filing occurs on or before the respective Required Date.
- If the Audited Financial Statements are not available by the Required Date, the DWG Chair will (i) if required under the Issuer's Continuing Disclosure Undertakings, arrange for the review by the DWG and filing of unaudited financial statements with such cautionary statements and disclaimers as may be appropriate on or before the Required Date or as soon as practicable thereafter, and (ii) file an Event Notice, in conformity with the failure to file notice provisions of the Continuing Disclosure Undertakings, stating that the Audited Financial Statements are not yet available and will not be filed by the Required Date. When the Audited Financial Statements become available, the DWG Chair will file such Audited Financial Statements on EMMA.

2) ANNUAL REPORT

- The DWG Chair will schedule the preparation and drafting of the Annual Report with the DWG in time to file the Annual Report on or before the Required Date.
- The DWG Chair will assign drafting portions of the draft Annual Report, as appropriate, to DWG members and Contributors with responsibility for the financial information or operating data described therein and indicated to be required by the Continuing Disclosure Undertakings Master List.
- The DWG will review, comment on, and revise the initial and any subsequent drafts of the Annual Report; check, confirm and include or incorporate by reference, as appropriate, information contained in the Audited Financial Statements, and such other reports as required; and consult with appropriate staff and officials, the Auditor, Bond Counsel, and other outside consultants, if necessary, regarding the disclosure in the Annual Report.
- The DWG must approve of the final version of the Annual Report. Before final approval, the DWG must determine that the material facts described therein are consistent with those known to the DWG, and that the final version of the Annual Report (1) does not make any untrue statement of a material fact or omit any material fact necessary to make the statements made therein, in light of the circumstances in which they are made, not misleading, and (2) is accurate and complete in all material respects.

- Prior to releasing the Annual Report, the DWG Chair must receive written sign-off (which may be delivered by email) from each member of the DWG with responsibility for the disclosure provided in the Annual Report. The DWG Chair should retain the written sign-offs received from such members of the DWG in the records maintained pursuant to these Procedures.
- If the Annual Report is not available by the Required Date, the DWG Chair will file an Event Notice, in conformity with the failure to file notice provisions of the Continuing Disclosure Undertakings, stating that the Annual Report is not yet available and will not be filed by the Required Date. When the Annual Report becomes available, the DWG Chair will file such Annual Report on EMMA.

3) EVENT NOTICES

In its Continuing Disclosure Undertakings, the Issuer is obligated to file notices of certain events on EMMA in a timely manner (in certain undertakings within 10 business days) after the occurrence of the event, as set forth in the Continuing Disclosure Undertakings Master List.

A) EVENT NOTICES – GENERAL

- Each member of the DWG is expected to have a complete understanding of the events listed in the Continuing Disclosure Undertakings, as described in the Continuing Disclosure Undertakings Master List.
- At all times a DWG member is required to notify the DWG Chair if she becomes aware of any event or potential for an event described in the Continuing Disclosure Undertakings Master List that may require the filing of an Event Notice.
- Upon notification of an event or potential for an event that may require filing of an Event Notice, the DWG Chair will confer with Bond Counsel, other members of the DWG, staff and officials of the Issuer, Bond Counsel and other outside consultants as may be necessary to determine whether an event has occurred and, if necessary, draft or assign the drafting of the Event Notice in sufficient time to allow the Issuer to meet its continuing disclosure obligations described in the Continuing Disclosure Undertakings Master List.
- The DWG Chair will provide the DWG with a draft of the Event Notice and the DWG will review, revise, and comment on initial and revised drafts of the Event Notice. The DWG will consult with Contributors and other appropriate Issuer staff and officials, the Auditor, Bond Counsel and other outside consultants, if necessary, regarding the Event Notice.
- The DWG must approve the final version of the Event Notice. Before final approval, the DWG must determine that the material facts described therein are consistent with those known to the DWG, and that the final version of the Event Notice (1) does not make any untrue statement of a material fact or omit any material fact necessary to make the statements made therein, in light of the circumstances in which they are made, not misleading, and (2) is accurate and complete in all material respects.

- Prior to releasing the Event Notice, the DWG Chair must receive written sign-off (which may be delivered by email) from each member of the DWG with responsibility for the disclosure provided in the Event Notice. The DWG Chair should retain the written sign-offs received from such members of the DWG in the records maintained pursuant to these Procedures.
- If the DWG becomes aware of an Event Notice that was not filed, the DWG Chair will follow the process described above to promptly file such Event Notice.

B) EVENT NOTICES – FINANCIAL OBLIGATIONS

Beginning February 27, 2019, in connection with any primary offering subject to the Rule, the Issuer will be required to include in Continuing Disclosure Undertakings an agreement to file, not in excess of 10 business days, an Event Notice for: (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties. The terms used in events (15) and (16) shall have the meanings ascribed to them in 83 F.R. 44700 (Aug. 31, 2018).

- Each member of the DWG is expected to have a complete understanding of new events (15) and (16) under the Rule. If the DWG has not received training on new events (15) and (16), the DWG Chair should request training from Bond Counsel or other competent counsel.
- The DWG will, in consultation with Bond Counsel, be responsible for: (i) identifying existing material Financial Obligations; (ii) tracking new material Financial Obligations, including amendments thereto; and (iii) monitoring Financial Obligations for events which may reflect financial difficulties.
- To assist in monitoring compliance with new events (15) and (16), the DWG Chair and the DWG will create the Financial Obligations Master List, with the assistance of the Financial Advisor, the Disclosure Dissemination Agent (if any), Bond Counsel, Disclosure Counsel (if any), and other outside consultants, as the DWG Chair and DWG deem appropriate and the Issuer shall approve.
- The Financial Obligations Master List should at a minimum provide information similar in content to the recommended format that was provided by the Government Finance Officers Association in January 2019.³
- The DWG Chair will maintain and update the Financial Obligations Master List, and upon approval of the DWG and the Issuer, may retain a Financial Advisor and/or Disclosure Dissemination Agent, as may be necessary, to effectively maintain and continuously

³ The GFOA recommendations are available at <http://www.gfoa.org/new-amendments-sec-rule-15c2-12-new-event-notices-related-material-financial-obligations-and-events>.

update such Master List as well as to make all filings required to be made by the Issuer under the Continuing Disclosure Undertakings.

- At all times the DWG members are required to notify the DWG Chair if they become aware of the occurrence or potential occurrence of new events (15) and (16). If a DWG member provides such notice or the DWG Chair otherwise becomes aware of such actual or potential event, the DWG Chair will follow the steps under “Section IV(B)(3)(A) Event Notices – General” in determining whether an event has occurred and, if necessary, the drafting and filing of the Event Notice and related record-keeping.

C. QUARTERLY OR OTHER PERIODIC INFORMATION

- If Bond Counsel determines that the Issuer is required to provide quarterly disclosure, as indicated by the Continuing Disclosure Undertakings Master List, the DWG Chair will schedule the preparation and drafting of the quarterly disclosure with the DWG in time to file the quarterly disclosure on or before the date required.
- The DWG Chair will assign drafting portions of the draft quarterly disclosure, as appropriate, to DWG members and Contributors with responsibility for the financial information or operating data described therein and indicated to be required by the Continuing Disclosure Undertakings Master List.
- The DWG Chair will follow the steps under “Section IV(B)(2) Annual Report” in the drafting and filing of the quarterly disclosure and related record-keeping.

D. WEBSITE DISCLOSURE

- Disclosure Documents may only be posted on areas of the Issuer’s website designed and approved by DWG and Bond Counsel for posting of such documents. The areas of the Issuer’s website where Disclosure Documents may be posted should include appropriate disclaimers and warnings that the information has not and will not be updated, and other viewer acknowledgements and other limiting features as required by DWG.
- Routine information and data, including financial, budgetary, and operating data generally made available to the public by a department or office of the Issuer may be posted on a portion of the Issuer’s website allocated to that department or office, provided the portion of the website clearly provides a disclaimer, approved by DWG and Bond Counsel, warning viewers that the information presented has not been prepared for and is not presented for consideration as disclosure to investors, and directs viewers seeking investor disclosure to the Issuer’s information available on EMMA.
- Posting information to the Issuer’s website alone is not sufficient to comply with the Issuer’s Continuing Disclosure Undertakings described herein; such information must also be filed on EMMA.

V. ANNUAL REVIEW OF PROCEDURES

- Each year the DWG will conduct the Annual Review. The purpose of the Annual Review is

for the DWG to evaluate the design, operation and effectiveness of these Procedures.

- In connection with the Annual Review, the DWG will (i) request comment on the Procedures from staff and officials involved in preparing or approving disclosure, (ii) meet with staff and officials to discuss the portions of the Disclosure Documents for which they are responsible and evaluate the effectiveness of the Procedures, and (iii) meet with the Auditor and/or Bond Counsel to review the design of the Procedures. All comments and recommendations to amend or maintain the Procedures will be discussed with the DWG.
- If the DWG recommends any substantive amendment to these Procedures, the DWG Chair will prepare a written summary of such amendment. The written summary will be delivered to the governing body of the Issuer together with the recommendation of the DWG for adoption pursuant to an amendment of the resolution.
- In addition to a recommendation to amend these Procedures made in the Annual Review, the DWG, the DWG Chair, and any official or staff involved in preparing or approving the Disclosure Documents may at any time recommend an amendment to the Procedures.
- Following receipt of the recommendation for an amendment, the DWG will convene a meeting to discuss the proposed amendment and determine whether such amendment should be approved. Any amendments to the Procedures will be discussed with Bond Counsel. If the DWG recommends any substantive amendment to these Procedures, the DWG Chair will prepare a written summary of such amendment. The written summary will be delivered to the governing body of the Issuer together with the recommendation of the DWG for adoption pursuant to an amendment of the resolution.

VI. ANNUAL TRAINING

- The Issuer will provide Annual Training for all staff and officials involved in preparing or approving the Disclosure Documents, including members of the DWG and officials of the Issuer's governing body authorizing the preparation of or approval of any Offering Document for dissemination. The Annual Training should be prepared by or with the assistance of Bond Counsel.
- The Annual Training will generally include an overview of these Procedures, the disclosure obligations of the Issuer under federal and state securities laws, and the responsibilities and potential liabilities of the staff and officials involved in preparing or approving the Disclosure Documents.
- All staff and officials involved in preparing or approving the Disclosure Documents are required to attend the Annual Training or obtain comparable training approved by the DWG Chair. New members of the DWG, including the DWG Chair and Contributors are required to attend the Annual Training prior to being responsible for preparing or approving the Disclosure Documents.
- The DWG Chair will be responsible for ensuring attendance of all staff and officials involved in preparing or approving the Disclosure Documents. The DWG Chair will keep a record of those that attend the Annual Training and maintain such record in accordance

with these Procedures.

VII. INTERNAL USE ONLY

- These Procedures are intended for internal use only and are not intended to establish any duties in favor of or rights of any person other than the Issuer.

[Signature Page Follows]

Dated: August 25, 2020

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
David Deanda, Chairman of the Board

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Item 3D

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|----------|----------------|----------------|
| BOARD OF DIRECTORS | <u>X</u> | AGENDA ITEM | <u>3D</u> |
| PLANNING COMMITTEE | _____ | DATE SUBMITTED | <u>8/17/20</u> |
| FINANCE COMMITTEE | _____ | MEETING DATE | <u>8/25/20</u> |
| TECHNICAL COMMITTEE | _____ | | |

1. Agenda Item: RESOLUTION 2020-23 – APPROVAL OF ACCESS MANAGEMENT POLICY FOR THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of Access Management Policy for the Authority to implement on Hidalgo County Loop System roadways.
3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A Funding Source:
5. Staff Recommendation: Motion to approve Resolution 2020-23 – Approval of Access Management Policy for the Hidalgo County Regional Mobility Authority.
6. Program Manager's Recommendation: X Approved Disapproved None
7. Construction Engineer's Recommendation: Approved Disapproved X None
8. Chief Auditor's Recommendation: Approved Disapproved X None
9. Board Attorney's Recommendation: Approved Disapproved X None
10. Chief Financial Officer's Recommendation: Approved Disapproved X None
11. Chief Development Engineer's Recommendation: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION No. 2020-23

APPROVAL OF ACCESS MANAGEMENT POLICY FOR THE
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

THIS RESOLUTION is adopted this 25th day of August, 2020 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, on November 17, 2005, the Texas Transportation Commission (the “Commission”) created the Authority pursuant to (i) the Act; (ii) Title 43, Texas Administrative Code; (iii) a petition of the Hidalgo County Commissioners Court (the “County”); and (iv) findings by the Commission that the creation of the Authority would result in certain direct benefits to the State of Texas (the “State”), local governments, and the traveling public and would improve the State’s transportation system; and

WHEREAS, the Commission determined that the Authority would benefit the State by constructing needed roadway projects as identified by the County, including the approximately 104-mile Hidalgo County Loop (the “Loop System”) and the US 83 La Joya Relief Route; and

WHEREAS, the Authority has identified an independent project suitable for initial development under the Loop System: State Highway 365 from FM 396/Anzalduas Highway to US 281/Military Highway and the US 281/Military Highway Overpass at San Juan Road, including the reconstruction and widening of US 281/Military Highway from 0.45 mile east of SP 600 to FM 2557/Stewart Road, with a new grade separated interchange at SH 365/US 281 Intersection; and

WHEREAS, Section 228.011, Texas Transportation Code, provides for local toll project entities, including the Authority, to develop toll projects and Sections 201.103 and 222.052 of the Code establish that the State shall design, construct and operate a system of highways in cooperation with local governments; and

WHEREAS, in coordination with design and construction of highways, from time to time the Authority will be required to grant access to facilities in the form of driveway, median opening and local roadway connections; and

WHEREAS, on February 23, 3016, the board adopted an Access Management Policy in order to establish criteria for access points along the Hidalgo County Loop System and to balance access density with the desired mobility function of a particular section of a given roadway along the Hidalgo Count Loop System; and

WHEREAS, the Authority has reviewed the Access Management Policy and has determined changes to the Access Management Policy may be needed from time to time.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves the Access Management Policy for the Hidalgo County Regional Mobility Authority, attached hereto as Exhibit A.

Section 3. The Board authorizes the Executive Director to administer the Access Management Policy as part of daily Authority operations.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE
BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY AT A REGULAR MEETING on the 25th day of August 2020, at which meeting
a quorum was present.

S. David Deanda, Chairman

Ricardo Perez, Secretary/Treasurer

EXHIBIT A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

ACCESS MANAGEMENT POLICY



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY



Access Management Policy

Adopted: February 2, 2016

Revised: August 25, 2020

Table of Contents

| | |
|---------------------------------------|----|
| SECTION 1. INTRODUCTION..... | 1 |
| A. APPLICABILITY..... | 1 |
| B. OVERVIEW | 1 |
| SECTION 2. DEFINITIONS..... | 2 |
| SECTION 3. DESIGN STANDARDS..... | 3 |
| A. DRIVEWAY WIDTHS | 3 |
| 1. RESIDENTIAL | 3 |
| 2. COMMERCIAL | 3 |
| B. ACCESS POINTS | 3 |
| 1. LOCATION..... | 3 |
| 2. CORNER CLEARANCE | 4 |
| C. ON-SIGHT STORAGE | 5 |
| 1. THROAT-LENGTHS..... | 5 |
| 2. RESIDENTIAL | 6 |
| 3. NON-RESIDENTIAL | 6 |
| 4. SPECIAL TRAFFIC GENERATORS | 6 |
| D. SHARED ACCESS | 7 |
| E. MEDIANs AND MEDIAN OPENINGS..... | 8 |
| 1. MEDIANs | 8 |
| 2. MEDIAN OPENINGS..... | 8 |
| F. AUXILIARY LANES | 9 |
| G. PROJECTING STREETS..... | 10 |
| 1. STREETS | 10 |
| 2. MARGINAL ACCESS STREET | 10 |
| 3. TRAFFIC IMPACT ANALYSIS (TIA)..... | 10 |
| SECTION 4. REDEVELOPMENT | 10 |
| SECTION 5. VARIANCES..... | 11 |
| SECTION 6. DRAINAGE..... | 11 |

SECTION 1. INTRODUCTION

Access management is the systematic control of the location, spacing, design and operation of access points. It manages access to land development while simultaneously preserving traffic safety, capacity and speed on the surrounding road system, addressing

congestion, capacity loss, and accidents. Access points, in this policy, are defined as driveways, median openings, and street connections to a roadway. Access management is a rational way of coordinating transportation and land development by improving

safety and enhancing the convenience of travel.

In general, the goal of access management is to balance access density with the desired mobility function of a section of a given roadway. If access management policy is effective, it can promote beneficial outcomes including better mobility and access, safer facilities, and an increase desirability of the businesses or land value in the area.

Access management also reduces the potential for accidents by minimizing conflicts between through vehicles and turning vehicles. Research has shown that accident rates increase consistently with an increase in access density, while accident rates decrease with the implementation of access management techniques such as raised medians or the control of cross-access.

It is important to keep in mind that this policy is minimum criteria in the use of access points. The HCRMA Engineer shall review each access point on a case by case basis.

A. APPLICABILITY

The policy shall be applied to all points of vehicular access on adjacent roadways of non-access control type. This document contains the minimum standards for access management policies, median spacing, driveway spacing, traffic control changes and other traffic operation considerations that affect traffic control changes, which affect traffic operations and safety pertinent to HCRMA jurisdictional roadways. This document does not address specific locations but provides general guiding principles that the HCRMA can then apply to effectively manage access at specific locations. Where the HCRMA's Access Management policy differs from the TxDOT Access Management Policy Manual (link: <http://onlinemanuals.txdot.gov/txdotmanuals/acm/index.htm>) the more stringent policy shall apply.

B. OVERVIEW

To have an effective Access Management Policy a balance between land development interest and traffic must be maintained. As the volume of the roadway increases the access along the corridor must decrease as illustrated below in Figure 1.

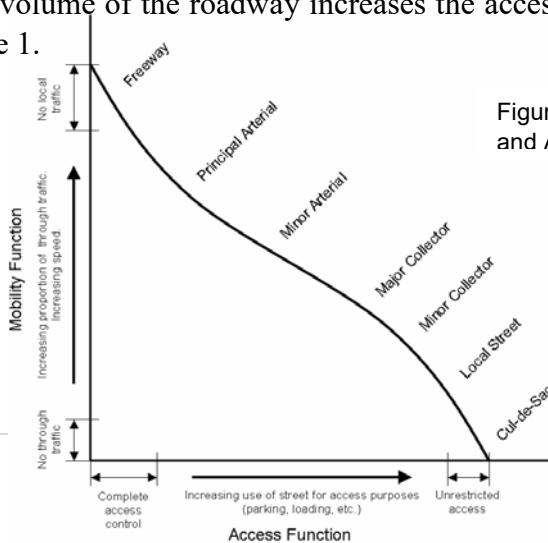


Figure 1: Relationship between Mobility and Access

The Authority has classified its roadways in accordance with the ~~Hidalgo County Rio Grande Valley~~ Metropolitan Planning Organization and be found in the ~~Hidalgo County~~ ~~Regional~~ Transportation Improvement Plan. The HCRMA ~~has functionally~~ classifies its roadways as freeways, high speed/principal arterials, minor arterials, major/minor collectors, and local streets.

- Freeways are limited access, thoroughfares designed for the movement of large volumes of vehicular traffic operating at high speeds for long distances, connecting principal or regional activity centers.
- High Speed and Principal Arterials have limited at grade access and designed primarily for the movement of through traffic between centers of medium intensity.
- Minor Arterials feed the primary arterial system, support moderate trips, and serve activity centers.
- Major/Minor Collectors link Local Streets with the arterial system and serve residential areas primarily internal to one neighborhood.
- Local Streets provide access to single family residential neighborhoods.

The Authority categorizes land use into four designations residential, commercial, industrial, agricultural, and special uses.

- Agricultural developments consist of farming, ranching, one single-family dwelling or one mobile home on parcels of five acres or more, portable buildings or storage buildings.
- Residential developments consist of one single-family dwellings, Duplexes- fourplexes, Duplex-fourplex townhouses, Duplex-fourplex condominiums, multi-family dwellings of five or more units, and mobile home or modular home
- Commercial developments consist of office buildings, retail, personal services, storages, restaurant and hospitality.
- Industrial developments consist of manufacturing, shipping, laboratories, utilities, heavy equipment sales, and lumber yards, primarily generating heavy truck or rail traffic.

SECTION 2. DEFINITIONS

Access point - Driveways, median openings and street connections to a roadway.

Auxiliary Lane - A lane striped for use as a speed-change lane allowing for safe merging into through traffic or to leave through traffic.

Corner Clearance - The distance along the edge of the traveled way from the closest edge of pavement of the intersecting roadway to the closest edge of pavement of the nearest access connection.

Cul-de-sac - A street having but one outlet to another street and terminated on the opposite end by a vehicular turnaround.

Hidalgo County Regional Mobility Authority [HCRMA, the Authority] - a political subdivision of the State of Texas created by one or more counties or cities in the State of Texas to finance, acquire, design, construct, operate, maintain, expand, or extend toll or non-toll transportation projects.

Median - A raised curbed directional divider separating traffic flows that may be traversable or non-traversable.

Multi-family - A residential development consisting of multiple dwelling units such as an apartment building.

Non-single family residential - Any residential development other than multi-family or single family such as town homes.

Offset - This distance or clearance between street approaches.

Queue - A successive stacking of vehicles.

Rio Grande Valley Metropolitan Planning Organization – A federally funded program that works with Rio Grande Valley communities and the Texas Department of transportation to plan for the region’s future transportation needs.

Storage - Stacking of vehicles usually in a queue.

Throat Length - the length of the driveway up to the first conflict point.

Hidalgo County Transportation Improvement Plan - a document that addresses the development in such areas as land development, mobility, housing, drainage, public facilities and cultural activities.

TxDOT - Texas Department of Transportation

SECTION 3. DESIGN STANDARDS

A. DRIVEWAY WIDTHS

1. RESIDENTIAL

Single family residential driveways shall be constructed with a minimum width of 12 ft maximum width of 25 ft at the right-of-way. (HCRMA Policy)

2. COMMERCIAL

Commercial, non-single family residential and multi-family driveways that connect to an arterial street, highway, or freeway shall be a minimum of 25 ft wide to a maximum of 45 ft wide. (HCRMA Policy)

Driveways for utility facilities shall be constructed using single family residential driveway standards with specific approval from the HCRMA engineer.

B. ACCESS POINTS

1. LOCATION

To preserve the functionality of the adjacent roadway, the location and spacing of access points will be determined by classification. All states, counties, and cities provide full controlled access control along freeways. Table 1 shows the proper spacing by functional classification. A minimum of one hundred twenty-five feet (125 ft) shall be required for Opposite Left Access Points. The spacing between access

points shall be measured from the edge of one access point to the closest edge of the next access point along the adjacent roadway and shown on Figure 2.

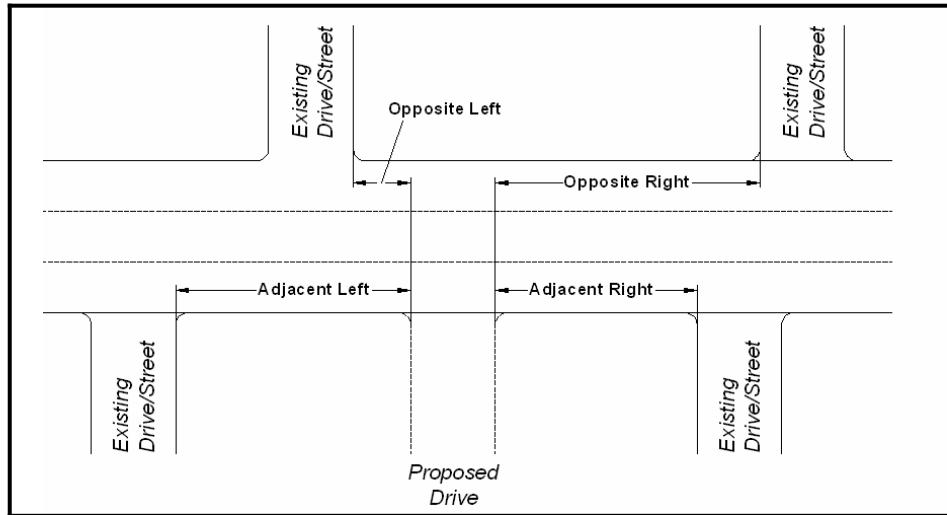


Figure 2: Measurement

| Functional Classification | Adjacent Access Point spacing (ft) | Opposite Right Access Point spacing (ft) |
|---------------------------|------------------------------------|--|
| Collector | 200 | 175 |
| Minor Arterial | 250 | 225 |
| Principal Arterial | 360 | 300 |
| High Speed Arterial | 425 | 400 |

Table 1: Minimum Access Point Spacing

2. CORNER CLEARANCE

As defined above, connecting streets are considered access points. A safe distance, corner clearance, should be maintained from connecting streets, as to not interfere with the intersection operation. Driveways should not be within the area of deceleration and acceleration lanes, crosswalk, or a partial median opening. Table 2 shows the proper corner clearance distance by functional classification.

| Functional Classification | Corner clearance (ft) |
|---------------------------|-----------------------|
|---------------------------|-----------------------|

| | |
|---------------------|-----|
| Collector | 200 |
| Minor Arterial | 250 |
| Principal Arterial | 360 |
| High Speed Arterial | 425 |

Table 2: Corner Clearance

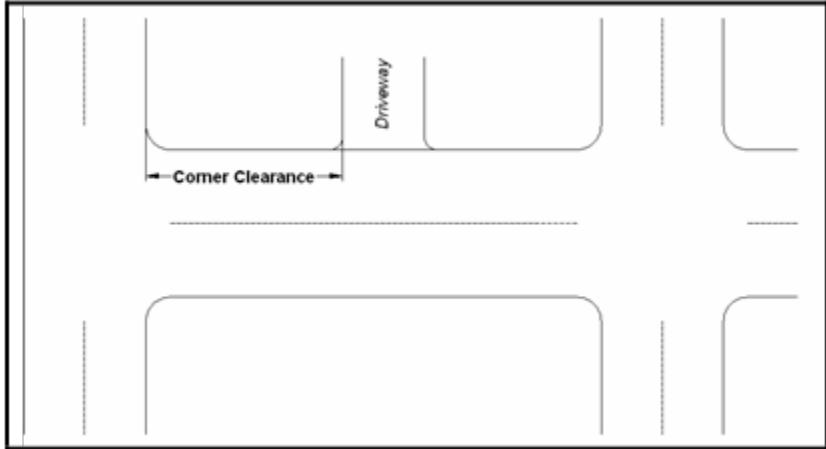


Figure 3: Corner Clearance

C. ON-SIGHT STORAGE

1. THROAT-LENGTHS

All commercial developments are required to provide 30 feet minimum of throat length. Any development plan with an internal roadway network, a minimum storage of 80 feet measure from right-of-way line shall be required before any crossing or left turning conflicts are allowed, as shown on Figure 4. The minimum driveway throat length requirement may increase on a project-by-project basis based on recommendations by the HCRMA Engineer or a TIA on the internal roadway network.

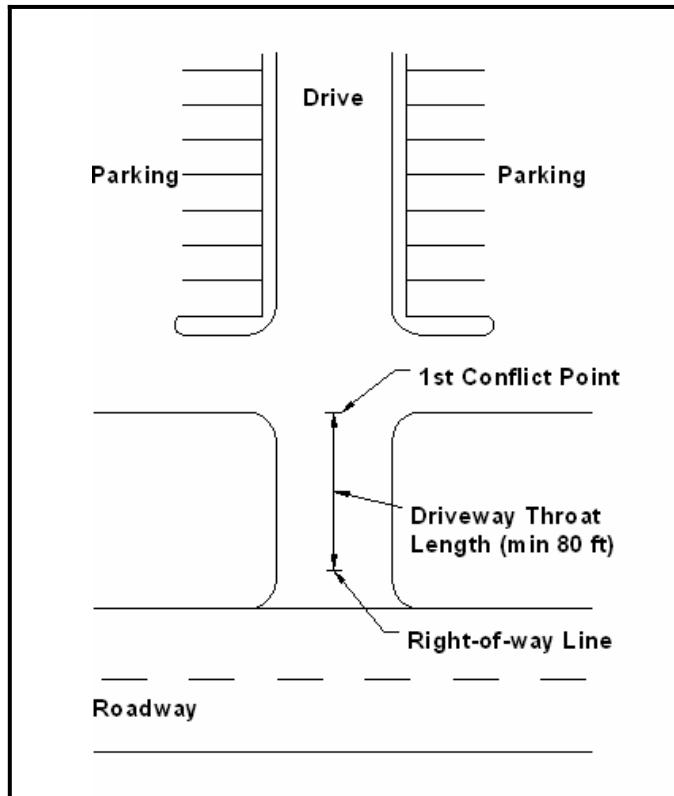


Figure 4: Driveway Throat Length

2. RESIDENTIAL

Residential access along arterials shall be designed to provide adequate space on the property for vehicles to turn around without the need to back onto the roadway.

3. NON-RESIDENTIAL

Non-residential and mixed use access shall be designed so that backing, loading, unloading, and other maneuvers are accommodated on-site and not using the public right-of-way and the access shall provide adequate storage to prevent entering or exiting vehicles from obstructing the flow of traffic on roadways. The Engineer may provide verification by means of turning movement templates or Auto-Turn. A driveway median may be required to preserve the length of storage, or to prevent cross access to an out-parcel within the storage area of a driveway.

4. SPECIAL TRAFFIC GENERATORS

Adequate storage shall be provided within the internal circulation system for properties that include either a drop-off loop or drive-through facility so that vehicles do not queue onto roadways, do not interfere with parking or internal circulation and do not block driveways. Dimensions are measured from the right of way. Minimum lengths are enumerated in Table 3.

| Generator | Throat Length | |
|-------------------|--|---------------------------------|
| Banking Facility | Single lane | queue of six vehicles |
| | Multi-lane | queue of five vehicles per lane |
| Car-Wash Facility | Single-lane drive-through full service | queue of five vehicles |
| | Automatic or self-serve multi bay | queues for two vehicles |

| | | |
|----------------|--|--|
| Restaurant | Fast food with drive-through window | queue of eight vehicles measured from menu board and three vehicle lengths from menu board to pick-up window ^{**} |
| Gas Stations | Pumps parallel to edge of pavement | minimum setback 35 feet from pump islands to parallel right-of-way |
| | Pumps not parallel to edge of pavement | minimum storage of 50 feet from pump islands to right-of-way |
| Control Access | gated subdivision/service attendant | minimum of 40 feet from right-of-way to call box; from call box to gate 50 feet |

*Note: 1 vehicle = 20ft
** or a combination approved by HCRMA Engineer equaling no less than 11 vehicles

Table 3: Special Traffic Generator Minimum Throat Lengths

Schools require adequate storage for drop-off and pick areas, which should be provided entirely on the school campus site to ensure safety for the students and to minimize the impact on the surrounding traffic network. The proper treatments are shown in Table 4.

| School Type | Student Population | Loop Drive Stacking Length |
|-------------|--------------------|----------------------------|
| Elementary | 200 – 600 | 650 – 1,000 Linear Feet |
| | 600 – 1,200 | 1,000 – 1,500 Linear Feet |
| Middle | 200 – 600 | 700 – 1,000 Linear Feet |
| | 600 – 1,200 | 1,000 – 1,500 Linear Feet |
| High | 400 – 800 | 800 – 1,200 Linear Feet |
| | 800 – 2,500 | 1,200 – 1,500 Linear Feet |

Note: For high school populations greater than 2,500 students, two separate student pick-up drop-off loops should be considered
**SCDoT Guidelines for School Transportation Design.*

Table 4: School Storage Length

D. SHARED ACCESS

Where the frontage of a property is insufficient for proper spacing of an access point (such as in a commercial development) the HCRMA Engineer shall require shared access. The property owner shall

- Record a common ingress/egress access easement with the plat allowing ingress/egress to properties that share access as determined by the Authority or designee pursuant to this policy.
- Whenever property is being platted through which ingress/egress is necessary for another property to have access to public right of way then such property shall record a common ingress/egress access easement allowing such other property shared access.
- Use of such easement by other property owners shall be made contingent on such other owner's agreement to the shared maintenance responsibilities on a pro-rata basis, proportional to respective square footage of all properties having access to easement.

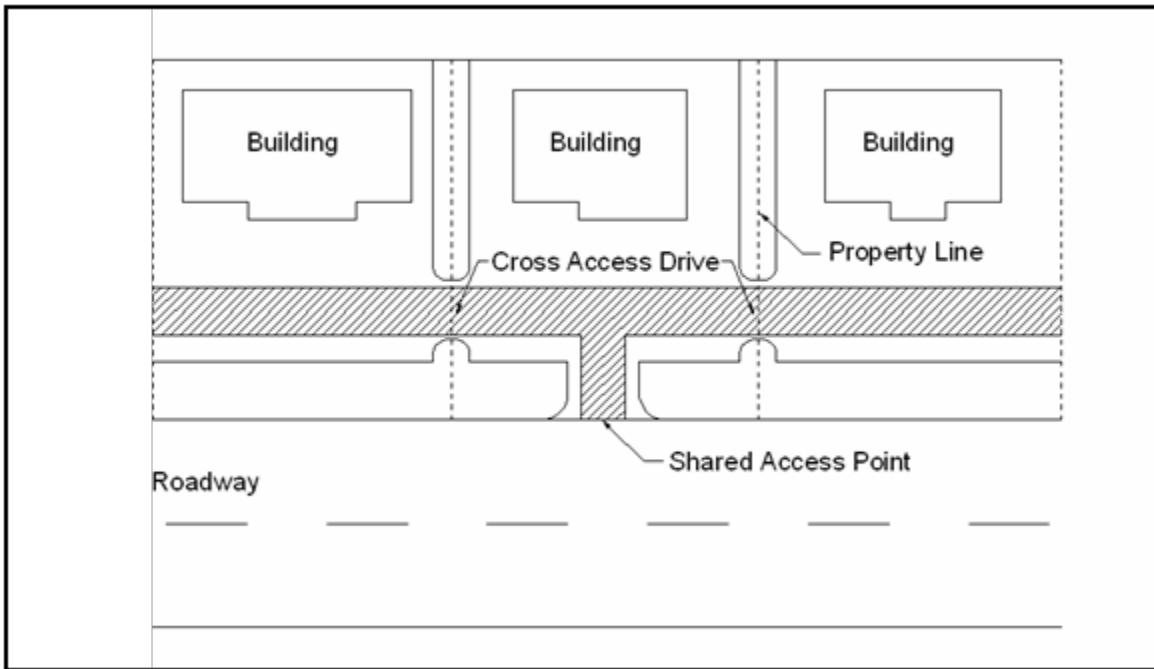


Figure 5: Shared Access

E. MEDIANS AND MEDIAN OPENINGS

1. MEDIANS

Medians should be installed on all new multilane arterials and on existing multilane arterials with an average daily traffic (ADT) volume of 24,000 vehicles per day or greater.

2. MEDIAN OPENINGS

There are two types of median openings, directional and full opening. Directional median opening generally allows only left or right turns into a driveway, but left turns or through movements are not permitted out of the driveway. A full median opening allows all traffic movements. To preserve the functionality of the median and the adjacent roadway a minimum distance should be maintain between openings. Table 5 shows the minimum distance to maintain by functional classification of the adjacent roadway.

| Functional Classification | Median Opening (ft) | |
|---|---------------------|-------------|
| | Full | Directional |
| Principal Arterial | 2640 | 1320 |
| High Speed Arterial | 2640 | 1320 |
| <i>*Signalized intersections shall not be spaced less than 2640 ft apart.</i> | | |

Table 5: Median Opening Requirements

Full medians opening should align with cross streets or with driveways. Left-turn bays shall be provided at all median openings for safe left turn movements.

F. AUXILIARY LANES

Table 6 shows the thresholds for auxiliary lanes was adopted from the TxDOT Access Management Manual. These thresholds represent examples of where left turn and right turn lanes should be considered. Refer to the TxDOT Roadway Design Manual, Chapter 3, for proper acceleration and deceleration lengths.

| Median Type | Left Turn to or from property | | Right Turn to or from Property ⁽⁵⁾ | |
|---|-------------------------------|--------------|---|--|
| | Acceleration | Deceleration | Acceleration | Deceleration |
| Non-Traversable (Raised Median) | (2) | All | Right turn egress > 200vph ⁽⁴⁾ | <ul style="list-style-type: none"> • > 45mph where right turn volume is > 50vph⁽³⁾ • ≤ 45 where right turn volume is > 60vph⁽³⁾ |
| Traversable (Undivided Road) | (2) | (1) | Same as above | Same as above |
| <p>(1) Refer to Table 3-11, <i>TxDOT Roadway Design Manual</i>, for alternative left-turn-bay operational considerations.</p> <p>(2) A left-turn acceleration lane may be required if it would provide a benefit to the safety and operation of the roadway. A left-turn acceleration lane is generally not required where the posted speed is 40 mph or less, or where the acceleration lane would interfere with the left-turn ingress movements to any other access condition.</p> <p>(3) Additional right-turn consideration:</p> <ul style="list-style-type: none"> ◆ Conditions for providing an exclusive right-turn lane the right-turn traffic volume projections are less than indicated in this table: <ul style="list-style-type: none"> • High crash experience • Heavier than normal peak flow movements on the main roadway • Large volume of truck traffic • Highways where sight distance is limited ◆ Conditions for NOT requiring a right-turn lane where right-turn volumes are more than indicated in this table: <ul style="list-style-type: none"> • Dense or built-out corridor where space is limited • Where queues of stopped vehicles would block the access to the right turn lane • Where sufficient length of property width is not available for the appropriate design <p>(4) The acceleration lane should not interfere with any downstream access connection.</p> <ul style="list-style-type: none"> ◆ The distance from the end of the acceleration lane taper to the next unsignalized downstream access connection should be equal to or greater than the distance found in Table 1. ◆ Additionally, if the next access connection is signalized, the distance from the end of the acceleration lane taper to the back of the 90th percentile queue should be greater than or equal to the distance found in Table 1. <p>(5) Continuous right-turn lanes can provide mobility benefits both for through movements and for the turning vehicles.¹ Access connections within a continuous right turn lane should meet the spacing requirements found in Table 1. However, when combined with crossing left movements, a continuous right-turn lane can introduce additional operation conflicts.</p> | | | | |

¹Florida Department of Transportation (FDOT), Florida's Driveway Handbook, 2002.

Table 6: Auxiliary Lane Thresholds

G. PROJECTING STREETS

1. STREETS

Streets and traffic lanes shall be properly aligned across an intersection. Proposed streets shall be aligned with existing streets. Where an area is built in phases an obvious effort to preserve future alignment shall be made. Local roads should not have access to principal arterials or high-speed arterials.

Offset intersections are not permitted on any arterial if the offset distance (or clearance between streets) is less than three hundred feet. The minimal allowable offset shall be 250 ft on collector streets and 125 ft on local streets.

Table 7 lists the intersection spacing requirements by functional classification. Each column describes the criteria in relation to identical intersections.

| Functional Classification | Intersection Spacing (ft) |
|---------------------------|---------------------------|
| Minor Arterial | 470 |
| Principal Arterial | 870 |
| High Speed Arterial | 1320 |

**Signalized intersections shall not be spaced less than 2640 ft apart.*

Table 7: Intersection Spacing

2. MARGINAL ACCESS STREET

Where a proposed development has residential property fronting a collector road or greater a marginal access street shall be provided. The marginal access street will be parallel to and adjacent to the collector or greater road. The construction of the marginal access street will not relieve the developer of any responsibility or obligation set upon by the Authority.

3. TRAFFIC IMPACT ANALYSIS (TIA)

Where a proposed development is estimated to generate more than 100 peak hour trips, a Traffic Impact Analysis may be required. In the study, the proposed driveways will be analyzed to determine the loss of Level of Service (LOS), if any, and what treatments are necessary for mitigation of such.

SECTION 4. REDEVELOPMENT

Properties with access connections which do not meet the requirements above shall be brought into compliance to the extent possible when modifications to the roadway are made or when a change in use results in one or more of the following conditions:

- When a connection permit is required.
- When plat review is required.
- When site plan review is required.
- When building permit is required.
- When a change in land use(s) occurs on the site that may change the amount or distribution of traffic using any existing access points.
- As road improvements are made within the public right-of-way adjacent to the property.
- When a site experiences an increase of twenty percent or greater in peak hour trips or 100 vehicles per hour in the peak hour, whichever is less, as determined by one of the following methods:

- An estimation based on the latest edition of the ITE Trip Generation Manual for typical land uses, or
- Traffic counts made at similar traffic generators located in the City of McAllen, or
- Actual traffic monitoring conducted during the peak hour of the adjacent roadway traffic for the property.

Normal maintenance and/or repair of an existing access connection shall not be considered a physical change in the access.

If the principal activity on a parcel with access connections which do not meet the regulations of the above is discontinued for a period of one year or more, then that parcel must comply with all applicable access requirements of the above to the extent possible. The property owner should be made aware that the Authority may at any time, when deemed necessary for safety, mobility, and efficiency of the roadway, modify, remove, or relocate any access point, and may redesign the roadway including any medians, auxiliary lanes, and turning movement restrictions.

SECTION 5. VARIANCES

The granting of a variance shall be in harmony with the purpose and intent of this ordinance and shall not be considered until every feasible option for meeting minimum access management standards is explored.

The HCRMA Engineer, or a designee, may authorize a variance to any driveway requirement in this article for which specific approval authority has been granted via the Authority's Board. A request for a variance must be submitted to the HCRMA Engineer's office in writing.

Request for a variance from the standards herein must provide proof of unique or special conditions that make strict application of the provisions impractical, drawings providing sufficient detail to describe the request, and traffic data or any other supporting information. Incomplete requests will be rejected until all items are addressed by the applicant. Any work related to the variance that proceeds without approval of a variance is subject to removal and replacement in accordance with the Authority's design standards at the sole expense of the applicant. The application shall include proof that:

- Indirect or restricted access cannot be obtained; and
- No engineering or construction solutions can be applied to mitigate the conditions; and
- No alternative access is available from a side street

No variance shall be granted where such undue hardship is self-created by applicant.

SECTION 6. DRAINAGE

Applicants will be required to submit information regarding ~~access or impacts to connected drainage systems to Authority owner or developed projects~~ as part of the access permitting process. ~~In the case where development does not require a drainage connection to a TXDOT drainage system~~ The Authority will review and approve all matters concerning drainage ~~including, but not limited to, the design flows, size of conduit/ditch, and routing calculations, as necessary~~. In the case where a development does require a drainage connection ~~to the TXDOT drainage system~~, the Authority will review the driveway permit only. ~~The applicant will be required to follow TXDOT's UIR system process to submit for drainage approval through the TXDOT Pharr Area Office.~~

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Item 3E

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

| | | | |
|---------------------|-------------------------------------|----------------|----------|
| BOARD OF DIRECTORS | <input checked="" type="checkbox"/> | AGENDA ITEM | 3E |
| PLANNING COMMITTEE | <input type="checkbox"/> | DATE SUBMITTED | 08/17/20 |
| FINANCE COMMITTEE | <input type="checkbox"/> | MEETING DATE | 08/25/20 |
| TECHNICAL COMMITTEE | <input type="checkbox"/> | | |

1. Agenda Item: **RESOLUTION 2020-24 – AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020 EITHER AS TAX-EXEMPT OR TAXABLE BONDS; APPROVAL AND DESIGNATION OF A PRICING COMMITTEE TO DETERMINE THE INTEREST RATES, MATURITY DATES, FORM OF BONDS, REDEMPTION PROVISIONS, BOND INSURANCE PROVISIONS, AND OTHER MATTERS PERTAINING TO SUCH BONDS; APPROVING THE PROJECTS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE DESIGNATION AND APPOINTMENT OF A SYNDICATE OF UNDERWRITERS AND APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE AGREEMENT, AND AN ESCROW AGREEMENT; APPROVING A SUPPLEMENT TO THE INDENTURE OF TRUST; RATIFYING THE PLEDGE AGREEMENT; RATIFYING THE DESIGNATION OF BOND COUNSEL AND APPROVING OTHER AGREEMENTS RELATED THERETO; MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE SUBJECT AND MATTERS INCIDENT THERETO.**
2. Nature of Request: (Brief Overview) Attachments: Yes No
Consideration and approval of Resolution 2020-24
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No N/A
5. Staff Recommendation: **Motion to approve Resolution 2020-24 – Amended and Restated Resolution authorizing the issuance of one or more series of Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020 either as tax-exempt or taxable bonds; Approval and Designation of a Pricing Committee to determine the interest rates, maturity dates, form of bonds, redemption provisions, bond insurance provisions, and other matters pertaining to such bonds; Approving the projects; Prescribing the form, terms, conditions, and Resolving other matters incident and related to the issuance, sale, and delivery of the bonds, including the designation and appointment of a syndicate of underwriters and approval and distribution of an official statement pertaining thereto; Authorizing the execution of a paying agent/registrar agreement, a purchase agreement, and an escrow agreement; Approving a Supplement to the Indenture of Trust; Ratifying the pledge agreement; Ratifying the designation of bond counsel and Approving other agreements related thereto; making other findings and provisions relating to the subject and matters incident thereto., as presented.**

6. Program Manager's Recommendation: Approved Disapproved None
7. Planning Committee's Recommendation: Approved Disapproved None
8. Board Attorney's Recommendation: Approved Disapproved None
9. Chief Auditor's Recommendation: Approved Disapproved None
10. Chief Financial Officer's Recommendation: Approved Disapproved None
11. Chief Development Engineer's Recommendation: Approved Disapproved None
12. Chief Construction Engineer's Recommendation: Approved Disapproved None
13. Executive Director's Recommendation: Approved Disapproved None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2020 – 24

AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020 EITHER AS TAX-EXEMPT OR TAXABLE BONDS; APPROVAL AND DESIGNATION OF A PRICING COMMITTEE TO DETERMINE THE INTEREST RATES, MATURITY DATES, FORM OF BONDS, REDEMPTION PROVISIONS, BOND INSURANCE PROVISIONS, AND OTHER MATTERS PERTAINING TO SUCH BONDS; APPROVING THE PROJECTS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE DESIGNATION AND APPOINTMENT OF A SYNDICATE OF UNDERWRITERS AND APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE AGREEMENT, AND AN ESCROW AGREEMENT; APPROVING A SUPPLEMENT TO THE INDENTURE OF TRUST; RATIFYING THE PLEDGE AGREEMENT; RATIFYING THE DESIGNATION OF BOND COUNSEL AND APPROVING OTHER AGREEMENTS RELATED THERETO; MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE SUBJECT AND MATTERS INCIDENT THERETO

TABLE OF CONTENTS

| | Page | |
|---------------------------------|--|----|
| ARTICLE I | | |
| RECITALS | | |
| ARTICLE II | | |
| DEFINITIONS AND INTERPRETATIONS | | |
| Section 2.1 | Definitions | 3 |
| Section 2.2 | Interpretations | 7 |
| ARTICLE III | | |
| TERMS OF THE BONDS | | |
| Section 3.1 | Name, Amount, Purpose, Authorization..... | 8 |
| Section 3.2 | Date, Interest Payment Dates and Principal Installment Payment Date, Initial Bonds, Numbers and Denomination..... | 8 |
| Section 3.3 | Selling and Delivering the Bonds | 8 |
| Section 3.4 | Approval, Registration and Initial Delivery | 9 |
| Section 3.5 | Execution of the Bonds..... | 9 |
| Section 3.6 | Payment of Principal and Interest..... | 10 |
| Section 3.7 | Successor Paying Agent/Registrars | 10 |
| Section 3.8 | Special Record Date..... | 10 |
| Section 3.9 | Ownership; Unclaimed Principal and Interest..... | 11 |
| Section 3.10 | Book-Entry Only System..... | 11 |
| Section 3.11 | Successor Securities Depository; Transfer Outside Book-Entry Only System..... | 12 |
| Section 3.12 | Payments to Cede & Co..... | 12 |
| Section 3.13 | Registration, Transfer, and Exchange..... | 12 |
| Section 3.14 | Cancellation of Bonds..... | 13 |
| Section 3.15 | Mutilated, Lost, or Stolen Bonds | 13 |
| Section 3.16 | Redemption..... | 14 |
| Section 3.17 | Notice of Redemption to Owners | 14 |
| Section 3.18 | Payment Upon Redemption..... | 15 |
| Section 3.19 | Effect of Redemption..... | 15 |
| Section 3.20 | Limited Obligations | 15 |
| ARTICLE IV | | |
| FORM OF BONDS | | |
| Section 4.1 | Forms | 16 |
| Section 4.2 | CUSIP Registration..... | 16 |

ARTICLE V

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEFEASANCE

| | | |
|-------------|--|----|
| Section 5.1 | Security for the Bonds | 16 |
| Section 5.2 | The Bonds Not Payable from Taxes | 16 |
| Section 5.3 | Establishment of Additional Funds and Accounts for the Bonds | 16 |
| Section 5.4 | Flow of Funds | 17 |

ARTICLE VI

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF THE BONDS

| | | |
|-------------|---|----|
| Section 6.1 | Selection of Underwriting Syndicate | 17 |
| Section 6.2 | Authorization of a Purchase Agreement | 17 |
| Section 6.3 | Official Statement Approval and Distribution..... | 18 |
| Section 6.4 | Sale..... | 18 |
| Section 6.5 | Application of Proceeds..... | 18 |

ARTICLE VII

FEDERAL TAX MATTERS

| | | |
|-------------|---|----|
| Section 7.1 | Taxable Bonds | 18 |
| Section 7.2 | Federal Income Tax Covenants Relating to Tax-Exempt Bonds | 18 |
| Section 7.3 | Series 2020 Senior Lien Rebate Account | 20 |

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

| | | |
|-------------|---|----|
| Section 8.1 | Annual Reports | 21 |
| Section 8.2 | Event Notices | 21 |
| Section 8.3 | Limitations, Disclaimers, and Amendments..... | 23 |

ARTICLE IX

SUBSCRIPTION FOR SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED BONDS

| | | |
|-------------|--|----|
| Section 9.1 | Subscription for Securities..... | 24 |
| Section 9.2 | Appointment of Escrow Agent; Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Bonds..... | 24 |
| Section 9.3 | Payment of Refunded Bonds; Redemption of Refunded Bonds..... | 25 |

ARTICLE X
MISCELLANEOUS

| | |
|---|----|
| Authorization of Agreements..... | 34 |
| Section 10.1 Bond Counsel; Appointment, Ratification and Acceptance | 34 |
| Section 10.2 Related Matters | 34 |
| Section 10.3 Further Proceedings | 34 |
| Section 10.4 Severability | 35 |
| Section 10.5 Open Meeting | 35 |
| Section 10.6 Paying Agent/Registrar Agreement | 35 |
| Section 10.7 Parties Interested..... | 35 |
| Section 10.8 Repealer | 35 |
| Section 10.9 Changes to Resolution | 35 |
| Section 10.10 Effective Date | 35 |

LIST OF EXHIBITS

| | |
|------------|----------------------------------|
| Exhibit A: | Pricing Certificate |
| Exhibit B: | Paying Agent/Registrar Agreement |
| Exhibit C: | Escrow Agreement |
| Exhibit D: | Indenture of Trust |

AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020 EITHER AS TAX-EXEMPT OR TAXABLE BONDS; APPROVAL AND DESIGNATION OF A PRICING COMMITTEE TO DETERMINE THE INTEREST RATES, MATURITY DATES, FORM OF BONDS, REDEMPTION PROVISIONS, BOND INSURANCE PROVISIONS, AND OTHER MATTERS PERTAINING TO SUCH BONDS; APPROVING THE PROJECTS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE DESIGNATION AND APPOINTMENT OF A SYNDICATE OF UNDERWRITERS AND APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE AGREEMENT, AND AN ESCROW AGREEMENT; APPROVING A SUPPLEMENT TO THE INDENTURE OF TRUST; RATIFYING THE PLEDGE AGREEMENT; RATIFYING THE DESIGNATION OF BOND COUNSEL AND APPROVING OTHER AGREEMENTS RELATED THERETO; MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE SUBJECT AND MATTERS INCIDENT THERETO

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY:

ARTICLE I

RECITALS

WHEREAS, on April 21, 2005, Hidalgo County (the “County”) petitioned the Texas Transportation Commission (the “Commission”) for authorization to create the Hidalgo County Regional Mobility Authority (the “Authority”) pursuant to the provisions of the Texas Transportation Code; and

WHEREAS, the Commission authorized the creation of the Authority on November 17, 2005; and

WHEREAS, the Authority operates pursuant to Chapters 370 of the Texas Transportation Code, as amended (the “Act”) and is authorized to receive and use Vehicle Registration Fees (as defined herein) pursuant to Chapter 502 of the Texas Transportation Code, and the corresponding Commission regulations, policies and procedures, as amended from time to time (collectively, the “Authorizing Law”); and

WHEREAS, the County, pursuant to Section 502.402, Texas Transportation Code, as amended, authorized an Optional County Fee for Transportation Projects in the amount of \$10.00 (per registered vehicle) effective January 1, 2008 (referred to as “Vehicle Registration Fees”, as further defined in Article I of this Resolution); and

WHEREAS, the Authorizing Law requires the County to remit to the Authority all revenue derived from the Vehicle Registration Fees to fund long-term transportation projects in the County as further described herein (the “Projects”); and

WHEREAS, it has been found and determined that the implementation of the Projects will benefit the County and its residents through improved mobility, increased safety, enhanced economic development, and expansion of its tax base resulting in increased revenues to the County and the provision of services to residents; and

WHEREAS, the County and the Authority have entered into that certain Transportation Project and Pledge Agreement (the “Pledge Agreement”), to authorize Projects and cause the transfer of Vehicle Registration Fees to the Authority, which is authorized to pledge such Pledged Vehicle Fee Revenues (as defined herein) to the Bonds (as hereinafter defined) issued to finance the Projects; and

WHEREAS, the Authority, pursuant to the Indenture, the Authorizing Law, and the Pledge Agreement, has pledged the Pledged Vehicle Fee Revenues to pay Debt Service (as defined in the Indenture) of the Bonds, Costs of Issuance (as defined in the Indenture) of the Bonds, and all amounts required to establish and maintain the funds to be established under the Indenture and this Resolution (as herein defined); and

WHEREAS, the Authority issued Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2013 in the original aggregate principal amount of \$61,600,000 (the “Refunded Bonds”) pursuant to an Indenture of Trust (the “Indenture”) by and between the Authority and Wilmington Trust, National Association, as Trustee (the “Trustee”), dated as of November 1, 2013; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has determined that it is in the Authority’s best interest to issue, pursuant to the Indenture, the Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020 (the “Bonds”) in one or more Series, either as tax-exempt or taxable bonds, in the aggregate principal amount not to exceed \$75,000,000, with a maximum repayment term of no more than 40 years and secured by Pledged Revenues (inclusive of the Pledged Vehicle Fee Revenues), for the purpose of financing and refinancing the Projects and to refund, defease and redeem the Refunded Bonds, all pursuant to the authority provided in Chapters 370 and 502, Texas Transportation Code, and Chapters 1201, 1202, 1207 and 1371, Texas Government Code, and upon the terms and conditions and for the purposes herein provided; and

WHEREAS, pursuant to Chapter 1207, Texas Government Code, as amended, and Chapter 1371, Texas Government Code, as amended, the Authority may delegate to the Pricing Committee the authority to execute and finalize certain terms in connection with the issuance of the Bonds authorized by this Resolution, and the Authority desires to delegate to the Pricing Committee such authority as described herein; and

WHEREAS, the Board hereby finds and determines that the refunding of the Refunded Bonds contemplated in this Resolution will benefit the Authority by providing a present value savings in the debt service payable by the Authority, and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

WHEREAS, pursuant to the authority granted in the Act, the Authorizing Law, and Chapter 1371, Texas Government Code, the Authority has determined to authorize the issuance of the Bonds pursuant to the Indenture and this Resolution for the purpose of providing funds to finance a portion of the Projects; and

WHEREAS, based on the above findings, the Board hereby finds and determines that the issuance and delivery of the Bonds hereinafter authorized is in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, to facilitate the issuance of the Bonds, the Authority finds and determines that it is in the public interest to supplement the Indenture to permit the Authority to procure the Insurance Policy (defined herein) and the Reserve Policy (defined herein) with the Insurer (defined herein); and

WHEREAS, to facilitate the issuance of the Bonds, the Authority shall appoint and delegate certain responsibilities to a Pricing Committee (defined herein), which shall determine the date, interest rates, interest payment dates, principal payment dates, redemption features, form of bonds, principal amount of each Series of Bonds, Series designation, the amount to mature each year, the tax status, and other matters, all as further detailed herein; and

WHEREAS, the Authority is also authorizing the execution and delivery of that certain Indenture and such other documents necessary for the issuance of the Bonds; and

WHEREAS, the Board desires to issue the Bonds in accordance with the requirements of the Indenture and to authorize the execution and delivery of such certificates, agreements, instruction letters and other instruments as may be necessary or desirable in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1 **Definitions.** In this Resolution, the following terms shall have the following meanings, unless the context clearly indicates otherwise. Terms not defined herein shall have the meanings assigned to such terms in the Indenture:

“Accounting Principles” shall mean the accounting principles described in the notes to the Financial Statements as such principles may be changed from time to time to comply with State laws or regulations.

“Act” shall have the meaning assigned in the recitals of this Resolution.

“Annual Financial Information” shall mean the financial information and operating data, including audited or unaudited Financial Statements, for the preceding Fiscal Year provided at least annually, of the type included in the Official Statement under the headings “THE VEHICLE REGISTRATION FEES – Table 1 – Vehicle Registration and Vehicle Registration Fee History,”

“DEBT SERVICE REQUIREMENTS – Table 2 – Debt Service Requirements of the Bonds,” “INVESTMENT AUTHORITY – Table 3 – Current Investments” and in Appendix B of the Official Statement.

“Authorizing Law” shall have the meaning assigned in the recitals of this Resolution.

“Blanket Letter of Representations” shall mean the Blanket Letter of Representations between the Authority, the Paying Agent/ Registrar and DTC.

“Bond(s)” shall have meaning assigned in the recitals of this Resolution.

“Bond Year” shall mean each one-year period that ends at the close of business on the day that each anniversary of the Issuance Date and on the date of final maturity of the Tax-Exempt Bonds. The first and last Bond Years may be short periods.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor; provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Commission” shall have the meaning assigned in the recitals of this Resolution.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Computation Date” shall mean each Installment Computation Date and the Final Computation Date.

“Costs of Issuance” shall mean all costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code.

“County” shall mean Hidalgo County, Texas.

“Dated Date” shall mean the date set forth in the Pricing Certificate.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean 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 such participants.

“Escrow Agent” shall mean escrow agent designated in the Pricing Certificate.

“Escrow Agreement” shall mean the escrow agreement by and between the Authority and the Escrow Agent relating to the Refunded Bonds.

“Escrow Fund” means the fund established by the Escrow Agreement to hold cash and securities for the payment of debt service on the Refunded Bonds.

“Escrow Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (3) 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 hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“EMMA” shall mean the Electronic Municipal Market Access website of the MSRB, with the web address www.emma.msrb.org.

“Final Computation Date” shall mean the date on which the last bond of the Tax-Exempt Bonds is discharged.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Financial Statements” shall mean the audited annual financial statements of the Authority prepared by an independent auditor.

“Fiscal Year” shall mean the year beginning each January 1 and ending the following December 31.

“Indenture” shall mean the Indenture of Trust, dated as of November 1, 2013, between the Authority and the Trustee and attached hereto as Exhibit D.

“Initial Bond” shall mean the Initial Bond authorized by Section 3.2 and as approved in final form by the Pricing Certificate.

“Installment Computation Date” shall mean the last day of the fifth Bond Year and each succeeding fifth Bond Year.

“Interest Payment Date” shall have the meaning as set forth in the Indenture and as further described herein and in the Pricing Certificate.

“Issuance Date” shall mean the date on which each Bond is authenticated by the Paying Agent/Registrar and delivered to and paid for by the Underwriters, as further described in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final official statement authorized by the Board hereunder to be prepared and distributed in connection with the offering for sale of the Bonds.

“Paying Agent/Registrar” shall mean the Trustee.

“Pledge Agreement” shall have the meaning assigned in the recitals of this Resolution.

“Pledged Revenues” shall have the meaning set forth in the Indenture.

“Pledged Vehicle Fee Revenues” shall have the meaning set forth in the Indenture.

“Pricing Certificate” shall mean the certificate executed by the Pricing Committee, providing the final terms of the Bonds, substantially in the form attached hereto as Exhibit A.

“Pricing Committee” shall mean the Chairman David Deanda, Jr., Vice-Chairman Forrest Runnels and Director Paul Moxley, along with any other person so designated in writing by the Chairman of the Authority to act in this capacity, severally and each of them, who are authorized to act on behalf of the Authority in selling and delivering the Bonds and perform all acts authorized and required of the Pricing Committee set forth in the Resolution and Indenture.

“Principal Installment Payment Date,” shall be the dates set forth in the Pricing Certificate.

“Projects” shall mean the engineering, acquisition, construction and improvement of one or more Authority long-term transportation projects in the County, financed by Pledged Revenues, as approved by the Authority from time to time, and related improvements, including the International Bridge Trade Corridor, SH 365 (Phase 1 and 2), US 281/Military Highway Improvements and the SH 68 projects.

“Project Costs” shall mean any costs associated with the Projects that are authorized under the Authorizing Law to be paid with proceeds of the Bonds.

“Rebate Amount” shall mean that amount related to the Tax-Exempt Bonds, as of each respective Computation Date described in Section 1.148-3(b) of the Regulations and generally means the excess as of any date of the future value of all receipts on nonpurpose investments over the future value of all payments on nonpurpose investments all as determined in accordance with Section 1.148-3 of the Regulations.

“Record Date” shall mean, for any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such interest payment date.

“Refunded Bonds” shall mean the Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2013 in the original aggregate principal amount of \$61,600,000.

“Register” or “Bond Register” shall have the meaning set forth in the Indenture.

“Regulations” shall mean the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reserve Requirement” shall have the meaning set forth in the Indenture.

“Resolution” shall mean this Resolution and accompanying Pricing Certificate authorizing the issuance of the Bonds, in one or more Series, and all amendments hereof and supplements hereto.

“Rule” shall mean SEC Rule 15c2-12, as amended from time to time, adopted by the SEC under the Securities Exchange Act of 1934.

“Senior Lien Parity Bonds” shall have the same meaning assigned in the Indenture.

“Series 2020 Construction Fund” shall mean the account as described in Section 5.3 of the Resolution.

“Series 2020 Debt Service Reserve Account” shall mean the account as described in Section 5.3 of the Resolution.

“Series 2020 Senior Lien Rebate Account” shall mean the account by that name established pursuant to Section 7.2 hereof and such subaccounts as may be established pursuant to the Indenture.

“Series 2020 Reserve Fund Policy” shall mean one or more Reserve Fund Surety Policies as initially approved in the Pricing Certificate in connection with the Bonds.

“SEC” shall mean the United States Securities and Exchange Commission.

“Taxable Bonds” shall mean designated as taxable bonds in the Pricing Certificate.

“Tax-Exempt Bonds” shall mean any Bonds designated as tax-exempt bonds in the Pricing Certificate.

“Trustee” shall mean Wilmington Trust, National Association, and its successors in the capacity.

“Underwriters” shall mean the investment banking firms selected as underwriters as designated in Section 6.1 of this Resolution.

“Vehicle Registration Fees” shall have the meaning set forth in the Indenture.

Section 2.2 Interpretations. All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

ARTICLE III

TERMS OF THE BONDS

Section 3.1 Name, Amount, Purpose, Authorization. The Bonds shall be issued in fully registered form in a maximum principal amount not to exceed \$75,000,000 and shall be known and designated as "HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020", issued in one or more series and as Tax-Exempt Bonds or Taxable Bonds, each as designated in the Pricing Certificates. The Bonds shall be issued for the purpose of (i) paying the Project Costs, (ii) funding a debt service reserve fund, (iii) refunding, defeasing and redeeming the Refunded Bonds, and (iv) paying Costs of Issuance, all under and pursuant to the Authorizing Law and all other applicable law.

Section 3.2 Date, Interest Payment Dates and Principal Installment Payment Date, Initial Bonds, Numbers and Denomination. The Bonds shall be dated the Dated Date, mature in such principal amounts and on such Principal Installment Dates not later than December 1, 2045, and be subject to, all optional and mandatory redemption on the dates, prices and amounts as set forth in the Pricing Certificate. The Bonds shall bear interest at the rates and be payable as set forth in the Pricing Certificate from the later of the Issuance Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months. The Initial Bond shall be numbered I-1 (with such appropriate Series designation as determined in the Pricing Certificate, e.g. IA-1, IB-1) and all other Bonds shall be numbered in sequence beginning with R-1 (with such appropriate Series designation as determined in the Pricing Certificate, e.g. RA-1, RB-1). Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in the order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

Section 3.3 Selling and Delivering the Bonds. As authorized by Chapters 1371 and Chapter 1207, Texas Government Code, as amended, the Pricing Committee is hereby authorized to act on behalf of the Authority in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including without limitation prescribing any additional designation or title by which the Bonds shall be known, including, without limitation, the number of Series (or subseries) of Bonds to be issued and the principal amount of each Series or subseries, determining the price at which each Series or subseries of the Bonds will be sold, the Dated Date, the Principal Installment Payment Dates, the Issuance Date, the initial interest payment date for the Bonds, the maturity dates for the Bonds, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, any optional or mandatory sinking fund redemption provisions for the Bonds, the selection of the Bond Insurer or Reserve Fund Surety Provider, if any, and/or all other matters not expressly provided in this Resolution, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the Bonds shall have a net effective interest rate of not greater than 5.00%;

(ii) none of the Bonds shall bear interest at a rate greater than the maximum lawful rate of interest allowed by Chapter 1204, Texas Government Code, as amended;

(iii) the refunding of the Refunded Bonds shall produce present value debt service savings net of any Authority contribution;

(iv) the aggregate principal amount of the Bonds shall not exceed the amount set forth in Section 3.1 hereof;

(v) the Authority may purchase a bond insurance policy and/or Reserve Fund Surety Policy, but may only purchase a bond insurance policy if such policy would result in a net interest rate savings to the Authority which is greater than the costs of the premium of such policy, as may be determined in the Pricing Certificate; and

(vi) The Authority shall determine whether the Bonds are Long-Term Obligations or Short-Term Obligations as set forth in the Indenture.

Section 3.4 Approval, Registration and Initial Delivery. The Pricing Committee is hereby authorized to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Pricing Committee, the Secretary of the Board and other officials and employees of the Authority are hereby authorized, directed and instructed to make such certifications and to execute such instruments (including the printed facsimile signature) as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination, and approval thereof by the Attorney General of the State of Texas and the registration of the Initial Bond of each Series by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, the Comptroller of Public Accounts of the State of Texas (or a deputy designated in writing to act for her) shall be requested to sign manually the Comptroller's Registration Certificate prescribed herein to be attached or affixed to the Bond initially delivered and the seal of the Comptroller of Public Accounts of the State of Texas shall be impressed or printed or lithographed thereon.

Section 3.5 Execution of the Bonds.

(a) The Bonds shall be signed on behalf of the Authority and by the Chairman of the Board and countersigned by the Secretary of the Board, by their manual or facsimile signatures. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers.

(b) In the event that any officer of the Authority whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar

sign the Certificate of Paying Agent/Registrar on all the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

(d) On the Issuance Date, one Initial Bond, representing the entire principal amount of all the Bonds, payable in stated installments to the Underwriters, or their designee, executed by manual or facsimile signature of the Chairman and Secretary of the Board of the Authority, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriters or their designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with Section 3.11.

Section 3.6 Payment of Principal and Interest. The Paying Agent/Registrar is hereby appointed as the paying agent and registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the designated corporate trust office of the Paying Agent/Registrar. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date.

If the date for the payment of principal or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date such payment was originally due.

Section 3.7 Successor Paying Agent/Registrars. The Authority covenants that at all times while any Bonds are Outstanding it will provide a commercial bank or trust company under the laws of the State of Texas or other entity duly qualified and legally authorized to act as Paying Agent/Registrar for the Bonds. The Authority reserves the right to replace the Paying Agent/Registrar for the Bonds on not less than sixty days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than sixty days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the designated corporate trust office of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.8 Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty days thereafter, the Paying Agent/Registrar shall

establish a new record date for the payment of such interest, to be known as a “Special Record Date.” The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the Authority. Such Special Record Date shall be fifteen days prior to the date fixed for payment of such past due interest (the “Special Payment Date”), and notice of the Special Payment Date shall be sent by United States mail, first class, postage prepaid, not later than five days prior to the Special Payment Date, to each Owner of record of an affected Bond on the special Record Date.

Section 3.9 Ownership; Unclaimed Principal and Interest. Subject to the further provisions of this Section, the Authority, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the Authority nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be remitted to the Authority except to the extent that they are required by law to be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

Section 3.10 Book-Entry Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and, except as provided in Section 3.12 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Resolution. Without limiting the immediately preceding sentence, the Authority 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 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 Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on

the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer 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 respective Owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority'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 Register, shall receive a Bond certificate evidencing the obligation of the Authority to make payments of amounts due pursuant to this Resolution. 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 Resolution with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

Section 3.11 Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the Authority, or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Letter of Representations, and that it is in the best interest of the beneficial owners of the Bonds that they shall be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Authority shall (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, as identified by DTC, 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, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC Accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the 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 Resolution.

Section 3.12 Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are 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 Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in accordance with the Blanket Letter of Representations.

Section 3.13 Registration, Transfer, and Exchange. So long as any Bonds remain Outstanding, the Paying Agent/Registrar shall keep the Register at its designated corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Resolution.

Each Bond shall be transferable only upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized

representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Bond, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Bond so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the designated corporate trust office of the Paying Agent/Registrar for a Bond of like maturity, Dated Date, and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Bonds in lieu of which such Bond is delivered.

The Authority or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the Authority.

The Paying Agent/Registrar shall not be required to transfer or exchange any Bond during the period beginning on a Record Date or a Special Record Date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the period beginning thirty days prior to the date fixed for redemption and ending on the date fixed for redemption; provided, however, that this limitation shall not apply to the exchange by the Owner of the unredeemed portion of a Bond called for redemption in part.

Section 3.14 Cancellation of Bonds. All Bonds paid or redeemed in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled by the Paying Agent/Registrar and retained in accordance with the Paying Agent/Registrar's document retention policies. Upon request of the Authority therefor, the Paying Agent/Registrar shall furnish the Authority with appropriate certificates of cancellation of such Bonds.

Section 3.15 Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the Authority, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding.

The Authority or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the

Paying Agent/Registrar. The Authority or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the Authority and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (2) furnish such security or indemnity as may be required by the Paying Agent/Registrar to save the Paying Agent/Registrar and the Authority harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the Authority and the Paying Agent/Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Authority and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Authority or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Authority in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.16 Redemption. The Bonds are subject to redemption in the manner provided in the Pricing Certificate and the FORM OF BONDS attached as Exhibit A of the Pricing Certificate.

Section 3.17 Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of such redemption of the Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owners of the Bonds (or part thereof) to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding is to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The Authority reserves the right to give notice of its election or direction to redeem the Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owner. If the Bonds (or a portion thereof) are subject to conditional redemption and redemption has been rescinded, the Bonds (or the corresponding portion thereof) shall remain Outstanding.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 3.18 Payment Upon Redemption.

(a) Before or on each redemption date, the Authority shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Debt Service Fund or otherwise received by the Paying Agent/Registrar from the Authority and shall use such funds solely for the purpose of paying the principal of, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of the Bonds called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bonds to the date of redemption from the money set aside for such purpose.

Section 3.19 Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 3.17 of this Resolution, the Bonds or a portion thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Authority defaults in the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or a portion thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds is presented and surrendered for payment on such date.

(b) If the Authority shall fail to make provision for payment of all sums due on a redemption date, then the Bonds or portion thereof shall continue to bear interest at the rate stated on the Bonds until due provision is made for the payment of same.

Section 3.20 Limited Obligations. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES. NO ASSURANCE CAN BE GIVEN THAT THE PLEDGED REVENUES WILL

REMAIN SUFFICIENT FOR THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, AND THE COUNTY IS LIMITED BY TEXAS LAW IN ITS ABILITY TO INCREASE THE RATE OR AMOUNT OF VEHICLE REGISTRATION FEES PER VEHICLE. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS NOR A PLEDGE OF THE AD VALOREM TAXING POWER OR THE FULL FAITH AND CREDIT OF THE COUNTY, THE STATE OF TEXAS OR ANY OTHER POLITICAL SUBDIVISION OR GOVERNMENTAL ENTITY OF THE STATE OF TEXAS.

ARTICLE IV

FORM OF BONDS

Section 4.1 Forms. The form of Bonds, including the form of the Paying Agent/Registrar's authentication certificate, the form of assignment, and the form of the Comptroller's Registration Certificate for the Bonds to be initially issued, shall be substantially in the form of Exhibit A of the Pricing Certificate, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Resolution, including any legend regarding bond insurance if such insurance is obtained by the Underwriters and provided in the Pricing Certificate.

Section 4.2 CUSIP Registration. The Authority may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of 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 Authority nor Bond Counsel to the Authority are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

ARTICLE V

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEFEASANCE

Section 5.1 Security for the Bonds. The Pledged Revenues, including the revenues from the Vehicle Registration Fees collected by the County (the Pledged Vehicle Fee Revenues), which are remitted to the Authority pursuant to the Pledge Agreement, are the sole security for the payment of the Bonds. The Bonds shall be secured by and payable from a senior lien on and pledge of the Pledged Revenues as set forth in the Indenture. Pursuant to a Bond Resolution setting forth the source of funds of the Supplemental Security, Supplemental Security may also be added to the Pledged Revenues, as provided in the Indenture, for the benefit of the Owners of the Bonds.

Section 5.2 The Bonds Not Payable from Taxes. The Owners of the Bonds shall never have the right to demand payment of either the principal or interest on the Bonds out of any funds raised or to be raised by taxation.

Section 5.3 Establishment of Additional Funds and Accounts for the Bonds.

(a) Pursuant to Article IV of the Indenture, the Authority hereby establishes a separate account within the Construction Fund to be known as the "Series 2020 Construction Fund."

(b) The moneys in the General Fund shall be secured and invested in the manner required by law. The earnings on the investment of the proceeds deposited in the General Fund shall remain in such fund to accomplish the purposes of this Resolution and the Indenture and be applied as provided in Article VII of this Resolution.

(c) Pursuant to Section 4.04 of the Indenture, the Authority hereby establishes a separate account within the Debt Service Reserve Fund to be known as the “Series 2020 Debt Service Reserve Account” in order to satisfy the Reserve Requirement for the Bonds. The proceeds deposited in such accounts are solely for the benefit of the Owners of the Bonds and are pledged to the payment thereof. A surety policy, a cash deposit or a combination of both a surety policy and cash deposit may satisfy the Reserve Requirement for the Bonds.

Section 5.4 Flow of Funds.

(a) Interest on the Bonds shall be payable semiannually. In addition to the transfers described in (b)Section 5.4(b) of this Resolution, Section 4.02 of the Indenture shall apply to the Bonds in respect to the flow of Pledged Vehicle Fee Revenues.

(b) The Authority will transfer all amounts necessary to attain the Reserve Requirement for the Bonds into the Series 2020 Debt Service Reserve Account (which has been separately established for the Bonds) (as applicable) in the same manner and priority as the “Debt Service Reserve Fund” is funded in accordance with Sections 4.02 and 4.04 of the Indenture. However, to the extent that the Authority owes any reimbursement obligations in connection with the Series 2020 Reserve Fund Policy, the Authority shall transfer Pledged Revenues to the Series 2020 Debt Service Reserve Account in increments of at least 1/12th of the aggregate amounts owed in order to pay the amounts owed in connection with a draw on the Series 2020 Reserve Fund Policy.

ARTICLE VI

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF THE BONDS

Section 6.1 Selection of Underwriting Syndicate. The investment banking firms of Estrada Hinojosa, Raymond Jones, and Morgan Stanley are hereby appointed as the members of the underwriting syndicate for the sale of the Bonds.

Section 6.2 Authorization of a Purchase Agreement. The Pricing Committee is hereby authorized and directed to execute and deliver on behalf of the Authority a Purchase Agreement providing for the sale of the Bonds to the Underwriters, in such form as determined by the Pricing Committee. The Pricing Committee is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Resolution, which final terms shall be determined to be the most advantageous reasonably attainable by the Authority, such approval and determination being evidenced by the execution of the Purchase Agreement by the Pricing Committee. All officers, agents and representatives of the Authority are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall initially be registered in the name of the designated representative of the Underwriters as in the Purchase Agreement.

Section 6.3 Official Statement Approval and Distribution. The Authority hereby authorizes the preparation of a Preliminary Official Statement for use in the initial offering and sale of the Bonds and authorizes the Pricing Committee to deem the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Pricing Committee) final within the meaning and for the purposes of paragraph (b)(1) of the Rule on behalf of the Authority. The Authority hereby authorizes the preparation of an Official Statement reflecting the terms of the Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriters (in the form and with such appropriate variations as shall be approved by the Pricing Committee and the Underwriters) is hereby approved and authorized and the proper officials of the Authority are authorized to sign such Official Statement.

Section 6.4 Sale. The Pricing Committee is hereby authorized and directed to execute and deliver on behalf of the Authority a Purchase Agreement providing for the sale of the Bonds to the Underwriters, in such form as determined by the Pricing Committee. The Pricing Committee is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Resolution, which final terms shall be determined to be the most advantageous reasonably attainable by the Authority, such approval and determination being evidenced by the execution of the Purchase Agreement by the Pricing Committee. The Chairman and all other officers, agents and representatives of the Authority are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

Section 6.5 Application of Proceeds. Proceeds from the sale of the Bonds (including any other available moneys) shall, promptly upon receipt by the Trustee, be deposited into the applicable funds and applied as provided in the Pricing Certificate.

ARTICLE VII

FEDERAL TAX MATTERS

Section 7.1 Taxable Bonds. The Authority does not intend that the Taxable Bonds will constitute Exempt Securities.

Section 7.2 Federal Income Tax Covenants Relating to Tax-Exempt Bonds. The Authority intends that the Tax-Exempt Bonds will constitute Exempt Securities. To that end, the following covenants apply to the Tax-Exempt Bonds.

(a) *General.* The Authority covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Authority covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Authority in connection with the Tax-Exempt Bonds.

(b) *No Private Use or Payment and No Private Loan Financing.* The Authority covenants that it will use the proceeds of the Tax-Exempt Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Tax-Exempt Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the Authority will not take a deliberate action (as defined in section 1.141-2(d)(3) of the

Regulations) that causes the Tax-Exempt Bonds to be “private activity bonds” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) *No Federal Guarantee.* The Authority covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) *No Hedge Bonds.* The Authority covenants not to take any action or omit to take action that, if taken or omitted, would cause the Tax-Exempt Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) *No Arbitrage Bonds.* The Authority covenants that it will make such use of the proceeds of the Tax-Exempt Bonds (including investment income) and regulate the investment of such proceeds of the Tax-Exempt Bonds so that the Tax-Exempt Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) *Required Rebate.* The Authority covenants that, if the Authority does not qualify for an exception to the requirements of section 148(f) of the Code, the Authority will comply with the requirement that certain amounts earned by the Authority on the investment of the gross proceeds of the Tax-Exempt Bonds, be rebated to the United States.

(a) *Information Reporting.* The Authority covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Tax-Exempt Bonds in accordance with section 149(e) of the Code.

(b) *Record Retention.* The Authority covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Refunded Bonds and the Tax-Exempt Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Tax-Exempt Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(g) *Registration.* If the Tax-Exempt Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Tax-Exempt Bonds will be issued in registered form.

(h) *Favorable Opinion of Bond Counsel.* Notwithstanding the foregoing, the Authority will not be required to comply with any of the federal tax covenants set forth above if the Authority has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(i) *Continuing Obligation.* Notwithstanding any other provision of this Resolution, the Authority’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Tax-Exempt Bonds for as long as such matters are relevant to the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(j) *Official Intent.* For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the Authority, this Resolution serves as the Authority's official declaration of intent to use proceeds of the Tax-Exempt Bonds to reimburse itself from proceeds of the Tax-Exempt Bonds issued in the maximum amount for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

Section 7.3 Series 2020 Senior Lien Rebate Account.

(a) There is hereby established within the Rebate Fund, but not as part of the Trust Estate, a special account designated "Series 2020 Senior Lien Rebate Account." Amounts deposited to the Series 2020 Senior Lien Rebate Account shall be applied to the payment of the Rebate Amount as instructed by the Authority. The Series 2020 Senior Lien Rebate Account and amounts on deposit therein are not security for the Bonds and are not part of the trust estate.

(b) At least 30 days prior to each Computation Date, the Authority shall calculate the estimated Rebate Amount with respect to each such Computation Date. Based on such calculation, as such calculation may be revised from time to time based on actual earnings on the investment of amounts on deposit in the Funds, Accounts and Subaccounts, the Authority shall advise the Trustee in writing of such amounts as may be necessary to cause the amount on deposit in the Series 2020 Senior Lien Rebate Account to be sufficient to rebate the Rebate Amount to the United States of America as required under the provisions of section 148(f) of the Code, the applicable Regulations thereunder, and the provisions of this Section 7.2 and shall specify in such estimate the amount allocated for such purpose. Within ten days of such notice, the Trustee shall transfer from the Pledged Revenue Fund to the Series 2020 Senior Lien Rebate Account the amounts so specified.

(c) There shall be paid into the Series 2020 Senior Lien Rebate Account on each Computation Date the Rebate Amount in accordance with paragraph (d) below. In addition, all earnings resulting from the investment of amounts on deposit in the Series 2020 Senior Lien Rebate Account shall be credited to the Series 2020 Senior Lien Rebate Account.

(d) On each Computation Date, the Authority shall determine the Rebate Amount and shall give written notice to the Trustee of the Rebate Amount in accordance with Section 11.04 of the Indenture. In making such calculation, the Authority may rely upon an opinion of an Arbitrage Analyst that the method of calculation utilized by the Authority complies with the requirements of section 148 of the Code and section 1.148-3 of the Regulations. If, on any Computation Date, the Authority determines the Rebate Amount to be a negative number, then the Authority shall direct the Trustee in writing to transfer from the Series 2020 Senior Lien Rebate Account to the Revenue Fund an amount equal to such negative Rebate Amount, to the extent that a sufficient amount is then on deposit in the Series 2020 Senior Lien Rebate Account. If on any Computation Date, the Authority determines the Rebate Amount to be a positive number, then the Authority may provide for the payment from moneys available to it other than pursuant to the Indenture, or it may direct the Trustee to immediately transfer the amount necessary to make the amount on deposit in the

Series 2020 Senior Lien Rebate Account equal to the Rebate Amount for such Computation Date to the Series 2020 Senior Lien Rebate Account from the Pledged Revenue Fund on the first day of the following month.

(e) Not later than 60 days after each Computation Date, the Trustee shall withdraw from the Series 2020 Senior Lien Rebate Account and remit to the United States of America the Rebate Amount required to be paid on such respective dates to the United States of America in accordance with written instructions from the Authority, which shall be in compliance with sections 1.148-1 through 1.148-8 of the Regulations or any successor regulation. Each payment required to be made to the United States of America pursuant to this Section shall be submitted to the Internal Revenue Service Center, Ogden, Utah 84201-0027 or such other address as provided by law or regulation and shall be accompanied by Internal Revenue Service Form 8038-T properly completed by the Authority with respect to the Bonds.

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1 Annual Reports.

(a) The Authority shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the Authority ending in 2020, financial information and operating data with respect to the Authority of the general type included in the Official Statement, being the information described in the Pricing Certificate, and (ii) if not provided as part of such financial information and operating data, the Financial Statements, when and if available. Any Financial Statements so to be provided shall be (i) prepared in accordance with the Accounting Principles, and (ii) audited, if the Authority 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 12 months after any such fiscal year end, then the Authority shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the Authority 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 day by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) 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 (including an official statement or other offering document), if it is available to the public on the MSRB's internet website or filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 8.2 Event Notices.

(a) The Authority shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 status of the Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;
- (7) Modifications to rights of the holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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;
- (14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

(15) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and;

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 2.1, the Authority intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

(b) The Authority shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Authority to provide the Annual Financial Information and notices of material events in accordance with Section 8.1. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 8.3 Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Authority remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice of any deposit of funds that causes Bonds no longer to be Outstanding.

(a) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Authority 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 AUTHORITY BE LIABLE TO THE OWNER 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 AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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.

(b) No default by the Authority in observing or performing its obligations under this Article shall constitute a breach of or default under this Resolution for purposes of any other provisions of this Resolution.

(c) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

(d) The provisions of this Article may be amended by the Authority 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 Authority, but only if (1) the provisions of this Article, 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 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person or entity that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Authority so amends the provision of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Authority may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid.

ARTICLE IX

SUBSCRIPTION FOR SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED BONDS

Section 9.1 Subscription for Securities. The Pricing Committee is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

Section 9.2 Appointment of Escrow Agent; Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Bonds. The Pricing Committee is hereby authorized to select and appoint the Escrow Agent for the Bonds, if any, and the Escrow Agent shall be designated in the Pricing Certificate. The Pricing Committee is hereby authorized to execute and deliver, or cause the execution and delivery by the Chairman or Vice Chairman and Secretary of the Board, an Escrow Agreement, having such terms and provisions as are approved by the Pricing Committee as evidenced by his execution thereof or the execution thereof by other appropriate officials of the Authority. Alternatively, the Pricing Committee may elect to deposit directly with the trustee for the Refunded Bonds the proceeds of the Bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds.

Section 9.3 Payment of Refunded Bonds; Redemption of Refunded Bonds. Following the deposit to the Escrow Fund or with the trustee for the Refunded Bonds as herein specified, the Refunded Bonds shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund or such other fund held by the paying agent for the Refunded Bonds for the purpose of refunding the Refunded Bonds and shall cease to be payable from Pledged Revenues, firm banking and financial arrangements having been made for the discharge and final payment or redemption of the Refunded Bonds pursuant to Chapter 1207. The Refunded Bonds are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The Secretary of the Board is hereby authorized and directed to cause to be delivered to the paying agent/registrar for the Refunded Bonds a certified copy of this Resolution calling the Refunded Bonds for redemption and a copy of the Pricing Certificate. The delivery of this Resolution and the Pricing Certificate to the trustee for the Refunded Bonds shall constitute the giving of notice of redemption to the trustee for the Refunded Bonds and such trustee is hereby authorized and directed to give notice of redemption to the owners of the Refunded Bonds in accordance with the requirements of the resolution(s) authorizing the issuance thereof.

ARTICLE X

BOND INSURANCE

Section 10.1 Application. Notwithstanding anything to the contrary in the Indenture or this Resolution, so long as the Bonds are outstanding and the Insurance Policy is in full force and effect, the provisions of this Article shall apply.

Section 10.2 Definitions. In this Article, the following terms shall have the following meanings:

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

Section 10.3 Provisions.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the section or article of the Resolution and the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture, the Resolution and each Bond, the Trustee and each Bondholder appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or

against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(c) The maturity of Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Authority) and the Paying Agent/Registrar shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer shall be included as a third party beneficiary to this Resolution and the Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Indenture or the Resolution which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Resolution, the Indenture or any other transaction document, including any underlying security agreement (each a “Related Document”), that requires the consent of Bondholders or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(h) The rights granted to the Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves. To accomplish defeasance, the Authority shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification”), (ii) an Deposit Letter Agreement or Escrow Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Resolution and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the refunding or funding of the escrow. Bonds shall be deemed “Outstanding” under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Resolution and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(k) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Advances are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(l) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with

the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(m) To the extent permitted by law, the Authority shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.

(n) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Reserve Requirement.

(o) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(p) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. _____, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(q) The Insurer shall be provided with the following information by the Authority or Trustee, as the case may be:

(i) Annual audited financial statements within 180 days after the end of the Authority's fiscal year (together with a certification of the Authority that it is not aware of any default or Event of Default under the Indenture), and the Authority's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of

the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee or the Paying Agent/Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Authority commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(r) In addition, all information furnished pursuant to Article VIII hereof shall also be provided to the Insurer, simultaneously with the furnishing of such information. The Insurer shall have the right to receive such additional information as it may reasonably request. The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any business day upon reasonable prior notice.

(s) Notwithstanding satisfaction of the other conditions to the issuance of Additional Senior Lien Parity Bonds set forth in this Resolution and the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Series 2020 Debt Service Reserve Account is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such Additional Senior Lien Parity, in either case unless otherwise permitted by the Insurer.

(t) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution or Indenture would adversely affect the security for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(u) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(v) The Authority shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Pledged Revenues without the prior written consent of the Insurer.

(w) As to any Bonds issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto), or a certificate of discharge of the trustee for the refunded bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the refunded bonds shall have occurred.

ARTICLE XI

RESERVE FUND SURETY POLICY

Section 11.1 Application. Notwithstanding anything to the contrary in the Indenture or this Resolution and so long as each Reserve Policy is in full force and effect, the provisions of this Article shall apply.

Section 11.2 Definitions. In this Article, the following terms shall have the following meanings:

“Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Reserve Fund” means the debt service reserve fund established for each applicable series of the Bonds.

“Reserve Policy” means one or more debt service reserve insurance policies issued by the Insurer in satisfaction of the Reserve Requirement for the Bonds and deposited in the Series 2020 Debt Service Reserve Account. The Reserve Policy shall constitute a Reserve Fund Surety Policy for purposes of the Indenture.

Section 11.3 Provisions.

(a) The Authority shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the

Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the Authority had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

(c) As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

(d) All cash and investments in the Reserve Fund shall be transferred to the debt service fund for payment of debt service on Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) If the Authority shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Resolution, other than remedies which would adversely affect owners of the Bonds.

(f) This Resolution shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(g) The Authority shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test in the Indenture.

(h) In order to secure the Authority's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of the Insurer a security interest (subject only to the priority of payment provisions set forth under this Resolution) in Pledged Revenues.

(i) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test in this Resolution.

(j) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Authority with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Authority to make timely payment in full of such deposits within two business days of the date due.

(k) The Authority will pay or reimburse the Insurer, solely from the Pledged Revenues, to the extent permitted by law and subject to appropriation, any and all reasonable charges, fees, costs, losses, liabilities and expenses which the Insurer may pay or incur, including, but not limited to, reasonable fees and expenses of attorneys, accountants, consultants and auditors and costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Reserve Policy, this Resolution or any other document executed in connection with the Bonds (the "Related Documents"), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Authority) relating to the Reserve Policy, this Resolution, or any other Related Document, any party to the Reserve Policy, this Resolution or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Reserve Policy, this Resolution or any other Related Document, if any, or the pursuit of any remedies under the Reserve Policy, this Resolution or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Reserve Policy, this Resolution, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by the Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under this Resolution or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Insurer spent in connection with the actions described in clauses (ii) through (v) above. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Reserve Policy, this Resolution or any other Related Document. Amounts payable by the Authority hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Authorization of Agreements. The Board hereby approves issuance of the Bonds and all reasonable agreements necessary in connection with the issuance of the Bonds, including without limitation the following: the Paying Agent/Registrar Agreement by and between the Authority and Wilmington Trust, National Association, in substantially the form attached hereto as Exhibit B; the Bond Purchase Agreement by and between the Authority and the Underwriters, authorized in Section 6.4 of this Resolution; the Escrow Agreement by and between the Authority and Wilmington Trust, National Association, in substantially the form attached hereto as Exhibit C; the Reserve Policy Agreement in substantially the form attached hereto as Exhibit D; and the Supplemental Indenture of Trust in substantially the form attached hereto as Exhibit E. The Authority has previously enacted entered into the Indenture of Trust by and between the Authority and Wilmington Trust, National Association, as Trustee, attached hereto as Exhibit F, and the DTC Letter of Representation between DTC and the Authority (collectively, the "Agreements") and the Board hereby confirms and ratifies the terms and provisions of the Indenture of Trust and the DTC Letter of Representation. The Board, by a majority vote of its members, at a regular meeting, hereby ratifies and/or approves the form, terms, and provisions of the Agreements and authorizes the execution and delivery of the Agreements, as applicable.

Section 12.2 Bond Counsel; Appointment, Ratification and Acceptance. The appointment of Bracewell LLP, Houston, Texas, as Bond Counsel and Disclosure Counsel for the issuance of the Bonds is hereby ratified. The terms and provisions of the engagement letter are hereby approved and ratified for all purposes.

Section 12.3 Related Matters. In order that the Authority shall satisfy in a timely manner all of its obligations under this Resolution, the Indenture and the Agreements, the Pricing Committee, the Secretary of the Board and all other appropriate officers and agents of the Authority are hereby authorized and directed to take all other actions that are reasonably necessary to provide for issuance and delivery of each Series of the Bonds, including without limitation, executing by manual or facsimile signature and delivering on behalf of the Authority those certificates, consents, receipts, requests, notices, investment agreements, and other documents as may be reasonably necessary to satisfy the Authority's obligations under the Agreements and this Resolution and to direct the transfer and application of funds of the Authority consistent with the provisions of the Agreements and this Resolution. In order to obtain the approval of the Bonds by the Attorney General of Texas, the consent of any Bond Insurer or issuer of a Reserve Fund Surety Policy, Bond Counsel is hereby authorized to make such changes in the written text of this Resolution, the Indenture and such other Agreements as they determine are consistent with the intent and purposes of this Resolution, which determination shall be final. Such changes shall be included in the transcript of proceedings relating to the Bonds and provided to the Secretary of the Board and the Secretary of the Board is hereby directed to make such changes part of the Authority's permanent records.

Section 12.4 Further Proceedings. The Chairman, Vice Chairman, Secretary, and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the intent, purposes and terms of this Resolution,

including the execution and delivery of such certificates, documents or papers necessary and advisable.

Section 12.5 Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 12.6 Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was determined to be open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act.

Section 12.7 Paying Agent/Registrar Agreement. The form of agreement setting forth the duties of the Paying Agent/Registrar is hereby approved, and an appropriate official of the Authority is hereby authorized to execute such agreement for and on behalf of the Authority.

Section 12.8 Reserve Policy Agreement. The form of agreement is hereby approved, and an appropriate official of the Authority is hereby authorized to execute such agreement for and on behalf of the Authority.

Section 12.9 Supplemental Indenture of Trust. The form of supplement to the Indenture is hereby approved, and an appropriate official of the Authority is hereby authorized to execute such agreement for and on behalf of the Authority.

Section 12.10 Parties Interested. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Paying Agent/Registrar, the Underwriters and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution shall be for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, the Underwriters and the Owners of the Bonds.

Section 12.11 Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 12.12 Changes to Resolution. The Authority's Executive Director is hereby authorized to make changes to the text of this Resolution if necessary or desirable to carry out the purposes hereof or to comply with the requirements of the Attorney General of Texas in connection with the issuance of the Bonds herein authorized.

Section 12.13 Effective Date. This Resolution shall become effective immediately upon passage by this Authority and signature of the Chairman of the Authority.

[Remainder of page intentionally left blank]

PASSED AND APPROVED this 14th day of July, 2020.

**HIDALGO COUNTY REGIONAL
MOBILITY AUTHORITY**

By: /s/
Chairman, Board of Directors

ATTEST:

By: /s/
Secretary, Board of Directors

EXHIBIT A
PRICING CERTIFICATE

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT C

ESCROW AGREEMENT

EXHIBIT D

SUPPLEMENTAL INDENTURE OF TRUST

FIRST SUPPLEMENT TO INDENTURE OF TRUST

By and Between

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY,
the Authority

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF AUGUST 1, 2020

SECURING

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS
AS MAY BE ISSUED FROM TIME TO TIME

TABLE OF CONTENTS

| | <u>Page</u> |
|-----------|-------------|
| [TO COME] | |

FIRST SUPPLEMENT TO INDENTURE OF TRUST

This First Supplement to Indenture of Trust, dated as of August 1, 2020 (this “Supplemental Indenture”), is made by and between the Hidalgo County Regional Mobility Authority, a body politic and corporate and political subdivision of the State of Texas organized under Chapter 370, Texas Transportation Code (the “Authority”), and Wilmington Trust, National Association, a national banking corporation, as trustee (together with any successor trustee hereunder, the “Trustee”). Unless otherwise indicated, defined terms used herein are used as defined in the below-referenced Indenture.

WITNESSETH

WHEREAS, on April 21, 2005, Hidalgo County, Texas (the “County”) petitioned the Texas Transportation Commission (the “Commission”) for authorization to create the Authority pursuant to the provisions of the Texas Transportation Code; and

WHEREAS, the Commission authorized the creation of the Authority on November 17, 2005; and

WHEREAS, the Authority operates pursuant to Chapter 370 of the Texas Transportation Code, as amended (the “Act”) and may receive Vehicle Registration Fees (as defined herein) pursuant to Chapter 502 of the Texas Transportation Code, and the corresponding Commission regulations, policies and procedures, as amended from time to time (collectively, the “Authorizing Law”); and

WHEREAS, the County is authorized by Section 502.402, Texas Transportation Code, as amended, to adopt an order authorizing the adoption and implementation of an Optional County Fee for Transportation Projects in the amount of \$10.00 (per registered vehicle) effective January 1, 2008 (referred to as “Vehicle Registration Fees”, as further defined in Article I of this Indenture); and

WHEREAS, the Authorizing Law requires the County to remit all revenue derived from the Vehicle Registration Fees to the Authority to fund long-term transportation projects in the County (the “Projects”); and

WHEREAS, it has been determined that the implementation of the Projects will benefit the County and its residents through improved mobility, increased safety, enhanced economic development, and expansion of its tax base resulting in increased revenues to the County and the provision of services to residents; and

WHEREAS, the County and the Authority have entered into that certain Transportation Project and Pledge Agreement (the “Pledge Agreement”), to authorize the Projects and make available and transfer Vehicle Registration Fees to the Authority, which is authorized to pledge such Vehicle Registration Fees to any Senior Lien Parity Bond (as defined in the Indenture) or Inferior Lien Bond (as defined in the Indenture) issued to finance the Projects; and

WHEREAS, the Authority, pursuant to Authorizing Law and the Pledge Agreement, shall pledge and use such Pledged Vehicle Fee Revenues (as defined in the Indenture) to pay Debt Service (as defined in the Indenture) of the Senior Lien Parity Bonds, Costs of Issuance (as defined in the Indenture) of the Senior Lien Parity Bonds, and all amounts required to establish and maintain the funds under the Indenture and the Bond Resolutions (as defined in the Indenture); and

WHEREAS, in order to further secure the Senior Lien Parity Obligations (as defined in the Indenture), the Authority entered into an indenture of trust dated as of November 1, 2013 (the "Indenture") by and between Hidalgo County Regional Mobility Authority and Wilmington Trust, National Association; and

WHEREAS, the Authority is issuing the "Hidalgo County Regional Mobility Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020" (the "Series 2020 Bonds") as a Senior Lien Parity Obligation a portion of which will be used to defease, refund, and retire all of the Senior Lien Parity Bonds then Outstanding; and

WHEREAS, based on the issuance of the Series 2020 Bonds and the defeasance and refunding of the Senior Lien Bonds then Outstanding, there will be no Owners of Senior Lien Parity Bonds and the Authority may enter into a supplemental indenture pursuant to Section 10.02 of the Indenture to enact any modification, change or amendment of the Indenture; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interest of the Authority to amend the Indenture to allow greater flexibility in selection of a provider of a debt service reserve fund surety policy; and

WHEREAS, the execution and delivery of this Supplemental Indenture has been authorized by a resolution of the Authority.

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance, or provision, as applicable, of the Senior Lien Parity Obligations by the Owners or providers, as applicable, thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Owners, or providers, as applicable, from time to time of the Senior Lien Parity Obligations, as follows:

[END OF RECITALS]

ARTICLE I

AMENDMENTS TO INDENTURE

Section 1.01. Amended Definitions.

(a) The following defined terms of Section 1.01 of the Indenture shall be deleted from the Indenture in their entirety and replaced with the following defined terms:

“Reserve Fund Surety Policy” shall mean an (i) insurance policy or a (ii) “credit agreement” defined by Chapter 1371, Texas Government Code, in a principal amount equal to the portion of the Reserve Requirement(s) to be satisfied and issued by a financial institution or insurance company with a rating, at the time of issuance of the Senior Lien Parity Bonds, and deposit into the Debt Service Reserve Fund, for its long term unsecured debt or claims paying ability of at least “A” or its equivalent by at least one nationally recognized statistical rating organization.

(b) All remaining terms and definition of the Indenture not specifically amended above shall remain in full force and effect and shall have the full meaning ascribed to them in the Indenture.

[END OF ARTICLE I]

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Indenture to Remain in Full Force. This Supplemental Indenture shall amend the Indenture only as specifically provided herein, but shall also supplement the Indenture with respect to the provisions contained herein. Except as amended and supplemented by this Supplemental Indenture, the Indenture shall remain in full force and effect, including without limitation, the provisions relating to the security and source of payment for the parity obligation and the issuance and incurrence of Senior Lien Parity Obligations.

Section 2.02. Authority. This Supplemental Indenture is executed and delivered pursuant to the Act and the Indenture.

The Authority may, at any time, for convenience of the Authority, the Trustee or the Owners of the Senior Lien Parity Obligations, issue an amended and restated indenture incorporating the amendments made by this Supplemental Indenture.

Section 2.03. Governing Law. This Indenture shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the laws of the State of Texas without regard to conflict of law principles.

Section 2.04. Severability. If any provision of this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Senior Lien Parity Obligations, the Bond Resolutions or in this Indenture shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Section 2.05. Successors and Assigns. This Indenture shall be binding upon the Authority and the Trustee and their successors and assigns.

Section 2.06. Execution in Several Counterparts. This Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

[END OF ARTICLE II]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be signed, sealed and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

HIDALGO COUNTY REGIONAL
MOBILITY AUTHORITY

By: _____
Chairman, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

WILMINGTON TRUST, NATIONAL
ASSOCIATION

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT E
RESERVE POLICY AGREEMENT

EXHIBIT F
INDENTURE OF TRUST