

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

NOTICE OF AND AGENDA FOR A WORKSHOP AND REGULAR MEETING TO BE HELD BY THE BOARD OF DIRECTORS

DATE: MONDAY, DECEMBER 20, 2021
TIME: 5:30 PM
PLACE: HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
TELECONFERENCE MEETING

PRESIDING: S. DAVID DEANDA, JR, CHAIRMAN

MEMBERS OF THE PUBLIC ARE WELCOME TO PARTICIPATE REMOTELY

DIAL-IN NUMBER : +1 956 413 7950
Access Code: 810 731 745#
WEBLINK: [Click here to join the meeting](#)

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

PLEDGE OF ALLEGIANCE

INVOCATION

CALL TO ORDER OF A WORKSHOP

1. Updates on State Highway 68 and I69 Connector Project Development TxDOT
2. Review of proposed Fiscal Year 2022 Operating and Capital Budget.
3. Presentation on the HCRMA Wetland Mitigation Site Development.

ADJOURNMENT OF WORKSHOP

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 Special Board Meeting held November 10, 2021, and Regular Meeting held November 23, 2021.
- B. Approval of Project & General Expense Report for the period from November 6, 2021, to December 3, 2021.
- C. Approval of Financial Reports for October 2021.
- D. Resolution 2021 – 77 Approval of Public Fund Investment Act Training for Investment Officers Jose Castillo and Pilar Rodriguez.
- E. Resolution 2021 79 – Approval of Work Authorization Number 11 to the Professional Service Agreement with C&M Associates, Inc. for an updated Traffic and Revenue Bringdown Letter for the 365 Tollway Project that incorporates Toll Collection Fees associated with Video Tolling.
- F. Resolution 2021 80 – Contract Amendment 12 to the Professional Services Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 11.

3. REGULAR AGENDA

- ~~A. Resolution 2021 53 – Consideration and Approval of Utility Relocation Agreement with Enbridge for the 365 Tollway Project.~~
- B. Resolution 2021 73 Adoption of Fiscal Year 2022 Operating and Capital Budget for the Hidalgo County Regional Mobility Authority.
- C. Resolution 2021 49 – Consideration and Approval of Work Authorization 8 with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site.
- D. Resolution 2021 50 – Consideration and Approval of Contract Amendment 7 to the Professional Service Agreement with Blanton & Associates, Inc. to increase the maximum payable amount for Work Authorization Number 8.
- E. Resolution 2021 51 – Consideration and Approval of Work Authorization 5 with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site.
- F. Resolution 2021 – 74 Consideration and Approval of Work Authorization 6 with HDR Engineering, Inc. for engineering support for review of the 365 Tollway Value Engineering Change Proposals.
- G. Resolution 2021 52 Consideration and Approval of Contract Amendment 3 to the Professional Service Agreement with HDR Engineering, Inc. to increase the maximum payable amount for Work Authorization Number 5 and Work Authorization Number 6.
- H. Resolution 2021 76 Resolution authorizing the issuance, sale and delivery of the Hidalgo County Regional Mobility Authority Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A and Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding bonds, Series 2022B; Approving and Authorizing the execution and delivery of the Master Trust Indenture, the First Supplemental Indenture and the Second Supplemental Indenture; Authorizing certain designated officers to approve the terms, interest rate and redemption features of such bonds and any bond insurance and/or reserve fund surety policies in respect to the bonds; Authorizing the redemption and/or discharge of certain outstanding obligations of the Hidalgo County Regional Mobility Authority; Authorizing and approving the execution and delivery of bond purchase agreement and any and all related documents, agreements, certificates and instruments necessary or desirable to be executed and delivered in connection with the issuance and delivery of such bonds; and enacting other provisions related to the subject.

- I. Resolution 2021 78 –Consideration and Approval of Change Order 2 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).

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 personnel matters related annual evaluation of the Executive Director (551.074 T.G.C.)
- B. Consultation with Attorney on legal issues pertaining to an Interlocal Cooperative Agreement with the City of Mission to provide Right of Way Acquisition Services (Section 551.071 T.G.C.)
- C. 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.)
- D. Consultation with Attorney on legal issues pertaining to Professional Service Agreements for Engineering, Surveying and Environmental Services (Section 551.071 T.G.C.).
- E. 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.).
- F. 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.).
- G. 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.).
- H. 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.).
- I. Consultation with Attorney on personnel matters related to the COVID 19 pandemic (Section 551.074 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 15th day of **December 2021** 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."

Note: Participation by Telephone/Video Conference Call – One or more member of the HCRMA Board of Directors may participate in this meeting through a telephone/video conference call, as authorized by Sec. 370.262, Texas Transportation Code.

Workshop

Item 1

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

WORKSHOP ITEM 1
DATE SUBMITTED 12/14/2021
MEETING DATE 12/20/2021

1. Agenda Item: WORKSHOP ITEM 1 – UPDATES ON STATE HIGHWAY 68 AND I69 CONNECTOR PROJECT DEVELOPMENT - TXDOT.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Presentation on updates on ST HWY 68 and I69 Connector Project Development.
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: Presentation 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: Approved Disapproved X None

Workshop

Item 2

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2 </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/14/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **WORKSHOP ITEM 2 - REVIEW OF PROPOSED FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGET**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Review of proposed Fiscal Year 2022 Operating and Capital Budget
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: **Review 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: Approved Disapproved X None



Memorandum

October 14, 2021

To: S. David Deanda, Jr., Chairman

From: Pilar Rodriguez, Executive Director
Jose H. Castillo, Chief Financial Officer

Subject: Preliminary Budget for Year 2022

Background

As provided by law and good business practice, the Hidalgo County Regional Mobility Authority preliminary budget as recommended for calendar year 2022 is respectfully submitted to the Board of Directors for consideration, approval and adoption. It consists of three distinct sections (fund types)—namely, the General Fund, the Debt Service Funds and the Capital Project Fund. Presently, this budget doesn't include appropriations for Capital Projects Fund. Once funding sources and uses for the 365 Toll Project are determined an amended budget for the project will be submitted. The only inclusion to the Capital Projects Fund is an estimated transfer of \$700K to continue the advance project development.

Overview of the Budget

The budget for 2022 as presented reflects total spending at \$8.4M—with \$2.9M for operations, \$4.7M for combined debt service and 700K for project development. The 2021 adopted budget reflected \$7.8M total spending, which consisted: of \$2.7M for operations; \$4.3M debt services; and \$700K for project development.

General Fund – Within the General Fund, a conservative approach was taken regarding the Vehicle Registration Fees and were budgeted at \$7.0M as compared to \$6.5M in 2021. Permit fees were budgeted at \$1.1M as compared to \$1M in 2021. Operating appropriations are anticipated to increase by \$233,906 or 8.47% from \$2.7M in 2021 to \$2.9M in 2022.

- The 2022 proposed budget is divided into four (4) Departments:
 - Administration Office with a proposed budget of \$1,262,650.
 - Construction Department with a proposed budget of \$1,031,000.
 - Program Management Department with a proposed budget of \$697,800.

- ROW Operations Department with a proposed budget of \$4,000.
- The 2021 budget authorized 17 positions, which remained the same for the 2022 proposed budget. Total compensation, including fringe benefits, and administrative fees amount to \$2,212,850. Consisting of:
 - Administration--\$760,550.
 - Construction management--\$854,600; and
 - Program management--\$597,700.

As reflected in the preliminary budget summary, the bond coverage ratio for the VRF Series 2013 Bond and VRF Series 2020A and 2020B is still manageable at 1.76 coverage ratio and the number of days in working capital at 397 days.

Debt Service Funds

Debt service requirement for the remaining revenue bond series 2013 is estimated at \$1.5M and the bond series 2020A and 2020B is estimated at \$2.4M. Additionally, \$1.1M will be transferred from current excess vehicle registration fees as required by the State Infrastructure Bank Loan (SIB) agreement. The SIB Loan will require its second interest payment in the amount of \$812,213. No transfer is required, since enough resources are available in its debt service account.

We look forward to presenting this budget to you and welcome any questions, comments and recommendations.

Goal

The goal of this item is to meet the legal requirement as well as provide prudent financial/operational management to the affairs of the HCRMA.

Options

The Board, at its discretion, may wish to modify any part of this recommended budget.

Recommendation

Based upon a review by this Office, it is recommended that the 2022 Preliminary Budget be approved and adopted as presented. A revised budget will be required subject to changes pending the anticipated bond offering during December of the current year.

Hidalgo County Regional Mobility Authority 2022 Combined Preliminary Budget Summary All Funds

	Beginning Net Position	Projected Revenues	Transfers In	Transfers Out
General Fund				
General Fund	\$ 3,966,853	\$ 8,102,000	\$ -	\$ (5,818,290)
Total General Fund	<u>\$ 3,966,853</u>	<u>\$ 8,102,000</u>	<u>\$ -</u>	<u>\$ (5,818,290)</u>
Debt Service Funds				
Senior Lein Vehicle Registration Fee Series 2013 Revenue and Refunding Bonds	\$ 113,760	\$ 5,000	\$ 1,499,250	\$ -
Senior Lein Vehicle Registration Fee Series 2020 Revenue and Refunding Bonds	\$ 67,384	\$ 400	\$ 2,470,354	\$ -
Junior Lein Revenue Bond, Taxable Series 2016	<u>6,310,468</u>	<u>45,000</u>	<u>1,148,686</u>	<u>-</u>
Tota Debt Service Fund	<u>\$ 6,491,612</u>	<u>\$ 50,400</u>	<u>\$ 5,118,290</u>	<u>\$ -</u>
 Capital Projects-Advance Project Development	 \$ -	 -	 \$ 700,000	 \$ -
 TOTALS	 <u>\$ 10,458,465</u>	 <u>\$ 8,152,400</u>	 <u>\$ 5,818,290</u>	 <u>\$ (5,818,290)</u>

Operations	Capital Assets	Debt Service	Total Appropriations	Revenue Over/Under Expenses	Estimated Ending Net Position
\$ 2,922,950	\$ 72,500	\$ -	\$ 2,995,450	\$ (711,740)	\$ 3,255,113
\$ 2,922,950	\$ 72,500	\$ -	\$ 2,995,450	\$ (711,740)	\$ 3,255,113
\$ -	\$ -	\$ 1,499,250	\$ 1,499,250	\$ 5,000	\$ 118,760
\$ -	\$ -	\$ 2,470,354	\$ 2,470,354	\$ 400	\$ 67,784
-	-	812,213	812,213	381,473	6,691,941
			-	-	-
\$ -	\$ -	\$ 4,781,817	\$ 4,781,817	\$ 386,873	\$ 6,878,485
\$ -	\$ 700,000	\$ -	\$ 700,000	\$ -	\$ -
\$ 2,922,950	\$ 772,500	\$ 4,781,817	\$ 8,477,267	\$ (324,867)	\$ 10,133,598

Hidalgo County Regional Mobility Authority
General Fund Preliminary Budget Summary
For Year Ending December 31, 2022



	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Working Capital	\$ 3,062,094	\$ 3,570,557	\$ 3,411,842	\$ 3,966,853
<u>Revenues</u>				
Vehicle Registration Fees	6,422,850	6,500,000	6,900,000	7,000,000
Permit fees oversize	973,080	1,000,000	1,000,000	1,100,000
Interest income	13,329	15,000	2,000	2,000
Other income	150	-	-	-
Total Revenues	7,409,409	7,515,000	7,902,000	8,102,000
<u>Expenditures</u>				
<u>Summary</u>				
Personnel Services	985,282	2,018,944	1,040,152	2,212,850
Supplies	6,914	19,000	5,200	22,000
Other Services and Charges	351,042	480,000	408,930	533,100
Maintenance	34,579	98,000	45,500	98,000
Non-capital Outlay	14,219	48,100	4,500	57,000
Capital Outlay	6,405	97,500	-	72,500
Total Expenditures	1,398,441	2,761,544	1,504,282	2,995,450
Net Increase Before Other Financing Sources (Uses)	6,010,968	4,753,456	6,397,718	5,106,550
Other Financing Sources (Uses):				
Transfers-Out				
Debt Service Fund - VRF 2013 Bonds	(3,325,532)	(1,496,450)	(1,496,450)	(1,499,250)
Debt Service Fund - 2020A/2020B Bonds	(492,607)	(2,470,095)	(2,470,095)	(2,470,354)
Debt Service Fund - SIB Loan	(1,104,081)	(1,126,162)	(1,126,162)	(1,148,686)
Capital Projects-Advance Project Development	(739,000)	(700,000)	(750,000)	(700,000)
Total Other Financing Uses	(5,661,220)	(5,792,707)	(5,842,707)	(5,818,290)
Net Increase (Decrease) After Other Financing Sources (Uses)	349,748	(1,039,251)	555,011	(711,740)
Ending Working Capital	\$ 3,411,842	\$ 2,531,306	\$ 3,966,853	\$ 3,255,113
Operating Expenditures per Day	\$ 3,831	\$ 7,566	\$ 4,121	\$ 8,207
No. of Days of Operating Expenditures in Working Capital	891	335	963	397
Bond Coverage Ratio: VRF Series 2013 Bonds/2020A Bonds	1.68	1.64	1.74	1.76
Working Capital Calc.(operations only) fund 41:				
Current Assets as per trail balance	\$ 3,508,287			
Current Liabilities as per trail balance	(96,445)			
Working Capital	\$ 3,411,842			



Mission Statement:

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

Departments Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022
Personnel Services				
Salaries and Wages	\$ 806,472	\$ 1,660,882	\$ 857,891	\$ 1,788,800
Employee Benefits	163,435	324,912	166,061	390,900
Administrative Cost	15,375	33,150	16,200	33,150
Supplies	6,914	19,000	5,200	22,000
Other Services and Charges	351,042	480,000	408,930	533,100
Maintenance	34,579	98,000	45,500	98,000
Operations Subtotal	1,377,817	2,615,944	1,499,782	2,865,950
Capital and Non-capital Outlay	20,624	145,600	4,500	129,500
Total Expenditures	\$ 1,398,441	\$ 2,761,544	\$ 1,504,282	\$ 2,995,450
PERSONNEL				
Exempt	4	8	4	8
Non-Exempt	2	9	3	9
Part-Time	1	-	1	-
Total Positions Authorized	7	17	8	17

Contact Us:

Maria E. Alaniz
Administrative Assistant
P.O. Box 1766
Pharr, TX 78577 (956) 402-4762

MAJOR FY 2022 GOALS

- 1.) Begin construction of the 365 Toll Project
- 2.) Complete enviornmental clearance document for the International Bridge Trade Corridor Project.
- 3.) Begin enviornmental clearance document for FM 1925.
- 4.) Begin enviornmental clearance document for Section A West.

Mission Statement:

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Department Summary

Expenditure Detail:	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
<u>COMPENSATION</u>				
Exempt				
Executive Director	\$ 211,190	\$ 210,000	\$ 218,075	\$ 210,000
Chief Auditor/Compliance/Officer	115,910	115,514	128,598	120,000
Chief Financial Officer	45,105	130,000	44,544	130,000
Total Exempt	372,205	455,514	391,217	460,000
Non-Exempt				
Administrative Assistant III	45,464	44,670	48,001	45,000
Administrative Assistant II	33,314	38,000	39,544	38,000
Contingency	-	28,400	-	50,200
Total Non-Exempt	78,778	111,070	87,545	133,200
Other				
Overtime	49	500	250	500
Vehicle Allowance	15,138	22,800	16,200	22,800
Phone Allowance	4,923	6,300	5,296	6,300
Total Other	20,110	29,600	21,746	29,600
Sub-Total	471,093	596,184	500,508	622,800
Benefits/Other:				
Social Security	27,400	45,608	30,094	46,000
Health Insurance	22,244	29,000	26,964	37,000
Retirement	34,078	45,608	34,690	45,000
Administrative Fee	9,525	9,750	10,125	9,750
Total Compensation and Adm. Fees	564,340	726,150	602,381	760,550
<u>SUPPLIES</u>				
Office Supplies	6,556	12,000	4,500	6,000
Total Supplies	6,556	12,000	4,500	6,000
<u>OTHER SERVICES & CHARGES</u>				
Janitorial	661	1,000	100	1,000
Utilities	2,936	2,800	2,600	2,800
Contractual Adm/IT Services	6,276	8,500	7,000	8,500
Dues & Subscriptions	11,856	15,000	15,000	18,000
Subscriptions-software	-	500	800	1,200
Postage/FedEx/Courier Services	2,393	2,500	2,200	2,500
General Liability	2,902	3,000	3,000	3,000
Insurance - E&O	1,404	1,500	1,500	1,500
Insurance - Surety	693	800	800	800
Insurance - LOC	500	500	500	500
Insurance - Other	5,079	3,000	3,200	3,800
Insurance - Cybersecurity	-	2,500	3,200	3,400
Business Meals	-	500	-	500
Advertising	-	4,000	1,500	4,000
Training	3,948	8,000	5,000	8,000
Travel	4,485	10,000	1,000	10,000

Printing	6,553	8,000	4,500	8,000
Bank service charges	-	100	-	100
Accounting & Auditing	29,210	30,000	30,000	36,000
Legal services	22,415	65,000	40,000	65,000
Legal services-gov. affairs	110,000	120,000	120,000	120,000
Financial consulting fees	3,770	4,000	4,005	6,500
Insurance consultant	12,283	10,000	7,500	10,000
Rental - Office	53,760	54,000	54,000	54,000
Rental - Office Equipment	8,329	8,500	8,200	8,500
Rental- Other	-	500	-	500
Contractual Website Services	2,200	2,400	2,400	2,400
Miscellaneous	27	500	-	500
Penalties & Interest	-	100	-	100
Total Other Services & Charges	291,680	367,200	318,005	381,100
<u>MAINTENANCE</u>				
Building Remodel	29,116	70,000	24,000	70,000
Maintenance and Repairs	3,603	25,000	18,500	25,000
Total Maintenance	32,719	95,000	42,500	95,000
<u>CAPITAL OUTLAY</u>				
Capital outlay	6,405	10,000	-	10,000
Non-capital	4,187	10,000	4,500	10,000
Total Capital Outlay	10,592	20,000	4,500	20,000
Total Expenditures	\$ 905,887	\$ 1,220,350	\$ 971,886	\$ 1,262,650

Mission Statement:

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

Department Summary

Expenditure Detail:	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
<u>COMPENSATION</u>				
Exempt				
Construction Engineer	\$ 135,571	\$ 134,970	\$ 144,886	\$ 135,000
Total Exempt	135,571	134,970	144,886	135,000
Non-Exempt				
Construction Inspector	-	65,000	-	70,000
Construction Inspectors (4)	-	220,000	-	260,000
Construction Recordkeeper IV	46,299	45,566	48,919	48,000
Construction Recordkeeper	-	31,000	-	45,000
Contingency	-	27,992	-	41,600
Total Non-Exempt and Contingency	46,299	389,558	48,919	464,600
Other				
Overtime	-	10,500	-	26,000
Vehicle Allowance	7,200	43,200	7,477	43,200
Phone Allowance	2,400	9,600	2,492	9,600
Total Other	9,600	63,300	9,969	78,800
Sub-Total	191,470	587,828	203,774	678,400
Benefits/Other:				
Social Security	13,851	44,968	14,747	51,200
Health Insurance	16,565	25,000	13,867	59,200
Retirement	15,324	44,968	15,588	50,200
Administrative Fee	3,900	15,600	4,050	15,600
Total Compensation and Adm. Fees	241,110	718,364	252,026	854,600
<u>SUPPLIES</u>				
Office Supplies	298	1,500	100	5,000
Small Tools	-	5,000	100	10,000
Total Supplies	298	6,500	200	15,000
<u>OTHER SERVICES & CHARGES</u>				
Janitorial	-	-	-	3,500
Utilities	-	-	175	500
Uniforms	-	6,000	-	6,000
Dues & Subscriptions	934	2,000	750	2,000
Subscriptions-software	4,390	7,000	8,900	20,000
Postage	17	500	100	500
Advertising	1,130	5,000	9,000	4,000
Training	524	5,000	1,000	12,500
Travel	610	5,000	1,000	20,000
Rental-Office Equipment	2,329	2,700	2,400	2,400
Rental-Other	-	500	600	500
Total Other Services & Charges	9,934	33,700	23,925	71,900
<u>CAPITAL OUTLAY</u>				
Capital Outlay	-	62,500	-	62,500
Non-Capitalized	3,576	22,000	-	27,000
	3,576	84,500	-	89,500
Total Expenditures	\$ 254,918	\$ 843,064	\$ 276,151	\$ 1,031,000



Program Management

www.hcrma.net

Mission Statement:

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

Department Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022
COMPENSATION				
Exempt				
Deputy ED/Program	\$ 135,509	\$ 150,000	\$ -	\$ 158,000
Chief Development Engineer	-	134,970	144,886	135,000
ROW/Utility Coordinator	-	72,000	-	70,000
Designer	-	70,000	-	68,000
Total Exempt	135,509	426,970	144,886	431,000
Non-Exempt				
Contingency	-	23,000	-	30,200
Total Non-Exempt and Contingency	-	23,000	-	30,200
Other				
Overtime	-	500	-	-
Vehicle Allowance	7,200	21,600	7,477	21,600
Phone Allowance	1,200	4,800	1,246	4,800
Total Other	8,400	26,900	8,723	26,400
Sub-Total	143,909	476,870	153,609	487,600
Benefits/Other:				
Social Security	10,538	36,480	11,277	36,700
Health Insurance	11,922	16,800	7,083	29,600
Retirement	11,513	36,480	11,751	36,000
Administrative Fee	1,950	7,800	2,025	7,800
Total Compensation and Adm. Fees	179,832	574,430	185,745	597,700
SUPPLIES				
Office Supplies	60	500	500	1,000
Total Supplies	60	500	500	1,000
OTHER SERVICES & CHARGES				
Dues & Subscriptions	1,297	2,500	500	2,500
Subscriptions-Software	46,133	69,000	65,000	69,000
Postage	-	100	-	100
Advertising	-	1,500	200	2,500
Training	249	3,000	500	3,000
Travel	952	2,000	-	2,000
Total Other Services & Charges	48,631	78,100	66,200	79,100
CAPITAL OUTLAY				
Capital	-	25,000	-	-
Non-capitalized	6,456	16,100	-	20,000
Total Capital Outlay	6,456	41,100	-	20,000
Total Expenditures	\$ 234,979	\$ 694,130	\$ 252,445	\$ 697,800



Mission Statement:

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

Department Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022
<u>MAINTENANCE</u>				
Maintenance and Repairs-BSIF	1,860	3,000	3,000	3,000
Total Maintenance	1,860	3,000	3,000	3,000
<u>OTHER SERVICES & CHARGES</u>				
Utilities-BSIF	797	1,000	800	1,000
Total Other Services & Charges	797	1,000	800	1,000
Total Expenditures	\$ 2,657	\$ 4,000	\$ 3,800	\$ 4,000

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Senior Lein Vehicle Registration Fee Series 2013 Revenue and Refunding Bonds
Preliminary Fund Balance Summary
For Year Ending December 31, 2022

www.hcrma.net



	<u>Actual 2020</u>	<u>Budget 2021</u>	<u>Estimated 2021</u>	<u>Budget 2022</u>
Beginning Fund Balance	\$ 106,124	\$ 349,133	\$ 108,760	\$ 113,760
Revenues:				
Interest	<u>2,636</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Revenues	<u>2,636</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Expenditures:				
Principal	1,255,000	1,305,000	1,305,000	1,360,000
Interest and Fee Expenses	<u>2,070,532</u>	<u>191,450</u>	<u>191,450</u>	<u>139,250</u>
Total Debt Service Expenditures	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Total Expenditures	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Other Financing Sources:				
Transfer-in General Fund	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Total Other Financing Sources	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Ending Fund Balance	<u><u>\$ 108,760</u></u>	<u><u>\$ 354,133</u></u>	<u><u>\$ 113,760</u></u>	<u><u>\$ 118,760</u></u>

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Senior Lein Vehicle Registration Fee Revenue Bonds Series 2020A and 2020B
Preliminary Fund Balance Summary
For Year Ending December 31, 2022



www.hcrma.net



	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Fund Balance	\$ -	\$ -	\$ 67,084	\$ 67,384
Revenues:				
Interest	1	-	300	400
Total Revenues	1	-	300	400
Expenditures:				
Principal	-	805,000	805,000	810,000
Interest and Fee Expenses	425,524	1,665,095	1,665,095	1,660,354
Total Debt Service Expenditures	425,524	2,470,095	2,470,095	2,470,354
Total Expenditures	425,524	2,470,095	2,470,095	2,470,354
Other Financing Sources:				
Transfer-in General Fund	492,607	2,470,095	2,470,095	2,470,354
Total Other Financing Sources	492,607	2,470,095	2,470,095	2,470,354
Ending Fund Balance	\$ 67,084	\$ -	\$ 67,384	\$ 67,784

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Junior Lein Revenue Bond, Taxable Series 2016A
Preliminary Fund Balance Summary
For Year Ending December 31, 2022



www.hcrma.net

	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Fund Balance	\$ 4,389,961	\$ 5,550,042	\$ 5,534,412	\$ 6,310,468
Revenues:				
Interest	<u>40,370</u>	<u>60,000</u>	<u>59,000</u>	<u>45,000</u>
Total Revenues	<u>40,370</u>	<u>60,000</u>	<u>59,000</u>	<u>45,000</u>
Expenditures:				
Principal	-	-	-	-
Interest Expense	<u>-</u>	<u>409,106</u>	<u>409,106</u>	<u>812,213</u>
Total Debt Service Expenditures	<u>-</u>	<u>409,106</u>	<u>409,106</u>	<u>812,213</u>
Other Financing Sources:				
Transfer-in General Fund	<u>1,104,081</u>	<u>1,126,162</u>	<u>1,126,162</u>	<u>1,148,686</u>
Total Other Financing Sources	<u>1,104,081</u>	<u>1,126,162</u>	<u>1,126,162</u>	<u>1,148,686</u>
Ending Fund Balance	<u><u>\$ 5,534,412</u></u>	<u><u>\$ 6,327,098</u></u>	<u><u>\$ 6,310,468</u></u>	<u><u>\$ 6,691,941</u></u>

Workshop

Item 3

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

WORKSHOP ITEM 3
DATE SUBMITTED 12/07/2021
MEETING DATE 12/20/2021

1. Agenda Item: **WORKSHOP ITEM 3 - PRESENTATION ON THE HCRMA WETLAND MITIGATION SITE DEVELOPMENT.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Presentation of the annual report.
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: **Review 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: Approved Disapproved X None



WORKSHOP ITEM 3 – WETLAND MITIGATION SITE DEVELOPMENT

Chief Development Engineer – Eric Davila, PE, PMP, CCM

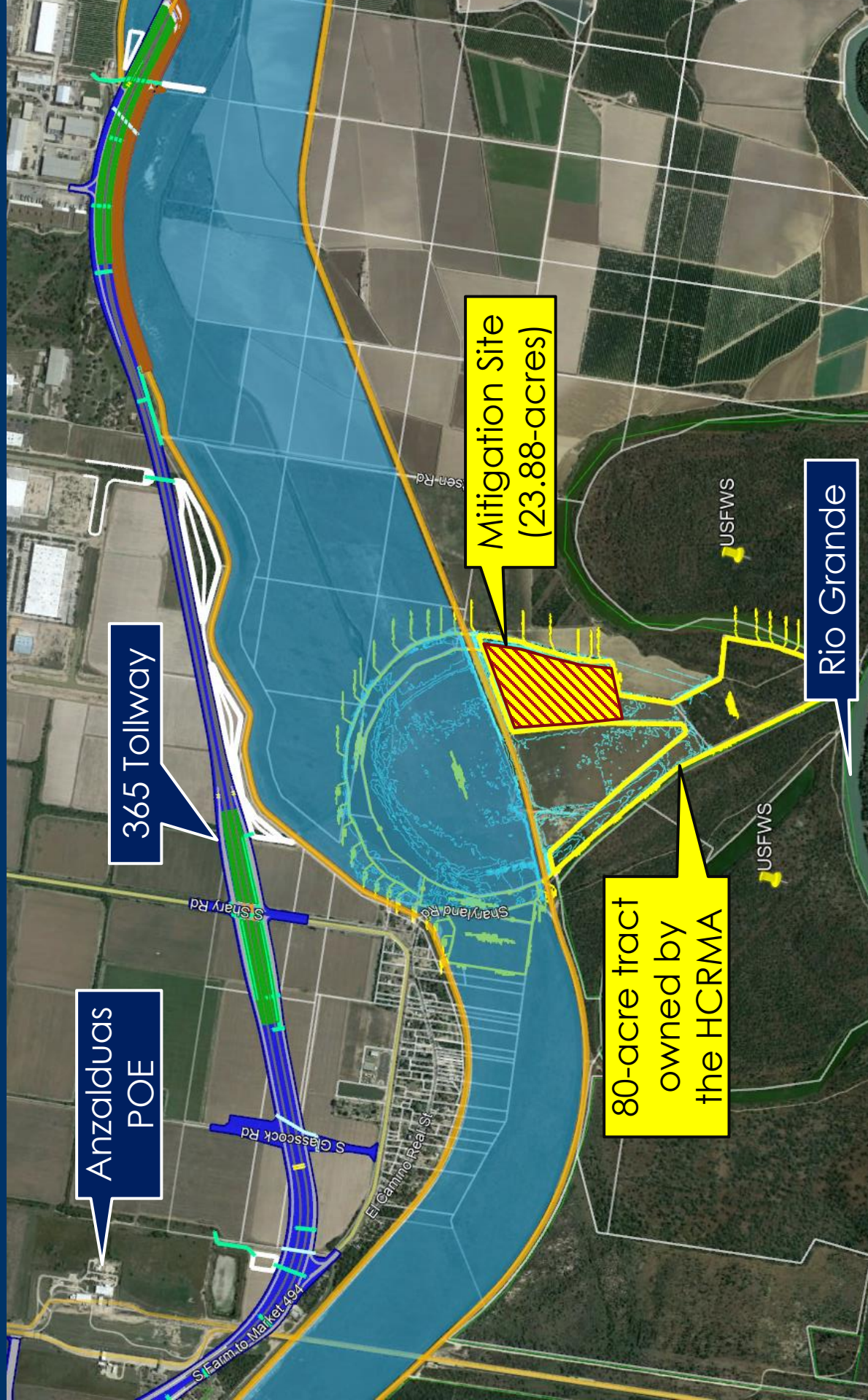
1 <http://www.hcrma.net>

► WETLAND MITIGATION SITE DEVELOPMENT TIMELINE

- ❑ 2014 - 2015:
 - SH 365 (now 365 Tollway) environmental clearance(NEPA clearance) identified a need to mitigate project impacts on jurisdictional wetland areas.
- ❑ 2015 - 2017:
 - Post NEPA Clearance permitting with the US Army Corps of Engineers (USACE) identified 12 acres of mitigation of “emergent wetland” to replace what was impacted on a kind-for-kind basis.
 - Acquired an 80-acre tract of land that could be used in mitigation all Loop project impacts. Formerly a Sakai family farm, it is nestled between existing wildlife corridors.
 - HCRMA applied and received USACE Individual Permit (IP) for 17 acres of which 5 acres can be applied to a future permitted project (e.g. IBTC) where similar mitigation characteristics apply.
- ❑ 2020 - 2021:
 - HCRMA renewed the USACE IP (original expiration date 12/31/2021) and extended for another 5 years.
 - Partnered with a 3rd party conservation easement holder (VLF) as required by the permit to assure land remains in conservation use.



WETLAND MITIGATION SITE



WETLAND MITIGATION SITE DEVELOPMENT REQUIREMENTS

- ❑ The Need:
 - Begin construction of the 23.88-acre mitigation site containing the 17 acres of emergent wetland within 30 days of the start of construction in an affected wetland area on the 365 Tollway project.
 - Complete construction of the mitigation site within 6 months.
 - Goal is for the mitigation site to meet the success criteria outlined in the permit after 5 years and receive "sign off" from USACE that the mitigation site has achieved success.
- ❑ The Solution:
 - Planning Goals - to meet planting criteria / watering needs / monitoring growth success
 - Design – develop the site to sustain wetland plants (grasses / shrubs / trees) in an optimal fashion. Include master site layout for 80-acre site.
 - Construction – proper execution of planting / site improvements (site prep/grading, berms, access roads, pump installation) to achieve the planned conditions.
 - Maintenance – proper watering, care, removal of non-wetland plants.
 - Monitoring – intensive site inspection visits during/post construction, assess growth of intended mix of species present, conduct yearly USACE inspections.



► **WETLAND MITIGATION SITE DEVELOPMENT APPROACH**

- ❑ Environmental Support
 - Implementing USACE criteria for planting and site condition monitoring – By Blanton & Associates, Inc.
- ❑ Engineering Support
 - Site Civil design (access, water source, site improvements), procurement documents, bid support, and site inspection – By HDR Engineering, Inc.
- ❑ Construction
 - Site Improvements (23.88 acres) – By Site Civil Contractor
 - Planting (23.88 acres w/ 17 acres of wetland) – By Blanton & Associates, Inc. (using an HCRMA procured nursery).
- ❑ Maintenance
 - Monitor water well – By HCRMA
 - Semi-yearly Inspections – By HCRMA

DIVISION OF LABOR

Wetland Site Development Phase	FIRM		SUBTOTAL
	B&A (Env.)	HDR (Eng.)	
Preliminary Design (Gather Req. / Master Planning)	\$ 7,926	\$ 76,754	\$ 84,680
Final Design (Plant Selection /Procurement + PS&E)	\$ 30,281	\$ 145,188	\$ 175,469
Bid Phase	\$ -	\$ 21,287	\$ 21,287
Construction Oversight (Site Improvements)	\$ 77,593	\$ 66,810	\$ 144,403
Construction (Wetland Planting)	\$ 91,493	\$ -	\$ 91,493
Success Inspections (Month 1 - 11 + 6mo Insp.)	\$ 52,392	\$ -	\$ 52,392
USACE Inspection + Reporting (Year 1)	\$ 28,084	\$ -	\$ 28,084
USACE Inspection + Reporting (Year 2)	\$ 28,084	\$ -	\$ 28,084
USACE Inspection + Reporting (Year 3)	\$ 28,084	\$ -	\$ 28,084
USACE Inspection + Reporting (Year 4)	\$ 28,084	\$ -	\$ 28,084
USACE Inspection + Reporting (Year 5)	\$ 28,084	\$ -	\$ 28,084
Total	\$ 400,104	\$ 310,039	\$ 710,143

- Preliminary Design = Cross-team collaboration to establish design/construction goals for achieving site success. Includes assessment of entire site for master planning and possible linking of future phases around this first cell first cell for the 365 Tollway (e.g. IBTC mitigation needs). Documenting: well permitting, stakeholder coordination, and schematic inclusive of potential IBTC mitigation.
- Plant Selection / Procurement = selection of seed mixes, shrubs, input w/ VLF, and procurement strategies / negotiation with nurseries.
- Site Development PS&E = Site Civil: Pump, grading/berms, Access Road, piping, drain systems (All procure docs / bid phase).
- Construction Oversight = B&A - USACE scheduling, precon assessment / testing, site clearing/grubbing, pesticide application, soils etc.
 - HDR - water well, berms, grading, access roads construction, irrigation commissioning, and surveys.
- Success Inspections = monthly (or more frequent) site inspections to assure wetland progressing to meet USACE IP requirements. includes a 6-month inspection + an inspection after development of as-builts and prior to planting and post-planting.
- USACE Inspection + Reporting: includes site monitoring visit, monitoring report for the USACE, and final USACE site visit in Year 5 that is needed for the long term "sign off" of having met permit requirements—otherwise monitoring would continue.

► CONCLUDING REMARKS

- ❑ Blanton & Associates, Inc. scope has 4 distinct phases:
 - Design support: \$38,207
 - Construction oversight: \$77,593
 - Construction: \$91,493
 - Monitoring: \$192,810
 - Success Monitoring (Month 1 - 11 after planting)
 - USACE Monitoring (over 5 years)
- ❑ HDR Engineering, Inc. scope has 2 distinct phases:
 - Design support: \$221,942 (entire master plan + 365 Mitigation PS&E)
 - Bid Support: \$21,287
 - Construction oversight: \$66,810
- ❑ Construction Cost
 - Between \$1,500,000 to \$2,000,000
- ❑ Several costs are one-time expenses (site is undeveloped for intended use):
 - Master planning
 - Water well design / installation
 - Access road construction

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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
 12/10/2021
 12/06/2021

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



BOARD OF DIRECTORS MEETING FOR DECEMBER 2021

HCRMA Board of Directors

S. David Deanda, Jr., Chairman

Forrest Runnels, Vice-Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

Alonzo Cantu, Director

Paul S. Moxley, Director

Francisco “Frank” Pardo, Director

Joaquin Spamer, 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”

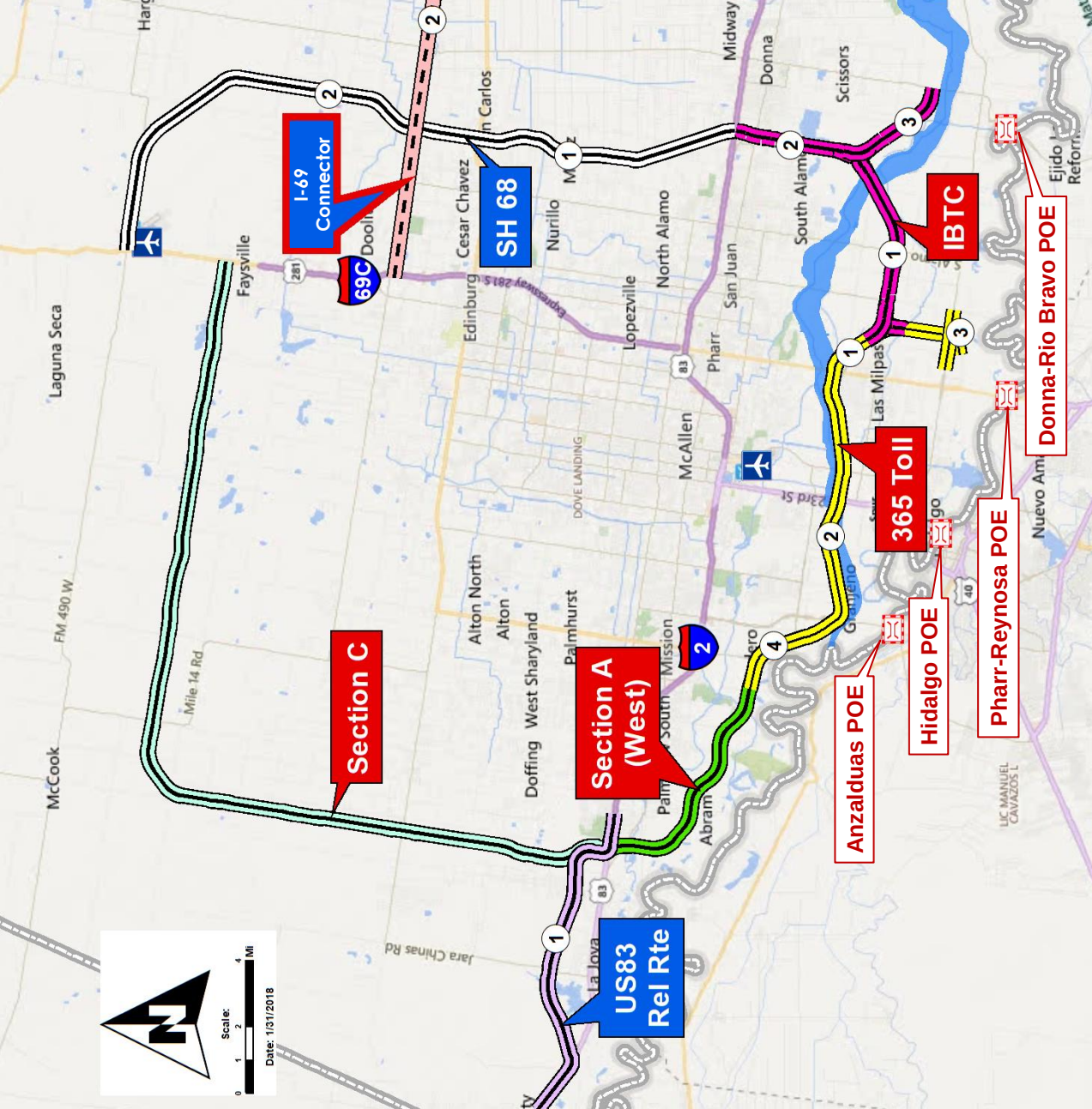


HCRMA STRATEGIC PLAN

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



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY



► POST 2021 UTP APPROVAL

- ❑ Approval of 2021 UTP (Aug 2020)
 - 365 Toll: gap-funded construction funding was budgeted in 2021 UTP Update in 12/2020. On 06/2021 a 2nd FAA was granted to assign the gap funding contingent upon successful contract execution and sale of toll revenue bonds.
 - IBTC: funds listed under Cat 12 / TBD needs revised PDA and direction from TxDOT as to whether approved funding can be used for advanced planning (e.g. design, ROW, and/or utility) work.
- ❑ What's in the RGVMO (Local Plan)
 - 365 Toll Project (TIP / MTP) thru construction
 - IBTC Project (TIP / MTP) thru design (pending funding commitments for construction)

SYSTEM WIDE

PDA – Project Development Agreement

FAA – Financial Assistance Agreement

TIP – Transportation Improvement Program (Short range)

MTP – Metropolitan Transportation Plan (Long Range)





MAJOR MILESTONES:

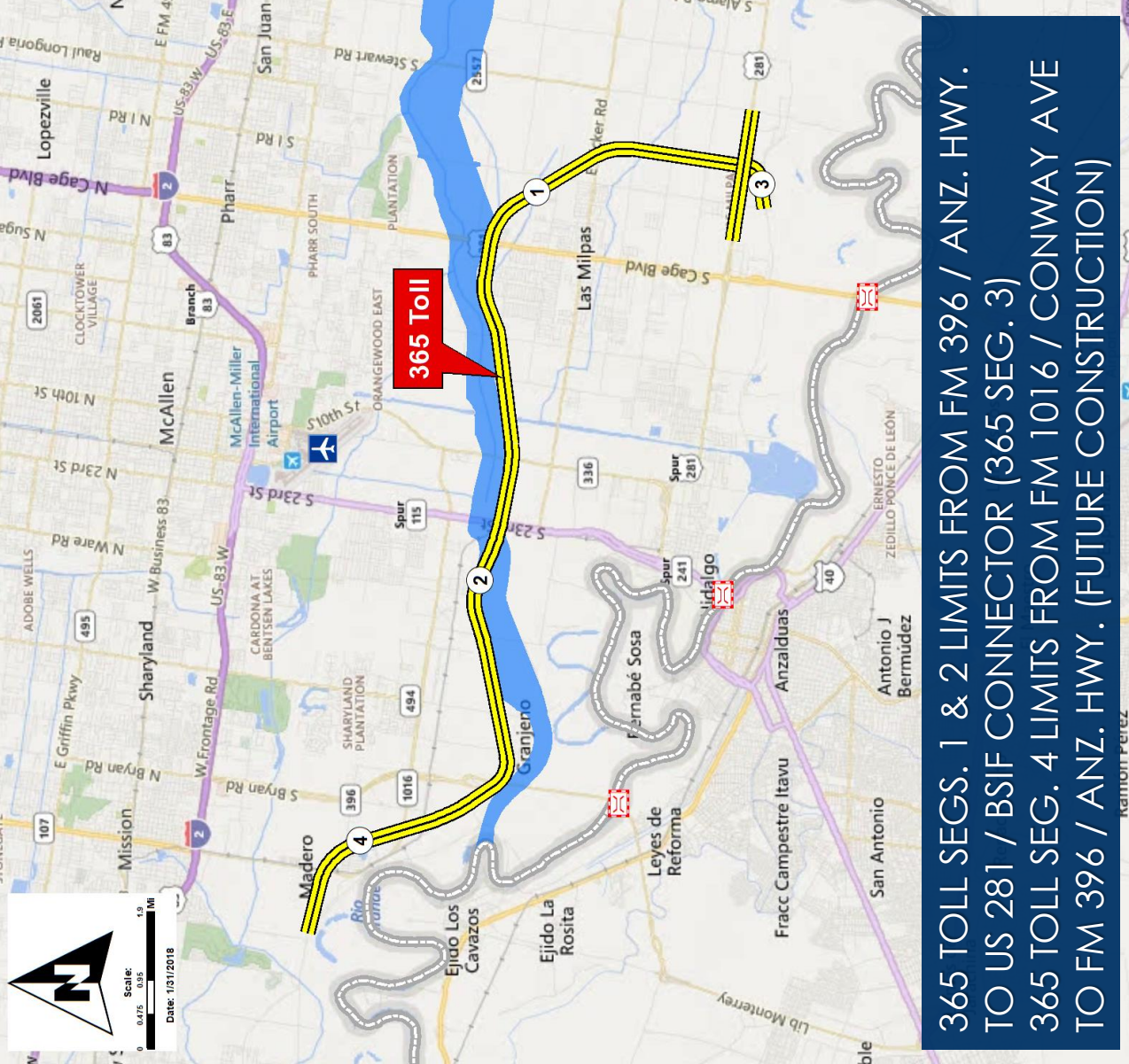
NEPA CLEARANCE
07/03/2015
98% ROW ACQUIRED

PH 1: 365 SEG. 3 –
LET: 08/2015
COMPLETED

PH 2: 365 TOLL
SEGS. 1 & 2 –
RE-LET: 10/2021



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY



365 TOLL SEGS. 1 & 2 LIMITS FROM FM 396 / ANZ. HWY. TO US 281 / BSIF CONNECTOR (365 SEG. 3)
365 TOLL SEG. 4 LIMITS FROM FM 1016 / CONWAY AVE TO FM 396 / ANZ. HWY. (FUTURE CONSTRUCTION)

► SCHEDULE:

365 TOLL

- ☐ ~~Early 08/2021~~, TxDOT provides “release to advertise”
- ☐ ~~08/08/2021 - 10/13/2021~~, HCRMA advertises the 365 Toll (66 days), hold prebid 08/31/2021, and opened bids 10/13/2021,
- ☐ ~~10/19/2021~~, HCRMA Approved Award of Contract,
- ☐ ~~11/08/2021~~, TxDOT concurred with award of contract,
- ☐ ~~11/10/2021 - 12/01/2021~~, initiate -- finalize CO#1
- ☐ ~~12/08/2021 - 12/20/2021~~, Potential HCRMA Board approval of CO#2,
- ☐ **01/04/2022 - 01/14/2022**, HCRMA meets with rating agencies, prices bonds,
- ☐ **02/10/2022**, HCRMA closes toll revenue bonds,
- ☐ **03/2022**, Commence 42-month construction, and
- ☐ **09/2025**, Open to traffic.



IBTC

MAJOR MILESTONES:

OBTAINED EA ENV
CLASSIFICATION: 11/2017

SCHEMATIC APPROVED:
11/2021

EST. NEPA CLEARANCE:
Q1 2022

EST. OPEN: MID 2027

IBTC SEGS. 1 – 3: FROM THE
INTERCHANGE WITH 365 TOLL AND
FM 493 TO INTERSTATE 2



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

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

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

Project Milestones	2021												2022												2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Environmental (Ongoing)																																					
Surveys (65%)																																					
ROW Title Research / Appraisals																																					
ROW Acquisition (Remaining)																																					
Plans, Specs., & Estimates																																					
Utility Coord / Relocation																																					
Constr. Contract Letting Phase																																					
Constr. Award / Commence																																					

CONSTRUCTION FROM 2024-2027

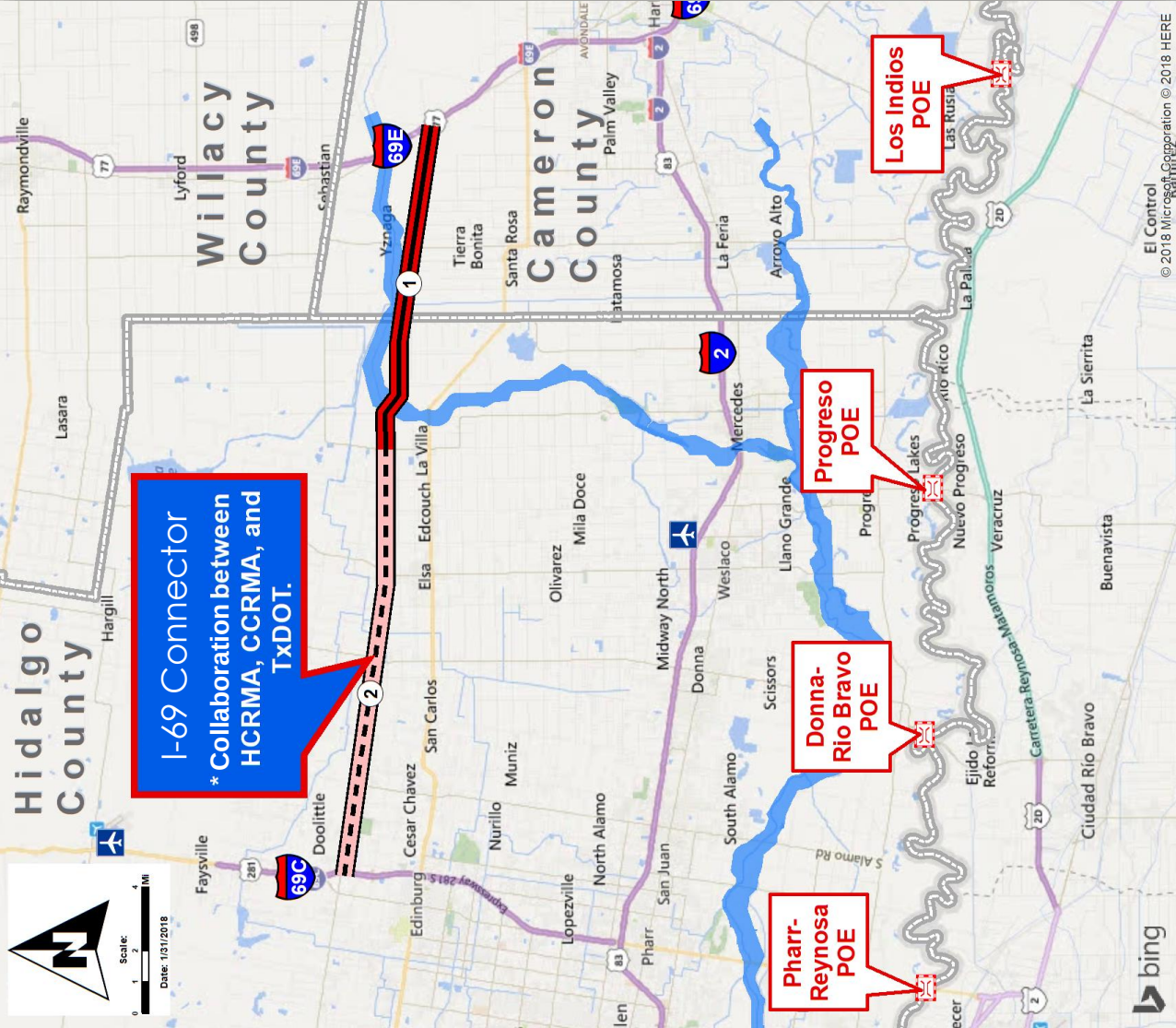
► ADVANCE PLANNING

- ❑ Env.: Classification Letter and Scoping Toolkit Submitted Aug 2017
- ❑ Held IBTC Environmental Kick off with TxDOT PHR / ENV April 6, 2018.
- ❑ VRF UTP Matching Funds request processed at the HCMPO—pending adoption by TxDOT at State Level.
- ❑ All env. fieldwork complete: Waters of the US and Archeological trenching—Internal ROE efforts were instrumental to accelerating this work.
- ❑ Meeting held with EPA/TCEQ/TxDOT to discuss Donna Reservoir site for the Hazmat portion of the NEPA Document Oct 2018.
- ❑ Public Meeting took place at Donna High School March 29, 2019.
- ❑ All major milestone reports submitted and approved: Project Description, Hazmat, Historic Resources, Public Meeting Summary Report, Waters of the US, Archaeological Resources, Noise Report, Archaeological Mitigation Plan, and CIC Report.
- ❑ Submitting Final EA before Thanksgiving 2021 to obtain a Sufficient for Processing (SFP) notice to then schedule a Public Hearing January 2022.

► OTHER:

- ❑ Surveys (65% complete) – anticipate new survey pool procurement once TxDOT approves new federalized procurement procedures by end of Fall 2019.
- ❑ ROW Acquisition (5% complete)
- ❑ Utility Relo. (SUE 100%, coordination initiated, Overall 20%)
- ❑ Design (PS&E, 50% complete): On Hold





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 12/2019 AND 11/2021.



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

SECTION A(WEST) / SECTION C
***COMPLIMENTS PROPOSED MISSION/MADERO-REYNOSA**
INTERNATIONAL BORDER CROSSING (BY OTHERS)

COMBINED PROJECT LENGTH:
38 MILES FROM FM 1016 / CONWAY AVE
(MISSION/MADERO) TO I-69C (NORTH EDINBURG)

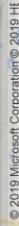
POTENTIAL FOR CLASS I RAIL WITHIN THE ROW
PENDING DEVELOPMENTS FOR RAIL CROSSING IN
MISSION AREA.

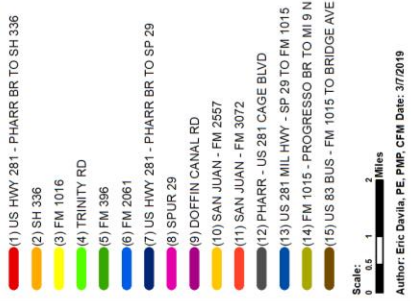
MARCH 2020 - HELD AN ILA KICK OFF MEETING WITH THE CITY OF MISSION TO BEGIN ALIGNING ENV. CLEARANCE EFFORTS WITH THE CITY'S INTENDED OVERALL PROJECT PLAN.

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.

SEPTEMBER 2020 – TXDOT APPROVED CITY OF MISSION PROCUREMENT RULES TO ALIGN WITH THE "FEDERAL PROCESS"

FEASIBILITY STUDIES ONGOING.





► **OVERWEIGHT REPORT FOR DEC 2021:**
JAN 1, 2014 – NOV 30, 2021

OW

Total Permits Issued:	221,365
Total Amount Collected:	\$ 35,829,662
■ Convenience Fees:	\$ 720,462
■ Total Permit Fees:	\$ 35,109,200
– Pro Miles:	\$ 664,095
– TxDOT:	\$ 29,842,820
– HCRMA:	\$ 4,602,285

► **OVERWEIGHT REPORT FOR DEC 2021:**
JAN 1, 2021 – NOV 30, 2021

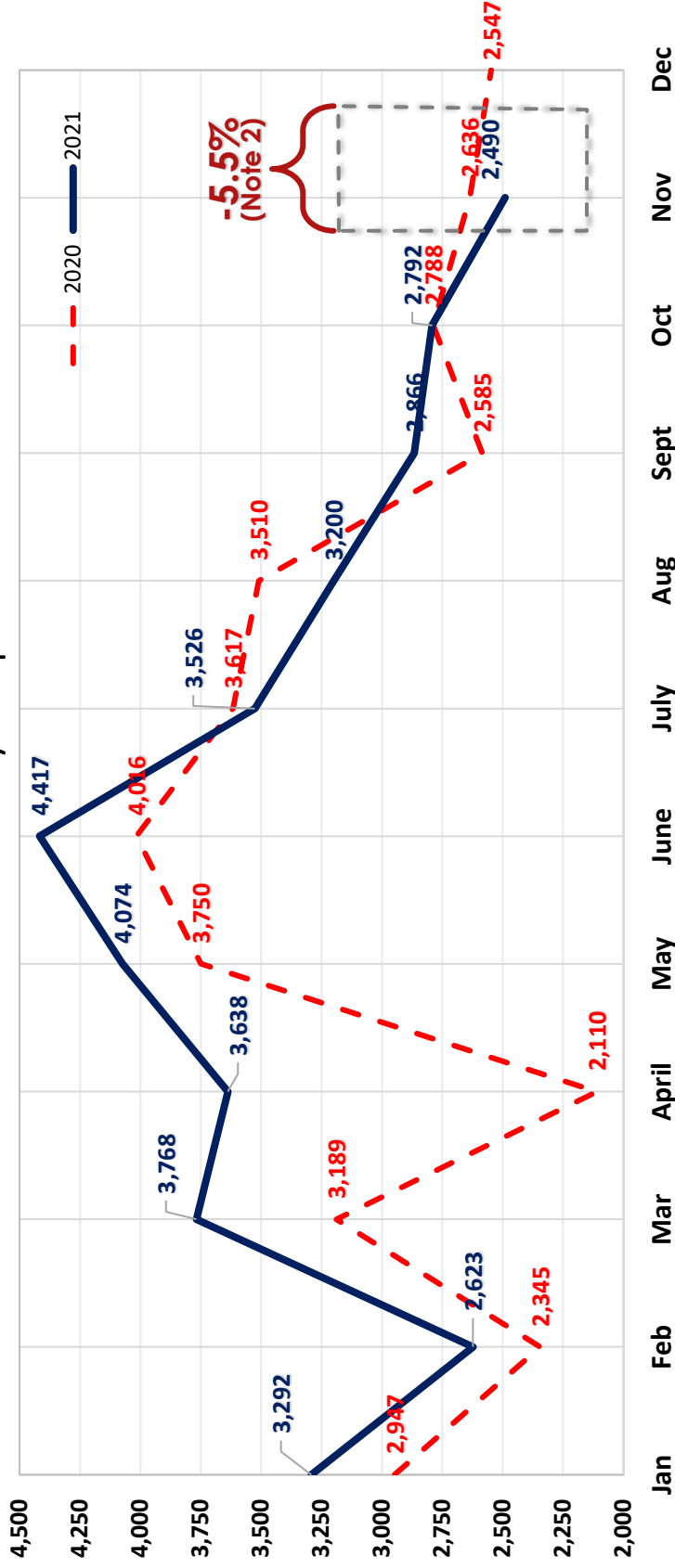
OW

Total Permits Issued:	36,686
Total Amount Collected:	\$ 7,425,502
■ Convenience Fees:	\$ 88,302
■ Total Permit Fees:	\$ 7,337,200
– Pro Miles:	\$ 110,058
– TxDOT:	\$ 6,236,620
– HCRMA:	\$ 990,522



► OVERWEIGHT REPORT FOR DEC 2021: JAN 1, 2021 – NOV 30, 2021

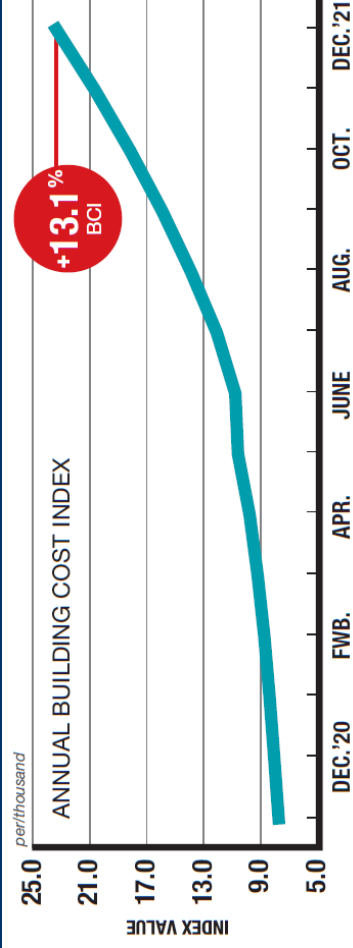
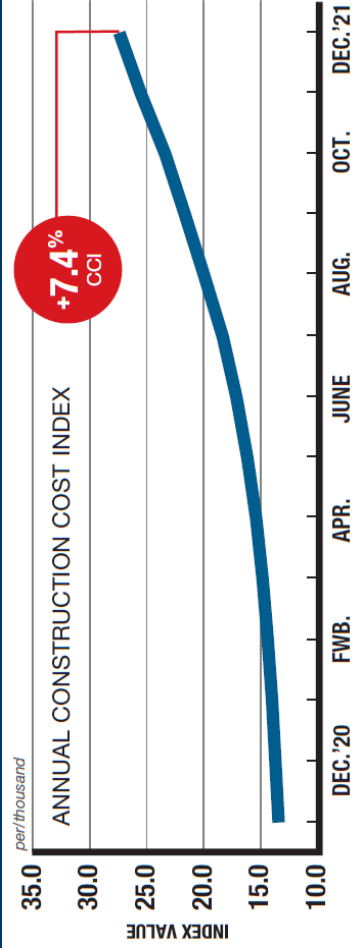
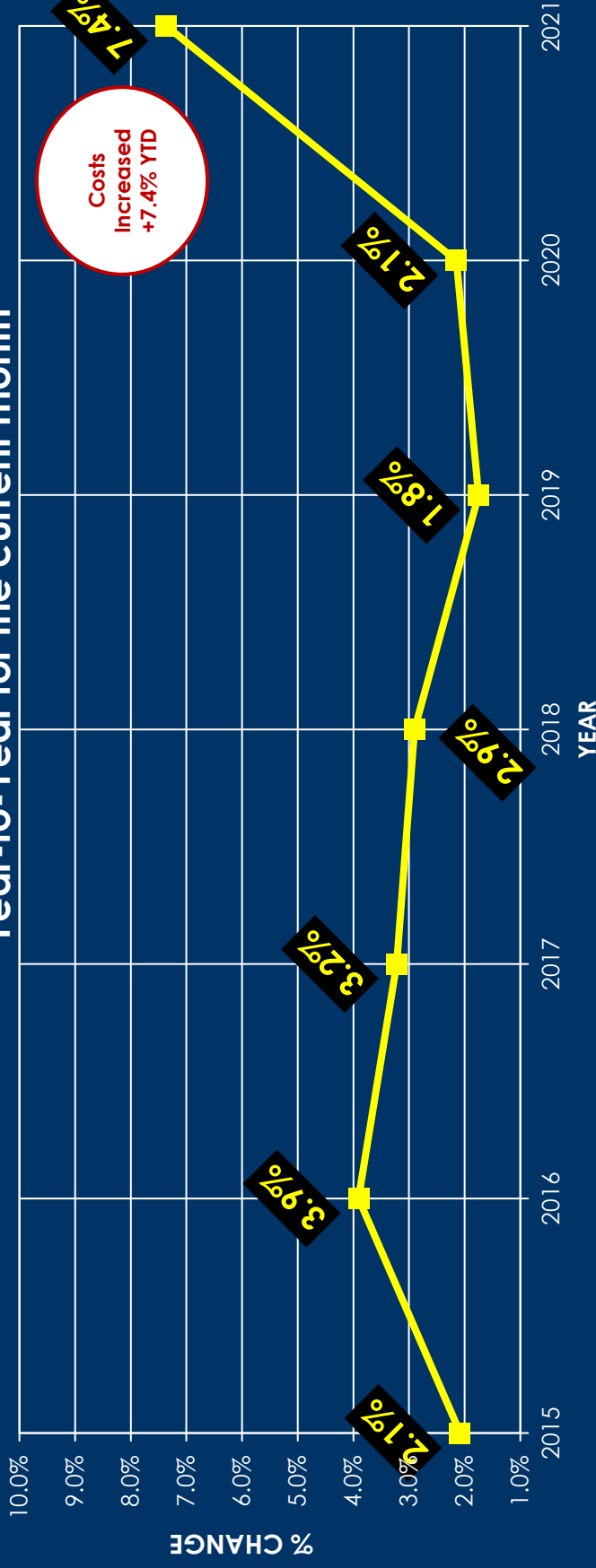
Overweight/Oversized Permit Count
2020 - 2021 Monthly Comparison



Notes:

1. The permit count for 2020 (36,040) ended with a +6.7% increase compared to 2019 (33,790).
2. Monthly permit count of 2,490 represents a -5.5% decrease compared to the same month in 2020.

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



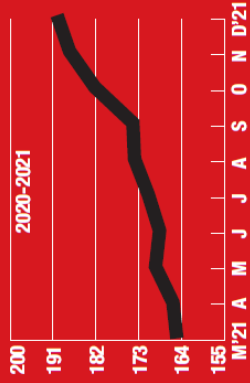
20-CITY AVERAGE

ITEM	UNIT	\$PRICE	%MONTH	%YEAR
ASPHALT PAVING				
PG 58	TON	463.82	+0.4	+15.1
Cutback, MC800	TON	390.97	+0.2	+5.1
Emulsion, RAPID SET	TON	366.52	+0.2	+3.1
Emulsion, SLOW SET	TON	379.93	+0.2	+3.8
PORTLAND CEMENT				
Type one	TON	151.44	-0.5	+3.1
MASONRY CEMENT				
70-lb bag	TON	11.03	-0.3	+1.3
CRUSHED STONE				
Base course	TON	14.54	+1.4	+15.5
Concrete course	TON	13.56	+0.7	+15.3
Asphalt course	TON	14.67	+1.4	+6.0
SAND				
Concrete	TON	11.91	+1.7	+13.4
Masonry	TON	14.12	+1.7	+13.5
READY-MIX CONCRETE				
3,000 psi	CY	133.91	+1.3	+8.1
4,000 psi	CY	145.02	+0.6	+3.9
5,000 psi	CY	183.16	+0.3	-3.1
CONCRETE BLOCK				
Normal weight: 8" x 8" x 16"	C	179.43	+1.4	+19.0
Lightweight: 8" x 8" x 16"	C	168.34	+1.9	-2.7
12" x 8" x 16"	C	255.06	+1.7	+39.2

CONCRETE BLOCK

+1.4%

MONTHLY PRICES INCREASED 1.4%, WHILE YEARLY PRICES ROSE 19%.

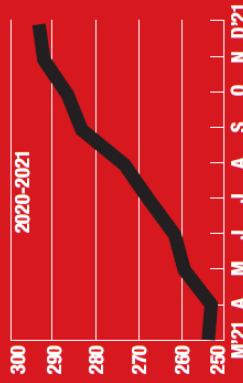


1992=100

ASPHALT PAVING

+0.4%

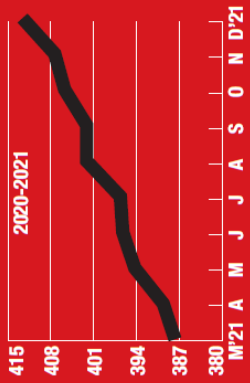
ASPHALT PRICES ROSE 0.4% THIS MONTH, WHILE YEARLY PRICES ARE UP 15.1%.



READY-MIX CONCRETE

+1.3%

READY-MIX CONCRETE PRICES INCREASED 1.3% SINCE LAST MONTH.



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Item 1B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 1B </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/13/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **REPORT ON 365 TOLLWAY PROJECT FINANCING ACTIVITIES.**
2. Nature of Request: (Brief Overview) Attachments: X 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 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: Approved Disapproved X None

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> 12/09/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **APPROVAL OF MINUTES FOR THE SPECIAL BOARD MEETING HELD NOVEMBER 10, 2021, AND REGULAR MEETING HELD NOVEMBER 23, 2021.**
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 Special Board Meeting held November 10, 2021, and Regular Meeting held November 23, 2021.
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 Directors Special Board Meeting held November 10, 2021, and Regular Meeting held November 23, 2021, 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

STATE OF TEXAS
COUNTY OF HIDALGO
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

The Hidalgo County Regional Mobility Authority Board of Directors convened for a Special Meeting on **Wednesday, November 10, 2021**, at 5:30 pm by video/ teleconference, with the following participating:

Board Members:	S. David Deanda, Jr., Chairman Forrest Runnels, Vice-Chairman Alonzo Cantu, Director Frank Pardo, Director Joaquin Spamer, Director
Absent:	Ezequiel Reyna, Jr., Secretary/Treasurer Paul Moxley, Director
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 Blakely Fernandez, Bracewell, LLP, 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 FOR REGULAR MEETING AND ESTABLISH A QUORUM

Chairman Deanda called the Regular Meeting to order at 5:30 p.m.

PUBLIC COMMENT

No Comments.

1. REGULA AGENDA

- A. Resolution 2021-54 – Consideration and Approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway). ***Motion by Joaquin Spamer, with a second by Alonzo Cantu, to approve Resolution 2021-54 – Consideration and Approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway). Motion carried unanimously.***

ADJOURNMENT

There being no other business to come before the Board of Directors, motion by Forrest Runnels, with a second by Alonzo Cantu, to adjourn the meeting at 5:51 p.m.

S. David Deanda, Jr, Chairman

Attest:

Ezequiel Reyna, Jr., Secretary/Treasurer

**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, November 23, 2021**, at 5:30 pm at the Pharr City Hall, 2nd Floor City Commission Chambers, 118 S. Cage, Blvd, Pharr, TX 78577, with the following participating:

Board Members:	S. David Deanda, Jr., Chairman Forrest Runnels, Vice-Chairman Ezequiel Reyna, Jr., Secretary/Treasurer (Teleconference) Alonzo Cantu, Director (Teleconference) Frank Pardo, Director (Teleconference) Joaquin Spamer, Director (Teleconference)
Absent:	Paul Moxley, Director
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 Maria Alaniz, Administrative Assistant III Richard A. Cantu, Law Office of Richard Cantu, PC, Legal Counsel Colby Eckols, 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 at 5:31 p.m.

1. Review of the 2021 Annual Report for submission to the Texas Department of Transportation.
Mr. Eric Davila reviewed the 2021 Annual Report for submission to the Texas Department of Transportation.

ADJOURNMENT OF WORKSHOP

CALL TO ORDER FOR REGULAR MEETING AND ESTABLISH A QUORUM

Chairman Deanda called the Regular Meeting to order at 5:38 p.m.

PUBLIC COMMENT

No Comments.

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. Colby Eckols, Hilltop Securities, reported on the 365 Tollway Project Financing Activities. No action taken.

2. CONSENT AGENDA.

Motion by Forrest Runnels, with a second by Ezequiel Reyna, to approve the Consent Agenda with the exception of item 2C. Motion carried unanimously.

- A. Approval of Minutes for the Special Board Meeting held October 19, 2021, and Regular Meeting held October 26, 2021.
Approved the Minutes for the Special Board Meeting held October 19, 2021, and Regular Meeting held October 26, 2021.
- B. Approval of Project & General Expense Report for the period from October 7, 2021, to November 5, 2021.
Approved the Project & General Expense Report for the period from October 7, 2021, to November 5, 2021.
- C. Approval of Financial Reports for October 2021.
Item removed from agenda.
- D. Resolution 2021-55 – Consideration and Approval of Contract Amendment Number 8 to the Professional Services Agreement with S&B Infrastructure, Ltd for a no-cost time extension to provide plans, specifications and estimates for the 365 Tollway Project, Segment 1.
Approved Resolution 2021-55 – Consideration and Approval of Contract Amendment Number 8 to the Professional Services Agreement with S&B Infrastructure, Ltd for a no-cost time extension to provide plans, specifications and estimates for the 365 Tollway Project, Segment 1.
- E. Resolution 2021-56 – Consideration and Approval of Contract Amendment Number 3 to the Professional Services Agreement with L&G Engineering for a no-cost time extension to provide plans, specifications and estimates for the 365 Tollway Project, Segments 2&4.
Approved Resolution 2021-56 – Consideration and Approval of Contract Amendment Number 3 to the Professional Services Agreement with L&G Engineering for a no-cost time extension to provide plans, specifications and estimates for the 365 Tollway Project, Segments 2&4.
- F. Resolution 2021-57 – Consideration and Approval of Contract Amendment Number 5 to the Professional Services Agreement with TEDSI Infrastructure Group for a no-cost time extension to provide Intelligent Traffic System and Toll Integration services.
Approved Resolution 2021-57 – Consideration and Approval of Contract Amendment Number 5 to the Professional Services Agreement with TEDSI Infrastructure Group for a no-cost time extension to provide Intelligent Traffic System and Toll Integration services.
- G. Resolution 2021-58 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with S&B Infrastructure, Ltd for a no-cost time extension to provide plans, specifications and estimates for the International Bridge Trade Corridor Project, Segment 1 (365 Toll Interchange to Approx. STA 350+00).
Approved Resolution 2021-58 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with S&B Infrastructure, Ltd for a no-cost time extension to provide plans,

specifications and estimates for the International Bridge Trade Corridor Project, Segment 1 (365 Toll Interchange to Approx. STA 350+00).

- H. Resolution 2021-59 – Consideration and Approval of Contract Amendment Number 4 to the Professional Services Agreement with Halff & Associates for a no-cost time extension to provide plans, specifications and estimates for the International Bridge Trade Corridor Project, Segment 1 (Approx. STA 350+00 to Valleyview Interchange).

Approved Resolution 2021-59 – Consideration and Approval of Contract Amendment Number 4 to the Professional Services Agreement with Halff & Associates for a no-cost time extension to provide plans, specifications and estimates for the International Bridge Trade Corridor Project, Segment 1 (Approx. STA 350+00 to Valleyview Interchange).

- I. Resolution 2021-60 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with TEDSI Infrastructure Group for a no-cost time extension to provide plans, specifications and estimates for the International Bridge Trade Corridor Project, Segments 2 & 3.

Approved Resolution 2021-60 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with TEDSI Infrastructure Group for a no-cost time extension to provide plans, specifications and estimates for the International Bridge Trade Corridor Project, Segments 2 & 3.

- J. Resolution 2021-61 – Consideration and Approval of Contract Amendment Number 9 to the Professional Services Agreement with Melden & Hunt for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

Approved Resolution 2021-61 – Consideration and Approval of Contract Amendment Number 9 to the Professional Services Agreement with Melden & Hunt for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

- K. Resolution 2021-62 – Consideration and Approval of Contract Amendment Number 3 to the Professional Services Agreement with Halff & Associates for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

Approved Resolution 2021-62 – Consideration and Approval of Contract Amendment Number 3 to the Professional Services Agreement with Halff & Associates for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

- L. Resolution 2021-63 – Consideration and Approval of Contract Amendment Number 7 to the Professional Services Agreement with Quintanilla Headley and Associates for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

Approved Resolution 2021-63 – Consideration and Approval of Contract Amendment Number 7 to the Professional Services Agreement with Quintanilla Headley and Associates for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

- M. Resolution 2021-64 – Consideration and Approval of Contract Amendment Number 9 to the Professional Services Agreement with Ramiro Gutierrez Engineering Company for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

Approved Resolution 2021-64 – Consideration and Approval of Contract Amendment Number 9 to the Professional Services Agreement with Ramiro Gutierrez Engineering Company for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

- N. Resolution 2021-65 – Consideration and Approval of Contract Amendment Number 5 to the Professional Services Agreement with ROW Surveying Services, LLC for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

Approved Resolution 2021-65 – Consideration and Approval of Contract Amendment Number 5 to the Professional Services Agreement with ROW Surveying Services, LLC for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.

- O. Resolution 2021-66 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with RODS Surveying, Inc. for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.
Approved Resolution 2021-66 – Consideration and Approval of Contract Amendment Number 2 to the Professional Services Agreement with RODS Surveying, Inc. for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.
- P. Resolution 2021-67 – Consideration and Approval of Contract Amendment Number 20 to the Professional Services Agreement with SAMES Engineering and Surveying, Inc. for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.
Approved Resolution 2021-67 – Consideration and Approval of Contract Amendment Number 20 to the Professional Services Agreement with SAMES Engineering and Surveying, Inc. for a no-cost time extension to provide survey services for the 365 Tollway and International Bridge Trade Corridor Projects.
- Q. Resolution 2021-68 – Consideration and Approval of Addendum B to the Master Interlocal Cooperation Agreement between the City of Mission, Texas and the Hidalgo County Regional Mobility Authority.
Approved Resolution 2021-68 – Consideration and Approval of Addendum B to the Master Interlocal Cooperation Agreement between the City of Mission, Texas and the Hidalgo County Regional Mobility Authority.

3. REGULAR AGENDA

- A. Resolution 2021-49 – Consideration and Approval of Work Authorization 8 with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site.
Item Removed from agenda. No action taken.
- B. Resolution 2021-50 – Consideration and Approval of Contract Amendment 7 to the Professional Service Agreement with Blanton & Associates, Inc. to increase the maximum payable amount for Work Authorization Number 8.
Item Removed from agenda. No action taken.
- C. Resolution 2021-51 – Consideration and Approval of Work Authorization 5 with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site.
Item Removed from agenda. No action taken.
- D. Resolution 2021-52 - Consideration and Approval of Contract Amendment 3 to the Professional Service Agreement with HDR Engineering, Inc. to increase the maximum payable amount for Work Authorization Number 5.
Item Removed from agenda. No action taken.
- E. Resolution 2021-69 – Consideration and Approval of Contract Amendment Number 3 to the professional service agreement with Sendero Acquisitions for a time extension and milestone unit cost update to provide Right-of-Way Acquisition Services to the Hidalgo County Regional Mobility Authority.
Motion by Ezequiel Reyna, with a second by Frank Pardo, to approve Resolution 2021-69 – Consideration and Approval of Contract Amendment Number 3 to the professional service agreement with Sendero Acquisitions for a time extension and milestone unit cost update to provide Right-of-Way Acquisition Services to the Hidalgo County Regional Mobility Authority. Motion carried unanimously.

- F. Resolution 2021-70 - Consideration and Approval of Work Authorization Number 7 with Sendero Acquisitions, LP to provide Remaining 365 Tollway Right-of-Way Acquisition Services.

Motion by Ezequiel Reyna, with a second by Frank Pardo, to approve Resolution 2021-70 - Consideration and Approval of Work Authorization Number 7 with Sendero Acquisitions, LP to provide Remaining 365 Tollway Right-of-Way Acquisition Services in the amount of \$210,000.00. Motion carried unanimously.

- G. Resolution 2021-71 – Consideration and Approval of Work Authorization 10 to the Professional Service Agreement with C&M Associates, Inc. for a Traffic and Revenue for the 365 Tollway Project for an Financing Bring-Down Letter Update and Value Engineering Change Proposal (VECP) modeling.

Motion by Forrest Runnels, with a second by Frank Pardo, to approve Resolution 2021-71 – Consideration and Approval of Work Authorization 10 to the Professional Service Agreement with C&M Associates, Inc. for a Traffic and Revenue for the 365 Tollway Project for an Financing Bring-Down Letter Update and Value Engineering Change Proposal (VECP) modeling in the amount of \$96,952.04. Motion carried unanimously.

- H. Resolution 2021-72 – Consideration and Approval of Contract Amendment 11 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 10.

Motion by Ezequiel Reyna, with a second by Alonzo Cantu, to approve Resolution 2021-72 – Consideration and Approval of Contract Amendment 11 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 10 for a revised maximum payable amount of \$96,952.04. Motion carried unanimously.

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 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

- B. Consultation with Attorney on personnel matters related annual evaluation of the Executive Director (551.074 T.G.C.)

No action taken

- C. Consultation with Attorney on legal issues pertaining to an Interlocal Cooperative Agreement with the City of Mission to provide Right of Way Acquisition Services (Section 551.071 T. G.C.)

No action taken.

- D. 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.

- E. 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.
- F. 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.
- G. 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.
- H. 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.
- I. Consultation with Attorney on personnel matters related to the COVID-19 pandemic (Section 551.074 T.G.C.).
No action taken.

ADJOURNMENT

There being no other business to come before the Board of Directors, motion by Frank Pardo, with a second by Joaquin Spamer, to adjourn the meeting at 5:58 p.m.

S. David Deanda, Jr, Chairman

Attest:

Ezequiel Reyna, Jr., Secretary/Treasurer

Item 2B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2B </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/14/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **APPROVAL OF PROJECT AND GENERAL EXPENSE REPORT FROM NOVEMBER 6, 2021, TO DECEMBER 3, 2021**

2. Nature of Request: (Brief Overview) Attachments: X Yes No

Consideration and approval of project and general expense report for the period from November 6, 2021, to December 3, 2021

3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy

4. Budgeted: X Yes No N/A Funding Source: VRF Bond

General Account	\$ 117,531.01
Disbursement Account	\$ 134,334.39
VRF Series 2020A	\$ 43,040.06
Total Project Expenses for Reporting Period	\$ 294,905.46

Fund Balance after Expenses	\$ 8,433,661.28

5. Staff Recommendation: **Motion to approve the project and general expense report for the November 6, 2021, to December 3, 2021, 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: December 14, 2021
Re: **Expense Report for the Period from November 6, 2021, to December 3, 2021**

Attached is the expense report for the period commencing on November 6, 2021, to December 3, 2021.

Expenses for the General Account total \$117,531.01, Disbursement Account total \$134,334.39 and the VRF Series 2020A Account is \$43,040.06. The aggregate expense for the reporting period is \$294,905.46.

Based on review by this office, **approval of expenses for the reporting period is recommended in the aggregate amount of \$294,905.46.**

This leaves a fund balance (all funds) after expenses of \$8,433,661.28.

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

Nov 6 - Dec. 3
Dec. 2021

Plains Capital 41

Make Check Payable to	Date Work Performed	Amount
City of Pharr	November 2021	\$ 72,590.39
Office Depot	11/23/2021	\$ 772.24
A Fast Delivery, LLC	11/16/2021	\$ 206.50
Copy Zone	November 2021	\$ 837.24
Bracewell, LLP	November 2021	\$ 680.00
Escobedo & Cardenas, LLP	November 2021	\$ 75.00
Pathfinder Public Affairs	November 2021	\$ 10,000.00
City of Pharr	November 2021	\$ 205.00
City of Pharr	December 2021	\$ 4,480.00
City of Pharr	November 2021	\$ 4,305.00
City of Pharr	December 2021	\$ 650.00
Xerox Financial Services	12/01/21 12/31/21	\$ 591.60
Xerox Financial Services	12/01/21 12/31/21	\$ 194.05
Plains Capital Bank	2021	\$ 500.00
Professional Appraisal Services, Inc.	10/28/2021	\$ 3,750.00
Pena Designs	November 2021	\$ 200.00
Carpet Express	December 2021	\$ 1,386.09
Charisma Remodeling Services	November 2021	\$ 14,106.00
Credit Card Services	11/04/2021 12/03/2021	\$
Credit Card Services	11/04/2021 12/03/2022	\$ 573.90
Credit Card Services	11/04/2021 12/03/2023	\$ 1,428.00
		\$ 117,531.01

Wilmington Trust 45/Capital Projects

Bracewell, LLP	November 2021	\$ 12,560.00
Escobedo & Cardenas, LLP	November 2021	\$ 14,750.00
Blanton & Associates, Inc.	11/1/2021 11/30/2021	\$ 985.49
Blanton & Associates, Inc.	11/1/2021 11/30/2021	\$ 2,646.73
C&M Associates, Inc.	11/23/21 11/30/21	\$ 46,165.19
HDR Engineering, Inc.	10/24/21 11/20/21	\$ 31,484.37
HDR Engineering, Inc.	10/24/21 11/20/21	\$ 7,487.02
HDR Engineering, Inc.	10/24/21 11/20/21	\$ 5,397.55
HDR Engineering, Inc.	10/24/21 11/20/21	\$ 10,465.30
San Miguel Lawn Care Services	11/17/2021	\$ 625.00
Hidalgo County Water Improvement District 3	2021	\$ 704.43
Hidalgo County Irrigation District No. 2	2018 2022	\$ 1,063.31
		\$134,334.39

Wilmington Trust 46/VRF Series 2020A

Saenz Oil & Gas Services	11/01/2021 11/30/2021	\$ 40,740.06
Sendero Acquisition, LP	November 2021	\$ 2,300.00
		\$ 43,040.06

Sub Total	Ger	\$ 117,531.01
Sub Total	Cap	\$ 134,334.39
Sub Total	VRF	\$ 43,040.06
Total		\$ 294,905.46

Approved:	Recommend Approval:
S. David Deanda, Jr., Chairman	Pilar Rodriguez, Executive Director
Approved:	Date:
Ezequiel Reyna, Jr., Secretary/Treasurer	12/20/2021

Item 2C

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM
DATE SUBMITTED
MEETING DATE

 2C
 12/09/21
 12/20/21

1. Agenda Item: **APPROVAL OF THE FINANCIAL REPORT FOR THE MONTHS OF OCTOBER 2021.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of financial report for the months of October 2021.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
Funding Source:
5. Staff Recommendation: **Motion to approve the Financial Report for the months of October 2021, 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None

**HIDALGO CO. REGIONAL MOBILITY AUTHORITY
STATEMENT OF NET POSITION OCTOBER 31, 2021**

ASSETS

CURRENT ASSETS

Cash	\$ 82,738
Investment-Cap. Projects nonrestricted	22,218
Pool Investments	3,378,034
Promiles-Prepaid/Escrow Overweight Permit Fees	112,582
Accounts Receivable - VR Fees	508,280
Prepaid expense	1,271
Prepaid bond insurances	309,595
Total Current Assets	4,414,718

RESTRICTED ASSETS

Construction 2020A Series	5,081,399
Investment-2020 debt service	1,431,816
Investment-debt service	1,276,149
Investment-debt service jr. lien	6,664,229
Total Restricted Assets	14,453,593

CAPITAL ASSETS

Land-environmental	441,105
Leaschold improvements	266,776
Office equipment/other	33,136
Construction in progress	127,588,194
Accumulated depreciation	(56,858)
Total Capital Assets	128,272,353

DEFERRED OUTFLOW OF RESOURCES

Deferred charges on refunding	6,153,048
Total Deferred Outflows	6,153,048

TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES	\$ 153,293,712

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable-City of Pharr	\$ 76,443
Unearned Revenue - Overweight Permit Escrow	112,582
Current Portion of Bond Premium 2013	53,223
Current Portion of Bond Premium 2020A	45,256
Total Current Liabilities	287,504

RESTRICTED LIABILITIES

Current Portion of Long-Term 2020 Debt	805,000
Current Portion of Long-Term Debt 2013	1,305,000
Total Restricted Liabilities	2,110,000

LONG-TERM LIABILITIES

2013 VRF Bonds Payable	2,785,000
2020 Series A Bonds Payable	9,870,000
2020 Series B Bonds Payable	57,210,000
Jr. Lien Bonds	22,975,440
Bond premium 2013VRF	106,987
Bond premium 2020A	1,301,108
Total Long-Term Liabilities	94,248,535

Total Liabilities	96,646,039

NET POSITION

Investment in Capital Assets, Net of Related Debt	43,049,786
Restricted for:	
Debt Service	7,262,194
Unrestricted	6,335,693
Total Net Position	56,647,673

TOTAL LIABILITIES AND NET POSITION	\$ 153,293,712



Pharr, TX

Balance Sheet

Account Summary

As Of 10/31/2021

Account	Name	Balance
Fund: 41 - HCRMA-GENERAL		
Assets		
<u>41-1-1100-000</u>	GENERAL OPERATING	82,738.11
<u>41-1-1102-000</u>	POOL INVESTMENTS	3,378,031.43
<u>41-1-1113-000</u>	ACCOUNTS RECIEVABLES-VR FEES	508,280.00
<u>41-1-1113-100</u>	PROMILES-PREPAID/ESCROW OVERWE	112,581.56
<u>41-1-1117-000</u>	LEASEHOLD IMPROVEMENTS	266,776.38
<u>41-1-1118-000</u>	CONSTRUCTION IN PROGRESS	127,588,193.87
<u>41-1-1119-001</u>	LAND-ENVIRONMENTAL	441,105.00
<u>41-1-1121-000</u>	FURNITURE & FIXTURES	24,529.90
<u>41-1-1122-000</u>	COMPUTER EQUIP/SOFTWARE	8,606.51
<u>41-1-1123-000</u>	ACCUMULATED DEPRECIATION	-56,857.53
<u>41-1-1601-000</u>	PREPAID EXPENSE	1,271.08
<u>41-1-1700-001</u>	DEFERRED CHARGES ON REFUNDING	6,153,048.16
<u>41-1-1700-010</u>	DEFERRED CHARGES ON BOND INSURANCE	309,594.70
	Total Assets:	138,817,899.17
		<u>138,817,899.17</u>
Liability		
<u>41-2-1212-001</u>	A/P CITY OF PHARR	76,443.08
<u>41-2-1213-009</u>	CURRENT-UNAMORTIZED PREMIUM	53,223.39
<u>41-2-1213-010</u>	CURRENT- UNAMORTIZED- PREM 2020A	45,255.92
<u>41-2-1213-012</u>	BONDS PAYABLE CURRENT- 2020B	805,000.00
<u>41-2-1213-100</u>	UNEARNED REV.-OVERWEIGHT	112,581.56
<u>41-2-1214-001</u>	BONDS PAYABLE-CURRENT	1,305,000.00
<u>41-2-1214-002</u>	BONDS PAYABLE-LONG TERM PORTIO	2,785,000.00
<u>41-2-1214-003</u>	UNAMORTIZED PREMIUM ON BOND	106,986.78
<u>41-2-1214-004</u>	UNAMORTIZED PREM- 2020A	1,301,107.70
<u>41-2-1214-010</u>	LONG TERM BONDS- JR LIEN	22,975,440.14
<u>41-2-1214-011</u>	LONG TERM BONDS- 2020A	9,870,000.00
<u>41-2-1214-012</u>	LONG TERM BONDS- 2020B	57,210,000.00
	Total Liability:	96,646,038.57
Equity		
<u>41-3-3400-000</u>	FUND BALANCE	41,689,825.95
	Total Beginning Equity:	41,689,825.95
Total Revenue		6,862,891.64
Total Expense		6,380,856.99
Revenues Over/Under Expenses		482,034.65
	Total Equity and Current Surplus (Deficit):	42,171,860.60
	Total Liabilities, Equity and Current Surplus (Deficit):	<u>138,817,899.17</u>



Pharr, TX

Income Statement

Account Summary

For Fiscal: 2021 Period Ending: 10/31/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 41 - HCRMA-GENERAL						
Revenue						
41-4-1504-000	VEHICLE REGISTRATION FEES	6,500,000.00	6,500,000.00	508,280.00	5,952,220.00	547,780.00
41-4-1505-005	PROMILES-OW/OS PERMIT FEES	1,000,000.00	1,000,000.00	70,929.00	909,252.00	90,748.00
41-4-1506-000	INTEREST REVENUE	15,000.00	15,000.00	103.44	1,419.64	13,580.36
Revenue Total:		7,515,000.00	7,515,000.00	579,312.44	6,862,891.64	652,108.36
Expense						
41-52900-1100-000	SALARIES	538,184.00	538,184.00	35,436.80	391,661.64	146,522.36
41-52900-1104-000	OVERTIME	500.00	500.00	32.21	204.57	295.43
41-52900-1105-000	FICA	45,608.00	45,608.00	1,679.46	25,984.20	19,623.80
41-52900-1106-000	HEALTH INSURANCE	29,000.00	29,000.00	2,473.00	22,017.44	6,982.56
41-52900-1115-000	EMPLOYEES RETIREMENT	45,608.00	45,608.00	2,536.34	28,357.07	17,250.93
41-52900-1116-000	PHONE ALLOWANCE	6,300.00	6,300.00	392.30	4,315.30	1,984.70
41-52900-1117-000	CAR ALLOWANCE	22,800.00	22,800.00	1,200.00	13,200.00	9,600.00
41-52900-1122-000	EAP- ASSISTANCE PROGRAM	0.00	0.00	5.36	53.60	-53.60
41-52900-1178-000	ADMIN FEE	9,750.00	9,750.00	750.00	8,250.00	1,500.00
41-52900-1179-000	CONTINGENCY	28,400.00	28,400.00	0.00	0.00	28,400.00
41-52900-1200-000	OFFICE SUPPLIES	12,000.00	12,000.00	359.69	3,394.57	8,605.43
41-52900-1603-000	BUILDING REMODEL	70,000.00	70,000.00	0.00	3,984.74	66,015.26
41-52900-1604-000	MAINTENANCE & REPAIR	25,000.00	25,000.00	90.17	15,900.63	9,099.37
41-52900-1605-000	JANITORIAL	1,000.00	1,000.00	0.00	7.79	992.21
41-52900-1606-000	UTILITIES	2,800.00	2,800.00	246.89	2,222.01	577.99
41-52900-1607-000	CONTRACTUAL ADM/IT SERVICES	8,500.00	8,500.00	655.00	6,250.00	2,250.00
41-52900-1610-000	DUES & SUBSCRIPTIONS	15,000.00	15,000.00	0.00	13,861.09	1,138.91
41-52900-1610-001	SUBSCRIPTIONS-SOFTWARE	500.00	500.00	0.00	714.16	-214.16
41-52900-1611-000	POSTAGE/FEDEX/COURTIER	2,500.00	2,500.00	112.25	1,576.50	923.50
41-52900-1620-000	GENERAL LIABILITY	3,000.00	3,000.00	0.00	2,902.60	97.40
41-52900-1621-000	INSURANCE-E&O	1,500.00	1,500.00	0.00	1,465.10	34.90
41-52900-1622-000	INSURANCE-SURETY	800.00	800.00	0.00	0.00	800.00
41-52900-1623-000	INSURANCE-LETTER OF CREDIT	500.00	500.00	0.00	0.00	500.00
41-52900-1623-001	INSURANCE-OTHER	3,000.00	3,000.00	7,147.50	10,314.86	-7,314.86
41-52900-1623-002	INSURANCE- CYBERSECURITY	2,500.00	2,500.00	0.00	3,200.22	-700.22
41-52900-1630-000	BUSINESS MEALS	500.00	500.00	0.00	0.00	500.00
41-52900-1640-000	ADVERTISING	4,000.00	4,000.00	0.00	0.00	4,000.00
41-52900-1650-000	TRAINING	8,000.00	8,000.00	0.00	3,087.00	4,913.00
41-52900-1660-000	TRAVEL	10,000.00	10,000.00	0.00	725.32	9,274.68
41-52900-1662-000	PRINTING & PUBLICATIONS	8,000.00	8,000.00	554.28	3,899.59	4,100.41
41-52900-1703-000	BANK SERVICE CHARGES	100.00	100.00	0.00	0.00	100.00
41-52900-1705-000	ACCOUNTING FEES	30,000.00	30,000.00	205.00	28,595.00	1,405.00
41-52900-1710-000	LEGAL FEES	65,000.00	65,000.00	555.00	25,395.25	39,604.75
41-52900-1710-001	LEGAL FEES-GOV.AFFAIRS	120,000.00	120,000.00	10,000.00	100,000.00	20,000.00
41-52900-1712-000	FINANCIAL CONSULTING FEES	4,000.00	4,000.00	0.00	4,005.00	-5.00
41-52900-1712-001	INSURANCE CONSULTANT	10,000.00	10,000.00	0.00	0.00	10,000.00
41-52900-1715-000	RENT-OFFICE	54,000.00	54,000.00	4,480.00	44,800.00	9,200.00
41-52900-1715-001	RENT-OFFICE EQUIPMENT	8,500.00	8,500.00	1,183.20	5,965.67	2,534.33
41-52900-1715-002	RENT-OTHER	500.00	500.00	0.00	0.00	500.00
41-52900-1716-000	CONTRACTUAL WEBSITE SERVICES	2,400.00	2,400.00	200.00	2,000.00	400.00
41-52900-1731-000	MISCELLANEOUS	500.00	500.00	0.00	0.00	500.00
41-52900-1732-000	PENALTIES & INTEREST	100.00	100.00	0.00	0.00	100.00
41-52900-1850-000	CAPITAL OUTLAY	10,000.00	10,000.00	0.00	0.00	10,000.00
41-52900-1899-000	NON-CAPITAL	10,000.00	10,000.00	0.00	1,900.00	8,100.00
41-52900-1999-003	TRANSFER OUT TO DEBT	1,496,450.00	1,496,450.00	124,703.24	1,249,032.40	247,417.60
41-52900-1999-005	TRANS OUT DEB-JR LIEN	1,126,162.00	1,126,162.00	0.00	1,126,162.00	0.00

Income Statement

For Fiscal: 2021 Period Ending: 10/31/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<u>41-52900-1999-006</u>	TRANS OUT- 2020 DEBT SVC	2,470,095.00	2,470,095.00	205,841.20	2,058,412.00	411,683.00
<u>41-52900-1999-009</u>	TRANSFER OUT-CAPITAL PROJ	700,000.00	700,000.00	140,000.00	709,000.00	-9,000.00
<u>41-53000-1100-000</u>	SALARIES	496,536.00	496,536.00	14,021.49	158,791.29	337,744.71
<u>41-53000-1104-000</u>	OVERTIME	10,500.00	10,500.00	0.00	0.00	10,500.00
<u>41-53000-1105-000</u>	FICA	44,968.00	44,968.00	1,061.82	12,095.86	32,872.14
<u>41-53000-1106-000</u>	HEALTH INSURANCE	25,000.00	25,000.00	1,236.50	11,361.88	13,638.12
<u>41-53000-1115-000</u>	EMPLOYEES RETIREMENT	44,968.00	44,968.00	1,129.13	12,768.88	32,199.12
<u>41-53000-1116-000</u>	PHONE ALLOWANCE	9,600.00	9,600.00	184.60	2,030.60	7,569.40
<u>41-53000-1117-000</u>	CAR ALLOWANCE	43,200.00	43,200.00	553.84	6,092.24	37,107.76
<u>41-53000-1122-000</u>	EAP- ASSISTANCE PROGRAM	0.00	0.00	2.68	26.80	-26.80
<u>41-53000-1178-000</u>	ADMN FEE	15,600.00	15,600.00	300.00	3,300.00	12,300.00
<u>41-53000-1179-000</u>	CONTINGENCY	27,992.00	27,992.00	0.00	0.00	27,992.00
<u>41-53000-1200-000</u>	OFFICE SUPPLIES	1,500.00	1,500.00	0.00	43.98	1,456.02
<u>41-53000-1201-000</u>	SMALL TOOLS	5,000.00	5,000.00	297.96	297.96	4,702.04
<u>41-53000-1604-000</u>	MAINTENANCE & REPAIRS	0.00	0.00	28.58	28.58	-28.58
<u>41-53000-1606-001</u>	UTILITIES	0.00	0.00	29.26	80.69	-80.69
<u>41-53000-1608-000</u>	UNIFORMS	6,000.00	6,000.00	0.00	0.00	6,000.00
<u>41-53000-1610-000</u>	DUES & SUBSCRIPTIONS	2,000.00	2,000.00	0.00	740.00	1,260.00
<u>41-53000-1610-001</u>	SUBSCRIPTIONS - SOFTWARE	7,000.00	7,000.00	0.00	8,745.07	-1,745.07
<u>41-53000-1611-000</u>	POSTAGE/FEDEX/COURTIER	500.00	500.00	0.00	15.90	484.10
<u>41-53000-1640-000</u>	ADVERTISING	5,000.00	5,000.00	8,182.54	8,182.54	-3,182.54
<u>41-53000-1650-000</u>	TRAINING	5,000.00	5,000.00	0.00	890.00	4,110.00
<u>41-53000-1660-000</u>	TRAVEL	5,000.00	5,000.00	0.00	575.32	4,424.68
<u>41-53000-1715-000</u>	RENT CONSTRUCTION OFFICE	2,700.00	2,700.00	0.00	0.00	2,700.00
<u>41-53000-1715-001</u>	RENTAL - OFFICE EQUIPMENT	0.00	0.00	194.05	2,169.35	-2,169.35
<u>41-53000-1715-002</u>	RENT-OTHER	500.00	500.00	0.00	989.34	-489.34
<u>41-53000-1850-000</u>	CAPITAL OUTLAY	62,500.00	62,500.00	0.00	7,810.04	54,689.96
<u>41-53000-1899-000</u>	NON-CAPITALIZED	22,000.00	22,000.00	0.00	0.00	22,000.00
<u>41-54000-1100-000</u>	SALARIES	426,970.00	426,970.00	10,382.38	118,930.17	308,039.83
<u>41-54000-1104-000</u>	OVERTIME	500.00	500.00	0.00	0.00	500.00
<u>41-54000-1105-000</u>	FICA	36,480.00	36,480.00	805.76	9,262.67	27,217.33
<u>41-54000-1106-000</u>	HEALTH INSURANCE	16,800.00	16,800.00	618.25	5,830.82	10,969.18
<u>41-54000-1115-000</u>	EMPLOYEES RETIREMENT	36,480.00	36,480.00	843.68	9,641.87	26,838.13
<u>41-54000-1116-000</u>	PHONE ALLOWANCE	4,800.00	4,800.00	92.30	1,015.30	3,784.70
<u>41-54000-1117-000</u>	CAR ALLOWANCE	21,600.00	21,600.00	553.84	6,092.24	15,507.76
<u>41-54000-1122-000</u>	EAP- ASSISTANCE PROGRAM	0.00	0.00	1.34	13.40	-13.40
<u>41-54000-1178-000</u>	ADMN FEE	7,800.00	7,800.00	150.00	1,650.00	6,150.00
<u>41-54000-1179-000</u>	CONTINGENCY	23,000.00	23,000.00	0.00	0.00	23,000.00
<u>41-54000-1200-000</u>	OFFICE SUPPLIES	500.00	500.00	17.49	568.46	-68.46
<u>41-54000-1610-000</u>	DUES & SUBSCRIPTIONS	2,500.00	2,500.00	40.00	407.00	2,093.00
<u>41-54000-1610-001</u>	SUBSCRIPTIONS-SOFTWARE	69,000.00	69,000.00	0.00	64,575.09	4,424.91
<u>41-54000-1611-000</u>	POSTAGE/FEDEX/COURTIER	100.00	100.00	0.00	0.00	100.00
<u>41-54000-1640-000</u>	ADVERTISING	1,500.00	1,500.00	-7,788.24	199.98	1,300.02
<u>41-54000-1650-000</u>	TRAINING	3,000.00	3,000.00	0.00	350.00	2,650.00
<u>41-54000-1660-000</u>	TRAVEL	2,000.00	2,000.00	0.00	0.00	2,000.00
<u>41-54000-1850-000</u>	CAPITAL OUTLAY	25,000.00	25,000.00	0.00	0.00	25,000.00
<u>41-54000-1899-000</u>	NON-CAPITALIZED	16,100.00	16,100.00	0.00	0.00	16,100.00
<u>41-58000-1604-001</u>	MAINTENANCE AND REPAIR -BSIF	3,000.00	3,000.00	0.00	1,860.00	1,140.00
<u>41-58000-1606-002</u>	UTILITIES - BSIF	1,000.00	1,000.00	65.55	606.35	393.65
Expense Total:		8,554,251.00	8,554,251.00	573,843.69	6,380,856.99	2,173,394.01
Fund: 41 - HCRMA-GENERAL Surplus (Deficit):		-1,039,251.00	-1,039,251.00	5,468.75	482,034.65	
Total Surplus (Deficit):		-1,039,251.00	-1,039,251.00	5,468.75	482,034.65	



Pharr, TX

Bank Statement Register

GENERAL OPERATING

Period 10/1/2021 - 10/31/2021

Bank Statement**General Ledger**

Beginning Balance 43,275.42
 Plus Debits 291,384.56
 Less Credits 242,277.71
 Adjustments 0.00
 Ending Balance 92,382.27

Account Balance 82,738.11
 Less Outstanding Debits 0.00
 Plus Outstanding Credits 9,644.16
 Adjustments 0.00
 Adjusted Account Balance 92,382.27

Statement Ending Balance 92,382.27
 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
10/31/2021	<u>DEP0029071</u>	Deposit	FUND 41- PROMILES	18,171.00
10/31/2021	<u>DEP0029074</u>	Deposit	FUND 41- PROMILES	16,200.00
10/31/2021	<u>DEP0029075</u>	Deposit	FUND 41- PROMILES	17,982.00
10/31/2021	<u>DEP0029076</u>	Deposit	FUND 41- PROMILES	18,576.00
Total Cleared Deposits (4)				70,929.00

Cleared Checks

Item Date	Reference	Item Type	Description	Amount
09/29/2021	<u>2547</u>	Check	A FAST DELIVERY	-119.25
09/29/2021	<u>2549</u>	Check	AIM MEDIA TEXAS BUSINESS OFFICE	-6,939.99
09/29/2021	<u>2550</u>	Check	COPYZONE	-471.97
09/29/2021	<u>2551</u>	Check	OFFICE DEPOT	-316.87
09/29/2021	<u>2552</u>	Check	XEROX BUSINESS SOLUTIONS SOUTHWEST	-228.85
09/29/2021	<u>2553</u>	Check	XEROX CORPORATION	-194.05
Total Cleared Checks (6)				-8,270.98

Cleared Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DFT0004582</u>	Bank Draft	CITY OF PHARR	-71,641.47
10/31/2021	<u>DFT0004583</u>	Bank Draft	CITY OF PHARR	-9,645.00
10/31/2021	<u>DFT0004584</u>	Bank Draft	BRACEWELL LLP ATTORNEYS AT LAW	-480.00
10/31/2021	<u>DFT0004585</u>	Bank Draft	ESCOBEDO & CARDENAS, LLP	-75.00

Cleared Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DFT0004586</u>	Bank Draft	PATHFINDER PUBLIC AFFAIRS	-10,000.00
10/31/2021	<u>DFT0004587</u>	Bank Draft	PENA DESIGNS	-200.00
10/31/2021	<u>DFT0004588</u>	Bank Draft	PLAINS CAPITAL-CREDIT CARD SERVICES	-1,119.58
10/31/2021	<u>DFT0004589</u>	Bank Draft	PLAINS CAPITAL-CREDIT CARD SERVICES	-254.08
10/31/2021	<u>DFT0004598</u>	Bank Draft	XEROX CORPORATION	-591.60
10/31/2021	<u>MISC0000679</u>	Miscellaneous	FUND 41- TO REC WIRE TXFRS	-140,000.00
10/31/2021	<u>MISC0000680</u>	Miscellaneous	FUND 41- WILMINGTON TRUST	220,455.56
Total Cleared Other (11)				-13,551.17

Outstanding Checks

Item Date	Reference	Item Type	Description	Amount
09/29/2021	<u>2548</u>	Check	ADVANCE PUBLISHING LLC	-848.25
10/27/2021	<u>2554</u>	Check	A FAST DELIVERY	-112.25
10/27/2021	<u>2555</u>	Check	ADVANCE PUBLISHING LLC	-73.13
10/27/2021	<u>2556</u>	Check	COPYZONE	-554.28
10/27/2021	<u>2557</u>	Check	OFFICE DEPOT	-123.10
10/27/2021	<u>2558</u>	Check	SHEPARD WALTON KING INSURANCE GROUP	-7,147.50
10/27/2021	<u>2559</u>	Check	XEROX CORPORATION	-785.65
Total Outstanding Checks (7)				-9,644.16



Pharr, TX

Bank Statement Register

POOL INVESTMENTS

Period 10/1/2021 - 10/31/2021

Bank Statement

General Ledger

01/23/2021

Beginning Balance	3,377,928.40
Plus Debits	103.03
Less Credits	0.00
Adjustments	0.00
Ending Balance	3,378,031.43

Account Balance	3,378,031.43
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	3,378,031.43

Statement Ending Balance	3,378,031.43
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 Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>INT0000729</u>	Interest	FUND 41- LOGIC	103.03
Total Cleared Other (1)				103.03

Balance Sheet

As Of 10/31/2021

Account	Name	Balance	
Fund: 42 - HCRMA-DEBT SERVICE			
Assets			
<u>42-1-4105-000</u>	WILMINGTON-DEBT SERVICE	1,276,149.53	
<u>42-1-4105-001</u>	DEBT SVC - JR LIEN	6,664,431.82	
<u>42-1-4105-002</u>	DEBT SERVICE- 2020 SERIES	1,431,816.38	
	Total Assets:	9,372,397.73	<u>9,372,397.73</u>
Liability			
	Total Liability:	0.00	
Equity			
<u>42-3-4400-000</u>	FUND BALANCE	5,710,256.78	
	Total Beginning Equity:	5,710,256.78	
Total Revenue		4,437,701.48	
Total Expense		775,560.53	
Revenues Over/Under Expenses		3,662,140.95	
	Total Equity and Current Surplus (Deficit):	9,372,397.73	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u>9,372,397.73</u>



Pharr, TX

Income Statement Account Summary

For Fiscal: 2021 Period Ending: 10/31/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 42 - HCRMA-DEBT SERVICE						
Revenue						
<u>42-4-1506-000</u>	INTEREST INCOME	0.00	0.00	23.02	127.76	-127.76
<u>42-4-1506-001</u>	INTEREST INCOME-JR LIEN	0.00	0.00	203.28	3,894.89	-3,894.89
<u>42-4-1506-002</u>	INTEREST 2020 SERIES	0.00	0.00	0.00	72.43	-72.43
<u>42-4-1999-000</u>	TRANSFERS IN-FROM GENERAL FUND	0.00	0.00	330,544.44	4,433,606.40	-4,433,606.40
Revenue Total:		0.00	0.00	330,770.74	4,437,701.48	-4,437,701.48
Expense						
<u>42-52900-4703-001</u>	INTEREST EXPENSE-VRF 13 BOND	0.00	0.00	0.00	79,771.00	-79,771.00
<u>42-52900-4703-005</u>	INTEREST EXPENSE- 2020 SERIES	0.00	0.00	0.00	693,789.53	-693,789.53
<u>42-52900-4727-000</u>	FEES	0.00	0.00	0.00	2,000.00	-2,000.00
Expense Total:		0.00	0.00	0.00	775,560.53	-775,560.53
Fund: 42 - HCRMA-DEBT SERVICE Surplus (Deficit):		0.00	0.00	330,770.74	3,662,140.95	
Total Surplus (Deficit):		0.00	0.00	330,770.74	3,662,140.95	



Pharr, TX

Bank Statement Register

WILMINGTON-DEBT SERVICE

Period 10/1/2021 - 10/31/2021

Bank Statement**General Ledger**

Beginning Balance 1,151,423.27
 Plus Debits 124,929.54
 Less Credits 203.28
 Adjustments 0.00
 Ending Balance 1,276,149.53

Account Balance 1,276,149.53
 Less Outstanding Debits 0.00
 Plus Outstanding Credits 0.00
 Adjustments 0.00
 Adjusted Account Balance 1,276,149.53

Statement Ending Balance 1,276,149.53
 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 Deposits

Item Date	Reference	Item Type	Description	Amount
10/31/2021	DEP0029220	Deposit	FUND 42- WILMINGTON TRUST	124,726.26
Total Cleared Deposits (1)				124,726.26

Cleared Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	INT0000730	Interest	FUND 42- LOGIC INTEREST	203.28
10/31/2021	INT0000730	Interest Reversal	FUND 42- LOGIC INTEREST	-203.28
Total Cleared Other (2)				0.00



Pharr, TX

Bank Statement Register

DEBT SVC - JR LIEN

Period 10/1/2021 - 10/31/2021

11/22/21

Bank Statement

General Ledger

Beginning Balance	6,664,228.54
Plus Debits	203.28
Less Credits	0.00
Adjustments	0.00
Ending Balance	6,664,431.82

Account Balance	6,664,431.82
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	6,664,431.82

Statement Ending Balance	6,664,431.82
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
10/31/2021	<u>INT0000732</u>	Interest	FUND 42 LOGIC INTEREST	203.28
Total Cleared Other (1)				203.28



Pharr, TX

Bank Statement Register

INVESTMENTS D/S 2020 SERIES -

Period 10/1/2021 - 10/31/2021

Bank Statement

General Ledger

Beginning Balance	1,225,975.18
Plus Debits	205,841.20
Less Credits	0.00
Adjustments	0.00
Ending Balance	1,431,816.38

Account Balance	1,431,816.38
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	1,431,816.38

Statement Ending Balance	1,431,816.38
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-4105-002 DEBT SERVICE- 2020 SERIES

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DEP0029219</u>	Deposit	FUND 42- WILMINGTON TRUST NEW ACCT	205,841.20
Total Cleared Deposits (1)				205,841.20

Balance Sheet

As Of 10/31/2021

Account	Name	Balance	
Fund: 45 - HCRMA - CAP.PROJECTS FUND			
Assets			
<u>45-1-1102-000</u>	Pool Investment	22,217.62	
	Total Assets:	<u>22,217.62</u>	<u>22,217.62</u>
Liability			
	Total Liability:	<u>0.00</u>	
Equity			
<u>45-3-1400-000</u>	Fund Balance	-19,007.46	
	Total Beginning Equity:	<u>-19,007.46</u>	
Total Revenue		799,011.27	
Total Expense		<u>757,786.19</u>	
Revenues Over/Under Expenses		<u>41,225.08</u>	
	Total Equity and Current Surplus (Deficit):	<u>22,217.62</u>	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u><u>22,217.62</u></u>



Pharr, TX

Income Statement

Account Summary

For Fiscal: 2021 Period Ending: 10/31/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 45 - HCRMA - CAP.PROJECTS FUND						
Revenue						
<u>45-4-1506-000</u>	Interest Revenue	0.00	0.00	1.48	11.27	-11.27
<u>45-4-1999-000</u>	TRANSFER IN - GENERAL FUND	0.00	0.00	140,000.00	709,000.00	-709,000.00
<u>45-4-4710-000</u>	CITY CONTRIBUTIONS	0.00	0.00	0.00	90,000.00	-90,000.00
Revenue Total:		0.00	0.00	140,001.48	799,011.27	-799,011.27
Expense						
<u>45-52900-8800-000</u>	Consulting & Engineering	0.00	0.00	108,735.95	519,466.52	-519,466.52
<u>45-52900-8810-000</u>	SH 365- Enviornmental	0.00	0.00	0.00	19,646.45	-19,646.45
<u>45-52900-8810-003</u>	365 RIGHT OF WAY	0.00	0.00	0.00	6,837.80	-6,837.80
<u>45-52900-8820-000</u>	IBTC - Enviornmental	0.00	0.00	9,729.31	67,295.35	-67,295.35
<u>45-52900-8820-003</u>	IBTC - ROW	0.00	0.00	0.00	47,030.07	-47,030.07
<u>45-52900-8841-000</u>	LEGAL FEES	0.00	0.00	20,990.00	97,510.00	-97,510.00
Expense Total:		0.00	0.00	139,455.26	757,786.19	-757,786.19
Fund: 45 - HCRMA - CAP.PROJECTS FUND Surplus (Deficit):		0.00	0.00	546.22	41,225.08	
Total Surplus (Deficit):		0.00	0.00	546.22	41,225.08	



Pharr, TX

Bank Statement Register

Pool Investment

Period 10/1/2021 - 10/31/2021

Bank Statement

General Ledger

01/13/2021

Beginning Balance	21,671.40
Plus Debits	140,001.48
Less Credits	139,455.26
Adjustments	0.00
Ending Balance	22,217.62

Account Balance	22,217.62
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	22,217.62

Statement Ending Balance	22,217.62
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 Deposits

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DEP0029223</u>	Deposit	FUND 45- WILMINGTON TRUST	140,001.48
Total Cleared Deposits (1)				140,001.48

Cleared Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DFT0004590</u>	Bank Draft	BRACEWELL LLP ATTORNEYS AT LAW	-18,640.00
10/31/2021	<u>DFT0004591</u>	Bank Draft	ESCOBEDO & CARDENAS, LLP	-2,350.00
10/31/2021	<u>DFT0004592</u>	Bank Draft	BLANTON & ASSOCIATES, INC.	-9,729.31
10/31/2021	<u>DFT0004593</u>	Bank Draft	C&M ASSOCIATES, INV.	-28,478.60
10/31/2021	<u>DFT0004594</u>	Bank Draft	HDR	-80,257.35
Total Cleared Other (5)				-139,455.26

Balance Sheet

As Of 10/31/2021

Account	Name	Balance	
Fund: 46 - HCRMA- VRF SERIES 2020A			
Assets			
<u>46-1-1102-000</u>	INVESTMENTS	5,081,399.47	
	Total Assets:	<u>5,081,399.47</u>	<u>5,081,399.47</u>
Liability			
	Total Liability:	<u>0.00</u>	
Equity			
<u>46-3-3400-000</u>	FUND BALANCE	5,660,123.03	
	Total Beginning Equity:	<u>5,660,123.03</u>	
Total Revenue		2,563.64	
Total Expense		<u>581,287.20</u>	
Revenues Over/Under Expenses		-578,723.56	
	Total Equity and Current Surplus (Deficit):	<u>5,081,399.47</u>	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u>5,081,399.47</u>



Pharr, TX

Income Statement

Account Summary

For Fiscal: 2021 Period Ending: 10/31/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 46 - HCRMA- VRF SERIES 2020A						
Revenue						
<u>46-4-1506-000</u>	INTEREST REVENUE	0.00	0.00	160.61	2,563.64	-2,563.64
Revenue Total:		0.00	0.00	160.61	2,563.64	-2,563.64
Expense						
<u>46-52900-8810-003</u>	365 RIGHT OF WAY	0.00	0.00	187,034.48	581,287.20	-581,287.20
Expense Total:		0.00	0.00	187,034.48	581,287.20	-581,287.20
Fund: 46 - HCRMA- VRF SERIES 2020A Surplus (Deficit):		0.00	0.00	-186,873.87	-578,723.56	
Total Surplus (Deficit):		0.00	0.00	-186,873.87	-578,723.56	



Pharr, TX

Bank Statement Register

INVESTMENTS

Period 10/1/2021 - 10/31/2021

Bank Statement

General Ledger

Beginning Balance	5,268,273.34
Plus Debits	159.91
Less Credits	187,033.78
Adjustments	0.00
Ending Balance	5,081,399.47

Account Balance	5,081,399.47
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	5,081,399.47

Statement Ending Balance	5,081,399.47
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

46-1-1102-000

INVESTMENTS

Cleared Other

Item Date	Reference	Item Type	Description	Amount
10/31/2021	<u>DFT0004595</u>	Bank Draft	L&G ENGINEERING	-119,802.50
10/31/2021	<u>DFT0004596</u>	Bank Draft	SAENZ OIL & GAS SERVICES	-66,918.78
10/31/2021	<u>DFT0004597</u>	Bank Draft	SENDERO ACQUISITIONS	-312.50
10/31/2021	<u>INT0000731</u>	Interest	FUND 46- LOGIC	159.91
Total Cleared Other (4)				-186,873.87

Item 2D

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2D </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/09/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021 - 77 – APPROVAL OF PUBLIC FUND INVESTMENT ACT TRAINING FOR INVESTMENT OFFICERS JOSE CASTILLO, CHIEF FINANCIAL OFFICER, AND PILAR RODRIGUEZ, EXECUTIVE DIRECTOR.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Approval of required Public Fund Investment Act training conducted by the University of North Texas Center for Public Management on December 7-8, 2021.
3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A Funding Source: VRF Bond
5. Staff Recommendation: **Motion to approve Resolution 2021 - 77 – Approval of Public Fund Investment Act Training for Investment Officers Jose Castillo, Chief Financial Officer, and Pilar Rodriguez, Executive Director, 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: 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: Approved Disapproved X None
12. Chief Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: X Approved Disapproved None



Memorandum

To: S. David Deanda, Jr., Chairman
From: Pilar Rodriguez, Executive Director
Date: December 9, 2021
Re: **Resolution 2021-77 - Approval of Public Fund Investment Act Training for Investment Officers Jose Castillo, Chief Financial Officer, and Pilar Rodriguez, Executive Director**

Background

The Public Funds Investment, Section 2256.008 of the Government Code, requires Investment Officers to take 10 hours of training from an independent source, approved by the governing body once for every two year period, beginning the first day of a fiscal year.

Goal

On December 7-8, 2021, the Chief Financial Officer and Executive Director, Investment Officers, attended the public funds investment training from the University of North Texas Center for Public Management, which has been authorized to offer the required training. The Board is being asked to approve the University of North Texas Center for Public Management as a source of training.

Options

The Board of Directors could opt to not approve the training source.

Recommendation

Based on review by this office, **approval of Resolution 2021- 77 – Approval of Public Fund Investment Act Training for Investment Officers Jose Castillo, Chief Financial Officer, and Pilar Rodriguez, Executive Director, is recommended as presented.**

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

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION NO. 2021-77

APPROVAL OF PUBLIC FUND INVESTMENT ACT TRAINING FOR JOSE CASTILLO,
CHIEF FINANCIAL OFFICER, AND PILAR RODRIGUEZ, EXECUTIVE DIRECTOR

THIS RESOLUTION is adopted this 20th day of December, 2021 by the Board of Director 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, the Authority was created by Order of 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 the Authority; and

WHEREAS, the Board of Directors of the Authority has been constituted in accordance with the Act; and

WHEREAS, the prudent and legally permissible management and investment of Authority funds is responsibility of the Board of Directors and its designees; and

WHEREAS, Section 2256.008 – Public Fund Investment, of the Government Code requires 10 hours of training from an independent sources every two years, beginning the first day of the fiscal year; and

WHEREAS, on December 7-8, 2021, the Chief Financial Officer and Executive Director, investment officers for the Authority, attended public funds investment training from the University of North Texas Center for Public Management, which has been authorized to offer the required training;

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 approves the University of North Texas Center for Public Management as an independent training source for the Investment Officer.
- Section 3. The Board approves the training session taken by the Chief Financial Officer and Executive Director presented by the University of North Texas Center for Public Management held December 7-8, 2021.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Attest:

Ezequiel Reyna, Jr., Secretary/Treasurer

University of North Texas Center for Public Management

and

Government Treasurers' Organization of Texas

Co Sponsored by

Certificate of Attendance

presented to

Jose H. Castillo

For completion of training on the Texas Public Funds Investment Act and related investment issues

December 7, 2021 5 hours

December 8, 2021 5 hours

Patrick Shinkle
Center for Public Management
TSBPA CPE Sponsor 007716

University of North Texas Center for Public Management
and
Government Treasurers' Organization of Texas

Co Sponsored by

Certificate of Attendance
presented to

Pilar Rodríguez

For completion of training on the Texas Public Funds Investment Act and related investment issues

December 7, 2021 5 hours
December 8, 2021 5 hours

Patrick Shinkle
Center for Public Management
TSBPA CPE Sponsor 007716

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Item 2E

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2E </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/14/2021 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/2021 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-79 – APPROVAL OF WORK AUTHORIZATION NUMBER 11 TO THE PROFESSIONAL SERVICE AGREEMENT WITH C&M ASSOCIATES, INC. FOR AN UPDATED TRAFFIC AND REVENUE BRINGDOWN LETTER FOR THE 365 TOLLWAY PROJECT THAT INCORPORATES TOLL COLLECTION FEES ASSOCIATED WITH VIDEO TOLLING.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
For Traffic & Revenue Bring-Down letter update and revenue modeling update for the 365 Tollway Project financing.
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 E. Resolution 2021-79 – Approval of Work Authorization Number 11 to the Professional Service Agreement with C&M Associates, Inc. for an updated Traffic and Revenue Bringdown Letter for the 365 Tollway Project that incorporates Toll Collection Fees associated with Video Tolling, 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: 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. Construction Engineer's Recommendation: Approved Disapproved X None
13. Executive Director's Recommendation: x Approved Disapproved None



- ☐ CMT Services
- ☐ Environmental
- ☒ Engineering **C&M Associates, Inc**
- ☐ Geo-Technical
- ☐ Surveying

WORK AUTHORIZATION SUMMARY

RESOLUTION 2021-79

Work Authorization # 11 Supplemental # _____

Amount \$ 18,796.82

Approved Amendments:

Resolution No.	Description	Amount
2017-59	WA No. 1	\$ 18,173.08
2017-88	WA No. 2	\$ 10,096.16
2017-96	SA No. 1 to WA No. 2	\$ 18,375.00
2018-03	SA No. 2 to WA No. 2	\$ 18,375.00
2018-23	WA No. 3 T&R w/ Tx DOT PP Procedures	\$ 35,019.23
Subtotal from Cont. Page		\$ 623,929.87
Total Approved WA		\$ 723,968.34

Proposed Work Authorization and/or Supplemental

2021-79 WA No. 11 T&R Bring-Down Ltr Update-365 Toll **\$ 18,796.82**

Goal and Options:

To provide Traffic and Revenue for the 365 Tollway Project for a Financing Bring-Down Letter Update and Value Engineering Change Proposal (VECP) modeling.

Staff is recommending approval of this request in the amount of \$ 18,796.82
Proposed total approved WA and/or Supplementals \$ 742,765.16

E. Davila, Develop Eng
Requested By:

Resolution No.	Description	Amount
2018-64	WA No. 4 Traffic & Revenue 2018 & Bringdown	\$ 49,223.08
2018-69	WA No. 5 T&R Analysis Scenario I - 365	\$ 18,375.00
2019-08	WA No. 6 T&R Analysis Scenarios J&K - 365	\$ 17,250.00
2019-22	WA No. 7 IBTC Traffic Projection Update	\$ 15,896.71
2019-35	WA No. 8 Investment Grade T&R Study 365 Toll	\$ 390,634.80
2021-32	WA No. 9 T&R Bring-Down Ltr-365 Toll	\$ 35,598.24
2021-71	WA No.10T&R Bring-Down Ltr Update-365 Toll	\$ 96,952.04

Subtotal \$ 623,929.87

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-79

APPROVAL OF WORK AUTHORIZATION NUMBER 11 TO THE PROFESSIONAL SERVICE AGREEMENT WITH C&M ASSOCIATES, INC. FOR AN UPDATED TRAFFIC AND REVENUE BRINGDOWN LETTER FOR THE 365 TOLLWAY PROJECT THAT INCORPORATES TOLL COLLECTION FEES ASSOCIATED WITH VIDEO TOLLING

THIS RESOLUTION is adopted this 20th day of December 2021 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");

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority approved Resolution 2017-59 – Approval of Work Authorization Number 1 to the Professional Services Agreement with C&M Associates, Inc. to provide updated ESALS for the Environmental Clearance Document for the International Bridge Trade Corridor Project. in the amount of \$18,173.08; and

WHEREAS, the Authority approved Resolution 2017-88 – Approval of Work Authorization Number 2 with C&M Associates to provide a scenario planning for the 365 Tollway Project in the amount of \$10,096.16; and

WHEREAS, the Authority approved Resolution 2017-96 – Approval of Supplemental Number 1 to Work Authorization Number 2 with C&M Associates to provide a scenario planning for the 365 Tollway Project in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-03 – Approval of Supplemental Number 2 to Work Authorization Number 2 the Professional Service Agreement with C&M Associates to provide a Traffic & Revenue analysis of Scenario “G” for the 365 Tollway Project in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-23 – Approval of Work Authorization Number 3 to the Professional Services Agreement with C&M Associates, Inc. to provide International Bridge Trade Corridor Traffic Projections utilizing Texas Department of Transportation Planning and Programming (TxDOT TPP) Procedures in the amount of \$35,019.23; and

WHEREAS, the Authority approved Resolution 2018-64 Approval of Work Authorization Number 4 with C&M Associates, Inc. to provide the 365 Tollway Project – Traffic and Revenue Update (2018) including an update to the Bringdown Letter in the amount of \$49,223.08; and

WHEREAS, the Authority approved Resolution 2018-69 Approval of Work Authorization Number 5 to the Professional Service Agreement with C&M Associates, Inc. for traffic & revenue analysis of scenario “I” for the 365 Tollway Project, in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-70 Approval of Contract Amendment Number 6 to the Professional Service Agreement with C&M Associates to increase the maximum payable amount by \$18,375.00 for Work Authorization Number 5 for a revised maximum payable amount of \$167,363.55; and

WHEREAS, the Authority approved Resolution 2019-08 Approval of Work Authorization Number 6 to the Professional Service Agreement with C&M Associates, Inc. for traffic and revenue analysis of scenarios “J” & “K” for the 365 Tollway rescope and rebid, in the amount of \$17,250.00; and

WHEREAS, the Authority approved Resolution 2019-09 Approval of Contract Amendment Number 7 with C&M Associates to increase the maximum payable amount by \$17,250.00 for Work Authorization Number 6 for a revised maximum payable amount of \$184,886.55; and

WHEREAS, the Authority approved Resolution 2019-22 Approval of Work Authorization Number 7 to the Professional Services Agreement with C&M Associates for IBTC Traffic Projection Update using the latest update of the Lower Rio Grande (LRGV) Travel Demand Model (TDM) for 2019 in the amount of \$15,896.71; and

WHEREAS, the Authority approved Resolution 2019-23 Contract Amendment 8 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 7 in the amount of \$15,896.71 for a revised maximum payable amount of \$200,783.26; and

WHEREAS, the Authority approved Resolution 2019-35 Approval of Work Authorization Number 8 to the Professional Services Agreement with C&M Associates for the Investment Grade Traffic and Revenue Study for the 365 Tollway Project in the amount of \$390,634.80; and

WHEREAS, the Authority approved Resolution 2019-36 Contract Amendment 9 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 8 in the amount of \$390,634.80 for a revised maximum payable amount of \$591,418.06; and

WHEREAS, on August 24, 2021 the Authority approved Resolution 2021-32 Approval of Work Authorization Number 9 to the Professional Service Agreement with C&M Associates, Inc. for a Traffic and Revenue Bring-Down letter for the 365 Tollway project financing in the amount of \$35,598.24; and

WHEREAS, on August 24, 2021 the Authority approved Resolution 2021-33 Contract Amendment 10 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 9 in the amount of \$35,598.24 for a revised maximum payable amount of \$627,016.30; and

WHEREAS, on November 23, 2021 the Authority approved Resolution 2021-71 Approval of Work Authorization Number 10 to the Professional Service Agreement with C&M Associates, Inc. for a Traffic and Revenue Bring-Down letter update for the 365 Tollway project financing and Value Engineering Change Proposal (VECP) modeling in the amount of \$96,952.04; and

WHEREAS, on November 23, 2021 the Authority approved Resolution 2021-72 Contract Amendment 11 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 10 in the amount of \$96,952.04 for a revised maximum payable amount of \$723,968.34; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-79 – Approval of Work Authorization Number 11 to the Professional Service Agreement with C&M Associates, Inc. for an updated Traffic and Revenue Bringdown Letter for the 365 Tollway Project that incorporates Toll Collection Fees associated with Video Tolling in the amount of \$18,796.82.

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 Work Authorization Number 11 to the Professional Services Agreement with C&M Associates, Inc., in the amount of \$18,796.82 hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute Work Authorization Number 11 to the Professional Services Agreement with C&M Associates as approved.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

Exhibit A

Work
Authorization
Number 11
to
Professional Service Agreement
with
C&M
Associates, Inc.
for
Traffic
Engineering
Services for the
365 TOLL
Project

WORK AUTHORIZATION NO. 11
AGREEMENT FOR ENGINEERING SERVICES

THIS WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for Engineering Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and C&M Associates, Inc. (the Engineer).

PART I. The Engineer will perform Engineering/Design services generally described as in accordance with the project description attached hereto and made a part of this Work Authorization. The responsibilities of the Authority and the Engineer as well as the work schedule are further detailed in Exhibits A, B and C which are attached hereto and made a part of the Work Authorization.

PART II. The maximum amount payable under this Work Authorization is \$18,796.82 and the method of payment is Lump Sum as set forth in Attachment E of the Agreement. This amount is based upon fees set forth in Attachment E, Fee Schedule, of the Agreement and the Engineer’s estimated Work Authorization costs included in Exhibit D, Fee Schedule, which is attached and made a part of this Work Authorization.

PART III. Payment to the Engineer for the services established under this Work Authorization shall be made in accordance with Articles III thru V of the Agreement, and Attachment A, Section 1.

PART IV. This Work Authorization shall become effective on the date of final acceptance of the parties hereto and shall terminate on December 31, 2022, unless extended by a supplemental Work Authorization as provided in Attachment A, Section 1.

PART V. This Work Authorization does not waive the parties' responsibilities and obligations provided under “Article V of that certain Professional Services Agreement for HCRMA Systemwide Traffic and Revenue Services for HCRMA Systemwide Projects including the 0010 IBTC and 0030 365 TOLL.”

IN WITNESS WHEREOF, this Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE ENGINEER

(Signature)
Carlos M. Contreras

(Printed Name)
President

(Title)

(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez

(Printed Name)
Executive Director

(Title)

(Date)

LIST OF EXHIBITS

Exhibit A	Services to be provided by the Authority
Exhibit B	Services to be provided by the Engineer
Exhibit C	Work Schedule
Exhibit D	Fee Schedule/Budget
Exhibit H-2	Subprovider Monitoring System Commitment Agreement

EXHIBIT A
SERVICES TO BE PROVIDED BY THE AUTHORITY

The AUTHORITY will provide the following general items.

1. Authorization to begin work.
2. Timely payment for work performed by the Engineer and accepted by the AUTHORITY on a monthly basis.
3. Assistance to the Engineer, as necessary, to obtain the required data and information from other local, regional, State and Federal agencies that the Engineer cannot easily obtain.
4. Provide any available relevant data the AUTHORITY may have on file concerning the project.
5. Review and approve the Engineer's progress schedule with milestone activities and/or deliverables identified.

EXHIBIT C

SERVICES TO BE PROVIDED BY THE ENGINEER

In October 2021, C&M submitted the 365 TOLL Road Bring Down Letter to support the HCRMA in financing the 365 TOLL project. The Bring Down Letter was issued to review the traffic and revenue (T&R) assumptions of the 365 TOLL Investment Grade T&R Study submitted in January 2021. The scope of this work authorization is related to requests from the HCRMA 365 TOLL financial team to provide the estimates of additional revenue from video toll collection fees. C&M will update the previously submitted Bring Down Letter to reflect this request.

The proposed engineering tasks are described below.

Task 1: Bring Down Letter Update – Additional Revenues

C&M will update the Bring Down Letter and include the estimates for additional revenues that results from video toll collection fees. The additional revenue will be presented in annual figures for the entire 365 TOLL forecast period from the opening year 2026 to the final horizon year 2065. The transaction cost and revenue collection assumptions of the video toll model must be the same for the cost and the revenue part of the operation and maintenance (O&M) to produce the final additional project revenue. Therefore, C&M will have to adopt the O&M model provided by the GEC contractor for the 365 TOLL Project to estimate the additional revenues resulting from video toll and ancillary fees.

C&M will revise the existing O&M model and, if necessary, develop its own model. This modeling process includes the following sub-tasks:

- Reviewing the functionality of GEC's revenue model.
- Reviewing the O&M model inputs.
- Reviewing the assumptions that are considered in the cost and revenue model.
- Performing quality assurance and quality control on the provided GEC cost and revenue model.
- Implementing best practice video toll collection assumptions based on publicly available information and our experience in the toll industry.
- Modifying or re-creating the O&M model to obtain additional revenue estimations based on industry standards.
- Obtaining and consolidating additional revenue results.

In previous work authorizations, C&M was scoped to support the GEC engineering team in their efforts to develop an operational O&M model for the 365 TOLL project, particularly regarding the video revenue as estimated in the T&R study and transaction cost related to video tolling. Therefore, C&M has already

interacted with the GEC engineering team and can start this new phase of the process with knowledge about the O&M model's development.

Task 2: Bring Down Letter Production

C&M deliverables will be electronically submitted to HCRMA. C&M's expanded Bring Down Letter will include, as needed, the following:

1. Documentation of the O&M model inputs.
2. Documentation of the O&M model assumptions (incl. T&R Waterfall).
3. Discussion of the O&M model development/modifications.
4. "Additional revenue" forecasts.
5. Final Commentary.

C&M will address any comments from HCRMA staff and the HCRMA financial team regarding the new Draft Bring Down Letter and submit a final version reflecting any necessary changes.

EXHIBIT C WORK SCHEDULE

This update will be finalized no later than two (2) weeks after receiving the Notice to Proceed (NTP), tentatively provided December 14, 2021 in order to expedite delivery of these critical tasks for the project finance deadlines in December.

EXHIBIT 'D'

Fee Schedule/Budget for

Professional Engineering Services for the HCRMA

Hidalgo County Regional Mobility Authority (HCRMA)

Traffic and Revenue Consultant

Work Authorization No.11

Consultant: C&M ASSOCIATES, INC.

Schedule Duration: 2 Weeks after NTP

365 T&R Bring-Down Letter - Toll Collection Fees Additional Revenue

PROGRAM MANAGEMENT SERVICES DESCRIPTION	Principal/Project Director	Project Manager	Senior Transportatio n Modeler	Transportatio n Modeler	Analyst	Total Labor Hrs.	Task Cost
Task 1. Bring Down Letter Update	8	16	32	64		120	\$ 13,365.44
Task 2. Bring-down letter production	4	6	8	16	16	50	\$ 5,431.38
						0	\$ -
						0	\$ -
						0	\$ -
TOTAL	12	22	40	80	16	170	\$ 18,796.82
LOADED LABOR RATE PER HOUR	\$ 254.38	\$ 130.63	\$ 110.00	\$ 89.38	\$ 82.50		
DIRECT LABOR COSTS	\$ 3,052.56	\$ 2,873.86	\$ 4,400.00	\$ 7,150.40	\$ 1,320.00		
% LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON FEE)	16.24%	15.29%	23.41%	38.04%	7.02%		
% LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON HOURS)	7.06%	12.94%	23.53%	47.06%	9.41%		
TOTAL LABOR COST							\$ 18,796.82
	Unit	Unit Price	QTY				
Air Ticket	Round Trip/Person	\$ 500					\$ -
Transportation	Per ride	\$ 50					\$ -
Lodging	Per Day	\$ 100					\$ -
Food	Per day	\$ 50					\$ -
TOTAL DIRECT COST							\$ -
GRAND TOTAL							\$ 18,796.82

ATTACHMENT H-2

Subprovider Monitoring System Commitment Agreement

This commitment agreement is subject to the award and receipt of a signed contract from the Hidalgo County Regional Mobility Authority (Authority). **NOTE: Attachment H-2 is required to be attached to each contract that does not include work authorizations. Attachment H-2 is required to be attached with each work authorization. Attachment H-2 is also required to be attached to each supplemental work authorization. If DBE/HUB Subproviders are used, the form must be completed and signed. If no DBE/HUB Subproviders are used, indicate with "N/A" on this line:** _____ **and attach with the work authorization or supplemental work authorization.**

Contract #: 02-TR32-17-02 Assigned Goal: 12.2% Prime Provider C&M Associates, Inc.

Work Authorization (WA)#: 11 WA Amount: \$18,796.82 Date: _____

Supplemental Work Authorization (SWA) #: _____ to WA #: _____ SWA Amount: _____

Revised WA Amount: _____

Description of Work <i>(List by category of work or task description. Attach additional pages, if necessary.)</i>	Dollar Amount <i>(For each category of work or task description shown.)</i>
Investment Grade T&R Projections 365 Tollway (Bringdown/VECP)	\$96,952.04
	\$0
Total Commitment Amount (Including all additional pages.)	\$0
IMPORTANT: The signatures of the prime and the DBE/HUB and Second Tier Subprovider, if any (both DBE and Non-DBE) and the total commitment amount must always be on the same page.	
Provider Name: C&M Associates, Inc. Address: 15770 Dallas Parkway, VID Number: 20-1113510 PH: 214-245-5300 & FAX: Email: cmcontreras@candm-associates.com	Name: <u>Carlos M. Contreras</u> (Please Print) Title: <u>President</u> Signature Date
DBE/HUB Sub Provider Subprovider Name: VID Number: Address: PH: Email:	Name: _____ (Please Print) Title: _____ Signature Date
Second Tier Sub Provider Subprovider Name: VID Number: Address: Phone #& Fax #: Email:	Name: _____ (Please Print) Title: _____ Signature Date
VID Number is the Vendor Identification Number issued by the Comptroller. If a firm does not have a VID Number, please enter the owner's Social Security or their Federal Employee Identification Number (if incorporated).	

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Item 2F

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2F </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/15/2021 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/2021 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-80 – CONTRACT AMENDMENT 12 TO THE PROFESSIONAL SERVICES AGREEMENT WITH C&M ASSOCIATES, INC. TO INCREASE THE MAXIMUM PAYABLE AMOUNT FOR WORK AUTHORIZATION NUMBER 11.**

2. Nature of Request: (Brief Overview) Attachments: X Yes No

For the CA 11 for the 365 Toll Project Financing.

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 2021-80 – Contract Amendment 12 to the Professional Services Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 11, 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: 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



☐ CMT Services

☐ Environmental

☒ Engineering **C&M Associates, Inc.**

☐ Geo-Technical

☐ Surveying

CONTRACT AMENDMENT SUMMARY

RESOLUTION 2021-80

Original Contract Amount \$ 18,173

Amendment # 12

Amount \$ 18,796.82

Approved Amendments:

Resolution No.	Description	Amount
2017-58	Original Contract	\$ 18,173.08
2017-89	Contract Amendment 1	\$ 10,096.16
2017-97	Contract Amendment 2	\$ 18,375.00
2018-04	Contract Amendment 3	\$ 18,375.00
2018-24	Contract Amendment 4	\$ 35,019.23
Subtotal from Cont. Page		\$ 623,929.87
Contract Amount		\$ 723,968.34
Proposed Amendment		
2021-80	Contract Amendment 12	\$ 18,796.82

Goal and Options:

To increase the maximum payable amount for Work Authorization 11.

**Staff is recommending approval of this request in the amount of \$ 18,796.82
for a revised Maximum Payable Amount of \$ 742,765.16**

E. Davila, Develop Eng

Requested by:

Approved Amendments Cont...**Resolution No.**

2021-80

Resolution No.	Description	Amount
2018-65	Contract Amendment 5	\$ 49,223.08
2018-70	Contract Amendment 6	\$ 18,375.00
2019-09	Contract Amendment 7	\$ 17,250.00
2019-23	Contract Amendment 8	\$ 15,896.71
2019-36	Contract Amendment 9	\$ 390,634.80
2021-33	Contract Amendment 10	\$ 35,598.24
2021-72	Contract Amendment 11	\$ 96,952.04

Subtotal \$ 623,929.87

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-80

**CONTRACT AMENDMENT 12 TO THE PROFESSIONAL SERVICES AGREEMENT
WITH C&M ASSOCIATES, INC. TO INCREASE THE MAXIMUM PAYABLE
AMOUNT FOR WORK AUTHORIZATION NUMBER 11**

THIS RESOLUTION is adopted this 20th day of December 2021 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");

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority approved Resolution 2017-59 – Approval of Work Authorization Number 1 to the Professional Services Agreement with C&M Associates, Inc. to provide updated ESALS for the Environmental Clearance Document for the International Bridge Trade Corridor Project. in the amount of \$18,173.08; and

WHEREAS, the Authority approved Resolution 2017-88 – Approval of Work Authorization Number 2 with C&M Associates to provide a scenario planning for the 365 Tollway Project in the amount of \$10,096.16; and

WHEREAS, the Authority approved Resolution 2017-96 – Approval of Supplemental Number 1 to Work Authorization Number 2 with C&M Associates to provide a scenario planning for the 365 Tollway Project in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-03 – Approval of Supplemental Number 2 to Work Authorization Number 2 the Professional Service Agreement with C&M Associates to provide a Traffic & Revenue analysis of Scenario “G” for the 365 Tollway Project in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-23 – Approval of Work Authorization Number 3 to the Professional Services Agreement with C&M Associates, Inc. to provide International Bridge Trade Corridor Traffic Projections utilizing Texas Department of Transportation Planning and Programming (TxDOT TPP) Procedures in the amount of \$35,019.23; and

WHEREAS, the Authority approved Resolution 2018-64 Approval of Work Authorization Number 4 with C&M Associates, Inc. to provide the 365 Tollway Project – Traffic and Revenue Update (2018) including an update to the Bringdown Letter in the amount of \$49,223.08; and

WHEREAS, the Authority approved Resolution 2018-69 Approval of Work Authorization Number 5 to the Professional Service Agreement with C&M Associates, Inc. for traffic & revenue analysis of scenario “I” for the 365 Tollway Project, in the amount of \$18,375.00; and

WHEREAS, the Authority approved Resolution 2018-70 Approval of Contract Amendment Number 6 to the Professional Service Agreement with C&M Associates to increase the maximum payable amount by \$18,375.00 for Work Authorization Number 5 for a revised maximum payable amount of \$167,363.55; and

WHEREAS, the Authority approved Resolution 2019-08 Approval of Work Authorization Number 6 to the Professional Service Agreement with C&M Associates, Inc. for traffic and revenue analysis of scenarios “J” & “K” for the 365 Tollway rescope and rebid, in the amount of \$17,250.00; and

WHEREAS, the Authority approved Resolution 2019-09 Approval of Contract Amendment Number 7 with C&M Associates to increase the maximum payable amount by \$17,250.00 for Work Authorization Number 6 for a revised maximum payable amount of \$184,886.55; and

WHEREAS, the Authority approved Resolution 2019-22 Approval of Work Authorization Number 7 to the Professional Services Agreement with C&M Associates for IBTC Traffic Projection Update using the latest update of the Lower Rio Grande (LRGV) Travel Demand Model (TDM) for 2019 in the amount of \$15,896.71; and

WHEREAS, the Authority approved Resolution 2019-23 Contract Amendment 8 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 7 in the amount of \$15,896.71 for a revised maximum payable amount of \$200,783.26; and

WHEREAS, the Authority approved Resolution 2019-35 Approval of Work Authorization Number 8 to the Professional Services Agreement with C&M Associates for the Investment Grade Traffic and Revenue Study for the 365 Tollway Project in the amount of \$390,634.80; and

WHEREAS, the Authority approved Resolution 2019-36 Contract Amendment 9 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 8 in the amount of \$390,634.80 for a revised maximum payable amount of \$591,418.06; and

WHEREAS, on August 24, 2021, the Authority approved Resolution 2021-32 Approval of Work Authorization Number 9 to the Professional Services Agreement with C&M Associates for a Traffic and Revenue Bring-Down letter for the 365 Tollway Project financing in the amount of \$35,598.24; and

WHEREAS, on August 24, 2021, the Authority approved Resolution 2021-33 Contract Amendment 10 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 9 in the amount of \$35,598.24 for a revised maximum payable amount of \$627,016.30; and

WHEREAS, on November 23, 2021 the Authority approved Resolution 2021-71 Approval of Work Authorization Number 10 to the Professional Service Agreement with C&M Associates, Inc. for a Traffic and Revenue Bring-Down letter update for the 365 Tollway project financing and Value Engineering Change Proposal (VECP) modeling in the amount of \$96,952.04; and

WHEREAS, on November 23, 2021 the Authority approved Resolution 2021-72 Contract Amendment 11 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 10 in the amount of \$96,952.04 for a revised maximum payable amount of \$723,968.34; and

WHEREAS, on December 20, 2021 the Authority approved Resolution 2021-79 – Approval of Work Authorization Number 11 to the Professional Service Agreement with C&M Associates, Inc. for an updated Traffic and Revenue Bringdown Letter for the 365 Tollway Project that incorporates Toll Collection Fees associated with Video Tolling in the amount of \$18,796.82; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-80 – Contract Amendment 12 to the Professional Services Agreement with C&M Associates, Inc. to increase the maximum payable amount for Work Authorization Number 11 in the amount of \$18,796.82 for a revised maximum payable amount of \$742,765.16.

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 Contract Amendment Number 12 to the Professional Services Agreement with C&M Associates, Inc., for a revised maximum amount payable of \$742,765.16 hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute Contract Amendment Number 12 to the Professional Services Agreement with C&M Associates as approved.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

Exhibit A

Contract
Amendment 12
to
Professional Service Agreement
with
C&M
Associates, Inc.
for
Traffic
Engineering
Services for the
365 TOLL
Project

SUPPLEMENTAL AGREEMENT NO. 12

**TO PROFESSIONAL SERVICES
AGREEMENT FOR ENGINEERING SERVICES**

THIS SUPPLEMENTAL AGREEMENT NO 12 TO MAIN CONTRACT is made pursuant to the terms and conditions of “Attachment A General Provisions, Section 6, Supplemental Agreements of that certain Professional Services Agreement for Engineering Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and C&M Associates, Inc. (the Engineer).

The following terms and conditions of the Agreement are hereby amended as follows:

Article II Agreement Period

This Agreement becomes effective when fully executed by all parties hereto and it shall terminate at the close of business on December 31, 2022.

Article III Compensation

Article III Compensation shall be amended to increase the maximum amount payable under this contract from \$723,968.34 to \$742,765.16 for a total increase of \$18,796.82 due to additional scope and effort outlined in Work Authorization No. 11 for the “Traffic and Revenue Bringdown Letter for the 365 Tollway Project that incorporates Toll Collection Fees associated with Video Tolling.”

This Supplemental Agreement No. 12 to the Main Contract shall become effective on the date of final execution of the parties hereto. All other terms and conditions of the Agreement not hereby amended are to remain in full force and effect.

THE ENGINEER

(Signature)
Carlos M. Contreras
(Printed Name)
President
(Title)
(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez
(Printed Name)
Executive Director
(Title)
(Date)

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Item 3A

Item 3A

**This item has been
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from the agenda**

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> 12/14/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-73 ADOPTION OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGET.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and adoption of Fiscal Year 2022 Budget. The HCRMA's fiscal year begins January 1, 2022 and ends December 31, 2022.
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 2021-73 – Adoption of the Hidalgo County Regional Mobility Authority's Fiscal Year 2022 Operating and Capital Budget.**
6. Program Manager's Recommendation: X Approved Disapproved 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: 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. 2021-73

ADOPTION OF HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGET

THIS RESOLUTION is adopted this 20th day of December, 2021 by the Board of Director 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, the Authority was created by Order of 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 the Authority; and

WHEREAS, the Authority is required to report to the Texas Department of Transportation the annual operating and capital budget adopted pursuant to the Texas Administrative Code, Title 43, Part 1, Chapter 26, Subchapter G (Regional Mobility Authority Reports and Audits), as amended; and

WHEREAS, the Authority’s fiscal year commences on January 1, 2022 and ends on December 31, 2022; and

WHEREAS, the Authority has reviewed the proposed Fiscal Year 2022 Budget for the necessary operating and capital expenses;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR 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 adopts the Fiscal Year 2022 Operating and Capital Budget, hereto attached as Exhibit A.
- Section 3. The Board of Directors authorize the Executive Director to manage and administer the Fiscal Year 2022 Operating and Capital Budget.

Passed and Approved as to be effective immediately this 20th day of December 2021, at a regular meeting of the Board of Directors of the Hidalgo County Regional Mobility Authority at which a quorum was present and which was held in accordance with the provisions of Chapter 551, Texas Government Code.

S. David Deanda, Jr., Chairman

Attest:

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
FISCAL YEAR 2022
OPERATING AND CAPITAL BUDGET



Memorandum

October 14, 2021

To: S. David Deanda, Jr., Chairman

From: Pilar Rodriguez, Executive Director
Jose H. Castillo, Chief Financial Officer

Subject: Preliminary Budget for Year 2022

Background

As provided by law and good business practice, the Hidalgo County Regional Mobility Authority preliminary budget as recommended for calendar year 2022 is respectfully submitted to the Board of Directors for consideration, approval and adoption. It consists of three distinct sections (fund types)—namely, the General Fund, the Debt Service Funds and the Capital Project Fund. Presently, this budget doesn't include appropriations for Capital Projects Fund. Once funding sources and uses for the 365 Toll Project are determined an amended budget for the project will be submitted. The only inclusion to the Capital Projects Fund is an estimated transfer of \$700K to continue the advance project development.

Overview of the Budget

The budget for 2022 as presented reflects total spending at \$8.4M—with \$2.9M for operations, \$4.7M for combined debt service and 700K for project development. The 2021 adopted budget reflected \$7.8M total spending, which consisted: of \$2.7M for operations; \$4.3M debt services; and \$700K for project development.

General Fund – Within the General Fund, a conservative approach was taken regarding the Vehicle Registration Fees and were budgeted at \$7.0M as compared to \$6.5M in 2021. Permit fees were budgeted at \$1.1M as compared to \$1M in 2021. Operating appropriations are anticipated to increase by \$233,906 or 8.47% from \$2.7M in 2021 to \$2.9M in 2022.

- The 2022 proposed budget is divided into four (4) Departments:
 - Administration Office with a proposed budget of \$1,262,650.
 - Construction Department with a proposed budget of \$1,031,000.
 - Program Management Department with a proposed budget of \$697,800.

- ROW Operations Department with a proposed budget of \$4,000.
- The 2021 budget authorized 17 positions, which remained the same for the 2022 proposed budget. Total compensation, including fringe benefits, and administrative fees amount to \$2,212,850. Consisting of:
 - Administration--\$760,550.
 - Construction management--\$854,600; and
 - Program management--\$597,700.

As reflected in the preliminary budget summary, the bond coverage ratio for the VRF Series 2013 Bond and VRF Series 2020A and 2020B is still manageable at 1.76 coverage ratio and the number of days in working capital at 397 days.

Debt Service Funds

Debt service requirement for the remaining revenue bond series 2013 is estimated at \$1.5M and the bond series 2020A and 2020B is estimated at \$2.4M. Additionally, \$1.1M will be transferred from current excess vehicle registration fees as required by the State Infrastructure Bank Loan (SIB) agreement. The SIB Loan will require its second interest payment in the amount of \$812,213. No transfer is required, since enough resources are available in its debt service account.

We look forward to presenting this budget to you and welcome any questions, comments and recommendations.

Goal

The goal of this item is to meet the legal requirement as well as provide prudent financial/operational management to the affairs of the HCRMA.

Options

The Board, at its discretion, may wish to modify any part of this recommended budget.

Recommendation

Based upon a review by this Office, it is recommended that the 2022 Preliminary Budget be approved and adopted as presented. A revised budget will be required subject to changes pending the anticipated bond offering during December of the current year.

Hidalgo County Regional Mobility Authority 2022 Combined Preliminary Budget Summary All Funds

	Beginning Net Position	Projected Revenues	Transfers In	Transfers Out
General Fund				
General Fund	\$ 3,966,853	\$ 8,102,000	\$ -	\$ (5,818,290)
Total General Fund	<u>\$ 3,966,853</u>	<u>\$ 8,102,000</u>	<u>\$ -</u>	<u>\$ (5,818,290)</u>
Debt Service Funds				
Senior Lein Vehicle Registration Fee Series 2013 Revenue and Refunding Bonds	\$ 113,760	\$ 5,000	\$ 1,499,250	\$ -
Senior Lein Vehicle Registration Fee Series 2020 Revenue and Refunding Bonds	\$ 67,384	\$ 400	\$ 2,470,354	\$ -
Junior Lein Revenue Bond, Taxable Series 2016	<u>6,310,468</u>	<u>45,000</u>	<u>1,148,686</u>	<u>-</u>
Tota Debt Service Fund	<u>\$ 6,491,612</u>	<u>\$ 50,400</u>	<u>\$ 5,118,290</u>	<u>\$ -</u>
Capital Projects-Advance Project Development	<u>\$ -</u>	<u>-</u>	<u>\$ 700,000</u>	<u>\$ -</u>
TOTALS	<u><u>\$ 10,458,465</u></u>	<u><u>\$ 8,152,400</u></u>	<u><u>\$ 5,818,290</u></u>	<u><u>\$ (5,818,290)</u></u>

Operations	Capital Assets	Debt Service	Total Appropriations	Revenue Over/Under Expenses	Estimated Ending Net Position
\$ 2,922,950	\$ 72,500	\$ -	\$ 2,995,450	\$ (711,740)	\$ 3,255,113
\$ 2,922,950	\$ 72,500	\$ -	\$ 2,995,450	\$ (711,740)	\$ 3,255,113
\$ -	\$ -	\$ 1,499,250	\$ 1,499,250	\$ 5,000	\$ 118,760
\$ -	\$ -	\$ 2,470,354	\$ 2,470,354	\$ 400	\$ 67,784
-	-	812,213	812,213	381,473	6,691,941
			-	-	-
\$ -	\$ -	\$ 4,781,817	\$ 4,781,817	\$ 386,873	\$ 6,878,485
\$ -	\$ 700,000	\$ -	\$ 700,000	\$ -	\$ -
\$ 2,922,950	\$ 772,500	\$ 4,781,817	\$ 8,477,267	\$ (324,867)	\$ 10,133,598

Hidalgo County Regional Mobility Authority
General Fund Preliminary Budget Summary
For Year Ending December 31, 2022



	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Working Capital	\$ 3,062,094	\$ 3,570,557	\$ 3,411,842	\$ 3,966,853
<u>Revenues</u>				
Vehicle Registration Fees	6,422,850	6,500,000	6,900,000	7,000,000
Permit fees oversize	973,080	1,000,000	1,000,000	1,100,000
Interest income	13,329	15,000	2,000	2,000
Other income	150	-	-	-
Total Revenues	7,409,409	7,515,000	7,902,000	8,102,000
<u>Expenditures</u>				
<u>Summary</u>				
Personnel Services	985,282	2,018,944	1,040,152	2,212,850
Supplies	6,914	19,000	5,200	22,000
Other Services and Charges	351,042	480,000	408,930	533,100
Maintenance	34,579	98,000	45,500	98,000
Non-capital Outlay	14,219	48,100	4,500	57,000
Capital Outlay	6,405	97,500	-	72,500
Total Expenditures	1,398,441	2,761,544	1,504,282	2,995,450
Net Increase Before Other Financing Sources (Uses)	6,010,968	4,753,456	6,397,718	5,106,550
Other Financing Sources (Uses):				
Transfers-Out				
Debt Service Fund - VRF 2013 Bonds	(3,325,532)	(1,496,450)	(1,496,450)	(1,499,250)
Debt Service Fund - 2020A/2020B Bonds	(492,607)	(2,470,095)	(2,470,095)	(2,470,354)
Debt Service Fund - SIB Loan	(1,104,081)	(1,126,162)	(1,126,162)	(1,148,686)
Capital Projects-Advance Project Development	(739,000)	(700,000)	(750,000)	(700,000)
Total Other Financing Uses	(5,661,220)	(5,792,707)	(5,842,707)	(5,818,290)
Net Increase (Decrease) After Other Financing Sources (Uses)	349,748	(1,039,251)	555,011	(711,740)
Ending Working Capital	\$ 3,411,842	\$ 2,531,306	\$ 3,966,853	\$ 3,255,113
Operating Expenditures per Day	\$ 3,831	\$ 7,566	\$ 4,121	\$ 8,207
No. of Days of Operating Expenditures in Working Capital	891	335	963	397
Bond Coverage Ratio: VRF Series 2013 Bonds/2020A Bonds	1.68	1.64	1.74	1.76
Working Capital Calc.(operations only) fund 41:				
Current Assets as per trail balance	\$ 3,508,287			
Current Liabilities as per trail balance	(96,445)			
Working Capital	\$ 3,411,842			



Mission Statement:

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

Departments Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022
Personnel Services				
Salaries and Wages	\$ 806,472	\$ 1,660,882	\$ 857,891	\$ 1,788,800
Employee Benefits	163,435	324,912	166,061	390,900
Administrative Cost	15,375	33,150	16,200	33,150
Supplies	6,914	19,000	5,200	22,000
Other Services and Charges	351,042	480,000	408,930	533,100
Maintenance	34,579	98,000	45,500	98,000
Operations Subtotal	1,377,817	2,615,944	1,499,782	2,865,950
Capital and Non-capital Outlay	20,624	145,600	4,500	129,500
Total Expenditures	\$ 1,398,441	\$ 2,761,544	\$ 1,504,282	\$ 2,995,450
PERSONNEL				
Exempt	4	8	4	8
Non-Exempt	2	9	3	9
Part-Time	1	-	1	-
Total Positions Authorized	7	17	8	17

Contact Us:

Maria E. Alaniz
Administrative Assistant
P.O. Box 1766
Pharr, TX 78577 (956) 402-4762

MAJOR FY 2022 GOALS

- 1.) Begin construction of the 365 Toll Project
- 2.) Complete enviornmental clearance document for the International Bridge Trade Corridor Project.
- 3.) Begin enviornmental clearance document for FM 1925.
- 4.) Begin enviornmental clearance document for Section A West.

Mission Statement:

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

Department Summary

Expenditure Detail:	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
<u>COMPENSATION</u>				
Exempt				
Executive Director	\$ 211,190	\$ 210,000	\$ 218,075	\$ 210,000
Chief Auditor/Compliance/Officer	115,910	115,514	128,598	120,000
Chief Financial Officer	45,105	130,000	44,544	130,000
Total Exempt	372,205	455,514	391,217	460,000
Non-Exempt				
Administrative Assistant III	45,464	44,670	48,001	45,000
Administrative Assistant II	33,314	38,000	39,544	38,000
Contingency	-	28,400	-	50,200
Total Non-Exempt	78,778	111,070	87,545	133,200
Other				
Overtime	49	500	250	500
Vehicle Allowance	15,138	22,800	16,200	22,800
Phone Allowance	4,923	6,300	5,296	6,300
Total Other	20,110	29,600	21,746	29,600
Sub-Total	471,093	596,184	500,508	622,800
Benefits/Other:				
Social Security	27,400	45,608	30,094	46,000
Health Insurance	22,244	29,000	26,964	37,000
Retirement	34,078	45,608	34,690	45,000
Administrative Fee	9,525	9,750	10,125	9,750
Total Compensation and Adm. Fees	564,340	726,150	602,381	760,550
<u>SUPPLIES</u>				
Office Supplies	6,556	12,000	4,500	6,000
Total Supplies	6,556	12,000	4,500	6,000
<u>OTHER SERVICES & CHARGES</u>				
Janitorial	661	1,000	100	1,000
Utilities	2,936	2,800	2,600	2,800
Contractual Adm/IT Services	6,276	8,500	7,000	8,500
Dues & Subscriptions	11,856	15,000	15,000	18,000
Subscriptions-software	-	500	800	1,200
Postage/FedEx/Courier Services	2,393	2,500	2,200	2,500
General Liability	2,902	3,000	3,000	3,000
Insurance - E&O	1,404	1,500	1,500	1,500
Insurance - Surety	693	800	800	800
Insurance - LOC	500	500	500	500
Insurance - Other	5,079	3,000	3,200	3,800
Insurance - Cybersecurity	-	2,500	3,200	3,400
Business Meals	-	500	-	500
Advertising	-	4,000	1,500	4,000
Training	3,948	8,000	5,000	8,000
Travel	4,485	10,000	1,000	10,000

Printing	6,553	8,000	4,500	8,000
Bank service charges	-	100	-	100
Accounting & Auditing	29,210	30,000	30,000	36,000
Legal services	22,415	65,000	40,000	65,000
Legal services-gov. affairs	110,000	120,000	120,000	120,000
Financial consulting fees	3,770	4,000	4,005	6,500
Insurance consultant	12,283	10,000	7,500	10,000
Rental - Office	53,760	54,000	54,000	54,000
Rental - Office Equipment	8,329	8,500	8,200	8,500
Rental- Other	-	500	-	500
Contractual Website Services	2,200	2,400	2,400	2,400
Miscellaneous	27	500	-	500
Penalties & Interest	-	100	-	100
Total Other Services & Charges	291,680	367,200	318,005	381,100
<u>MAINTENANCE</u>				
Building Remodel	29,116	70,000	24,000	70,000
Maintenance and Repairs	3,603	25,000	18,500	25,000
Total Maintenance	32,719	95,000	42,500	95,000
<u>CAPITAL OUTLAY</u>				
Capital outlay	6,405	10,000	-	10,000
Non-capital	4,187	10,000	4,500	10,000
Total Capital Outlay	10,592	20,000	4,500	20,000
Total Expenditures	\$ 905,887	\$ 1,220,350	\$ 971,886	\$ 1,262,650

Mission Statement:

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Department Summary

Expenditure Detail:	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
<u>COMPENSATION</u>				
Exempt				
Construction Engineer	\$ 135,571	\$ 134,970	\$ 144,886	\$ 135,000
Total Exempt	135,571	134,970	144,886	135,000
Non-Exempt				
Construction Inspector	-	65,000	-	70,000
Construction Inspectors (4)	-	220,000	-	260,000
Construction Recordkeeper IV	46,299	45,566	48,919	48,000
Construction Recordkeeper	-	31,000	-	45,000
Contingency	-	27,992	-	41,600
Total Non-Exempt and Contingency	46,299	389,558	48,919	464,600
Other				
Overtime	-	10,500	-	26,000
Vehicle Allowance	7,200	43,200	7,477	43,200
Phone Allowance	2,400	9,600	2,492	9,600
Total Other	9,600	63,300	9,969	78,800
Sub-Total	191,470	587,828	203,774	678,400
Benefits/Other:				
Social Security	13,851	44,968	14,747	51,200
Health Insurance	16,565	25,000	13,867	59,200
Retirement	15,324	44,968	15,588	50,200
Administrative Fee	3,900	15,600	4,050	15,600
Total Compensation and Adm. Fees	241,110	718,364	252,026	854,600
<u>SUPPLIES</u>				
Office Supplies	298	1,500	100	5,000
Small Tools	-	5,000	100	10,000
Total Supplies	298	6,500	200	15,000
<u>OTHER SERVICES & CHARGES</u>				
Janitorial	-	-	-	3,500
Utilities	-	-	175	500
Uniforms	-	6,000	-	6,000
Dues & Subscriptions	934	2,000	750	2,000
Subscriptions-software	4,390	7,000	8,900	20,000
Postage	17	500	100	500
Advertising	1,130	5,000	9,000	4,000
Training	524	5,000	1,000	12,500
Travel	610	5,000	1,000	20,000
Rental-Office Equipment	2,329	2,700	2,400	2,400
Rental-Other	-	500	600	500
Total Other Services & Charges	9,934	33,700	23,925	71,900
<u>CAPITAL OUTLAY</u>				
Capital Outlay	-	62,500	-	62,500
Non-Capitalized	3,576	22,000	-	27,000
	3,576	84,500	-	89,500
Total Expenditures	\$ 254,918	\$ 843,064	\$ 276,151	\$ 1,031,000



Program Management

www.hcrma.net

Mission Statement:

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

Department Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022

COMPENSATION

Exempt

Deputy ED/Program	\$ 135,509	\$ 150,000	\$ -	\$ 158,000
Chief Development Engineer	-	134,970	144,886	135,000
ROW/Utility Coordinator	-	72,000	-	70,000
Designer	-	70,000	-	68,000

Total Exempt	135,509	426,970	144,886	431,000

Non-Exempt

Contingency	-	23,000	-	30,200

Total Non-Exempt and Contingency	-	23,000	-	30,200

Other

Overtime	-	500	-	-
Vehicle Allowance	7,200	21,600	7,477	21,600
Phone Allowance	1,200	4,800	1,246	4,800

Total Other	8,400	26,900	8,723	26,400

Sub-Total	143,909	476,870	153,609	487,600

Benefits/Other:

Social Security	10,538	36,480	11,277	36,700
Health Insurance	11,922	16,800	7,083	29,600
Retirement	11,513	36,480	11,751	36,000
Administrative Fee	1,950	7,800	2,025	7,800

Total Compensation and Adm. Fees	179,832	574,430	185,745	597,700

SUPPLIES

Office Supplies	60	500	500	1,000

Total Supplies	60	500	500	1,000

OTHER SERVICES & CHARGES

Dues & Subscriptions	1,297	2,500	500	2,500
Subscriptions-Software	46,133	69,000	65,000	69,000
Postage	-	100	-	100
Advertising	-	1,500	200	2,500
Training	249	3,000	500	3,000
Travel	952	2,000	-	2,000

Total Other Services & Charges	48,631	78,100	66,200	79,100

CAPITAL OUTLAY

Capital	-	25,000	-	-
Non-capitalized	6,456	16,100	-	20,000

Total Capital Outlay	6,456	41,100	-	20,000

Total Expenditures	\$ 234,979	\$ 694,130	\$ 252,445	\$ 697,800



Mission Statement:

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

Department Summary

	Actual	Budget	Estimated	Budget
Expenditure Detail:	2020	2021	2021	2022
<u>MAINTENANCE</u>				
Maintenance and Repairs-BSIF	1,860	3,000	3,000	3,000
Total Maintenance	1,860	3,000	3,000	3,000
<u>OTHER SERVICES & CHARGES</u>				
Utilities-BSIF	797	1,000	800	1,000
Total Other Services & Charges	797	1,000	800	1,000
Total Expenditures	\$ 2,657	\$ 4,000	\$ 3,800	\$ 4,000

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Senior Lein Vehicle Registration Fee Series 2013 Revenue and Refunding Bonds
Preliminary Fund Balance Summary
For Year Ending December 31, 2022

www.hcrma.net



	<u>Actual 2020</u>	<u>Budget 2021</u>	<u>Estimated 2021</u>	<u>Budget 2022</u>
Beginning Fund Balance	\$ 106,124	\$ 349,133	\$ 108,760	\$ 113,760
Revenues:				
Interest	<u>2,636</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Revenues	<u>2,636</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Expenditures:				
Principal	1,255,000	1,305,000	1,305,000	1,360,000
Interest and Fee Expenses	<u>2,070,532</u>	<u>191,450</u>	<u>191,450</u>	<u>139,250</u>
Total Debt Service Expenditures	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Total Expenditures	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Other Financing Sources:				
Transfer-in General Fund	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Total Other Financing Sources	<u>3,325,532</u>	<u>1,496,450</u>	<u>1,496,450</u>	<u>1,499,250</u>
Ending Fund Balance	<u><u>\$ 108,760</u></u>	<u><u>\$ 354,133</u></u>	<u><u>\$ 113,760</u></u>	<u><u>\$ 118,760</u></u>

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Senior Lein Vehicle Registration Fee Revenue Bonds Series 2020A and 2020B
Preliminary Fund Balance Summary
For Year Ending December 31, 2022



www.hcrma.net



	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Fund Balance	\$ -	\$ -	\$ 67,084	\$ 67,384
Revenues:				
Interest	1	-	300	400
Total Revenues	1	-	300	400
Expenditures:				
Principal	-	805,000	805,000	810,000
Interest and Fee Expenses	425,524	1,665,095	1,665,095	1,660,354
Total Debt Service Expenditures	425,524	2,470,095	2,470,095	2,470,354
Total Expenditures	425,524	2,470,095	2,470,095	2,470,354
Other Financing Sources:				
Transfer-in General Fund	492,607	2,470,095	2,470,095	2,470,354
Total Other Financing Sources	492,607	2,470,095	2,470,095	2,470,354
Ending Fund Balance	\$ 67,084	\$ -	\$ 67,384	\$ 67,784

Hidalgo County Regional Mobility Authority
DEBT SERVICE FUND
Junior Lein Revenue Bond, Taxable Series 2016A
Preliminary Fund Balance Summary
For Year Ending December 31, 2022



www.hcrma.net

	Actual 2020	Budget 2021	Estimated 2021	Budget 2022
Beginning Fund Balance	\$ 4,389,961	\$ 5,550,042	\$ 5,534,412	\$ 6,310,468
Revenues:				
Interest	<u>40,370</u>	<u>60,000</u>	<u>59,000</u>	<u>45,000</u>
Total Revenues	<u>40,370</u>	<u>60,000</u>	<u>59,000</u>	<u>45,000</u>
Expenditures:				
Principal	-	-	-	-
Interest Expense	<u>-</u>	<u>409,106</u>	<u>409,106</u>	<u>812,213</u>
Total Debt Service Expenditures	<u>-</u>	<u>409,106</u>	<u>409,106</u>	<u>812,213</u>
Other Financing Sources:				
Transfer-in General Fund	<u>1,104,081</u>	<u>1,126,162</u>	<u>1,126,162</u>	<u>1,148,686</u>
Total Other Financing Sources	<u>1,104,081</u>	<u>1,126,162</u>	<u>1,126,162</u>	<u>1,148,686</u>
Ending Fund Balance	<u><u>\$ 5,534,412</u></u>	<u><u>\$ 6,327,098</u></u>	<u><u>\$ 6,310,468</u></u>	<u><u>\$ 6,691,941</u></u>

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Item 3C

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 3C </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/07/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-49 – APPROVAL OF WORK AUTHORIZATION NUMBER 8 TO THE PROFESSIONAL SERVICE AGREEMENT WITH BLANTON & ASSOCIATES, INC. FOR ENVIRONMENTAL SERVICES FOR DEVELOPMENT OF SITE SOILS AND PLANTING STRATEGIES (INCLUDING MONITORING) FOR THE 365 TOLLWAY WETLAND MITIGATION SITE.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and Approval of Resolution 2020-29 for WA No. 8 for the 365 Tollway.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A
5. Staff Recommendation: **Motion to approve Resolution 2021-49 – Approval of Work Authorization Number 8 to the Professional Service Agreement with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site, 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: 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



- ☐ CMT Services
- ☒ Environmental **Blanton & Associates, Inc**
- ☐ Engineering
- ☐ Geo-Technical
- ☐ Surveying

WORK AUTHORIZATION SUMMARY

RESOLUTION 2021-49

Work Authorization # 8 Supplemental # _____

Amount \$ 400,103.66

Approved Work Authorizations:

Resolution No.	Description	Amount
2017-72	WA No. 1 IBTC ENV Class Ltr Support	\$ 24,990.00
2018-05	WA No. 2 IBTC Env / NEPA Clearance	\$ 702,075.94
2019-06	WA No. 3 365 Tollway NEPA Re-Eval Checklist	\$ 8,660.00
2019-38	WA No. 4 Additional Biological Eval Support	\$ 24,600.00
2020-07	WA No. 5 Update Noise Report	\$ 20,129.50
Subtotal from Cont. Page		\$ 197,566.15
Total Approved WA		\$ 978,021.59

Proposed Work Authorization and/or Supplemental

2021-49 WA No. 8 **\$ 400,103.66**

Goal and Options:

Approval of Work Authorization Number to the Professional Service Agreement with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site.

Staff is recommending approval of this request in the amount of \$ 400,103.66
Proposed total approved WA and/or Supplementals \$ 1,378,125.25

E. Davila, Develop Eng
Requested By:

Resolution No.	Description	Amount
2020-10	WA No. 6 Archaeological Mitigation Plans	\$ 131,398.00
2020-15	WA No. 3 Supplemental No. 1	\$ 0.00
2020-16	WA No. 4 Supplemental No. 1	\$ 0.00
2020-29	WA No. 7 Wetland Mitigation Const. Permitting	\$ 66,168.15
	WA No.	
	WA No.	
	WA No.	
	WA No.	
	WA No.	

Subtotal \$ 197,566.15

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-49

APPROVAL OF WORK AUTHORIZATION 8 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BLANTON & ASSOCIATES, INC. FOR ENVIRONMENTAL SERVICES FOR DEVELOPMENT OF SITE SOILS AND PLANTING STRATEGIES (INCLUDING MONITORING) FOR THE 365 TOLLWAY WETLAND MITIGATION SITE

THIS RESOLUTION is adopted this 20th day of December 2021 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");

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County, including the International Bridge Trade Connector project (the "IBTC");

WHEREAS, the Authority initially approved the retention of Blanton & Associates, Inc. through Resolution 2010-79 to provide professional services, including oversight of the IBTC local environmental assessment process and review of the recommendation as prepared by Atkins (formerly PBS&J) (the "Initial Agreement");

WHEREAS, under the scope of services provided to the Authority through the Initial Agreement, Blanton & Associates, Inc. demonstrated a unique and thorough understanding of the Authority's projects and related environmental issues;

WHEREAS, based on Blanton & Associates demonstrated knowledge and unique qualifications, and to ensure that the Authority did not experience any gap in critical environmental services, the Authority approved Resolutions 2017-71 and 2017-72 retaining Blanton & Associates to provide additional professional environmental services, including support for the federal environmental classification for the IBTC project, to the Authority immediately following the termination of the program manager agreement;

WHEREAS, the Board now (i) found it necessary and desirable to finalize the federal environmental classification of the IBTC project; (ii) finds that Blanton & Associates has demonstrated its qualifications in environmental work; (iii) finds that Blanton & Associates has a unique understanding of and history with the project, creating efficiencies and expertise that would be difficult to replace; and (iv) desires to expand Blanton & Associates, Inc. professional environmental services as described in Work Authorization #2, to finalize the federal environmental classification for the IBTC project;

WHEREAS, the Authority approved Resolution 2018-05 – Approval of Work Authorization 2 to the Professional Services Agreement with Blanton & Associates, Inc. to provide environmental clearance support for the IBTC Project in amount not to exceed \$702,075.94; and

WHEREAS, the Authority approved Resolution 2018-06 – Approval of Contract Amendment 1 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount to \$727,065.94 due to additional scope outlined in Work Authorization

No. 2 in the amount of \$702,075.94.; and

WHEREAS, the Authority approved Resolution 2019-06 – Approval of Work Authorization 3 to the Professional Services Agreement with Blanton & Associates, Inc. for NEPA re-evaluation checklist support for the 365 Toll/ I-Road Interchange redesign in the amount of \$8,660.00; and

WHEREAS, the Authority approved Resolution 2019-07 Contract Amendment Number 2 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$8,660.00 due new scope in Work Authorization Number 3 to a not-to-exceed amount of \$735,725.94; and

WHEREAS, the Authority approved Resolution 2019-38 Work Authorization Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. for additional biological evaluation support for the International Bridge Trade Corridor Project environmental clearance in the amount of \$24,600.00; and

WHEREAS, the Authority approved Resolution 2019-39 Contract Amendment Number 3 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$24,600.00 for Work Authorization Number 4; and

WHEREAS, the Authority approved Resolution 2020-07 Work Authorization Number 5 to the Professional Services Agreement with Blanton & Associates, Inc. to provide updated Noise Report for the IBTC Project Environmental Clearance; and

WHEREAS, the Authority approved Resolution 2020-08 Contract Amendment Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$20,129.50 for Work Authorization Number 5; and

WHEREAS, the Authority approved Resolution 2020-10 Work Authorization Number 6 to the Professional Services Agreement with Blanton & Associates, Inc. to provide Archaeological Mitigation Plans for the IBTC Project Environmental Clearance; and

WHEREAS, the Authority approved Resolution 2020-11 Contract Amendment Number 5 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$131,398.00 for Work Authorization Number 6; and

WHEREAS, the Authority approved Resolution 2020-15 Supplemental No. 1 to Work Authorization Number 3 to the Professional Services Agreement with Blanton & Associates, Inc. for a no-cost time extension for Environmental Services for the 365 Tollway Project; and

WHEREAS, the Authority approved Resolution 2020-16 Supplemental No. 1 to Work Authorization Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. for a no cost time extension for Environmental Services for the IBTC Project; and

WHEREAS, on October 27, 2020, the Authority approved Resolution 2020-29 Work Authorization Number 7 to the Professional Service Agreement with Blanton & Associates, Inc. to provide Wetland Mitigation Support for the 365 Tollway Construction Permitting in the amount of \$66,168.15; and

WHEREAS, on October 27, 2020 the Authority approved Resolution 2020-30 Contract Amendment No. 6 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$66,168.15 for due Work Authorization No. 7; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-49 Work Authorization Number 8 to the Professional Service Agreement with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site in the amount of \$400,103.66.

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 Work Authorization Number 8 to the Professional Service Agreement with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site in the amount of \$400,103.66, hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to Work Authorization Number 8 to the Professional Services Agreement for the 365 Tollway Project hereby approved.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

Exhibit A

Work Authorization Number 8
to the Professional Services Agreement with
Blanton & Associates, Inc. for
Environmental Service for the
365 Tollway Project Wetland Mitigation Site

ATTACHMENT D-1

**WORK AUTHORIZATION NO. 8
AGREEMENT FOR ENVIRONMENTAL CONSULTING SERVICES**

THIS WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for Environmental Consulting Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and Blanton & Associates, Inc. (the Consultant).

PART I. The Consultant will perform environmental consulting services generally described as in accordance with the project description attached hereto and made a part of this Work Authorization. The responsibilities of the Authority and the Consultant as well as the work schedule are further detailed in exhibits A, B and C which are attached hereto and made a part of the Work Authorization.

PART II. The maximum amount payable under this Work Authorization is \$400,103.66 and the method of payment is LUMP SUM as set forth in Attachment E of the Agreement. This amount is based upon fees set forth in Attachment E, Fee Schedule, of the Agreement and the Consultant’s estimated Work Authorization costs included in Exhibit D, Fee Schedule, which is attached and made a part of this Work Authorization.

PART III. Payment to the Consultant for the services established under this Work Authorization shall be made in accordance with Articles III thru V of the Agreement, and Attachment A, Section 1.

PART IV. This Work Authorization shall become effective on the date of final acceptance of the parties hereto and shall terminate on December 31, 2026, unless extended by a supplemental Work Authorization as provided in Attachment A, Section 1.

PART V. This Work Authorization does not waive the parties' responsibilities and obligations provided under “Article V of that certain Professional Services Agreement for Environmental Consulting Services for the 365 Tollway / International Bridge Trade Corridor.

IN WITNESS WHEREOF, this Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

AUTHORITY

By: _____

Name: Pilar Rodriguez

Title: Executive Director

Hidalgo County Regional Mobility Authority

Date: _____

CONSULTANT

By: _____

Name: Don Blanton

Title: President

Blanton & Associates, Inc.

Date: _____

LIST OF EXHIBITS

Exhibit A	Services to be provided by the Authority
Exhibit B	Services to be provided by the Consultant
Exhibit C	Work Schedule
Exhibit D	Fee Schedule/Budget
Exhibit H-2	Subprovider Monitoring System Commitment Agreement

EXHIBIT A
SERVICES TO BE PROVIDED BY THE AUTHORITY

A. SOCIAL, ECONOMIC AND ENVIRONMENTAL STUDIES

- Data files for all work completed to date.
- Microstation (.dgn) files for the final design / schematics.
- CAD or design files showing proposed and existing ROW and property boundaries as well as acreage calculations for new ROW and/or easements required throughout the project and at individual historic property locations (if applicable).

B. PROJECT MANAGEMENT AND ADMINISTRATION

- Secure permission to enter private property for purposes of environmental surveys.
- Provide written ROE permission signed by the landowner / coordinate all ROE with landowners prior to commencement of fieldwork.

C. WETLAND MITIGATION SITE DEVELOPMENT

- Provide timely coordination for cross-disciplinary reviews by the Consultant and the engineer of record (EOR) developing the site improvement plans.
- Provide material testing / monitoring as specified within Consultant's scope.
- Provide procurement of plants, seedlings, etc. needed to accomplish the planting strategy identified for successful wetland mitigation site creation.

EXHIBIT B
SERVICES TO BE PROVIDED BY THE CONSULTANT
Proposal for HCRMA Granjeño Mitigation Site Management

Project Understanding

The Hidalgo County Regional Mobility Authority (HCRMA) 365 Toll project was approved for development under Environmental Assessment/Finding of No Significant Impact (EA-FONSI) dated July 2, 2015. Under the EA-FONSI, impacts to Waters of the US and wetlands were evaluated and ultimately permitted with an approved mitigation plan under the US Army Corps of Engineers (USACE) Galveston District permit number SWG-2013-00175 signed on September 22, 2016 (Permit). This permit was extended an additional five (5) years on August 26, 2021 and expires on December 31, 2026 (attached for reference). The HCRMA has assigned an Engineer of Record (EOR) to prepare final design and construction oversight for the site's infrastructure (berms/grading, water supply and water control structures, access roads, utilities and site preparation). Blanton & Associates, Inc. (B&A) will participate in cross-discipline collaboration with the EOR to provide scientific expertise and support as described below to effect a successful development, monitoring, and adaptive management of the wetland mitigation site permitted under the USACE Permit for 365 Tollway.

Tasks

Blanton and Associates, Inc (B&A) shall provide HCRMA with implementation and management of USACE Permit compliance and wetland mitigation site development and performance monitoring. Specifically, B&A will conduct the following tasks, which are detailed below:

- Task 1: Provide Mitigation Site Soils and Plants Oversight
- Task 2: Provide Mitigation Site Monitoring
- Task 3: Provide Adaptive Management post-construction

Task 1: Provide Mitigation Site Soils and Plants Oversight

B&A shall provide mitigation site soils and planting area development process oversight; specifically,:

- a) Cross-disciplinary collaboration with HCRMA staff and EOR to:
 - i) support final infrastructure design refinement by EOR based upon site existing condition (e.g.: review results of site soils and geotechnical tests, collaborate on strategies to attain adequate water retention, such additional clay lining, and adaptations to any water supply constraints),
 - ii) coordinate with EOR whom will verify that the contractor's final grading/as-built- plans reflect the physical infrastructure needed to meet the agreed-upon hydrology, soils, and planting needs identified in the Implementation Plan, and
 - iii) Coordinate with EOR to verify that the proposed design and construction schedules will be compliant with the USACE Permit Conditions and satisfy Valley Land Fund (VLF) Conservation Easement (CE) Restrictions (if applicable).
- b) Coordinate and support:

- i) a pre-construction meeting with mitigation site Contractor(s) to educate on terms of project's USACE Permit per Special Condition 2 (see excerpt below and attached permit) of the permit to provide them information on the plan for construction.

Special Condition 2 – “The permittee shall conduct a meeting with the construction contractor or contractors detailing the terms and conditions of this permit prior to commencing construction activities of the project. The permittee shall notify the Galveston District of the pre-construction meeting at least two weeks in advance of the scheduled meeting. Within two weeks following the meeting, the permittee will also provide written confirmation to the Corps that the meeting was held.”

- ii) Assist HCRMA in complying with USACE Permit Special Conditions 3 and 4. B&A shall prepare documentation for Permit Special Condition 3 Item 1) detailing plant survival, document the start and completion of mitigation site construction (based upon Contractor communications and HCRMA / EOR verification), complete the required USACE notifications for mitigation construction, and document the completion date of wetland construction. B&A will further support monitoring and maintenance according the to the mitigation plan (Attachment A of the Permit) as indicated in this proposal. B&A shall assist HCRMA with compliance with Permit Special Condition 4 by supporting preparation of the CE and coordination of final VLF executed CE with the USACE. This proposal assumes that HCRMA will provide land survey and metes and bounds description of the CE boundaries, as well as legal review and filing of the CE.

Special Condition 3 – “The permittee must begin construction of the mitigation site within 30 days of initiating work within jurisdictional areas. The mitigation project and all construction, including planting, must be complete within 6 months after start of construction within jurisdictional areas. The permittee will notify the Corps', Corpus Christi Regulatory Field Office (CCRFO) in writing when construction both commences and is completed at both the project site and the mitigation site associated with this permit. The following information must be included: 1) Written reports and photo documentation detailing plant survival: 2) as-built plain view drawing in which the boundaries of the depressions were surveyed by a Registered Professional Surveyor or by GPS according to USACE GPS standards. and 3) based on the survey, total acreage of excavated areas. Monitoring and maintenance will proceed according to the mitigation plan included in Attachment A.”

Special Condition 4 – “The permittee must ensure that within 6 months of receipt of the Department of the Army permit that the Permittee will consummate a conservation easement of the specified mitigation area, as outlined in Attachment A. The conservation easement must be held by a qualified third-party entity approved in writing by the Corps. A copy of the draft conservation easement must be provided to the CCRFO for review and concurrence prior to recording.”

- c) Collaborate with the EOR and construction contractor identified by HCRMA to build the Granjeño Mitigation Site as designed. B&A shall perform soils preparation and planting oversight, including:
 - i) Review of as-built plans to verify elevations/contours are consistent with EOR design and implementation plans. This has to be done/approved prior to planting. If there are issues due to site conditions that require a modification of the plan, coordinate those changes with the EOR and HCRMA; should modifications be required, support coordination with USACE as needed.
 - ii) On-site monitoring during construction to monitor soils preparation, monitor herbicide application to eliminate Bermudagrass and sunflowers, monitor removal of existing road(s) and decompaction (if needed), monitor

excavation and grading activities, evaluate topsoils to be brought in (if-any), and monitor other soil amendments/treatments and discing needed to prepare site for planting.

- iii) Oversight of installation of a limited number of piezometers and shallow monitoring wells on-site to assure understanding of how hydrology is working on site during the monitoring period to assist with adaptive management. Shallow water wells help with evaluation of shallow water flow and piezometers with moisture content of confining layers that are below the wetland surface.
- iv) Identify sources for seeds, containerized plants, plugs, or other plants to be planted at the mitigation site as determined during Task 1 and provide recommendations regarding quantities and regionally available sources, vendor plant/seed/planting warranties, and coordination of needed product delivery schedules to the HCRMA for procurement.
- v) Verification that seed and plant stocks selected reflect those identified in the Implementation Plan and are compliant with USACE permit requirements for herbaceous, tree and shrub plantings.
- vi) Plant herbaceous species through drill seeding (as appropriate/available) within the Plan-identified wetland areas and upland buffer areas.
- vii) Plant trees and shrubs with containerized plants or bare root seedlings (as available) within the Plan-identified upland buffer areas.

Task 1 Assumptions:

- 1. HCRMA will provide land survey and metes and bounds description of the conservation easement boundaries, as well as legal review and filing of the conservation easement.
- 2. This proposal does not include design or construction of the mitigation site. Design and construction of the mitigation site will be conducted by engineering and construction contractors selected and contracted by HCRMA.
- 3. This proposal includes compliance support for USACE Special conditions 2-4 which apply to both the mitigation site and 365 Tollway projects. The effort proposed here applies only to those portions associated with construction of the Mitigation Site except in the case of reporting compliance with the overall project schedule compliance (Mitigation Site Start & Stop of construction relative to 365 Tollway construction schedule, requirements).
- 4. This proposal does not include soil preparation, herbicide purchase/application, or other soil treatments. These tasks will be conducted by engineering and construction contractors to be selected and contracted by HCRMA.
- 5. The cost of seeds, containerized plants, plugs, or other plants to be planted at the mitigation site will be determined during Task 1 and recommendations regarding regionally available sources, vendor plant/seed/planting warranties, and coordination of product delivery schedules provided to the HCRMA procurement department.
- 6. This proposal assumes up to 30 days at the mitigation site to monitor the mitigation site soils and planting areas construction process.

Task 2: Provide Mitigation Site Monitoring

B&A shall monitor the progress and success of the mitigation site according to the monitoring plan and performance standards outlined in Special Conditions 5 through 9 of the USACE Permit (excerpted below) and in the Mitigation Plan.

This includes conducting the following efforts:

- a. Conduct a required plant survival survey within 60 days after completing initial planting effort.
- b. Conduct an Initial Monitoring Survey within 6 months of planting and then yearly for 5 years, a total of 6 monitoring events..
- c. Prepare a report after each monitoring survey containing the information outlined in the USACE Permit, Mitigation Plan, and USACE Regulatory Guidance Letter 08-06.
- d. Coordinate with the HCRMA and USACE after each required monitoring survey, if needed, to answer questions about the survey report or discuss adaptive management needs.
- e. After each site visit, B&A will identify whether the mitigation site is progressing toward the required performance standards and whether additional planting or other adaptive management activities are needed. Because the need for additional planting or other adaptive management strategies cannot be estimated at this time, this proposal does not include additional planting or implementation of other adaptive management strategies.

Special Condition 5 – “If at least 70% survival of the tree and shrub plantings, or establishment of 60% areal density below 6 feet in height around the perimeter of the mitigation site, is not achieved within one year following the initial planting, an additional replanting will be performed within the next 30 days using the original planting specifications. If at least 70% cover by desirable wetland species is not achieved by the end of the first full growing season following planting, an additional replanting will be performed within the next 30 days. Cover requirements do not apply to portions of the mitigation area regularly inundated by water. The mitigation success criteria, as indicated in the mitigation plan included in Attachment A must be achieved for the mitigation requirement to be considered complete.”

Special Condition 6 - “A transplant survival survey will be conducted within 60 days following completion of the initial planting effort. If 50% survival of transplant material is not achieved, the Corps will be immediately notified in writing and a second planting effort will be made within the next 30 days. All planting efforts will be done in accordance with the criteria included in Attachment A.”

Special Condition 7 - “A monitoring study will be conducted six months following the planting and then yearly for a period of at least five years. Progress reports containing the following information will be submitted to the Corps within 30 days of each replanting/monitoring effort: percent cover of the various species of vegetation growing within the site, unusual sedimentation variations including depth of soil-sediment accumulations throughout the site, rates of erosion and any other factors that could affect productivity at the site. Replanting will occur annually if 70% coverage of wetland areas is not achieved during any of the additional monitoring efforts. All replanting efforts will be done at the planting densities described in Attachment A.”

Special Condition 8 – “Monitoring report content and format will be submitted to the CCRFO as outlined in Regulatory Guidance Letter No. 08-06. which is contained on the following website: http://www.usace.army.mil/CECW/Pages/reg_permit.aspx. Mitigation Monitoring Reports must include the following information: 1) a summary of the percent ground cover and species composition at fixed pre-established observation points, 2) list of dominant vegetation and their indicator status, and 3) photo documentation of the mitigation area. Content of the mitigation report will also contain information listed in Attachment A, Section 4.2.2.6 (Monitoring and Reporting).”

Special Condition 9 – “Should mitigation be determined to be unsuccessful by Corps personnel at the end

of the monitoring period, the permittee will be required to take necessary corrective measures, as approved by the Corps. Once the corrective measures are completed, the permittee will notify the Corps and a determination will be made regarding success of the mitigation.”

Task 2 Assumptions:

1. Irrigation and other maintenance activities at the mitigation site will be conducted by HCRMA.
2. This proposal includes up to 6 site visits over the 5-year monitoring period.
3. This proposal assumes that the mitigation site will have met all performance criteria by the end of the 5-year monitoring period, and no subsequent monitoring will be conducted.
4. This proposal assumes a final inspection of the mitigation area with the USACE after it has achieved success for their “sign off”.

Task 3: Adaptive Management

Adaptive management strategies may need to be employed (per subsection 4.2.2.6 of the USACE permitted mitigation plan) to address unusual events such as extended flooding and sedimentation. Upon occurrence or discovery, B&A will report to HCRMA and assist with USACE coordination and implementation of adaptive management activities and restoration effort (e.g., sediment removal) and replanting. **Additional tasks such as adaptive management can be performed for a Fixed Fee / Time and Materials NTE amount based upon the event and can be quoted upon request at the time of need.**

EXHIBIT C
WORK SCHEDULE

Task 1 will be complete at the end of approximately 7 months (11/24/2021 through 06/30/2021).

Task 2 will initiate after the construction of the mitigation site which is slated to be completed by 06/30/2021 and will go through 12/31/2026 due to period and then yearly site inspections / reporting (including visits with USACE) to assure wetland site creation success.

Task 3, if needed, will begin after the construction of the mitigation site which is slated to be completed by 06/30/2021 and scoped by supplemental, as needed.

WA No. 8 - Blanton & Associates, Inc.
Exhibit D. Fee Schedule for Env. Support for HCRMA Granjeno Mitigation Site Development

TASKS DESCRIPTION	Project Manager	Env Planner I/II	Senior Env Specialist	Env Specialist	Senior Biologist	Biologist	Geologist	Senior Field Tech / Env. Inspector	Field Tech	Senior GIS	GIS	Admin Assistant	Total Labor Hrs.	Task Hours	Task Costs
1. Mitigation Site Soils & Plants Oversight													0	1646	\$169,414.46
a. Collaborate with Engineer for design refinement & Plan compliance													0		
i. collaboration with EOR on soils/subsoils (clay) & topsoil compostion needs	4	10	4	24	18		8					2	70		
ii. Coordinate final soils/hydrology/grading needs are met by EOR final design & as built	4	10	4	24	24	32					8	2	108		
iii. Coordinate with EOR on design & construction schedules compliance with USACE needs	4	8	4	24									40		
b. USACE Contractor Meeting and Construction Reporting compliance Spec. Cond. 2 4		8	4	18							8	4	42		
i. Pre construction meeting with Contractor(S) & notification (Special Condition 2)	4		16					8				2	30		
ii. USACE Schedule Compliance support (Special conditions 3 4)	4		16					8				4	32		
c. Wetland Oversight & Planting:													0		
i. Pre construction assessment & testing	4		4	16	16	16	16		64				136		
ii. Seed & Plant stock acquisition support	4		24		40	40							108		
iii. Construction Monitoring Permit compliance:													0		
Construction monitoring clearing/grubbing & herbicide application	4		8		8	24		48	72				164		
Construction monitoring Soils	4		8		8	24		48	72				164		
iv. Planting Activities:													0		
Planting wetland seeding (17 acres)	4				24	48		180	180				436		
Planting shrub/scrub (trees)(~5 acres upland)	4				24	48		120	120				316		
2. Monitoring and Mitigation Site Performance (five years)													0	1531	\$171,060.20
a. Required Monitoring Surveys	24		48		24	144			120	56	120	28	564		
b. Interim Periodic Monitoring Surveys	24		40		40	144			144		56		448		
c. Monitoring Reports	21		28		64	64			64	28	84	28	381		
d. HCRMA & USACE Coordination (includes final Site Visit with USACE)	18		32		40	24			24				138		
													0		
3. Adaptive Management Contingency Tasks (To Be Determined in future)													0	0	\$0.00
Adaptive Management Tasks Supplemental plantings															
Adaptive Management Tasks Dewatering															
Adaptive Management Tasks Sediment Removal/dredging															
													0		
													0		
HOURS SUB-TOTALS	131	36	240	106	330	608	24	412	860	84	276	70	3177		
CONTRACT RATE PER HOUR	\$180.00	\$106.12	\$145.66	\$96.45	\$128.59	\$107.16	\$96.45	\$96.45	\$85.73	\$128.59	\$101.80	\$80.37			
TOTAL LABOR COSTS	\$23,580.00	\$3,820.32	\$34,958.40	\$10,223.70	\$42,434.70	\$65,153.28	\$2,314.80	\$39,737.40	\$73,727.80	\$10,801.56	\$28,096.80	\$5,625.90			
ODCS															
TASK 1 - SUBTOTAL															\$37,879.00
TASK 2 - SUBTOTAL															\$21,750.00
TASK 3 - SUBTOTAL															\$0.00
TOTAL DIRECT EXPENSES															\$9,629.00
LABOR															
TASK 1 - SUBTOTAL															\$169,414.46
TASK 2 - SUBTOTAL															\$171,060.20
TASK 3 - SUBTOTAL															\$0.00
TOTAL LABOR COSTS															\$340,474.66
GRAND TOTAL															\$400,103.66

ASSUMPTIONS

- Task 1**
- 1 - Includes one field visit to evaluate existing plant and soils conditions at the mitigation site and to establish soils amendment/treatment plan and further evaluate potential reference sites if needed (4 days, 3 people, 3 vehicles).
 - 2 - HCRMA will provide access to the mitigation site and coordinate access to potential reference sites.
 - 3 - HCRMA will provide land survey and metes and bounds description of the conservation easement boundaries, as well as legal review and filing of the conservation easement.
 - 4 - This proposal does not include design or construction of the mitigation site. Design and construction of the mitigation site will be conducted by engineering and construction contractors to be selected and contracted by HCRMA.
 - 5 - This proposal does not include soil preparation, herbicide purchase/application, or other soil treatments. These tasks will be conducted by engineering and construction contractors to be selected and contracted by HCRMA.
 - 6 - The cost of seeds, containerized plants, plugs, or other plants recommended to be planted at the mitigation site will be determined through HCRMA Procurement practices. This equipment costs for drill seeding could be absorbed by HCRMA's earthwork contractor whom performs land clearing & herbicide application under consturcton contract, but need to be identified in one of the budgets.
 7. Because the need for additional planting cannot be estimated at this time, this proposal does not include additional planting beyond the initial planting.
 - 8 - This proposal assumes up to 30 days at the mitigation site to monitor the mitigation site construction process related to soils and plants project components. This Task does not include multiple team mobilizations due to plant / materials supply interruptions, unusually long rain or freezing weather events which would preclude planting or other project delays beyond the control of B&A.
 - 9 - All geotechnical data needed for site developoment monitoring needs (i.e. piezometric measurement of soil moisture or periodic monitoring of wetland cell shallow water table) effort will be preformed by the HCRMA CMT geotechnical contractor and B&A will coordinate those requests through the HCRMA.

WA No. 8 - Blanton & Associates, Inc.
Exhibit D. Fee Schedule for Env. Support for HCRMA Granjeno Mitigation Site Development

TASKS DESCRIPTION	Project Manager	Env Planner I/II	Senior Env Specialist	Env Specialist	Senior Biologist	Biologist	Geologist	Senior Field Tech / Env. Inspector	Field Tech	Senior GIS	GIS	Admin Assistant	Total Labor Hrs.	Task Hours	Task Costs

ASSUMPTIONS

Task 2

1 - Irrigation and other maintenance activities at the mitigation site will be conducted by HCRMA.

2 - This proposal includes up to 6 monitoring report site visits over the 5-year monitoring period. Up to six additional interim site visits have been budgeted to assess plant survival and wetland site hydrology or potential onset of a site adaptive management need (e.g.: flooding/drought/loss-of-water-supply, freeze impacts, or pestilence) as needed to assure plant survival and wetland function.

3 - This proposal assumes that the mitigation site will have met all performance criteria by the end of the 5-year monitoring period, and no subsequent monitoring will be conducted.

4 - This proposal assumes one site visit with USACE for final sign-off at end of monitoring period.

Task 3 Adaptive Management - To Be Determined

WA No. 8 - Blanton & Associates, Inc.

Exhibit D. Fee Schedule for Env. Support for HCRMA Granjeno Mitigation Site Development

OTHER DIRECT EXPENSES

TASK 1 - MITIGATION SITE CONSTRUCTION OVERSIGHT	Rate	Unit	Amount	Total
Lodging / Hotel (GSA Day Rate)	\$ 100.00	Each	84	\$ 8,400.00
Meals (GSA Day Rate)	\$ 55.00	Each	84	\$ 4,620.00
Rental Car	\$ 90.00	Each	46	\$ 4,140.00
Air Travel	\$ 525.00	Each	12	\$ 6,300.00
Parking	\$ 14.00	Each	64	\$ 896.00
Mileage (REF: 668mi. Lakeway Granjeno RT)	\$ 0.58	Each	6,000	\$ 3,480.00
Fuel for Rental Car	\$ 25.00	Day	46	\$ 1,150.00
Photocopies B/W (8.5 X 11)	\$ 0.10	Each	500	\$ 50.00
Photocopies B/W (11 X 17)	\$ 0.20	Each	120	\$ 24.00
Photocopies Color (8.5 X 11)	\$ 0.70	Each	120	\$ 84.00
Photocopies Color (11 X 17)	\$ 1.25	Each	120	\$ 150.00
Plots (Color on Photographic Paper)	\$ 4.00	Each	120	\$ 480.00
Color Graphics on Foam Board	\$ 5.00	Each	2	\$ 10.00
Presentation Boards 30" X 40" Color Mounted	\$ 100.00	Each	2	\$ 200.00
4" X 6" Digital Color Print	\$ 0.30	Each		\$
GPS	\$ 50.00	Day	30	\$ 1,500.00
Mailings/Postage	\$ 0.50	Each	50	\$ 25.00
Overnight Delivery Services	\$ 18.00	Each	15	\$ 270.00
Field Supplies	\$ 35.00	Trip	60	\$ 2,100.00
Piezometers & shallow Monitoring wells for soil moisture	~~\$ 10,000.00~~	each	By HCRMA	
Tractor and Seed Drill Rental	\$ 4,000.00	each	1	\$ 4,000.00
SUBTOTAL				\$ 37,879.00
TASK 2. - MITIGATION MONITORING	Rate	Unit	Amount	Total
Lodging / Hotel (GSA Day Rate)	\$ 100.00	Each	36	\$ 3,600.00
Meals (GSA Day Rate)	\$ 55.00	Each	36	\$ 1,980.00
Rental Car	\$ 90.00	Each	18	\$ 1,620.00
Air Travel	\$ 525.00	Each	18	\$ 9,450.00
Parking	\$ 14.00	Each	36	\$ 504.00
Mileage (REF: 668mi. Lakeway Granjeno RT)	\$ 0.58	Each	4,200	\$ 2,436.00
Fuel for Rental Car	\$ 25.00	Day	18	\$ 450.00
Photocopies B/W (8.5 X 11)	\$ 0.10	Each	600	\$ 60.00
Photocopies B/W (11 X 17)	\$ 0.20	Each	100	\$ 20.00
Photocopies Color (8.5 X 11)	\$ 0.70	Each	100	\$ 70.00
Photocopies Color (11 X 17)	\$ 1.25	Each	100	\$ 125.00
Plots (Color on Photographic Paper)	\$ 4.00	Each	12	\$ 48.00
4" X 6" Digital Color Print	\$ 0.30	Each	120	\$ 36.00
GPS	\$ 50.00	Day	18	\$ 900.00
Mailings/Postage	\$ 0.50	Each	50	\$ 25.00
Overnight Delivery Services	\$ 18.00	Each	12	\$ 216.00
Field Supplies	\$ 35.00	Trip	6	\$ 210.00
				\$
SUBTOTAL				\$ 21,750.00
TOTAL DIRECT EXPENSES				\$ 59,629.00

ATTACHMENT H-2

Subprovider Monitoring System Commitment Agreement

This commitment agreement is subject to the award and receipt of a signed contract from the Hidalgo County Regional Mobility Authority (Authority). ***NOTE: Attachment H-2 is required to be attached to each contract that does not include work authorizations. Attachment H-2 is required to be attached with each work authorization. Attachment H-2 is also required to be attached to each supplemental work authorization. If DBE/HUB Subproviders are used, the form must be completed and signed. If no DBE/HUB Subproviders are used, indicate with "N/A" on this line: _____ and attach with the work authorization or supplemental work authorization.***

Contract #: 02-E37-17-07 Assigned Goal: 12.2% Prime Provider Blanton & Associates, Inc.
 Work Authorization (WA)#: 8 WA Amount: \$400,103.66 Date: 11/23/2021
 Supplemental Work Authorization (SWA) #: _____ to WA #: _____ SWA Amount: _____
 Revised WA Amount: \$0

Description of Work (List by category of work or task description. Attach additional pages, if necessary.)	Dollar Amount (For each category of work or task description shown.)
ENV SUPPORT SERVICES FOR WETLAND MITIGATION	\$400,103.66
	\$0
Total Commitment Amount (Including all additional pages.)	\$0

IMPORTANT: The signatures of the prime and the DBE/HUB and Second Tier Subprovider, if any (both DBE and Non-DBE) and the total commitment amount must always be on the same page.

Provider Name: Blanton & Associates, Inc. Address: 5 Lakeway Centre Court, Suite 200, Austin, TX 78734 VID Number: 74-2845838 PH: 512-264-1095 & FAX: 512-264-1531 Email: dblanton@blantonassociates.com	Name: <u>Don Blanton</u> <i>(Please Print)</i> Title: <u>President</u> Signature Date
DBE/HUB Sub Provider Subprovider Name: VID Number: Address: PH: Email:	Name: _____ <i>(Please Print)</i> Title: _____ Signature Date
Second Tier Sub Provider Subprovider Name: VID Number: Address: Phone #& Fax #: Email:	Name: _____ <i>(Please Print)</i> Title: _____ Signature Date

VID Number is the Vendor Identification Number issued by the Comptroller. If a firm does not have a VID Number, please enter the owner's Social Security or their Federal Employee Identification Number (if incorporated).

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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	<u> </u>	DATE SUBMITTED	<u> 12/07/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-50 – APPROVAL OF CONTRACT AMENDMENT NUMBER 7 WITH BLANTON & ASSOCIATES, INC. TO INCREASE THE MAXIMUM PAYABLE AMOUNT DUE WORK AUTHORIZATION NUMBER 8.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and Approval of Resolution 2021-50 for CA No. 7 for WA No. 8.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A
5. Staff Recommendation: **Motion to approve Resolution 2021-50 – Approval of Contract Amendment No. 7 with Blanton & Associates, Inc. to increase the maximum payable amount due Work Authorization No. 8, 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: 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



☐ CMT Services

☒ Environmental **Blanton & Associates, Inc.**

☐ Engineering

☐ Geo-Technical

☐ Surveying

CONTRACT AMENDMENT SUMMARY

RESOLUTION 2021-50

Original Contract Amount \$ 24,990

Amendment # 7

Amount \$ 400,103.66

Approved Amendments:

Resolution No.	Description	Amount
2017-58	Original Contract	\$ 24,990.00
2018-06	Contract Amendment #1 for IBTC Env Svcs	\$ 702,075.94
2019-07	Contract Amend #2 for NEPA/ReScope 365 Toll	\$ 8,660.00
2019-39	Contract Amendment 3	\$ 24,600.00
2020-08	Contract Amendment 4 Noise Report	\$ 20,129.50
Subtotal from Cont. Page		\$ 197,566.15
Contract Amount		\$ 978,021.59

Proposed Amendment

2021-50	Contract Amend #7 Environmental Services	\$ 400,103.66

Goal and Options:

Approval of Contract Amendment 7 to the Professional Service Agreement with Blanton & Associates, Inc. to increase the maximum payable amount for Work Authorization Number 8.

Staff is recommending approval of this request in the amount of \$ 400,103.66 for a Revised Maximum Payable Amount of \$ 1,378,125.25

E. Davila, Develop Eng

Requested by:

Approved Amendments Cont...**Resolution No.**

2021-50

Resolution No.		Description	Amount
2020-11		Contract Amendment 5	\$ 131,398.00
2020-30		Contract Amendment 6	\$ 66,168.15

Subtotal \$ 197,566.15

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-50

APPROVAL OF CONTRACT AMENDMENT 7 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BLANTON & ASSOCIATES, INC. TO INCREASE THE MAXIMUM PAYABLE AMOUNT DUE WORK AUTHORIZATION NUMBER 8

THIS RESOLUTION is adopted this 20th day of December 2021 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");

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County, including the International Bridge Trade Connector project (the "IBTC");

WHEREAS, the Authority initially approved the retention of Blanton & Associates, Inc. through Resolution 2010-79 to provide professional services, including oversight of the IBTC local environmental assessment process and review of the recommendation as prepared by Atkins (formerly PBS&J) (the "Initial Agreement");

WHEREAS, under the scope of services provided to the Authority through the Initial Agreement, Blanton & Associates, Inc. demonstrated a unique and thorough understanding of the Authority's projects and related environmental issues;

WHEREAS, based on Blanton & Associates demonstrated knowledge and unique qualifications, and to ensure that the Authority did not experience any gap in critical environmental services, the Authority approved Resolutions 2017-71 and 2017-72 retaining Blanton & Associates to provide additional professional environmental services, including support for the federal environmental classification for the IBTC project, to the Authority immediately following the termination of the program manager agreement;

WHEREAS, the Board now (i) found it necessary and desirable to finalize the federal environmental classification of the IBTC project; (ii) finds that Blanton & Associates has demonstrated its qualifications in environmental work; (iii) finds that Blanton & Associates has a unique understanding of and history with the project, creating efficiencies and expertise that would be difficult to replace; and (iv) desires to expand Blanton & Associates, Inc. professional environmental services as described in Work Authorization #2, to finalize the federal environmental classification for the IBTC project;

WHEREAS, the Authority approved Resolution 2018-05 – Approval of Work Authorization 2 to the Professional Services Agreement with Blanton & Associates, Inc. to provide environmental clearance support for the IBTC Project in amount not to exceed \$702,075.94; and

WHEREAS, the Authority approved Resolution 2018-06 – Approval of Contract Amendment 1 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount to \$727,065.94 due to additional scope outlined in Work Authorization No. 2 in the amount of \$702,075.94.; and

WHEREAS, the Authority approved Resolution 2019-06 – Approval of Work Authorization 3 to the Professional Services Agreement with Blanton & Associates, Inc. for NEPA re-evaluation checklist support for the 365 Toll/ I-Road Interchange redesign in the amount of \$8,660.00; and

WHEREAS, the Authority approved Resolution 2019-07 Contract Amendment Number 2 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$8,660.00 due new scope in Work Authorization Number 3 to a not-to-exceed amount of \$735,725.94; and

WHEREAS, the Authority approved Resolution 2019-38 Work Authorization Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. for additional biological evaluation support for the International Bridge Trade Corridor Project environmental clearance in the amount of \$24,600.00; and

WHEREAS, the Authority approved Resolution 2019-39 Contract Amendment Number 3 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$24,600.00 for Work Authorization Number 4; and

WHEREAS, the Authority approved Resolution 2020-07 Work Authorization Number 5 to the Professional Services Agreement with Blanton & Associates, Inc. to provide updated Noise Report for the IBTC Project Environmental Clearance; and

WHEREAS, the Authority approved Resolution 2020-08 Contract Amendment Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$20,129.50 for Work Authorization Number 5; and

WHEREAS, the Authority approved Resolution 2020-10 Work Authorization Number 6 to the Professional Services Agreement with Blanton & Associates, Inc. to provide Archaeological Mitigation Plans for the IBTC Project Environmental Clearance; and

WHEREAS, the Authority approved Resolution 2020-11 Contract Amendment Number 5 to the Professional Services Agreement with Blanton & Associates, Inc. to increase maximum payable by \$131,398.00 for Work Authorization Number 6; and

WHEREAS, the Authority approved Resolution 2020-15 Supplemental No. 1 to Work Authorization Number 3 to the Professional Services Agreement with Blanton & Associates, Inc. for a no-cost time extension for Environmental Services for the 365 Tollway Project; and

WHEREAS, the Authority approved Resolution 2020-16 Supplemental No. 1 to Work Authorization Number 4 to the Professional Services Agreement with Blanton & Associates, Inc. for a no cost time extension for Environmental Services for the IBTC Project.

WHEREAS, on October 27, 2020, the Authority approved Resolution 2020-29 Work Authorization Number 7 to the Professional Service Agreement with Blanton & Associates, Inc. to provide Wetland Mitigation Support for the 365 Tollway Construction Permitting in the amount of \$66,168.15; and

WHEREAS, on October 27, 2020, the Authority approved Resolution 2020-30 Contract Amendment No. 6 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$66,168.15 for due Work Authorization No. 7; and

WHEREAS, on December 20, 2021, the Authority approved Resolution 2021-49 Work Authorization Number 8 to the Professional Service Agreement with Blanton & Associates, Inc. for environmental services for development of site soils and planting strategies (including monitoring) for the 365 Tollway Wetland Mitigation site in the amount of \$400,103.66; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-50 Contract Amendment No. 7 to the Professional Services Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$400,103.66 for due Work Authorization No. 8.

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 Contract Amendment No. 7 to the Professional Service Agreement with Blanton & Associates, Inc. to increase the maximum payable amount by \$400,103.66 for Work Authorization Number 8 hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute Contract Amendment 7 to the Professional Services Agreement for the 365 Tollway Project hereby approved.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

Exhibit A

Contract Amendment No. 7

to the Professional Services Agreement with

Blanton & Associates, Inc. to Increase Maximum Payable Amount for

Work Authorization No. 8 for the

365 Tollway Project

SUPPLEMENTAL AGREEMENT NO. 7

**TO PROFESSIONAL SERVICES
AGREEMENT FOR ENVIRONMENTAL SERVICES**

THIS SUPPLEMENTAL AGREEMENT NO 7 TO MAIN CONTRACT is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for Engineering Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and Blanton & Associates, Inc. (the Consultant).

The following terms and conditions of the Agreement are hereby amended as follows:

Article II Agreement Period

This Agreement becomes effective when fully executed by all parties hereto and it shall terminate at the close of business on December 31, 2026.

Article III Compensation

Article III Compensation shall be amended to increase the maximum amount payable under this contract from \$978,021.59 to \$1,378,125.25 for a total increase of \$400,103.66 due to additional scope and effort outlined in Work Authorization No. 8 for Environmental Support (planting design, planting, monitoring, and reporting) of the Wetland Mitigation Site Development for the 365 Tollway Project.

This Supplemental Agreement No. 7 to the Main Contract shall become effective on the date of final execution of the parties hereto. All other terms and conditions of the Agreement not hereby amended are to remain in full force and effect.

AUTHORITY

By: _____

Name: Pilar Rodriguez

Title: Executive Director

Hidalgo County Regional Mobility Authority

Date: _____

CONSULTANT

By: _____

Name: Don Blanton

Title: President

Blanton & Associates, Inc.

Date: _____

Item 3E

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM 3E
DATE SUBMITTED 12/07/2021
MEETING DATE 12/20/2021

1. Agenda Item: **RESOLUTION 2021-51 – APPROVAL OF WORK AUTHORIZATION 5 TO THE PROFESSIONAL SERVICE AGREEMENT WITH HDR ENGINEERING FOR ENGINEERING SUPPORT FOR THE DESIGN AND CONSTRUCTION OF THE 365 TOLLWAY WETLAND MITIGATION SITE.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No

Consideration and Approval of WA 5 to PSA with HDR Engineering, Inc. to provide support for design and construction for the 365 Tollway Project.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A
5. Staff Recommendation: **Motion to Approve Resolution 2021-51 – Approval of Work Authorization 5 to the Professional Service Agreement with HDR Engineering for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site, 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: 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



- ☐ CMT Services
- ☐ Environmental
- ☒ Engineering **HDR Engineering, Inc.**
- ☐ Geo-Technical
- ☐ Surveying

WORK AUTHORIZATION SUMMARY

RESOLUTION 2021-51

Work Authorization # 5 Supplemental # _____

Amount \$ 310,039.40

Approved Work Authorizations:

Resolution No.	Description	Amount
2020-32	WA No. 1-Amended & Restated	\$ 301,579.58
2020-33	WA No. 2-Construction Contract Letting Support	\$ 125,723.03
2020-35	SA 1 to WA No. 2-Construction Contract Letting	\$ 93,284.63
2020-36	WA No. 3-365 Toll Integration Contract Letting	\$ 299,785.36
2021-21	WA 4 IBTC Final Schematic Environmental	\$ 197,746.02
Subtotal from Cont. Page		\$ 0.00
Total Approved WA		\$ 1,018,118.62

Proposed Work Authorization and/or Supplemental

2021-51	WA 5 Support Wetland Mitigation Site	\$ 310,039.40

Goal and Options:

Approval of Work Authorization 5 with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site.

Staff is recommending approval of this request in the amount of \$ 310,039.40
Proposed total approved WA and/or Supplementals \$ 1,328,158.02

E. Davila, Develop Eng
Requested By:

Resolution No.	Description	Amount
WA No.		
WA No		
WA No.		
WA No.		
WA No.		
WA No.		
WA No.		
WA No.		
WA No.		

Subtotal \$ 0.00

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-51

APPROVAL OF WORK AUTHORIZATION 5 TO THE
PROFESSIONAL SERVICE AGREEMENT WITH HDR
ENGINEERING FOR ENGINEERING SUPPORT FOR THE DESIGN
AND CONSTRUCTION OF THE 365 TOLLWAY WETLAND
MITIGATION SITE

THIS RESOLUTION is adopted this 20th day of December 2021, 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”);

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County;

WHEREAS, on February 22, 2012 the Authority approved Resolution 2012-04, which created the Technical Committee, comprised of senior level engineers and professional from various communities and agencies in the jurisdiction of the Authority, to serve to advise the Board on procurement and consultant work products; and

WHEREAS, Resolution 2012-04 also authorized the Executive Committee to determine the size, structure and scope of the Technical Committee, identify candidates and issue requests for participation; and

WHEREAS, February 27, 2018, the Authority approved Resolution 2018-07 which for the procurement of Professional Engineering Services for a General Engineering Consultant for the Hidalgo County Loop System including, but not limited to Advance Project Development and Construction Management Support; and

WHEREAS, the Technical Committee has rated and ranked the Statements of Qualifications for the General Engineering Consultant Services and recommends interviews be dispensed with and that staff be authorized to negotiate with HDR Engineering, Inc.;

WHEREAS, on February 26, 2019 the Authority approved Resolution 2019-01 Approval of a Professional Service Agreement with HDR Engineering, Inc. to provide General Consultant Services for the Hidalgo County Loop System of the Hidalgo County Regional Mobility Authority in the amount of \$488,657.91; and

WHEREAS, on March 5, 2019 the Authority approved approve Resolution 2019-02 Approval of a Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. Project Management for the 365 Tollway Project in the amount of \$171,350.84; however, no notice to proceed was issued; and

WHEREAS, on November 17, 2020 in order to reflect a change in the planned series of tasks relating to a changed project letting schedule, the Board found it to be in the best interest of the Authority to approve Resolution 2020-32 Approval of Amended and Restated Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consulting Services for the 365 Tollway Program Management Support in the amount of \$301,579.58; and

WHEREAS, on November 17, 2020 the Authority approved Resolution 2020-33 Approval of a Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$125,723.03; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-35 Approval of Supplemental Agreement 1 to Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$93,284.63; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-36 Approval of a Work Authorization 3 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Integration Contract Letting Support in the amount of \$299,785.36; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-37 Approval of Contract Amendment 1 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$488,657.91 to \$820,372.60 for a total increase of \$331,714.69 due to additional scope and effort outlined in Supplemental Agreement 1 to Work Authorization No. 2 and Work Authorization No. 3; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-21 Approval of a Work Authorization 4 to the Professional Service Agreement with HDR Engineering, Inc. for IBTC final schematic Support for the Environmental Clearance in the amount of \$197,746.02; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-22 Approval of Contract Amendment 2 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$820,372.60 to \$1,018,118.62 for a total increase of \$197,746.02 for Work Authorization No. 4; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-51 Approval of a Work Authorization 5 to the Professional Service Agreement with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site in the amount of \$310,039.40.

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 Work Authorization 5 to the Professional Services Agreement with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site in the amount of \$310,039.40, hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute Work Authorization 5 to the Professional Services Agreement for Program Management Support.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A

WORK AUTHORIZATION 5
TO THE PROFESSIONAL SERVICE AGREEMENT
FOR
GENERAL ENGINEERING CONSULTANT SERVICES
BETWEEN
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
AND
HDR ENGINEERING, INC.

ATTACHMENT D-1

WORK AUTHORIZATION NO. 5 AGREEMENT FOR GENERAL ENGINEERING CONSULTING SERVICES

THIS WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for General Engineering Consulting Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and HDR Engineering Inc. (the GEC).

PART I. The GEC will perform engineering design services generally described as in accordance with the project description attached hereto and made a part of this Work Authorization. The responsibilities of the Authority and the GEC as well as the work schedule are further detailed in exhibits A, B and C which are attached hereto and made a part of the Work Authorization.

PART II. The maximum amount payable under this Work Authorization is \$310,039.40 and the method of payment is Lump Sum as set forth in Attachment E of the Agreement. This amount is based upon fees set forth in Attachment E, Fee Schedule, of the Agreement and the Engineer’s estimated Work Authorization costs included in Exhibit D, Fee Schedule, which is attached and made a part of this Work Authorization.

PART III. Payment to the GEC for the services established under this Work Authorization shall be made in accordance with Articles III thru V of the Agreement, and Attachment A, Section 1.

PART IV. This Work Authorization shall become effective on the date of final acceptance of the parties hereto and shall terminate on December 31, 2022, unless extended by a supplemental Work Authorization as provided in Attachment A, Section 1.

PART V. This Work Authorization does not waive the parties' responsibilities and obligations provided under “Article V of that certain Professional Services Agreement for General Engineering Consulting Services.

IN WITNESS WHEREOF, this Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE GEC

(Signature)
David C. Weston

(Printed Name)
Gulf Coast Area Manager

(Title)

(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez, P.E.

(Printed Name)
Executive Director

(Title)

(Date)

LIST OF EXHIBITS

Exhibit A	Services to be provided by the Authority
Exhibit B	Services to be provided by the GEC
Exhibit C	Work Schedule
Exhibit D	Fee Schedule/Budget
Exhibit H-2	Subprovider Monitoring System Commitment Agreement

EXHIBIT A
SERVICES TO BE PROVIDED BY THE AUTHORITY

The **AUTHORITY** will provide the following general items.

1. Authorization to begin work.
2. Timely payment for work performed by the **Engineer** and accepted by the **AUTHORITY** on a monthly basis.
3. Assistance to the **Engineer**, as necessary, to obtain the required data and information from other local, regional, State and Federal agencies that the **Engineer** cannot easily obtain.
4. Provide any available relevant data the **AUTHORITY** may have on file concerning the project.
5. Review and approve the **Engineer's** progress schedule with milestone activities and/or deliverables identified.

EXHIBIT B

SERVICES TO BE PROVIDED BY THE ENGINEER

General Project Information – The purpose of the Granjeño Mitigation Site project is to fulfill the requirements in the executed permit SWG-2013-00175 (Permit) signed on September 22, 2016 between the HCRMA and United States Army Corps of Engineers (USACE) for the 365 Toll project. In general, the HCRMA has to meet the commitment of restoring 23.88 acres of land, including 17 acres planned specifically for wetland restoration. HCRMA will dedicate 12 of the 17 acres to compensate for impacts resulting from the 365 Toll project (also referred to as the SH 365 roadway project in the mitigation plan). The remaining 5 acres of restored wetland area at the mitigation site will be held in reserve for application toward future projects within the watershed. Per the conditions 2 and 3 of the permit, construction of the mitigation site must begin within 30 days of initiating work within jurisdictional areas of the 365 Toll project., and it must be completed within 6 months of initiating work impacting jurisdictional areas.

HCRMA's permit SWG-2013-00175 and the attached mitigation plan outline the restoration of approximately 24 acres (17 of which is wetland restoration) of the property to provide adequate functional capacity unit (FCU) mitigation for the 365 Toll project plus additional FCUs for future projects such as the International Bridge Trade Corridor (IBTC) project. A separate USACE regulatory permit would be required to permit impacts of the IBTC project and show that required FCUs from impacts could utilize the additional restored wetlands from HCRMA's Permit and mitigation plan. If additional FCUs are required for the IBTC project beyond what is included in HCRMA's permit, a separate mitigation plan would be required whether they are on this property or a separate location. The conservation easement required by condition 4 of the permit and monitoring reporting required by condition 5 through 9 of the Permit apply to the entire proposed 24 acres and should be referenced and utilized by the IBTC project or others if approved for their mitigation use by USACE. HCRMA will obtain and provide the conservation easement to USACE.

Phase 1 – Mitigation requirements today as specified in the Permit to be constructed on the Granjeño mitigation site.

Phase 2 – Future additional mitigation from IBTC jurisdictional impacts – To be determined upon approval of the environmental document and determination of final USACE permitting requirements for that project.

1. Task 1 – Geotechnical Services

1.1. Review of Geotechnical Report submitted by firm contracted directly by the HCRMA

GEC will review the Geotechnical Report developed for the Granjeño Site to verify that it meets requirements of industry standards and provides the necessary information for Granjeño emergent wetland design.

1.2. Design Support

The GEC geotechnical resources will provide guidance to the design team during the Granjeño site design development. They will make themselves available for client questions and meetings.

1.3. Quality Control Review

The GEC geotechnical resources will participate in quality control reviews for design milestone deliverables as noted in Section 4.0 of this scope of services.

2. Task 2 – Environmental Services

The GEC understands that Blanton & Associates (B&A) will be providing regulatory permitting support during design and construction of the Granjeño site including the monitoring period after construction is completed as outlined in conditions 5 through 9 of the Permit.

2.1. Review of Executed Permitting Documents

GEC environmental will review the available executed permitting documents that the HCRMA has in place with government regulatory agencies for the Granjeño site.

2.2. Design Support

The GEC environmental will assist the design team in adhering to permitting requirements during the Granjeño site design development. They will make themselves available for client and B&A questions and meetings.

2.3. Special Conditions Coordination

The GEC environmental will coordinate with B&A regarding USACE Permit Special Conditions 3 and 4.

2.4. Quality Control Review

The GEC environmental will participate in quality control reviews for design milestone deliverables as noted in Section 4.0 of this scope of services.

3. Task 3 - Groundwater Well

A water supply source is required to provide water at a quality and volume necessary to establish and maintain an emergent wetland as stipulated in the USACE permit mitigation documents.

3.1. Due Diligence

The GEC water resources will perform due diligence research on the specifications needed and coordination required to establish a groundwater well. There is no groundwater conservation district for the project area, however Hidalgo County is included in Groundwater Management Area 16. The following is a list of agencies that may require coordination; however it does not constitute a complete list of entities:

- Texas Water Development Board
- International Boundary & Water Commission
- Texas Commission on Environmental Quality
- Groundwater Management Area 16

3.2. Demand Analysis

The GEC water resources will coordinate with geotechnical and environmental resources to determine the volume and quality of groundwater necessary to establish and maintain the emergent wetland based on wetland design, seasonal operation, climate factors, and site-specific hydrogeology (seepage).

A spreadsheet model simulating water needs versus typical weather patterns will be developed and analyzed. Considerations will be given to rainfall, evapotranspiration, and demand over an annual cycle or actual period of years with recorded data (seasonal and annual variations in rainfall and temperature).

3.3. Hydrogeology and Water Quality Investigation

The GEC water resources will perform a hydrogeologic investigation based on existing and available data to determine target source aquifer(s) and potential well depth based on demand analysis findings.

The GEC water resources will perform a water quality investigation based on existing and available water quality data from nearby wells within the target source aquifer(s) to determine if there are water quality concerns with regards to irrigating the emergent wetland.

3.4. Preliminary Well and Pump Design

The GEC water resources will provide a preliminary well and pump design based on results from the demand analysis, hydrogeologic investigation, and water quality investigation. The preliminary design will provide the quantity and quality of water necessary to sustain the emergent wetland including the associated plant species. If water quality concerns are

identified based on water quality needs identified by environmental resources for emerging wetlands, treatment processes will be identified at a preliminary-level (no costs).

3.5. Construction Delivery Options

Consider and advise the HCRMA on the options for constructing the groundwater well, such as:

- Performance Specification – Utilize a performance specification to provide the parameters of the Granjeño Mitigation site project needs to a groundwater driller who will be responsible for the final selection of well depth, pump size, and associated materials including but not limited to the drilling of said well.
- Procure the groundwater well construction separate from the Granjeño civil site plans.
- Include the groundwater well construction in the Granjeño civil site plans.
- Provide advice on timeline for obtaining requisite permit approvals for beginning drilling operations and completing well construction.

4. Task 4 – Emergent Wetland Mitigation Site PS&E

4.1. Preliminary Engineering Report

The GEC will coordinate with HCRMA, B&A, geotechnical, environmental, and water resources to compile a Preliminary Engineering Report that provides the following information:

- Conceptual Site Grading for Phase 1 and 2
- Pond estimated footprint with preliminary elevations (Phase 1)
- Utility Coordination, including the following:
 - Confirm POCs, collect records, send out formal Notification Letters communicating project timelines
 - Create and maintain Utility Communication Log
 - Preparation of Existing Utility Layout (includes proposed features, aerial background with utilities assigned distinct linestyle, does not include ASCE QL-B or ASCE QL-A)
 - Coordinate and Conduct utility coordination meetings (incl. coordination of mtg, agenda, mtg mins – Assume 1)
- Planting layout (Phase 1)
- Tentative groundwater well location
- Opinion of Probable Construction Costs (OPCC)
- Construction delivery options

4.2. Plans, Specifications, and Estimate (Phase 1 only)

The GEC will develop a PS&E package for a civil site plan (Plan) for Granjeño Mitigation Site project consisting of the following:

- OPCC – Updated at milestone deliverable stages.

- Construction Schedule – Updated at milestone deliverable stages.
- Specifications – GEC will select the appropriate source specifications required for the Plan. Potential sources include EJCDC or SpecsIntact.
- Plan set to include:
 - general sheets
 - hydrology and hydraulic calculations and design
 - site grading including 3-D surface
 - location of underground proposed infrastructure (well location, water pipes, connections, and valves)
 - planting layout and schedule (watering, food)
 - SW3P measures
 - miscellaneous details and standards
- GEC QC and Interdisciplinary Review coordination
 - GEC will identify civil senior technical resources to QC the milestone deliverables.
 - Milestone deliverables will also include concurrent interdisciplinary review. The interdisciplinary team is identified as: GEC geotechnical, GEC environmental, and B&A.
 - After QC review and interdisciplinary review comments have been addressed, milestone deliverables will be submitted to HCRMA for their review up to the 100% Plan. Once the HCRMA and GEC agree to resolution of 100% comments, a signed and sealed final version will be submitted to the HCRMA for letting phase.
- Milestone Deliverables are identified as 60%, 90%, 100%, Signed and Sealed – Issued for Construction (IFC).

5. Task 5 – Letting Phase

GEC will assist the HCRMA with the following:

- Assembling bid package
- Pre-bid meeting
- Request for Information (RFI) from prospective bidders
- Compilation of Addenda
- Review of responsive and responsible bidders and provide award recommendation.
- Review contractor baseline schedule

6. Task 6 – Construction Phase

GEC will support the HCRMA during the construction phase of the Granjeño Mitigation Site project with the following:

- Participate in pre-construction meeting
- Assist with RFIs and contractor submittals
- Plan sheet revisions prompted by RFIs or change orders
- Collaborate with B&A for field visits and construction progress monitoring
- Review of contractor's milestone surveys for pay applications. This involves comparison between contractor provided 3-D surface data and GEC design surface. It requires the contractor to submit their survey in an acceptable format to facilitate the comparison.
- Periodic surveyed spot checks. Assume once a month for 5 months.
- Final as-built survey to be used in-lieu of as-built plans. As-built survey will also be incorporated as part of HCRMA's punch list for items that need to be corrected.
- Participation in substantial completion walk-through (punch list development)

Assumptions and Exclusions

- B&A is responsible for managing the Permit requirements and coordination with the USACE. This includes time extensions for the associated 365 Toll Permit documents.
- B&A is responsible for assisting the HCRMA in complying with USACE Permit Special Conditions 3 and 4 including monitoring and maintenance after completion of the mitigation site construction.
- Despite HDR's efforts to develop a mitigation site design that meets the requirements of the Permit in collaboration with B&A, we have no control over the successful establishment of the vegetation and plant species due to unpredictable extreme weather conditions. Therefore, we cannot be held liable for unsuccessful plant establishment.

EXHIBIT C WORK SCHEDULE

Schedule start with NTP projected to start 11/24/2021 with contract letting February 2022, construction starting March 2022 with completion of construction 6 months of commencing site construction.

Prime Provider: HDR Engineering, Inc.
Subconsultant: Melden and Hunt
Work Authorization: 05

	Granjeno Site Mitigation		Total by Firm	% by Firm
	Labor	ODE		
HDR	\$290,850.50	\$3,917.70	\$294,768.20	95%
Melden and Hunt	\$15,271.20	\$0.00	\$15,271.20	5%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
Sub Total by Task	\$306,121.70	\$3,917.70	Total WA	100%
Total by Task	\$310,039.40		\$310,039.40	

Labor Categories	Project Manager	Deputy Project Manager	Sr Technical Advisor	Quality Manager	Senior Engineer	Project Engineer	Design Engineer	Senior Geotech Engineer	Geotech Engineer	Transportation Planner IV	Senior Environmental Scientist	Environmental Scientist III	GIS Operator	Senior Utility Coord	Utility Coord	Senior Engineer Tech	Estimating Sch Support 2	Scheduler	Sr Project Controller	Project Controller	Accounting	Admin III	Total Task Hours	Line Item Fee
Negotiated Rate	\$220.62	\$254.57	\$296.99	\$240.42	\$198.00	\$169.71	\$141.43	\$212.14	\$141.43	\$198.00	\$175.37	\$113.14	\$101.83	\$155.57	\$115.97	\$107.48	\$179.61	\$161.23	\$212.14	\$148.50	\$115.69	\$84.86		
DESCRIPTION OF TASKS/DETAILS																								
1 Task 1 Geotechnical Services																							0	\$0.00
Review of Geotech Report			1					2	4														7	\$1,286.99
Design Support			2					4	8														14	\$2,573.98
QC / Interdisciplinary Review	1		2					4	6														13	\$2,511.74
Subtotal																							0	\$0.00
2 Task 2 Environmental Services																							0	\$0.00
Review of executed permit documents			2	2							4	6											14	\$2,455.14
Design Support			1	2							4	6											13	\$2,158.15
Special Conditions Coordination			2	2							4	4											12	\$2,228.86
QC / Interdisciplinary Review		1	2	1							2	2											8	\$1,665.99
Subtotal																							0	\$0.00
3 Task 3 Groundwater Well																							0	\$0.00
Due Diligence/Coordination meetings	3	2	8			12																	25	\$5,583.44
Demand Analysis			4			8																	12	\$2,545.64
Hydrogeology and Water Quality Investigation			4			16																	20	\$3,903.32
Preliminary Well and Pump Design	1		4			16										8							29	\$4,983.78
Construction Delivery Options		2	4	4		32																	42	\$8,089.50
Subtotal																							0	\$0.00
4 Task 4 Emergent Wetland Mitigation Site PS&E																							0	\$0.00
4.1 Preliminary Engineering Report																							0	\$0.00
Setup	2	1																16	4	2	12	8	45	\$6,488.21
Coordination Meetings	3	3		1							1	2											10	\$2,067.64
Conceptual Site Grading	2		2		4		24									12							44	\$6,511.30
Pond design (H&H analysis)	2	4	2		8		16						10		24								66	\$9,498.20
Planting Layout				1	4		8				2	3	8			16							42	\$5,388.34
Utility Coordination		1	1			4	2						4	24									36	\$5,654.26
Letters communicating project timeline, timeline needs of utility relocations		1	2			2								10									15	\$2,743.67
Create and Maintain Utility Communication Log tracking correspondence with utility companies						2								10									12	\$1,895.12
Preparation of Existing Utility Layout (includes all proposed features, aerial background with all utilities assigned distinct			2			2	2						4	10									20	\$3,179.28
Coordinate and Conduct utility coordination meetings (incl. coordination of mtg, agenda, mtg mins – Assume 1)		1	1			2								10									14	\$2,446.68
Tentative groundwater well location							2						2			16							20	\$2,206.20
Report Writing	2	2	4	1		24					2												35	\$6,802.54
OPCC						4	8						6			12							30	\$3,711.02
Construction Delivery Options		2	4		8																		14	\$3,281.10
Subtotal																							0	\$0.00
4.2 PS&E																							0	\$0.00
OPCC (60%,90%, 100%)		6	2		6	10	12									16							52	\$8,423.34
Construction Schedule	2		2														50						54	\$10,015.72
Specifications		4	2	1	16	12					1	2				8					40		86	\$11,713.09
Coordination Meetings	12	8	4	1							2	1											28	\$6,576.26
60 % PS&E	4	2	6		14	22	36			12			24			52							172	\$25,179.54
60% QC and Interdisciplinary Review and address comments				6			16				1		16			16			2				59	\$7,823.73
90 % PS&E	8	2	4		14	18	28			10			18			42							144	\$21,575.98
90% QC and Interdisciplinary Review and address comments				4			12				1		12			12			2				45	\$5,939.93
100 % PS&E	8	2	2		12	16	22			8			12			34							116	\$17,531.28
100% QC and Interdisciplinary Review and address comments				2			8				1		8			8			2				31	\$4,056.13
Signed and Sealed PS&E Deliverable	2	2																	1			1	6	\$1,247.38
Subtotal																			1				0	\$0.00
5 Task 5 Letting Phase																							0	\$0.00
Assist with assembling of bid package	4																						4	\$882.48
Participate in pre bid meeting	2	2									1	1											6	\$1,238.89
Assist with RFIs	8	8			16		4				1	1				4							42	\$8,253.67
Assist with addenda compilation						16	16									16			1				49	\$6,910.06
Assist with review of responsive and reponsible bidders	2	2	1		2																		7	\$1,643.37
Award recommendation	1	1																					2	\$475.19
Review contractor baseline schedule			2														6		1				9	\$1,883.78
Subtotal																							0	\$0.00
6 Task 6 Construction Phase																							0	\$0.00
Participate in pre construction meeting	2	2		1							1												6	\$1,366.17
Assist with RFIs and submittals	3	3		1		24	6				1					24			2		8		72	\$10,445.66
Plan sheet revisions (not E&O related)					8	16	24						16			24							88	\$11,902.48
B&A coordination / field visits	16										8	8				24							56	\$8,417.52
Review contractor surveys, provide results for pay apps							16									8			4				28	\$3,971.28
Survey spot checks (Assume once a month for 5 months)	4	4														8							16	\$2,760.60
Final as built survey	2	2				4										8							16	\$2,489.06
Substantial completion walk through, punch list coordination	8			2							8	8				12			2				40	\$6,267.92
Subtotal																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
Labor Hours Total	104	70	79	32	112	262	262	10	18	30	45	44	140	64	0	404	56	16	21	2	12	63	1846	hours check
Labor Cost Total	\$22,944.48	\$17,819.90	\$23,462.21	\$7,693.44	\$22,176.00	\$44,464.02	\$37,054.66	\$2,121.40	\$2,545.74	\$5,940.00	\$7,891.65	\$4,978.16	\$14,256.20	\$9,956.48	\$0.00	\$43,421.92	\$10,058.16	\$2,579.68	\$4,454.94	\$297.00	\$1,388.28	\$5,346.18	\$290,850.50	cost check
% Staff Distribution	6%	4%	4%	2%	6%	14%	14%	1%	1%	2%	2%	2%	8%	3%	0%	22%	3%	1%	1%	0%	1%	3%	100%	

Prime Provider: HDR Engineering, Inc.
Subconsultant: Melden and Hunt
Work Authorization: 05

[illegible]

Prime Provider: HDR Engineering, Inc.
Subconsultant:
Work Authorization: 05

Legend: Current State Rate = CSR, Actual Cost = AC, Fixed = F, Max = M

OTHER DIRECT EXPENSE	UNIT	MAX RATE BASIS	FIXED / MAX	ODE RATE	TOTAL FOR WA04	Sub-Total per ODE
Lodging/Hotel Taxes and Fees	day/person	n/a	M	\$32.00	10	\$320.00
Lodging/Hotel (Taxes/fees not included)	day/person	CSR	M	\$94.00	10	\$940.00
Meals (Excluding alcohol & tips) (Overnight stay required)	Day/person	CSR	M	\$55.00	18	\$990.00
Mileage	mile	CSR	F	\$0.545	3060	\$1,667.70
Rental Car Fuel	gallon	n/a	M	\$3.75		\$0.00
Rental Car (Includes taxes and fees; Insurance costs will not be reimbursed)	day	n/a	M	\$75.00		\$0.00
Air Travel In State Short Notice (Coach)	Rd Trip/person	n/a	M	\$580.00		\$0.00
Air Travel In State 2+ Wks Notice (Coach)	Rd Trip/person	n/a	M	\$450.00		\$0.00
Air Travel Out of State 2+ Wks Notice (Coach)	Rd Trip/person	n/a	M	\$600.00		\$0.00
Air Travel Out of State Short Notice (Coach)	Rd Trip/person	n/a	M	\$900.00		\$0.00
Oversize, special handling or extra baggage airline fees	each	n/a	M	\$45.00		\$0.00
Taxi/Cab fare	each/person	n/a	M	\$30.00		\$0.00
Parking	day	n/a	M	\$20.00		\$0.00
Toll Charges	each	n/a	M	\$10.00		\$0.00
Standard Postage	letter	CSR	F	\$0.47		\$0.00
Certified Letter Return Receipt	each	CSR	F	\$6.20		\$0.00
Overnight Mail letter size	each	CSR	M	\$22.00		\$0.00
Overnight Mail oversized box	each	CSR	M	\$85.00		\$0.00
Courier Services	each	n/a	M	\$28.00		\$0.00
Photocopies B/W (11" X 17")	each	n/a	F	\$0.25		\$0.00
Photocopies B/W (8 1/2" X 11")	Each	n/a	F	\$0.12		\$0.00
Photocopies Color (11" X 17")	each	n/a	F	\$1.50		\$0.00
Photocopies Color (8 1/2" X 11")	each	n/a	M	\$0.85		\$0.00
Digital Ortho Plotting	sheet	n/a	M	\$1.25		\$0.00
Plots (B/W on Bond)	per sq. ft.	n/a	M	\$0.50		\$0.00
Plots (Color on Bond)	per sq. ft.	n/a	F	\$1.00		\$0.00
Plots (Color on Photographic Paper)	per sq. ft.	n/a	F	\$4.00		\$0.00
Color Graphics on Foam Board	square foot	n/a	F	\$5.00		\$0.00
Presentation Boards 30" X 40" Color Mounted	each	n/a	M	\$125.00		\$0.00
Report Printing	each	n/a	M	\$65.00		\$0.00
Report Binding and tabbing	each	n/a	M	\$8.00		\$0.00
Notebooks	each	n/a	M	\$9.00		\$0.00
Reproduction of CD/DVD	each	n/a	M	\$5.00		\$0.00
CDs	each	n/a	F	\$1.75		\$0.00
4" X 6" Digital Color Print	picture	n/a	F	\$0.25		\$0.00
Tx Parks & Wildlife Data Request Fees	each	n/a	M	\$50.00		\$0.00
Hazardous Materials Database Search	per search	n/a	M	\$350.00		\$0.00
Noise Meter Rental	per project	n/a	M	\$150.00		\$0.00
Environmental Database Search	per project	n/a	M	\$1,100.00		\$0.00
Environmental Field Supplies (lathes, stakes, flagging, spray paint, etc.)	day	n/a	M	\$65.00		\$0.00
Curator (Drawer & TX Archaeological Research Lab for artifacts & report)	per project	n/a	F	\$1,350.00		\$0.00
Newspaper Advertisement	per publication	n/a	M	\$1,650.00		\$0.00
Court Reporter	page	n/a	M	\$10.00		\$0.00
Court Reporter (Public Meetings, Hearings & Transcription)	day	n/a	M	\$500.00		\$0.00

Translator (English to Spanish, other language as appropriate, or Sign Language) for Public Involvement	event	n/a	F	\$500.00		\$0.00
Translator (English to Spanish, other language as appropriate, or Sign Language)	hour	n/a	M	\$100.00		\$0.00
Custodian for Public Involvement	hour/custodian	n/a	M	\$35.00		\$0.00
Sound Technician for Public Involvement	event	n/a	M	\$1,000.00		\$0.00
Public Involvement Facility Rental (estimate)	4 hours	n/a	M	\$800.00		\$0.00
Public involvement Facility Rental (estimate)	8 hours	n/a	M	\$1,600.00		\$0.00
Public Involvement Facility Rental (estimate)	hour	n/a	M	\$200.00		\$0.00
Public Involvement Facility Rental	event	n/a	M	\$3,000.00		\$0.00
Audio Equipment Rental	each	n/a	M	\$750.00		\$0.00
Audio Visual Equipment Rental	event	n/a	M	\$1,250.00		\$0.00
Public Notices Mass Mailing (500 pieces)	per mailing	n/a	M	\$550.00		\$0.00
Public Notices Mass Mailing/with Self Addressed Return Envelope (500 pieces)	per mailing	n/a	M	\$750.00		\$0.00
Electronic Message Signs	day	n/a	M	\$240.00		\$0.00
Website URL Rental	year	n/a	F	\$425.00		\$0.00
FEMA FIS (Manual)	each	n/a	M	\$7.00		\$0.00
FEMA FIS Backup Data Request	each	n/a	M	\$400.00		\$0.00
FEMA Map Revision Submittal (CLOMR/LOMR) (Submittal Fee Only)	each	n/a	F	\$8,250.00		\$0.00
FEMA Model/Floodplain Hardcopy	each	n/a	F	\$275.00		\$0.00
Railroad Flagger (Service provided by RR)	hour	n/a	M	\$80.00		\$0.00
Railroad Insurance in addition to STD Minimum Required (Minimum coverage of \$1 Million required by RR.)	each	AC	M	\$3,500.00		\$0.00
Railroad Permit	each	n/a	M	\$1,000.00		\$0.00
Railroad Safety Training (If required Heavy Rail Safety Training Certificate, includes classroom training and employee certification card.)	Per Person	n/a	M	\$500.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Large Project (Includes labor, equipment and fuel)	day	n/a	M	\$3,000.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Medium Project (Includes labor, equipment and fuel)	day	n/a	M	\$2,350.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Small Project (Includes labor, equipment and fuel)	Day	n/a	M	\$1,500.00		\$0.00
Attenuator trucks (Lane/Shoulder Closure) (Includes labor, equipment and fuel)	day	n/a	M	\$650.00		\$0.00
Attenuator trucks (No Lane Closure) (Includes labor, equipment and fuel)	day	n/a	M	\$600.00		\$0.00
Flashing Arrow Board	day	n/a	F	\$500.00		\$0.00
Portable Message Board	day	n/a	M	\$300.00		\$0.00
Law Enforcement/Uniform Officer (including vehicle)	Hour	n/a	M	\$75.00		\$0.00
Required Permit Fees (non railroad)	each	n/a	M	\$300.00		\$0.00
Boat with Motor	day	n/a	M	\$275.00		\$0.00
Fathometer	day	n/a	M	\$90.00		\$0.00
Backhoe Rental	day	n/a	M	\$1,500.00		\$0.00
Map Records	sheet	n/a	M	\$6.00		\$0.00
Deed Copies	sheet	n/a	F	\$2.00		\$0.00
Certified Deed Copies	sheet	n/a	F	\$2.50		\$0.00
Aerial Photographs (1" = 500' scale)	each	n/a	M	\$90.00		\$0.00
Reprographics	per sq. ft.	n/a	M	\$4.00		\$0.00
Terrestrial Laser Scanner (rates applied to actual time scanner unit is in use)	Hour	n/a	M	\$110.00		\$0.00
Ground Target (includes paint, panel material, etc.)	Each	n/a	M	\$30.00		\$0.00
TARL Curation Fee	site	n/a	M	\$1,800.00		\$0.00
USB External Drive	each	n/a	M	\$40.00		\$0.00
Law Enforcement/Uniform Officer (without vehicle)	per hr	n/a	M	\$45.00		\$0.00
				Total ODE Cost	\$3,917.70	\$3,917.70

ATTACHMENT H-2

Subprovider Monitoring System Commitment Agreement

This commitment agreement is subject to the award and receipt of a signed contract from the Hidalgo County Regional Mobility Authority (Authority). ***NOTE: Attachment H-2 is required to be attached to each contract that does not include work authorizations. Attachment H-2 is required to be attached with each work authorization. Attachment H-2 is also required to be attached to each supplemental work authorization. If DBE/HUB Subproviders are used, the form must be completed and signed. If no DBE/HUB Subproviders are used, indicate with "N/A" on this line: N/A and attach with the work authorization or supplemental work authorization.***

Contract #: 07-E36-19-04 Assigned Goal: 12.2% Prime Provider HDR Engineering, Inc.

Work Authorization (WA)#: 5 WA Amount: \$310,039.40 Date: _____

Supplemental Work Authorization (SWA) #: _____ to WA #: _____ SWA Amount: _____

Revised WA Amount: _____

Description of Work <i>(List by category of work or task description. Attach additional pages, if necessary.)</i>	Dollar Amount <i>(For each category of work or task description shown.)</i>
WETLAND MITIGATION SITE DESIGN	\$310,039.40
	\$0
Total Commitment Amount (Including all additional pages.)	\$0
IMPORTANT: The signatures of the prime and the DBE/HUB and Second Tier Subprovider, if any (both DBE and Non-DBE) and the total commitment amount must always be on the same page.	
Provider Name: HDR Engineering, Inc. Address: 4828 Loop Central Drive, Ste. 800, Houston, TX 77081 VID Number: 14706805687 PH: 713-622-9264 & FAX: Email: <u>David.Weston@hdrinc.com</u>	Name: <u>David C. Weston</u> (Please Print) Title: <u>Gulf Coast Area Manager</u> Signature _____ Date _____
DBE/HUB Sub Provider: Subprovider Name: Melden & Hunt, Inc. VID Number: 17417379595 Address: 227 FM-3167, Rio Grande City, TX 78582 PH: 956-381-0981 Email: <u>Robert@meldenandhunt.com</u>	Name: _____ (Please Print) Title: _____ Signature _____ Date _____
Second Tier Sub Provider Subprovider Name: VID Number: Address: Phone #& Fax #: Email:	Name: _____ (Please Print) Title: _____ Signature _____ Date _____
VID Number is the Vendor Identification Number issued by the Comptroller. If a firm does not have a VID Number, please enter the owner's Social Security or their Federal Employee Identification Number (if incorporated).	

Item 3F

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM 3F
DATE SUBMITTED 12/07/2021
MEETING DATE 12/20/2021

1. Agenda Item: **RESOLUTION 2021 – 74 - CONSIDERATION AND APPROVAL OF WORK AUTHORIZATION 6 WITH HDR ENGINEERING, INC. FOR ENGINEERING SUPPORT FOR REVIEW OF THE 365 TOLLWAY VALUE ENGINEERING CHANGE PROPOSALS.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and Approval of WA 5 to PSA with HDR Engineering, Inc. to provide support for design and construction for the 365 Tollway Project.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A
5. Staff Recommendation: **Motion to Approve F. Resolution 2021 – 74 - Consideration and Approval of Work Authorization 6 with HDR Engineering, Inc. for engineering support for review of the 365 Tollway Value Engineering Change Proposals, 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: 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



- ☐ CMT Services
- ☐ Environmental
- ☒ Engineering **HDR Engineering, Inc.**
- ☐ Geo-Technical
- ☐ Surveying

WORK AUTHORIZATION SUMMARY

RESOLUTION 2021-74

Work Authorization # 6 Supplemental # _____

Amount \$ 79,429.57

Approved Work Authorizations:

Resolution No.	Description	Amount
2020-32	WA No. 1-Amended & Restated	\$ 301,579.58
2020-33	WA No. 2-Construction Contract Letting Support	\$ 125,723.03
2020-35	SA 1 to WA No. 2-Construction Contract Letting	\$ 93,284.63
2020-36	WA No. 3-365 Toll Integration Contract Letting	\$ 299,785.36
2021-21	WA 4 IBTC Final Schematic Environmental	\$ 197,746.02
Subtotal from Cont. Page		\$ 310,039.40
Total Approved WA		\$ 4,328,158.02

Proposed Work Authorization and/or Supplemental

2021-74	WA No. 6 - 365 Toll VE -Change Proposal	\$ 79,429.57

Goal and Options:

Approval of Work Authorization 6 with HDR Engineering, Inc. for engineering support for review of the 365 Tollway Value Engineering Change Proposals.

Staff is recommending approval of this request in the amount of \$ 79,429.57
Proposed total approved WA and/or Supplementals \$ 4,407,587.59

E. Davila, Develop Eng
Requested By:

Resolution No.	Description	Amount
2021-74	WA 5 Support Wetland Mitigation Site	\$ 310,039.40
	WA No	
	WA No.	
	WA No.	
	WA No.	
	WA No.	
	WA No.	
	WA No.	
	WA No.	

Subtotal \$ 310,039.40

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-74

APPROVAL OF WORK AUTHORIZATION 6 WITH HDR
ENGINEERING, INC. FOR ENGINEERING SUPPORT FOR REVIEW
OF THE 365 TOLLWAY VALUE ENGINEERING CHANGE
PROPOSALS

THIS RESOLUTION is adopted this 20th day of December 2021, 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”);

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County;

WHEREAS, on February 22, 2012 the Authority approved Resolution 2012-04, which created the Technical Committee, comprised of senior level engineers and professional from various communities and agencies in the jurisdiction of the Authority, to serve to advise the Board on procurement and consultant work products; and

WHEREAS, Resolution 2012-04 also authorized the Executive Committee to determine the size, structure and scope of the Technical Committee, identify candidates and issue requests for participation; and

WHEREAS, February 27, 2018, the Authority approved Resolution 2018-07 which for the procurement of Professional Engineering Services for a General Engineering Consultant for the Hidalgo County Loop System including, but not limited to Advance Project Development and Construction Management Support; and

WHEREAS, the Technical Committee has rated and ranked the Statements of Qualifications for the General Engineering Consultant Services and recommends interviews be dispensed with and that staff be authorized to negotiate with HDR Engineering, Inc.;

WHEREAS, on February 26, 2019 the Authority approved Resolution 2019-01 Approval of a Professional Service Agreement with HDR Engineering, Inc. to provide General Consultant Services for the Hidalgo County Loop System of the Hidalgo County Regional Mobility Authority in the amount of \$488,657.91; and

WHEREAS, on March 5, 2019 the Authority approved approve Resolution 2019-02 Approval of a Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. Project Management for the 365 Tollway Project in the amount of \$171,350.84; however, no notice to proceed was issued; and

WHEREAS, on November 17, 2020 in order to reflect a change in the planned series of tasks relating to a changed project letting schedule, the Board found it to be in the best interest of the Authority to approve Resolution 2020-32 Approval of Amended and Restated Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consulting Services for the 365 Tollway Program Management Support in the amount of \$301,579.58; and

WHEREAS, on November 17, 2020 the Authority approved Resolution 2020-33 Approval of a Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$125,723.03; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-35 Approval of Supplemental Agreement 1 to Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$93,284.63; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-36 Approval of a Work Authorization 3 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Integration Contract Letting Support in the amount of \$299,785.36; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-37 Approval of Contract Amendment 1 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$488,657.91 to \$820,372.60 for a total increase of \$331,714.69 due to additional scope and effort outlined in Supplemental Agreement 1 to Work Authorization No. 2 and Work Authorization No. 3; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-21 Approval of a Work Authorization 4 to the Professional Service Agreement with HDR Engineering, Inc. for IBTC final schematic Support for the Environmental Clearance in the amount of \$197,746.02; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-22 Approval of Contract Amendment 2 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$820,372.60 to \$1,018,118.62 for a total increase of \$197,746.02 for Work Authorization No. 4; and

WHEREAS, on December 20, 2021 the Authority approved Resolution 2021-51 Approval of a Work Authorization 5 to the Professional Service Agreement with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site in the amount of \$310,039.40; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-74 Consideration and Approval of Work Authorization 6 with HDR Engineering, Inc. for engineering support for review of the 365 Tollway Value Engineering Change Proposals in the amount of \$79,429.57.

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 Work Authorization 6 with HDR Engineering, Inc. for engineering support for review of the 365 Tollway Value Engineering Change Proposals in the amount of \$79,429.57, hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute Work Authorization 6 to the Professional Services Agreement for Program Management Support.

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 20th day of December 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A

WORK AUTHORIZATION 6
TO THE PROFESSIONAL SERVICE AGREEMENT
FOR
GENERAL ENGINEERING CONSULTANT SERVICES
BETWEEN
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
AND
HDR ENGINEERING, INC.

ATTACHMENT D-1

WORK AUTHORIZATION NO. 6 AGREEMENT FOR GENERAL ENGINEERING CONSULTING SERVICES

THIS WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for General Engineering Consulting Services” (the Agreement) entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and HDR Engineering Inc. (the GEC).

PART I. The GEC will perform engineering design services generally described as in accordance with the project description attached hereto and made a part of this Work Authorization. The responsibilities of the Authority and the GEC as well as the work schedule are further detailed in exhibits A, B and C which are attached hereto and made a part of the Work Authorization.

PART II. The maximum amount payable under this Work Authorization is \$79,429.57 and the method of payment is Lump Sum as set forth in Attachment E of the Agreement. This amount is based upon fees set forth in Attachment E, Fee Schedule, of the Agreement and the Engineer’s estimated Work Authorization costs included in Exhibit D, Fee Schedule, which is attached and made a part of this Work Authorization.

PART III. Payment to the GEC for the services established under this Work Authorization shall be made in accordance with Articles III thru V of the Agreement, and Attachment A, Section 1.

PART IV. This Work Authorization shall become effective on the date of final acceptance of the parties hereto and shall terminate on December 31, 2022, unless extended by a supplemental Work Authorization as provided in Attachment A, Section 1.

PART V. This Work Authorization does not waive the parties' responsibilities and obligations provided under “Article V of that certain Professional Services Agreement for General Engineering Consulting Services.

IN WITNESS WHEREOF, this Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE GEC

(Signature)
David C. Weston

(Printed Name)
Gulf Coast Area Manager

(Title)

(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez, P.E.

(Printed Name)
Executive Director

(Title)

(Date)

LIST OF EXHIBITS

Exhibit A	Services to be provided by the Authority
Exhibit B	Services to be provided by the GEC
Exhibit C	Work Schedule
Exhibit D	Fee Schedule/Budget
Exhibit H-2	Subprovider Monitoring System Commitment Agreement

EXHIBIT A
SERVICES TO BE PROVIDED BY THE AUTHORITY

The **AUTHORITY** will provide the following general items.

1. Authorization to begin work.
2. Timely payment for work performed by the **Engineer** and accepted by the **AUTHORITY** on a monthly basis.
3. Assistance to the **Engineer**, as necessary, to obtain the required data and information from other local, regional, State and Federal agencies that the **Engineer** cannot easily obtain.
4. Provide any available relevant data the **AUTHORITY** may have on file concerning the project.
5. Review and approve the **Engineer's** progress schedule with milestone activities and/or deliverables identified.

EXHIBIT B
SERVICES TO BE PROVIDED BY THE ENGINEER

Value Engineering Change Proposal Concept Phase

The scope of services provided herein will be executed between November 15th and December 1st of 2021 in an effort to assist the HCRMA in coordination with Pulice Construction, Inc (Contractor) to develop Change Order No.2 for the 365 Toll project.

1. Task 1 - Coordination

The GEC shall:

- a. Participate in Contractor workshops to review and discuss the Contractor's Value Engineering concepts.
- b. Participate in owner meetings/workshops related to VE Concepts.
- c. Provide requested VE supporting information at HCRMA board meetings.
- d. Assist HCRMA with potential 3rd party coordination with respect to VE concepts

2. Task 2 - Evaluation

The GEC shall:

- a. Review Contractors Exhibit A (VE concept memo) and provide independent assessments, risk analysis, constructability reviews and recommendations.
- b. Review Contractors design/construction cost estimates due to VE concepts to determine overall impacts to costs. An independent design/construction cost estimate will be developed and compared with Contractors estimate.
- c. Review Contractors schedule refinements due to VE proposals to determine impacts to overall schedule and critical path. An independent assessment of schedule will be developed. And compared with Contractor's schedule. Original schedule during the procurement phase will be used as the baseline.

3. Task 3 - Impacts to schematics, environmental documents, traffic and revenue and GEC report

The GEC shall:

- a. Identify, recommend, and document in a tracking log the schematic refinements, if necessary, that may need to be incorporated into the schematic due to accepted VE concepts. Schematic revisions will be completed in separate work authorizations.
- b. Review environmental refinement recommendations provided by Blanton & Associates
- c. Review traffic & revenue refinement recommendations provided by C&M
- d. Update the latest GEC Report to include the impacts from the VE concepts selected for inclusion into the project.

Deliverables:

The GEC shall provide to HCRMA:

- Records, notes and/or supporting information for Contractor, owner, and 3rd party Workshops
- Supporting information for HCRMA board meetings
- Review and responses of VECP recommendation forms
- Independent cost estimates for VE concepts
- Independent schedules for VE concepts
- Recommendations, if necessary, for schematic, environmental and T&R revisions with supporting engineering documentation for potential implementation. The deliverable shall be one report with a tracking log detailing these comments and proposed revisions.
- Updated GEC Report

Exclusions and Assumptions

- The Engineers of Record (EORs) is defined as the engineers who are responsible for the current 365 Toll design and the Contractor's engineers responsible for the design and incorporation of the VECP concepts into the current design. The EORs will retain liability for the design, quantities, and constructability of the 365 Toll project. HDR is not liable for any negligence, quantity discrepancies, and constructability issues with the EORs' design and construction documents.

EXHIBIT C WORK SCHEDULE

Schedule started with initial NTP provided 11/16/2021 and finalizes when VEC concepts are accepted (or rejected) and made part of a Change Order #2 to support revised finance plan. These activities are anticipated to finalize at the end of January 2022.

Prime Provider: HDR Engineering, Inc.
Subconsultant:
Work Authorization: 06

	VECP REVIEW / PREP CO#2		Total by Firm	% by Firm
	Labor	ODE		
HDR	\$79,331.57	\$98.00	\$79,429.57	100%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
<blank>			\$0.00	0%
Sub Total by Task	\$79,331.57	\$98.00	Total WA	100%
Total by Task	\$79,429.57		\$79,429.57	

Labor Categories	Project Manager	Deputy Project Manager	Sr Technical Advisor	Quality Manager	Senior Engineer	Project Engineer	Design Engineer	Senior Geotech Engineer	Geotech Engineer	Transportation Planner IV	Senior Environmental Scientist	Environmental Scientist III	GIS Operator	Senior Utility Coord	Utility Coord	Senior Engineer Tech	Estimating Sch Support 2	Scheduler	Sr Project Controller	Project Controller	Accounting	Admin III	Total Task Hours	Line Item Fee
	Negotiated Rate																							
DESCRIPTION OF TASKS/DETAILS																								
1 Task 1 Coordination																							0	\$0.00
Participate in Contractor workshops	10	4																					14	\$3,224.48
participate in owner calls/meetings/workshops	10	4																			2		16	\$3,394.20
Assemble any Board meeting information necessary	4				8																2		14	\$2,636.20
Assist HCRMA with 3rd party coordination	6		2		8																		16	\$3,501.70
Subtotal																							0	\$0.00
																							0	\$0.00
2 Task 2 VE evaluation																							0	\$0.00
Review of contractors VE concepts	4	12	10	2	10	5		4													2		49	\$11,234.89
Review of contractors cost estimate refinements	1	2		2	4												10						19	\$3,798.70
Review of contractors schedule refinements	1	2		2	4													10					19	\$3,614.90
Subtotal																							0	\$0.00
																							0	\$0.00
3 Task 3 Schematics/env. Documents/T&R/GEC Report Impacts																							0	\$0.00
Identify, recommend, document potential schematic refinements	20	10	20	4	40																		94	\$21,779.58
Review potential env. refinements (documentation by Blanton)	8	4									16												28	\$5,589.16
Review potential T&R refinements (documentation by C&M)	8	4								16													28	\$5,951.24
Update GEC Report for VE refinements	8	4	16	4	8					16											16		72	\$14,606.52
Subtotal																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
																							0	\$0.00
Labor Hours Total	80	46	48	14	82	5	0	4	0	32	16	0	0	0	0	0	10	10	0	0	0	22	369	hours check
Labor Cost Total	\$17,649.60	\$11,710.22	\$14,255.52	\$3,365.88	\$16,236.00	\$848.55	\$0.00	\$848.56	\$0.00	\$6,336.00	\$2,805.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,796.10	\$1,612.30	\$0.00	\$0.00	\$0.00	\$1,866.92	\$79,331.57	cost check
% Staff Distribution	22%	12%	13%	4%	22%	1%	0%	1%	0%	9%	4%	0%	0%	0%	0%	0%	3%	3%	0%	0%	0%	6%	100%	

Prime Provider: HDR Engineering, Inc.
Subconsultant:
Work Authorization: 06

Legend: Current State Rate = CSR, Actual Cost = AC, Fixed = F, Max = M

OTHER DIRECT EXPENSE	UNIT	MAX RATE BASIS	FIXED / MAX	ODE RATE	TOTAL FOR WA04	Sub-Total per ODE
Lodging/Hotel Taxes and Fees	day/person	n/a	M	\$32.00		\$0.00
Lodging/Hotel (Taxes/fees not included)	day/person	CSR	M	\$94.00		\$0.00
Meals (Excluding alcohol & tips) (Overnight stay required)	Day/person	CSR	M	\$55.00		\$0.00
Mileage	mile	CSR	F	\$0.545		\$0.00
Rental Car Fuel	gallon	n/a	M	\$3.75		\$0.00
Rental Car (Includes taxes and fees; Insurance costs will not be reimbursed)	day	n/a	M	\$75.00		\$0.00
Air Travel In State Short Notice (Coach)	Rd Trip/person	n/a	M	\$580.00		\$0.00
Air Travel In State 2+ Wks Notice (Coach)	Rd Trip/person	n/a	M	\$450.00		\$0.00
Air Travel Out of State 2+ Wks Notice (Coach)	Rd Trip/person	n/a	M	\$600.00		\$0.00
Air Travel Out of State Short Notice (Coach)	Rd Trip/person	n/a	M	\$900.00		\$0.00
Oversize, special handling or extra baggage airline fees	each	n/a	M	\$45.00		\$0.00
Taxi/Cab fare	each/person	n/a	M	\$30.00		\$0.00
Parking	day	n/a	M	\$20.00		\$0.00
Toll Charges	each	n/a	M	\$10.00		\$0.00
Standard Postage	letter	CSR	F	\$0.47		\$0.00
Certified Letter Return Receipt	each	CSR	F	\$6.20		\$0.00
Overnight Mail letter size	each	CSR	M	\$22.00		\$0.00
Overnight Mail oversized box	each	CSR	M	\$85.00		\$0.00
Courier Services	each	n/a	M	\$28.00		\$0.00
Photocopies B/W (11" X 17")	each	n/a	F	\$0.25	200	\$50.00
Photocopies B/W (8 1/2" X 11")	Each	n/a	F	\$0.12	400	\$48.00
Photocopies Color (11" X 17")	each	n/a	F	\$1.50		\$0.00
Photocopies Color (8 1/2" X 11")	each	n/a	M	\$0.85		\$0.00
Digital Ortho Plotting	sheet	n/a	M	\$1.25		\$0.00
Plots (B/W on Bond)	per sq. ft.	n/a	M	\$0.50		\$0.00
Plots (Color on Bond)	per sq. ft.	n/a	F	\$1.00		\$0.00
Plots (Color on Photographic Paper)	per sq. ft.	n/a	F	\$4.00		\$0.00
Color Graphics on Foam Board	square foot	n/a	F	\$5.00		\$0.00
Presentation Boards 30" X 40" Color Mounted	each	n/a	M	\$125.00		\$0.00
Report Printing	each	n/a	M	\$65.00		\$0.00
Report Binding and tabbing	each	n/a	M	\$8.00		\$0.00
Notebooks	each	n/a	M	\$9.00		\$0.00
Reproduction of CD/DVD	each	n/a	M	\$5.00		\$0.00
CDs	each	n/a	F	\$1.75		\$0.00
4" X 6" Digital Color Print	picture	n/a	F	\$0.25		\$0.00
Tx Parks & Wildlife Data Request Fees	each	n/a	M	\$50.00		\$0.00
Hazardous Materials Database Search	per search	n/a	M	\$350.00		\$0.00
Noise Meter Rental	per project	n/a	M	\$150.00		\$0.00
Environmental Database Search	per project	n/a	M	\$1,100.00		\$0.00
Environmental Field Supplies (lathes, stakes, flagging, spray paint, etc.)	day	n/a	M	\$65.00		\$0.00
Curator (Drawer & TX Archaeological Research Lab for artifacts & report)	per project	n/a	F	\$1,350.00		\$0.00
Newspaper Advertisement	per publication	n/a	M	\$1,650.00		\$0.00
Court Reporter	page	n/a	M	\$10.00		\$0.00
Court Reporter (Public Meetings, Hearings & Transcription)	day	n/a	M	\$500.00		\$0.00

Translator (English to Spanish, other language as appropriate, or Sign Language) for Public Involvement	event	n/a	F	\$500.00		\$0.00
Translator (English to Spanish, other language as appropriate, or Sign Language)	hour	n/a	M	\$100.00		\$0.00
Custodian for Public Involvement	hour/custodian	n/a	M	\$35.00		\$0.00
Sound Technician for Public Involvement	event	n/a	M	\$1,000.00		\$0.00
Public Involvement Facility Rental (estimate)	4 hours	n/a	M	\$800.00		\$0.00
Public involvement Facility Rental (estimate)	8 hours	n/a	M	\$1,600.00		\$0.00
Public Involvement Facility Rental (estimate)	hour	n/a	M	\$200.00		\$0.00
Public Involvement Facility Rental	event	n/a	M	\$3,000.00		\$0.00
Audio Equipment Rental	each	n/a	M	\$750.00		\$0.00
Audio Visual Equipment Rental	event	n/a	M	\$1,250.00		\$0.00
Public Notices Mass Mailing (500 pieces)	per mailing	n/a	M	\$550.00		\$0.00
Public Notices Mass Mailing/with Self Addressed Return Envelope (500 pieces)	per mailing	n/a	M	\$750.00		\$0.00
Electronic Message Signs	day	n/a	M	\$240.00		\$0.00
Website URL Rental	year	n/a	F	\$425.00		\$0.00
FEMA FIS (Manual)	each	n/a	M	\$7.00		\$0.00
FEMA FIS Backup Data Request	each	n/a	M	\$400.00		\$0.00
FEMA Map Revision Submittal (CLOMR/LOMR) (Submittal Fee Only)	each	n/a	F	\$8,250.00		\$0.00
FEMA Model/Floodplain Hardcopy	each	n/a	F	\$275.00		\$0.00
Railroad Flagger (Service provided by RR)	hour	n/a	M	\$80.00		\$0.00
Railroad Insurance in addition to STD Minimum Required (Minimum coverage of \$1 Million required by RR.)	each	AC	M	\$3,500.00		\$0.00
Railroad Permit	each	n/a	M	\$1,000.00		\$0.00
Railroad Safety Training (If required Heavy Rail Safety Training Certificate, includes classroom training and employee certification card.)	Per Person	n/a	M	\$500.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Large Project (Includes labor, equipment and fuel)	day	n/a	M	\$3,000.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Medium Project (Includes labor, equipment and fuel)	day	n/a	M	\$2,350.00		\$0.00
Traffic Control Services, Arrow Boards and Attenuator trucks Small Project (Includes labor, equipment and fuel)	Day	n/a	M	\$1,500.00		\$0.00
Attenuator trucks (Lane/Shoulder Closure) (Includes labor, equipment and fuel)	day	n/a	M	\$650.00		\$0.00
Attenuator trucks (No Lane Closure) (Includes labor, equipment and fuel)	day	n/a	M	\$600.00		\$0.00
Flashing Arrow Board	day	n/a	F	\$500.00		\$0.00
Portable Message Board	day	n/a	M	\$300.00		\$0.00
Law Enforcement/Uniform Officer (including vehicle)	Hour	n/a	M	\$75.00		\$0.00
Required Permit Fees (non railroad)	each	n/a	M	\$300.00		\$0.00
Boat with Motor	day	n/a	M	\$275.00		\$0.00
Fathometer	day	n/a	M	\$90.00		\$0.00
Backhoe Rental	day	n/a	M	\$1,500.00		\$0.00
Map Records	sheet	n/a	M	\$6.00		\$0.00
Deed Copies	sheet	n/a	F	\$2.00		\$0.00
Certified Deed Copies	sheet	n/a	F	\$2.50		\$0.00
Aerial Photographs (1" = 500' scale)	each	n/a	M	\$90.00		\$0.00
Reprographics	per sq. ft.	n/a	M	\$4.00		\$0.00
Terrestrial Laser Scanner (rates applied to actual time scanner unit is in use)	Hour	n/a	M	\$110.00		\$0.00
Ground Target (includes paint, panel material, etc.)	Each	n/a	M	\$30.00		\$0.00
TARL Curation Fee	site	n/a	M	\$1,800.00		\$0.00
USB External Drive	each	n/a	M	\$40.00		\$0.00
Law Enforcement/Uniform Officer (without vehicle)	per hr	n/a	M	\$45.00		\$0.00
				Total ODE Cost	\$98.00	\$98.00

ATTACHMENT H-2

Subprovider Monitoring System Commitment Agreement

This commitment agreement is subject to the award and receipt of a signed contract from the Hidalgo County Regional Mobility Authority (Authority). ***NOTE: Attachment H-2 is required to be attached to each contract that does not include work authorizations. Attachment H-2 is required to be attached with each work authorization. Attachment H-2 is also required to be attached to each supplemental work authorization. If DBE/HUB Subproviders are used, the form must be completed and signed. If no DBE/HUB Subproviders are used, indicate with "N/A" on this line: N/A and attach with the work authorization or supplemental work authorization.***

Contract #: 07-E36-19-04 Assigned Goal: 12.2% Prime Provider HDR Engineering, Inc.

Work Authorization (WA)#: 6 WA Amount: \$79,429.57 Date: _____

Supplemental Work Authorization (SWA) #: _____ to WA #: _____ SWA Amount: _____

Revised WA Amount: _____

Description of Work (List by category of work or task description. Attach additional pages, if necessary.)	Dollar Amount (For each category of work or task description shown.)
VECP GEC Support	\$79,429.57
	\$0
Total Commitment Amount (Including all additional pages.)	\$0

IMPORTANT: The signatures of the prime and the DBE/HUB and Second Tier Subprovider, if any (both DBE and Non-DBE) and the total commitment amount must always be on the same page.

Provider Name: HDR Engineering, Inc. Address: 4828 Loop Central Drive, Ste. 800, Houston, TX 77081 VID Number: 14706805687 PH: 713-622-9264 & FAX: Email: <u>David.Weston@hdrinc.com</u>	Name: <u>David C. Weston</u> (Please Print) Title: <u>Gulf Coast Area Manager</u> Signature _____ Date _____
DBE/HUB Sub Provider: Subprovider Name: VID Number: Address: PH: Email:	Name: _____ (Please Print) Title: _____ Signature _____ Date _____
Second Tier Sub Provider Subprovider Name: VID Number: Address: Phone #& Fax #: Email:	Name: _____ (Please Print) Title: _____ Signature _____ Date _____

VID Number is the Vendor Identification Number issued by the Comptroller. If a firm does not have a VID Number, please enter the owner's Social Security or their Federal Employee Identification Number (if incorporated).

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Item 3G

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 3G </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/10/2021 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/2021 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-52 – APPROVAL OF CONTRACT AMENDMENT 3 TO THE PROFESSIONAL SERVICE AGREEMENT WITH HDR ENGINEERING TO INCREASE THE MAXIMUM PAYABLE AMOUNT DUE TO WORK AUTHORIZATION 5 & WORK AUTHORIZATION 6.**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and Approval of CA 3 to PSA with HDR Engineering, Inc. to provide engineering support for the 365 Toll Project.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A
5. Staff Recommendation: **Motion to Approve Resolution 2021-52 – Approval of Contract Amendment 3 to the Professional Service Agreement with HDR Engineering to increase the maximum payable amount due to Work Authorization 5 & Work Authorization 6, 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: 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



- ☐ CMT Services
- ☐ Environmental
- ☒ Engineering **HDR, Inc.**
- ☐ Geo-Technical
- ☐ Surveying

CONTRACT AMENDMENT SUMMARY

RESOLUTION 2021-52

Original Contract Amount \$ 488,658

Amendment # 3

Amount \$ 389,468.97

Approved Amendments:

Resolution No.	Description	Amount
2019-01	PSA to provide General Consultant Services	\$ 488,657.91
2020-37	Contract Amendment 1 Due SA1WA2 & WA3	\$ 331,714.69
2021-22	Contract Amendment 2 for WA4	\$ 197,746.02

Subtotal from Cont. Page \$ 0.00

Contract Amount **\$ 1,018,118.62**

Proposed Amendment

2021-52	Contract Amendment 3 for WA5 & WA 6	\$ 389,468.97

Goal and Options:

Approval of Contract Amendment 3 to the Professional Service Agreement with HDR Engineering to increase maximum amount payable for WA 5 & WA 6.

**Staff is recommending approval of this request in the amount of \$ 389,468.97
for a Revised Maximum Payable Amount of \$ 1,407,587.59**

E. Davila, Develop Eng

Requested by:

Resolution No.

Description

Amount

Subtotal \$ 0.00

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2021-52

APPROVAL OF CONTRACT AMENDMENT 3 TO THE
PROFESSIONAL SERVICE AGREEMENT WITH HDR
ENGINEERING TO INCREASE THE MAXIMUM PAYABLE
AMOUNT FOR WORK AUTHORIZATION 5

THIS RESOLUTION is adopted this 20th day of December 2021, 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”);

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County;

WHEREAS, on February 22, 2012 the Authority approved Resolution 2012-04, which created the Technical Committee, comprised of senior level engineers and professional from various communities and agencies in the jurisdiction of the Authority, to serve to advise the Board on procurement and consultant work products; and

WHEREAS, Resolution 2012-04 also authorized the Executive Committee to determine the size, structure and scope of the Technical Committee, identify candidates and issue requests for participation; and

WHEREAS, February 27, 2018, the Authority approved Resolution 2018-07 which for the procurement of Professional Engineering Services for a General Engineering Consultant for the Hidalgo County Loop System including, but not limited to Advance Project Development and Construction Management Support; and

WHEREAS, the Technical Committee has rated and ranked the Statements of Qualifications for the General Engineering Consultant Services and recommends interviews be dispensed with and that staff be authorized to negotiate with HDR Engineering, Inc.; and

WHEREAS, on March 5, 2019 the Authority approved Resolution 2019-01 Approval of a Professional Service Agreement with HDR Engineering, Inc. to provide General Consultant Services for the Hidalgo County Loop System of the Hidalgo County Regional Mobility Authority with a maximum amount payable of \$488,657.91; and

WHEREAS, on March 5, 2019 the Authority approved approve Resolution 2019-02 Approval of a Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. Project Management for the 365 Tollway Project in the amount of \$171,350.84; however, no notice to proceed was issued; and

WHEREAS, on November 17, 2020 in order to reflect a change in the planned series of tasks relating to a changed project letting schedule, the Board found it to be in the best interest of the Authority to approve Resolution 2020-32 Approval of Amended and Restated Work Authorization 1 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consulting Services for the 365 Tollway Program Management Support in the amount of \$301,579.58; and

WHEREAS, on November 17, 2020 the Authority approved Resolution 2020-33 Approval of a Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$125,723.03; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-35 Approval of Supplemental Agreement 1 to Work Authorization 2 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Roadway Construction Contract Letting Support in the amount of \$93,284.63; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-36 Approval of a Work Authorization 3 to the Professional Service Agreement with HDR Engineering, Inc. for General Engineering Consultant Services for the 365 Tollway Integration Contract Letting Support in the amount of \$299,785.36; and

WHEREAS, on December 15, 2020 the Authority approved Resolution 2020-37 Approval of Contract Amendment 1 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$488,657.91 to \$820,372.60 for a total increase of \$331,714.69 due to additional scope and effort outlined in Supplemental Agreement 1 to Work Authorization No. 2 and Work Authorization No. 3; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-21 Approval of a Work Authorization 4 to the Professional Service Agreement with HDR Engineering, Inc. for IBTC final schematic Support for the Environmental Clearance in the amount of \$197,746.02; and

WHEREAS, on June 22, 2021 the Authority approved Resolution 2021-22 Approval of Contract Amendment 2 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$820,372.60 to \$1,018,118.62 for a total increase of \$197,746.02 for Work Authorization No. 4; and

WHEREAS, on December 20, 2021 the Authority approved Resolution 2021-51 Approval of a Work Authorization 5 to the Professional Service Agreement with HDR Engineering, Inc. for engineering support for the design and construction of the 365 Tollway Wetland Mitigation site in the amount of \$310,039.40; and

WHEREAS, on December 20, 2021 the Authority approved Resolution 2021-74 Approval of a Work Authorization 6 to the Professional Service Agreement with HDR Engineering, Inc. for engineering support for review of the 365 Tollway value engineering change proposals in the amount of \$79,429.57; and

WHEREAS, the Authority finds it necessary to approve Resolution 2021-52 Approval of Contract Amendment 3 to the Professional Service Agreement with HDR to increase the maximum payable amount from \$1,018,118.62 to \$1,407,587.59 for a total increase of \$389,468.97 for Work Authorization No. 5 & Work Authorization No. 6.

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 Contract Amendment 3 to the Professional Services Agreement with HDR Engineering, Inc. to increase the maximum amount payable to \$1,328,158.02 (hereto attached as Exhibit A).
- Section 3. The Board authorizes the Executive Director to execute the Contract Amendment 3 to the Professional Services Agreement for General Engineering Consultant Services hereby approved.

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 20th day of December, 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A

CONTRACT AMENDMENT 3
TO THE PROFESSIONAL SERVICE AGREEMENT
FOR
GENERAL ENGINEERING CONSULTANT SERVICES
BETWEEN
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
AND
HDR ENGINEERING, INC.

CONTRACT AMENDMENT NO. 3
TO PROFESSIONAL SERVICES AGREEMENT
FOR GENERAL ENGINEERING CONSULTING SERVICES

THIS CONTRACT AMENDMENT is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for General Engineering Consulting Services” hereinafter identified as the “Agreement,” entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and HDR Engineering Inc. (the GEC).

Article II Agreement Period

This revised Agreement becomes effective when fully executed by all parties hereto and it shall terminate at the close of business on December 31, 2022.

Article III Compensation

Article III Compensation shall be amended to increase the amount payable under this contract from \$1,018,118.62 to \$1,407,587.59 for a total increase of \$389,468.97 due to additional scope outlined in Work Authorization No. 5 for \$310,039.40 and Work Authorization No. 6 for \$79,429.57.

This Contract Amendment No. 3 to the Professional Services Agreement shall become effective on the date of final execution of the parties hereto. All other terms and conditions of the Agreement not hereby amended are to remain in full force and effect.

IN WITNESS WHEREOF, this Supplemental Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

AUTHORITY

By: _____

Name: Pilar Rodriguez

Title: Executive Director

Hidalgo County Regional Mobility Authority

Date: _____

GEC

By: _____

Name: David Weston

Title: Gulf Coast Area Manager

HDR Engineering, Inc.

Date: _____

Item 3H

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 3H </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 12/14/21 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 12/20/21 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2021-76 – RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS, SERIES 2022A AND JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2022B; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE MASTER TRUST INDENTURE, THE FIRST SUPPLEMENTAL INDENTURE AND THE SECOND SUPPLEMENTAL INDENTURE; AUTHORIZING CERTAIN DESIGNATED OFFICERS TO APPROVE THE TERMS, INTEREST RATE AND REDEMPTION FEATURES OF SUCH BONDS AND ANY BOND INSURANCE AND/OR RESERVE FUND SURETY POLICIES IN RESPECT TO THE BONDS; AUTHORIZING THE REDEMPTION AND/OR DISCHARGE OF CERTAIN OUTSTANDING OBLIGATIONS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS NECESSARY OR DESIRABLE TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATED TO THE SUBJECT**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Approving Resolution 2021-76 – Consideration and Approval of Resolution 2021-76.
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 2021-76 – Resolution authorizing the issuance, sale and delivery of the Hidalgo County Regional Mobility Authority Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A and Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding bonds, Series 2022B; Approving and Authorizing the execution and delivery of the Master Trust Indenture, the First Supplemental Indenture and the Second Supplemental Indenture; Authorizing certain designated officers to approve the terms, interest rate and redemption features of such bonds and any bond insurance and/or reserve fund surety policies in respect to the bonds; Authorizing the redemption and/or discharge of certain outstanding obligations of the Hidalgo County Regional Mobility Authority; Authorizing and approving the execution and delivery of bond purchase agreement and any and all related documents, agreements, certificates and instruments necessary or desirable to be executed and delivered in connection with the issuance and delivery of such bonds; and enacting other provisions related to the subject, 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

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 2021- 76

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS, SERIES 2022A AND JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2022B; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE MASTER TRUST INDENTURE, THE FIRST SUPPLEMENTAL INDENTURE AND THE SECOND SUPPLEMENTAL INDENTURE; AUTHORIZING CERTAIN DESIGNATED OFFICERS TO APPROVE THE TERMS, INTEREST RATE AND REDEMPTION FEATURES OF SUCH BONDS AND ANY BOND INSURANCE AND/OR RESERVE FUND SURETY POLICIES IN RESPECT TO THE BONDS; AUTHORIZING THE REDEMPTION AND/OR DISCHARGE OF CERTAIN OUTSTANDING OBLIGATIONS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS NECESSARY OR DESIRABLE TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority") has been created and organized pursuant to and in accordance with the provisions of Chapter 361, Texas Transportation Code, and operates pursuant to the Constitution and laws of the State of Texas (the "State"), including, particularly, Chapter 370, Texas Transportation Code (together, the "Act"), for the purpose of constructing, maintaining and operating transportation projects, including turnpike projects, in Hidalgo County, Texas (the "County"); and

WHEREAS, pursuant to the Act and other applicable laws, including Chapter 1371, Texas Government Code, as amended ("Chapter 1371") and Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), the Authority is authorized to issue revenue obligations to (i) finance all or a portion of the costs to study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); (ii) refund, defease and redeem any outstanding revenue obligations previously issued by the Authority, and (iii) pay the expense of issuing such revenue obligations; and

WHEREAS, the Board of Directors of the Authority (the "Board") desires to authorize the execution and delivery of a certain Master Trust Indenture, dated as of February 1, 2022 (the "Master Indenture"), between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee"), to provide for the issuance from time to time by the Authority of one or more series of its revenue obligations (collectively, the "Obligations"); and

WHEREAS, Sections 3.1, 3.2 and 10.2 of the Master Indenture authorize the Authority and the Trustee to execute and deliver supplemental indentures authorizing the issuance of Obligations, including Senior Lien Obligations and Junior Lien Obligations, and to include in such supplemental indentures the terms, interest rates and other provisions or covenants of such Senior Lien Obligations and Junior Lien Obligations, respectively, and any other matters and things relative to the issuance of such Obligations that are not inconsistent with or conflict with the Master Indenture, to add to the covenants of the Authority, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Authority has previously issued its Junior Lien Revenue Bond, Taxable Series 2016A in the original aggregate principal amount of \$20,000,000 (the “Refunded Obligation”), pursuant to the a master trust indenture and a supplemental trust indenture adopted thereunder, both dated as of December 1, 2016, and both between the Trustee and the Authority (collectively, the “Prior Indenture”); and

WHEREAS, pursuant to the Act, Chapter 1371 and the Master Indenture, the Board has determined to issue its Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A (the “Series 2022A Senior Bonds”) pursuant to a first supplemental trust indenture (including exhibits thereto and incorporated herein), dated as of February 1, 2022, by and between the Trustee and the Authority (the “First Supplemental Indenture”), for the purpose of providing funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on a portion of the Series 2022A Senior Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Series 2022A Senior Bonds, all under and in accordance with the Constitution and the laws of the State; and

WHEREAS, pursuant to the Act, Chapters 1371 and 1207 and the Master Indenture, the Board has determined to issue its Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B (the “Series 2022B Junior Bonds” and together with the Series 2022A Senior Bonds, the “Series 2022 Obligations”), pursuant to a second supplemental trust indenture (including exhibits thereto and incorporated herein), dated as of February 1, 2022, by and between the Trustee and the Authority (the “Second Supplemental Trust Indenture”), for the purpose of providing funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on a portion of the Series 2022B Junior Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds, all under and in accordance with the Constitution and the laws of the State; and

WHEREAS, the Board finds and determines that the manner in which the refunding of the Refunded Obligation authorized herein is being executed does not make it practicable to make the determination required by Section 1207.008(a)(2), Texas Government Code; and

WHEREAS, the Board desires to provide for the issuance of the Series 2022 Obligations in accordance with the requirements of the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, as applicable, and to authorize the execution and delivery of the Series 2022 Obligations and such certificates, agreements, instruction letters and other instruments as may be necessary or desirable in connection therewith; and

WHEREAS, the Board has been presented with and examined proposed forms of the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture and finds that the form and substance of such documents are satisfactory and the recitals and findings contained therein are true, correct and complete, and hereby adopts and incorporates by reference such recitals and findings as if set forth in full in this Resolution, and finds that it is in the best interest of the public and the Authority to issue the Series 2022 Obligations and to authorize the execution and delivery of such documents;

WHEREAS, the Board now desires to (i) authorize the execution and delivery of the Master Indenture, the First Supplemental Indenture, the Second Supplement Indenture, and such certificates, agreements, instruction letters and other instruments as may be necessary or desirable in connection therewith and to (ii) appoint one or more officers of the Authority to act the Authorized Representative on behalf of the Authority to determine the final terms and conditions of the Series 2022 Obligations, as provided herein, to make such determinations and findings as may be required by the related First Supplemental Trust Indenture and the Second Supplemental Trust Indenture, as applicable, to carry out the purposes of this Resolution and execute one or more Award Certificates setting forth such determinations and authorizing and approving all other matters relating to the issuance, sale and delivery of the Series 2022 Obligations; and

WHEREAS, the Board desires to approve, ratify and confirm the preparation and distribution of a preliminary official statement and an official statement relating to the offering and sale of the Series 2022 Obligations; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Purchase Contracts (the "Purchase Contracts" or "Purchase Contract" as applicable), between the Authority and the underwriters named therein relating to the Series 2022 Obligations, as determined by the Authorized Representative in one or more Award Certificates relating thereto; and

WHEREAS, the meeting at which this Resolution is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code;

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

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. (a) The findings and determinations set forth in the preamble hereof are hereby incorporated herein for all purposes and are determined to be true and correct. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, as applicable.

(b) The Board hereby finds and determines that the issuance of the Series 2022 Obligations is in the best interest of the Authority.

ARTICLE II

APPROVAL OF MASTER INDENTURE, FIRST SUPPLEMENT INDENTURE AND SECOND SUPPLEMENTAL INDENTURE

Section 2.1. Approval of Master Indenture. The Master Indenture, in substantially the form attached hereto as Exhibit A, with such changes as may be approved by the Authorized Representative, is hereby approved in accordance with this Resolution and the Act. The Chairman of the Board is authorized to execute the Master Indenture on behalf of the Authority, and the Secretary of the Board is authorized and directed to attest such indenture and impress the seal of the Authority thereon.

Section 2.2. Approval of First Supplemental Indenture. The First Supplemental Indenture, in substantially the form attached hereto as Exhibit B, with such changes as may be approved by the Authorized Representative, is hereby approved in accordance with this Resolution, the Master Indenture and the Act. The Chairman of the Board is authorized to execute the First Supplemental Indenture on behalf of the Authority, and the Secretary of the Board is authorized and directed to attest such indenture and impress the seal of the Authority thereon.

Section 2.3. Approval of the Second Supplemental Indenture. The Second Supplemental Indenture, in substantially the form attached hereto as Exhibit C, with such changes as may be approved by the Authorized Representative, is hereby approved in accordance with this Resolution, the Master Indenture and the Act. The Chairman of the Board is authorized to execute the Second Supplemental Indenture on behalf of the Authority, and the Secretary of the Board is authorized and directed to attest such indenture and impress the seal of the Authority thereon.

ARTICLE III

AUTHORIZATION, ISSUANCE AND DELIVERY OF SERIES 2022 OBLIGATIONS

Section 3.1. Authorization, Issuance and Delivery of Series 2022A Senior Bonds. The Series 2022A Senior Bonds are hereby authorized to be issued and delivered in accordance with this Resolution, the Master Indenture, the First Supplemental Indenture, Chapter 1371 and the Act, all as determined by the Authorized Representative and set forth in one or more Award Certificates, for the purposes described in Section 2.2 of the First Supplemental Indenture. The aggregate principal amount of Series 2022A Senior Bonds to be issued pursuant to the authority of this Resolution shall not exceed \$165,000,000.

Section 3.2. Authorization, Issuance and Delivery of Series 2022 Junior Bonds. The Series 2022B Junior Bonds are hereby authorized to be issued and delivered in accordance with this Resolution, the Master Indenture, the Second Supplemental Indenture, Chapters 1371 and 1207 and the Act, all as determined by the Authorized Representative and set forth in one or more Award Certificates, for the purposes described in Section 2.2 of the Second Supplemental Indenture. The aggregate principal amount of Series 2022B Junior Bonds to be issued pursuant to the authority of this Resolution shall not exceed \$70,000,000.

ARTICLE IV

APPOINTMENT OF AUTHORIZED REPRESENTATIVE; DELEGATION OF AUTHORITY; SALE AND DELIVERY OF SERIES 2022 OBLIGATIONS

Section 4.1. Appointment of Authorized Representative. The Board hereby appoints the Chairman of the Board, the Executive Director of the Authority and the Chief Financial Officer of the Authority, severally and each of them, to act as an Authorized Representative on behalf of the Board and to perform all acts authorized and required of the Authorized Representative as set forth in this Resolution, the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture. The Authorized Representative is hereby authorized and directed to execute one or more Award Certificates, the form of which is attached hereto as Exhibit D, setting forth the information authorized to be stated therein pursuant to this Resolution and required to be stated therein pursuant to the First Supplemental Indenture and the Second Supplemental Indenture.

Section 4.2. Delegation of Authority; Sale of Series 2022 Obligations; Official Statement. (a) The Board hereby authorizes and directs the Authorized Representative to act on behalf of the Authority to determine the following final terms and conditions of the Series 2022 Obligations, including but not limited to: (i) the dated date of the Series 2022 Obligations; (ii) the prices at which the Series 2022 Obligations will be sold; (iii) any different or additional designation or title for each series of Series 2022 Obligations; (iv) the principal amounts and maturity dates therefor; (v) the per annum interest rates for the Series 2022 Obligations; (vi) the aggregate principal amount of Series 2022 Obligations to be issued as Series 2022A Senior Bonds; (vii) the aggregate principal amount of Series 2022 Obligations to be issued as Series 2022B Junior Bonds; (viii) whether each series of Series 2022 Obligations will be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or a combination thereof; (ix) the redemption provisions for the Series 2022 Obligations; (x) the final forms of the Series 2022 Obligations; (xi) the refunding of the Refunded Obligation, the designation of an escrow agent in connection therewith and to approve the form and substance of an escrow agreement in connection therewith; (xii) to designate the underwriters for the Series 2022 Obligations; (xiii) to approve the form and substance of one or more Purchase Contracts providing for the sale of the Series 2022 Obligations and (xiv) to make such findings and determinations as are otherwise authorized herein or as may be required by the First Supplemental Trust Indenture and the Second Supplemental Trust Indenture to carry out the purposes of this Resolution and to execute one or more Award Certificates setting forth such determinations, such other matters as authorized herein, and authorizing and approve all other matters relating to the issuance, sale and delivery of the Series 2022 Obligations and the refunding of the Refunded Obligation, all of which shall be specified in one or more Award Certificates as may be amended by the Authorized Representative, subject to the following conditions:

- (i) the Series 2022A Senior Bonds shall not bear a true interest rate greater than 4.5%;
- (ii) the Series 2022B Junior Bonds shall not bear a true interest rate greater than 5%;

(iii) the aggregate principal amount of the Series 2022A Senior Bonds authorized to be issued for the purposes described in Section 3.1 of this Resolution shall not exceed the limits described therein;

(iv) the aggregate principal amount of the Series 2022B Junior Bonds authorized to be issued for the purposes described in Section 3.2 of this Resolution shall not exceed the limits described therein; and

(v) no Series 2022 Obligation shall mature more than 40 years from the date of initial delivery thereof.

(b) The Authorized Representative is hereby authorized and directed to execute and deliver on behalf of the Authority one or more Purchase Contracts providing for the sale of the Series 2022 Obligations to the underwriters named therein, in such form as determined by the Authorized Representative. The Authorized Representative is hereby authorized and directed to approve the final terms and provisions of each Purchase Contract in accordance with the terms of the Award 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 Contract by the Authorized Representative.

(c) The Series 2022 Obligations shall be sold at the prices, bearing interest at the rates and having such other terms and provisions, that, based on then current market conditions, result in the best terms reasonably available and advantageous to the Authority, as is determined by the Authorized Representative on the date of sale of each series of the Series 2022 Obligations. The Authorized Representative is hereby authorized and directed to make such findings and determinations in the Award Certificates regarding the terms of the sale of the Series 2022 Obligations and the benefit of such sale to the Authority.

(d) Any finding by the Authorized Representative relating to the sale and delivery of the Series 2022 Obligations shall have the same force and effect as a finding or determination made by the Board.

(e) The authority granted to the Authorized Representative under Article V of this Resolution shall expire at 11:59 p.m., Central Time, on a date one year from the date of this Resolution, unless otherwise extended by the Board by separate action. Series 2022 Obligations sold pursuant to the Purchase Contract(s) executed on or prior to such expiration date may be delivered after such expiration date.

(f) 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 in the Purchase Contract(s) and to provide for the issuance and delivery of the Series 2022 Obligations. The initial Series 2022 Obligations shall initially be registered in the name of the representative of the underwriters or such other entity as may be specified in the Purchase Contract(s) for the Series 2022 Obligations.

(g) The Authorized Representative is hereby authorized and directed to cause to be prepared on behalf of the Authority a "Preliminary Official Statement" to be used by the

underwriters in the offering and sale of the Series 2022 Obligations, and to certify or otherwise represent that such Preliminary Official Statement is a “deemed final” Preliminary Official Statement as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with such changes, modifications and completions as may be required upon pricing and approved by the Authorized Representative (the “Preliminary Official Statement”). The use and distribution of the Preliminary Official Statement in the public offering of the Series 2022 Obligations by the underwriters is hereby authorized. The Authorized Representative is hereby further authorized and directed (i) to cause to be prepared on behalf of the Authority, in accordance with the Authority’s disclosure strategy, a final Official Statement (the “Official Statement”), (ii) to use and distribute or authorize the use and distribution of the Official Statement, (iii) to execute the same, if required, and (iv) to deliver appropriate numbers of copies thereof to the underwriters. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Authorized Representative and the underwriters, may be used by the underwriters in the public offering and sale thereof.

(h) The Chairman or Vice Chairman of the Board, the Secretary of the Board, the Authorized Representative and all other officers of the Authority are authorized to take such actions, to obtain such consents or approvals, to deliver such notices and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Series 2022 Obligations, to pay the costs of issuance of the Series 2022 Obligations, to effectuate the refunding of the Refunded Obligation and to effectuate the terms and provisions of this Resolution.

ARTICLE V

APPROVAL OF ESCROW AGREEMENT; NOTICE OF REDEMPTION; PAYMENT OF REFUNDED OBLIGATION

Section 5.1. Approval of Escrow Agreement. To provide for the security of a portion of the proceeds of the Series 2022B Junior Bonds, until such time as such proceeds are to be paid to the registered owner(s) of the Refunded Obligation, the Authority hereby approves the form and substance of an escrow agreement (the “Escrow Agreement”), between the Authority and the Trustee (the “Escrow Agent”), dated as of the date set forth in an Award Certificate, in the form presented at this meeting, the form, terms and provisions of such Escrow Agreement being hereby authorized and approved. The Authorized Representative is hereby authorized and directed to execute and deliver, or cause the execution and delivery by the Chairman or Vice Chairman and the Secretary of the Board, the Escrow Agreement, having such terms and provisions as are approved by the Authorized Representative as evidenced by his execution thereof or the execution thereof by appropriate officials of the Authority. Alternatively, the Authorized Representative may elect to deposit directly with the Trustee for the Refunded Obligation a portion of the Series 2022B Junior Bond proceeds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligation and is hereby authorized to execute and deliver such deposit agreement, if any, in connection with such deposits.

Section 5.2. Notice of Redemption to Owner(s) of Refunded Obligation. The Board hereby authorizes and calls for the redemption of the Refunded Obligation to be refunded on the

date and at the price determined by the Authorized Representative and set forth in an Award Certificate. The Authorized Representative shall cause notice of redemption to be given to the registered owner(s) of Refunded Obligation in accordance with the Prior Indenture.

ARTICLE VI

BOND INSURANCE AND RESERVE FUND SURETY POLICIES

Section 6.1. Bond Insurance and Reserve Fund Surety Policies. The Authorized Representative may purchase one or more bond insurance policies and/or reserve fund surety policies, 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 Award Certificates.

ARTICLE VII

USE AND APPLICATION OF PROCEEDS; LETTERS OF INSTRUCTION; POWER TO REVISE DOCUMENTS

Section 7.1. Use and Application of Proceeds; Letters of Instruction. The proceeds from the sale of the Series 2022 Obligations shall be used for the respective purposes set forth in and in accordance with the terms and provisions of the related First Supplemental Trust Indenture and the Second Supplemental Trust Indenture, as applicable, and the related Award Certificates. The deposit and application of the proceeds from the sale of the Series 2022 Obligations shall be set forth in Letters of Instruction of the Authority executed by the Authorized Representative.

Section 7.2. Execution and Delivery of Other Documents. The Authorized Representative is hereby authorized and directed to execute and deliver from time to time and on an ongoing basis such other documents and agreements, including amendments, modifications, supplements or consents to existing agreements (including any agreements with the Texas Department of Transportation and the United States Department of Transportation), assignments, certificates, instruments, releases, financing statements, written requests, filings with the Internal Revenue Service and letters of instruction, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and to comply with the requirements of the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Award Certificates and the Purchase Contract(s).

Section 7.3. Power to Revise Form Documents. Notwithstanding any other provision of this Resolution, the Authorized Representative is hereby authorized to make or approve such revisions in the form of the documents presented at this meeting and any other document, certificate or agreement pertaining to the issuance and delivery of the Series 2022 Obligations in accordance with the terms of the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture as, in the judgment of such person, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution thereof.

ARTICLE VIII

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 8.1. Approval of Submission to the Attorney General of Texas. Bracewell LLP, the Authority's bond counsel, is hereby authorized and directed to submit to the Attorney General of Texas (the "Attorney General"), for his approval, the transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2022 Obligations as required by law, and to the Comptroller of Public Accounts of the State of Texas for registration. In connection with the submission of the records of proceedings for the Series 2022 Obligations to the Attorney General for examination and approval of such Series 2022 Obligations, the Authorized Representative is hereby authorized and directed to issue one or more checks of the Authority payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code. The initial Series 2022 Obligations shall be delivered to the Trustee for delivery to the underwriters thereof against payment therefor and upon satisfaction of the requirements of the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, as applicable, and the Purchase Contract(s) relating thereto.

Section 8.2. Certification of Minutes and Records. The Secretary of the Board is authorized to certify and authenticate minutes and other records on behalf of the Authority for the issuance of the Series 2022 Obligations and for all other Authority activities.

Section 8.3. Ratifying Other Actions. All other actions taken or to be taken by the Executive Director of the Authority, the Chief Financial Officer of the Authority, the Authorized Representative and the Authority's staff in connection with the issuance of the Series 2022 Obligations are hereby approved, ratified and confirmed.

Section 8.4. Authority to Invest Funds. The Executive Director, the Chief Financial Officer and the Controller are each hereby severally authorized on an ongoing basis to undertake all appropriate actions and to execute such documents, agreements or instruments as they deem necessary or desirable under the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture with respect to the investment of proceeds of the Series 2022 Obligations and other funds of the Authority.

Section 8.5. Federal Tax Considerations. In addition to any other authority provided under this resolution, each Authorized Representative is hereby further expressly authorized, acting for and on behalf of the Authority, to determine and designate in the Award Certificate for each series of Series 2022 Obligations whether such bonds will be issued as taxable bonds or tax-exempt bonds for federal income tax purposes and to make all appropriate elections under the Internal Revenue Code of 1986, as amended. Each Authorized Representative is hereby further expressly authorized and empowered from time to time and at any time to perform all such acts and things deemed necessary or desirable and to execute and deliver agreements, certificates, documents or other instrument, whether or not herein mentioned, and to carry out the terms and provisions of this section, including but not limited to, the preparation and making of any filings with the Internal Revenue Service.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Changes to the Resolution. The Executive Director of the Authority, the Chief Financial Officer of the Authority and the Authorized Representative, and either of them, singly and individually, are hereby authorized to make such changes to the text of this Resolution as may be necessary or desirable to carry out the purposes hereof or to comply with the requirements of the Attorney General in connection with the issuance of the Series 2022 Obligations herein authorized.

Section 9.2. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[Signature Page to Follow]

Adopted, passed and approved by the Board of Directors of the Hidalgo County Regional Mobility Authority on the 20th day of December, 2021.

Submitted and reviewed by:

Approved:

Name: Blakely L. Fernandez
Title: General Counsel

Name: S. David Deanda, Jr.
Title: Chairman, Board of Directors

EXHIBIT A

MASTER INDENTURE

(Please see document included in official Authority records.)

EXHIBIT B

FIRST SUPPLEMENTAL INDENTURE

(Please see document included in official Authority records.)

EXHIBIT C

SECOND SUPPLEMENTAL INDENTURE

(Please see document included in official Authority records.)

EXHIBIT D

FORM OF SERIES 2022 OBLIGATIONS AWARD CERTIFICATE

(Attached)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF HIDALGO §

I, the undersigned officer of the Board of Directors of Hidalgo County Regional Mobility Authority do hereby certify as follows:

1. The Board of Directors (the “Board”) of the Hidalgo County Regional Mobility Authority (the “Authority”), convened in a regular session on the 20th day of December, 2021 at the regular meeting place thereof, and the roll of the duly constituted officers and members of the Board, to wit:

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

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION NO. 2021- 76

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS, SERIES 2022A AND JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2022B; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE MASTER TRUST INDENTURE, THE FIRST SUPPLEMENTAL INDENTURE AND THE SECOND SUPPLEMENTAL INDENTURE; AUTHORIZING CERTAIN DESIGNATED OFFICERS TO APPROVE THE TERMS, INTEREST RATE AND REDEMPTION FEATURES OF SUCH BONDS AND ANY BOND INSURANCE AND/OR RESERVE FUND SURETY POLICIES IN RESPECT TO THE BONDS; AUTHORIZING THE REDEMPTION AND/OR DISCHARGE OF CERTAIN OUTSTANDING OBLIGATIONS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS NECESSARY OR DESIRABLE TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for consideration of said Board. It was then duly moved and seconded that said resolution be passed; and, after due discussion, said motion, carrying with it the passage of said resolution prevailed and carried by the following vote:

_____ Member(s) shown present voted "Aye."

_____ Member(s) shown present voted "No."

_____ Member(s) shown present abstained from voting.

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 20th day December, 2021.

[SEAL]

Secretary, Board of Directors
Hidalgo County Regional Mobility Authority

AWARD CERTIFICATE

Re: Hidalgo County Regional Mobility Authority Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A (the “Series 2022A Senior Bonds”); and

Hidalgo County Regional Mobility Authority Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B (the “Series 2022B Junior Bonds” and together with the Series 2022A Senior Bonds, the “Series 2022 Obligations”)

I, the undersigned, acting in my official capacity as an Authorized Representative of the Hidalgo County Regional Mobility Authority (the “Authority”), pursuant to the authority delegated to me by Resolution No. 21-__ (the “Bond Resolution”) adopted by the Board of Directors (the “Board”) of the Authority on December 20, 2021, make the findings, determinations and certifications herein set forth in connection with the pricing and issuance of the Authority’s Series 2022 Obligations.

Reference is made to that certain Master Trust Indenture (the “Master Indenture”), as supplemented by (i) the First Supplemental Trust Indenture (the “First Supplemental Indenture”) and the Second Supplemental Indenture (the “Second Supplemental Indenture”), each dated as of _____, 2022, between the Authority and the Trustee.

This certificate is the Award Certificate authorized by the Bond Resolution and required by Section 2.1 of the First Supplemental Indenture with respect to the Series 2022A Senior Bonds and Section 2.1 of the Second Supplemental Indenture with respect to the Series 2022 Junior Bonds, and is executed for and on behalf of the Authority pursuant to the authority granted in the Bond Resolution and in accordance with the terms and provisions of the First Supplemental with respect to the Series 2022A Senior Bonds and the Second Supplemental Indenture with respect to the Series 2022B Junior Bonds. Capitalized terms used herein and not otherwise defined shall have the respective meaning set forth in the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, as applicable.

The Series 2022A Senior Bonds are being issued for the purposes stated in Section 2.2 of the First Supplemental Indenture. The Series 2022B Junior Bonds are being issued for the purposes stated in Section 2.2 of the Supplemental Indenture.

As authorized by Section 4.2 of the Bond Resolution, I have acted on behalf of the Authority in selling the Series 2022 Obligations to Morgan Stanley & Co. and Estrada Hinojosa & Co., Inc., (together, the “Underwriters”) pursuant to the terms of the Bond Purchase Contract dated as of the date hereof. The Series 2022 Obligations shall have the terms set forth in this Award Certificate. I hereby find, determine and declare that the terms of sale of the Series 2022 Obligations are in the Authority’s best interests and are the most advantageous reasonable attainable by the Authority, and therefore, the sale of the Series 2022 Obligations to the Underwriters in accordance with the terms of the Bond Purchase Contract dated as of even date herewith is hereby approved.

I. SERIES 2022 OBLIGATIONS

- A. Issuance Date. The Issuance Date of the Series 2022 Obligations is scheduled for _____, 2022. The Series 2022 Obligations shall be dated February 1, 2022.
- B. Sale of the Series 2022 Obligations. The sale of the Series 2022 Obligations pursuant to the Bond Purchase Contract at the following prices is hereby approved:
1. The purchase price for the Series 2022A Senior Bonds will be \$ _____ (consisting of a principal amount of \$ _____, plus an original issue premium of \$ _____, and less an underwriting discount of \$ _____).
 2. The purchase price for the Series 2022B Junior Bonds will be \$ _____ (consisting of a principal amount of \$ _____, plus an original issue premium of \$ _____, and less an underwriting discount of \$ _____).
 3. The terms and provisions of the Purchase Contract are hereby found and determined to be the most advantageous reasonably available to the Authority, and the Purchase Contract is hereby approved.
- C. Bond Insurance. The purchase of and payment of premium for municipal bond insurance by the Authority in accordance with the terms of a commitment for such insurance from _____ is hereby approved and authorized. The Chairman of the Board of Directors of the Authority is hereby authorized to execute such commitment, and officials and representatives of the Authority are authorized and directed to execute such documents and carry out such activities as are necessary or desirable in connection with securing such insurance.
- D. Compliance with Parameters. The undersigned does hereby find, certify and represent that the terms of the Series 2022 Obligations satisfy the parameters contained in Section 4.2 of the Bond Resolution, based on bond market conditions and available rates for the Series 2022 Obligations on the date of sale of the Series 2022 Obligations and on the terms, conditions and provisions negotiated by the Authority for the issuance, sale and delivery of the Series 2022 Obligations.
- E. Preliminary Official Statement. The Preliminary Official Statement, dated as of _____, 2022, has been reviewed by the undersigned and is hereby approved and deemed final as of its date, subject to the permissible omissions described in, and within the meaning of, the Rule. Based upon this review, the Underwriters were authorized to distribute the Preliminary Official Statement in their offering and sale of the Series 2022 Obligations.
- F. The proceeds of the Series 2022 Obligations shall be applied pursuant to a Letter or Letters of Instruction as authorized by Section 7.1 of the Bond Resolution.

- G. The Authority is not in default under the Master Indenture or any Supplemental Indenture and upon issuance of the Series 2022 Obligations, the Funds held under the Master Indenture will contain the amounts required to be on deposit therein.

II. SERIES 2022A SENIOR BONDS

- A. Designation; Principal Amount. The Series 2022A Senior Bonds shall be designated the “Hidalgo County Regional Mobility Authority Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A.” The Series 2022A Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes described in Section 2.2 of the First Supplemental Indenture.
1. The Series 2022A Senior Bonds shall be issued in part as Current Interest Bonds in the aggregate principal amount of \$_____, in part as Capital Appreciation Bonds in the aggregate principal amount of \$_____ and in part as Convertible Capital Appreciation Bonds in the aggregate principal amount of \$_____.
 2. The Series 2022A Senior Bonds are hereby designated as Senior Lien Obligations and Long Term Obligations in accordance with the Master Indenture.
- B. Series 2022A Senior Current Interest Bonds (“Series 2022A CIBs”).

1. Interest Accrual, Interest Payment Dates and Principal Installment Dates. The Series 2022A CIBs shall be issued in the aggregate principal amount of \$_____, bear interest from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for, payable on each _____ and _____, commencing _____, until stated maturity or prior redemption. The Series 2022A CIBs shall mature on _____ in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>\$ Series 2022A CIBs</u>		
<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
20__	\$ _____	_____%
20__	_____	_____
20__	_____	_____
20__	_____	_____
20__	_____	_____

2. Optional Redemption. The Series 2022A CIBs maturing on and after _____ shall be subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on or after _____, at the option of the Authority, at a redemption price equal to the principal amount of such Series 2022A CIBs or portions thereof to be redeemed, plus accrued interest thereon to, but not including,

the redemption date.

3. Mandatory Redemption. The Series 2022A CIBs maturing on _____ are subject to mandatory sinking fund redemption prior to stated maturity in the aggregate principal amounts and on the dates set forth in the following schedules at a redemption price equal to the principal amount being redeemed plus interest accrued thereon to, but not including, the redemption date, as follows:

Series 2022A CIBs Maturing on _____

Redemption Date

(_____)

20__

20__*

Principal Amount

\$ _____

* Final maturity

The principal amount of Series 2022A CIBs required to be redeemed on any redemption date pursuant to a mandatory sinking fund redemption will be reduced, at the option of the Authority, by the principal amount of any Series 2022A CIBs having the same maturity which (A) at least 45 days prior to the mandatory sinking fund redemption date have been (1) acquired by the Authority and delivered to the Trustee for cancellation, (2) acquired and canceled by the Trustee at the written direction of the Authority, or (3) redeemed other than pursuant to mandatory sinking fund redemption, and (B) have not been previously credited against a mandatory sinking fund redemption.

The terms and provisions of Article IV of the Master Indenture relating to the selection of Obligations to be redeemed and the giving of notice of redemption therefor shall apply to the Series 2022A CIBs unless otherwise specified in this Award Certificate or the First Supplemental Indenture.

All other terms and details of the Series 2022A CIBs not expressly provided for in this Award Certificate shall be as set forth in the First Supplemental Indenture and the form of the Series 2022A CIBs set forth in Exhibit A-1 hereto.

- C. Series 2022A Senior Capital Appreciation Bonds ("Series 2022A CABs").

[Information to Come]

All other terms and details of the Series 2022A CABs not expressly provided for in this Award Certificate shall be as set forth in the First Supplemental Indenture and the form of the Series 2022A CABs set forth in Exhibit A-2 hereto.

- D. Series 2022A Senior Convertible Capital Appreciation Bonds (“Series 2022A Convertible CABs”).

[Information to Come]

All other terms and details of the Series 2022A Convertible CABs not expressly provided for in this Award Certificate shall be as set forth in the First Supplemental Indenture and the form of the Series 2022A Convertible CABs set forth in Exhibit A-3 hereto.

- E. Debt Service Reserve Fund. The Reserve Requirement for the Series 2022A Senior Bonds is \$ _____. With regard to Article VI of the Bond Resolution, the Authority has obtained a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2022A Senior Bonds (the “Series 2022A Senior Bonds Debt Service Reserve Insurance Policy”) from _____ (the “Insurer”) to satisfy the Senior Lien Debt Service Reserve Requirement for the Series 2022A Senior Bonds. The Authority hereby approves the Series 2022A Senior Bonds Debt Service Reserve Insurance Policy and the terms governing the Series 2022A Senior Bonds Debt Service Reserve Insurance Policy, which are set forth in agreement between the Authority and the Insurer (the “Reserve Policy Agreement (2022A)”) substantially in the form attached hereto as Exhibit C.

III. SERIES 2020B JUNIOR BONDS

- A. Designation; Principal Amount. The Series 2022B Junior Bonds shall be designated the “Hidalgo County Regional Mobility Authority Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B.” The Series 2022B Junior Bonds shall be issued in the aggregate principal amount of \$ _____ for the purposes described in Section 2.2 of the Second Supplemental Indenture.

1. The Series 2022B Junior Bonds shall be issued in part as Current Interest Bonds in the aggregate principal amount of \$ _____, in part as Capital Appreciation Bonds in the aggregate principal amount of \$ _____ and in part as Convertible Capital Appreciation Bonds in the aggregate principal amount of \$ _____.
2. The Series 2022B Junior Bonds are hereby designated as Junior Lien Obligations and Long Term Obligations in accordance with the Master Indenture.

- B. Series 2022B Junior Current Interest Bonds (“Series 2022B CIBs”).

1. Interest Accrual, Interest Payment Dates and Principal Installment Dates. The Series 2022B CIBs shall be issued in the aggregate principal amount of \$ _____, bear interest from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for, payable on each _____ and _____, commencing _____, until stated maturity or prior redemption. The Series 2022B CIBs shall mature on _____ in each of the years, in the principal amounts and shall bear interest at the per annum rates

set forth in the following schedule:

\$ _____ Series 2022B CIBs		
<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
20__	\$ _____	_____ %
20__	_____	_____
20__	_____	_____
20__	_____	_____
20__	_____	_____

2. Optional Redemption. The Series 2022B CIBs maturing on and after _____ shall be subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on or after _____, at the option of the Authority, at a redemption price equal to the principal amount of such Series 2022B Junior CIBs or portions thereof to be redeemed, plus accrued interest thereon to, but not including, the redemption date.
3. Mandatory Redemption. The Series 2022B CIBs maturing on _____ are subject to mandatory sinking fund redemption prior to stated maturity in the aggregate principal amounts and on the dates set forth in the following schedules at a redemption price equal to the principal amount being redeemed plus interest accrued thereon to, but not including, the redemption date, as follows:

Series 2022B CIBs Maturing on _____

<u>Redemption Date</u> <u>(_____)</u>	<u>Principal Amount</u>
20__	\$ _____
20__*	_____

* Final maturity

The principal amount of Series 2022B CIBs required to be redeemed on any redemption date pursuant to a mandatory sinking fund redemption will be reduced, at the option of the Authority, by the principal amount of any Series 2022B CIBs having the same maturity which (A) at least 45 days prior to the mandatory sinking fund redemption date have been (1) acquired by the Authority and delivered to the Trustee for cancellation, (2) acquired and canceled by the Trustee at the written direction of the Authority, or (3) redeemed other than pursuant to mandatory sinking fund redemption, and (B) have not been previously credited against a mandatory sinking fund redemption.

The terms and provisions of Article IV of the Master Indenture relating to the selection of Obligations to be redeemed and the giving of notice of redemption

therefor shall apply to the Series 2022B CIBs unless otherwise specified in this Award Certificate or the Second Supplemental Indenture.

All other terms and details of the Series 2022B CIBs not expressly provided for in this Award Certificate shall be as set forth in the Second Supplemental Indenture and the form of the Series 2022B CIBs set forth in Exhibit B-1 hereto.

C. Series 2022B Junior Capital Appreciation Bonds (“Series 2022B CABs”).

[Information to Come]

All other terms and details of the Series 2022B CABs not expressly provided for in this Award Certificate shall be as set forth in the First Supplemental Indenture and the form of the Series 2022B CABs set forth in Exhibit B-2 hereto.

D. Series 2022B Junior Convertible Capital Appreciation Bonds (“Series 2022B Convertible CABs”).

[Information to Come]

All other terms and details of the Series 2022B Convertible CABs not expressly provided for in this Award Certificate shall be as set forth in the First Supplemental Indenture and the form of the Series 2022B Convertible CABs set forth in Exhibit B-3 hereto.

F. Debt Service Reserve Fund. The Reserve Requirement for the Series 2022B Junior Bonds is \$_____. With regard to Article VI of the Bond Resolution, the Authority has obtained a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2022B Junior Bonds (the “Series 2022B Junior Bonds Debt Service Reserve Insurance Policy”) from _____ (the “Insurer”) to satisfy the Junior Lien Debt Service Reserve Requirement for the Series 2022B Junior Bonds. The Authority hereby approves the Series 2022B Junior Bonds Debt Service Reserve Insurance Policy and the terms governing the Series 2022B Junior Bonds Debt Service Reserve Insurance Policy, which are set forth in agreement between the Authority and the Insurer (the “Reserve Policy Agreement (2022B)”) substantially in the form attached hereto as Exhibit D.

[Signature Page Follows]

WITNESS OUR HANDS this September ____, 2020.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

S. David Deanda, Jr., Chairman

Forrest Runnels, Vice Chairman

Paul S. Moxley, Director

Signature Page to the Award Certificate

EXHIBIT A-1

I. FORM OF SERIES 2022A CURRENT INTEREST BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BOND,
SERIES 2022A**

CURRENT INTEREST BOND

REGISTERED

REGISTERED

No. _____

\$ _____

**INTEREST
RATE**

**STATED
MATURITY DATE**

ISSUANCE DATE
_____, 2022

CUSIP NO.

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date or the most recent interest payment date to which interest has been paid or provided for, at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, such interest to be paid semiannually on each December 1 and June 1 commencing _____ 1, 2022, until this Bond shall be paid or provided for. Payment of principal of and interest on this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein and not otherwise defined have the meanings assigned to them in the Master Indenture, the First Supplemental Indenture and the Award Certificate, as each such term is defined below.

The principal of this Bond shall be payable without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the "Trustee"), in Dallas, Texas, or at such other location as may be designated by the Trustee (the "Designated Payment/Transfer Office"), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor. Interest on this Bond shall be paid by check dated as of the interest payment date and mailed to the person in whose name such Bond is registered on the 15th day of the month (whether or not a business day) immediately preceding the applicable interest payment date (the "Record Date"), at the address of such Person as shown on the registration books for the Bonds kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the person to whom interest is to be paid; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Holder of this Bond appearing on the books of the Trustee at the close business on the last business day preceding the date of mailing of such notice.

If a date for the payment of principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated "Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A" (the "Series 2022A Senior Lien Bonds" or the "Bonds"), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the "Act"), and under and pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2022, (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the "Award Certificate"), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) "Series 2022A Current Interest Bonds," which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) "Series 2022A Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) "Series 2022A Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance

Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Current Interest Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THIS BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture and the Award Certificate are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Award Certificate and the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of this Bond and the Indenture, the terms and provisions of the Indenture shall govern and control.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from and secured by the Trust Estate that are on a parity with or junior and subordinate to the Bonds, all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in principal denominations of \$5,000 or any integral multiple thereof.

Redemption Prices and Terms. The Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE TO APPEAR ON INITIAL SERIES 2022A CURRENT INTEREST BOND ONLY]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON EACH BOND OTHER THAN INITIAL SERIES 2022A CURRENT INTEREST
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH 2022 CURRENT INTEREST BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Current Interest Bond

The Initial Series 2022A Current Interest Bond shall be in substantially the same form as this Exhibit A above, except that:

(a) Immediately under the name of the Series 2022A Current Interest Bond, the headings “INTEREST RATE” and “STATED MATURITY DATE” shall both be completed with the words “As Shown Below” and the “CUSIP NO.” shall be deleted;

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted:

“on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>

(information to be inserted from the Award Certificate)

EXHIBIT A-2

I. FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS,
SERIES 2022A**

CAPITAL APPRECIATION BOND

REGISTERED

No. _____

REGISTERED
MATURITY AMOUNT

\$ _____

APPROXIMATE
YIELD TO
MATURITY:
_____ %

ORIGINAL
PRINCIPAL
AMOUNT: _____

ISSUANCE DATE:
_____, 2022

STATED
MATURITY
DATE: December 1, 20____

CUSIP
NO.: _____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of

_____ DOLLARS

The Maturity Amount represents the total of the original principal amount hereof, plus the initial premium paid hereon, if any, plus interest accreted thereon to the Stated Maturity Date. Interest accretes from the Issuance Date specified above, and will compound semiannually on December 1 and June 1, commencing _____ 1, 2022. A table of the “Compounded Amounts” per \$5,000 Maturity Amount is printed on or attached to this Series 2022A Senior Bond. The term “Compounded Amount,” as used herein, means the original principal amount of this Bond plus the initial premium, if any, paid therefor with interest thereon accreted and compounded semiannually to the December 1 or June 1 next preceding the date of such calculation (or, the date of calculation, if such calculation is made on December 1 or June 1) at a compounding rate which produces the

approximate yield to maturity set forth above. For any date other than a December 1 or June 1, the Compounded Amount of this Bond shall be determined as the amount set forth in the Table of Compounded Amounts for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Table of Compounded Amounts for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounded Date to the next succeeding Compounding Date.

Payment of the Maturity Amount of this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein that are defined terms in the Indenture defined below have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The Maturity Amount of this Bond shall be payable on the Stated Maturity Date shown above, without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the “Trustee”), in Dallas, Texas, or at such other location as may be designated by the Trustee (the “Designated Payment/Transfer Office”), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor.

If a date for the payment of the Maturity Amount of this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated “Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A” (the “Series 2022A Senior Lien Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture dated as of February 1, 2022, (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) “Series 2022A Current Interest Bonds,” which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022A Capital Appreciation Bonds,” which total \$_____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing _____ 1, 2022,

payable at the Stated Maturity thereof, and (iii) "Series 2022A Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THIS SERIES 2022A SENIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THE AUTHORITY HAS NO TAXING POWER

NO RECOURSE UNDER THIS SERIES 2022A SENIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022A SENIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022A Senior Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture are on file at the office of the Authority and at the

Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022A Senior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022A Senior Bonds with respect thereto; the terms and conditions upon which the Series 2022A Senior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022A Senior Bond assents by the acceptance of this Series 2022A Senior Bond.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022A Senior Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE — SERIES 2022A CAPITAL APPRECIATION
BONDS**

[To be inserted following final pricing]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022A CAPITAL APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022A CAPITAL APPRECIATION
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022A CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Capital Appreciation Bond

The Initial Series 2022A Capital Appreciation Bond shall be in the form of this Exhibit B above, except that:

(a) immediately under the name of the Series 2022A Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT A-3

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS,
SERIES 2022A**

CONVERTIBLE CAPITAL APPRECIATION BOND

**THE ORIGINAL MATURITY AMOUNT OF THIS BOND IS SUBJECT TO
REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL
REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE
MATURITY AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE
REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE**

**[THE MATURITY AMOUNT OF THIS BOND WHILE REGISTERED IN
THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK,
OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS
OF ANY BONDS OR PORTIONS THEREOF]¹**

REGISTERED	REGISTERED
No. _____	MATURITY AMOUNT
	\$ _____

APPROXIMATE YIELD TO MATURITY:	ORIGINAL PRINCIPAL AMOUNT:	ISSUANCE DATE:	STATED MATURITY DATE:	CUSIP NO.:
_____%	_____	_____, 2022	December 1, 20__	_____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, the Maturity Amount of this Series 2022A Senior Bond, being the sum of

¹ To be included only in bonds registered in the name of DTC or its nominees.

_____ DOLLARS

in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on the original principal amount set forth above in like coin or currency from the Issuance Date specified above to December 1, 20__ (the “Conversion Date”) at per annum rate set forth above, compounded on June 1, 2022 and each December 1 and June 1 thereafter until and including the Conversion Date (each such date being a “Compounding Date”), such interest to be payable as part of the Maturity Amount specified above on the maturity date specified above or the prior redemption hereof, and to pay interest on the Maturity Amount specified above from the later of the Conversion Date or the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid at the per annum rate specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest on the Maturity Amount to be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 20__ (each, an “Interest Payment Date”). A Compounded Amounts Table per \$5,000 Maturity Amount is printed on or attached to this Series 2022A Senior Bond. The term “Compounded Amount,” as used herein, means as of any particular date of calculation, the original principal amount thereof, plus all interest accreted and compounded to the particular date of calculation, determined as follows:

(a) as of any Compounding Date (which shall include the Conversion Date), the amount shown as the Compounded Amount for such Compounding Date in the Compounded Amount Table; and

(b) as of any date that is not a Compounding Date, the amount set forth in the Compounded Amount Table for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Compounded Amount Table for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

The Maturity Amount or redemption price of this Series 2022A Senior Bond shall be payable upon presentation and surrender of this Series 2022A Senior Bond, at the Designated Payment/Transfer Office of Wilmington Trust, National Association (such bank and any successor in such capacity being referred to as the “Trustee”), being, initially, the office of the Trustee in Dallas, Texas. The interest accrued on this Series 2022A Senior Bond on and after the Conversion Date shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2022A Senior Bond is registered on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the “Record Date”), at the address of such Person as shown on the registration books for the Series 2022A Senior Bonds kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on the Series 2022A Senior Bonds (including interest calculated as provided in the Indenture (as defined below), together with all other amounts that constitute interest on the Series 2022A Senior Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the

date of payment of such Series 2022A Senior Bonds (whether at maturity or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

This is one of the Obligations of the Authority designated “Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A” (the “Series 2022A Senior Lien Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture dated as of February 1, 2022, (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) “Series 2022A Current Interest Bonds,” which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022A Capital Appreciation Bonds,” which total \$_____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022A Convertible Capital Appreciation Bonds,” which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Convertible Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Series 2022A Senior Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Series 2022A Senior Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Series 2022A Senior Bonds. The Series 2022A Senior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022A Senior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indentures as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON

THIS SERIES 2022A SENIOR BOND. THIS SERIES 2022A SENIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022A SENIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022A SENIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022A Senior Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022A Senior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022A Senior Bonds with respect thereto; the terms and conditions upon which the Series 2022A Senior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022A Senior Bond assents by the acceptance of this.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Series 2022A Senior Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Series 2022A Senior Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Series 2022A Senior Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Series 2022A Senior Bond or Series 2022A Senior Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee

may deem and treat the person in whose name this Series 2022A Senior Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Series 2022A Senior Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022A Senior Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Series 2022A Senior Bond, exist, have happened, and have been performed and that the issuance of this Series 2022A Senior Bond and the series of Series 2022A Senior Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Series 2022A Senior Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2022A Senior Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE
FOR THE SERIES 2022A
CONVERTIBLE CAPITAL APPRECIATION BONDS
(Per \$5,000 Maturity Amount)**

[To be inserted following final pricing]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022A CONVERTIBLE CAPITAL
APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022A CONVERTIBLE CAPITAL
APPRECIATION BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.
Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022A CONVERTIBLE CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Convertible Capital Appreciation Bond

The Initial Series 2022A Convertible Capital Appreciation Bond shall be in the form of this Exhibit C above, except that:

(a) immediately under the name of the Series 2022A Convertible Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT B-1

FORM OF SERIES 2022B CURRENT INTEREST BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B**

CURRENT INTEREST BOND

REGISTERED

REGISTERED

No. _____

\$ _____

**INTEREST
RATE**

**STATED
MATURITY DATE**
December 1, 20__

ISSUANCE DATE
_____, 2022

CUSIP NO.

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the "Authority"), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date or the most recent interest payment date to which interest has been paid or provided for, at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, such interest to be paid semiannually on each December 1 and June 1 commencing _____ 1, 2022, until this Bond shall be paid or provided for. Payment of principal of and interest on this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein and not otherwise defined have the meanings assigned to them in the Master Indenture, the First Supplemental Indenture and the Award Certificate, as each such term is defined below.

The principal of this Bond shall be payable without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the "Trustee"), in Dallas, Texas, or at such other location as may be designated by the Trustee (the "Designated Payment/Transfer Office"), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor. Interest on this Bond shall be paid by check dated as of the interest payment date and mailed to the person in whose name such Bond is registered on the 15th day of the month (whether or not a business day) immediately preceding the applicable interest payment date (the "Record Date"), at the address of such Person as shown on the registration books for the Bonds kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the person to whom interest is to be paid; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Holder of this Bond appearing on the books of the Trustee at the close business on the last business day preceding the date of mailing of such notice.

If a date for the payment of principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated "Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B" (the "Series 2022B Junior Lien Bonds" or the "Bonds"), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the "Act"), and under and pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture, dated as of February 1, 2022, (the "Second Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the "Award Certificate"), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) "Series 2022B Current Interest Bonds," which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) "Series 2022B Capital Appreciation Bonds," which total \$_____ in original

principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) "Series 2022B Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Current Interest Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THIS BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Bonds. Copies of the Indenture and the Award Certificate are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Award Certificate and the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges,

assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of this Bond and the Indenture, the terms and provisions of the Indenture shall govern and control.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from and secured by the Trust Estate that are on a parity with or junior and subordinate to the Bonds, all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in principal denominations of \$5,000 or any integral multiple thereof.

Redemption Prices and Terms. The Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE TO APPEAR ON INITIAL SERIES 2022B CURRENT INTEREST BOND ONLY]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON EACH BOND OTHER THAN INITIAL SERIES 2022B CURRENT INTEREST
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH 2022 CURRENT INTEREST BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Current Interest Bond

The Initial Series 2022B Current Interest Bond shall be in substantially the same form as this Exhibit A above, except that:

(a) Immediately under the name of the Series 2022B Current Interest Bond, the headings “INTEREST RATE” and “STATED MATURITY DATE” shall both be completed with the words “As Shown Below” and the “CUSIP NO.” shall be deleted;

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted:

“on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>

(information to be inserted from the Award Certificate)

EXHIBIT B-2

FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B**

CAPITAL APPRECIATION BOND

REGISTERED

No. _____

REGISTERED
MATURITY AMOUNT

\$ _____

APPROXIMATE
YIELD TO
MATURITY:
_____ %

ORIGINAL
PRINCIPAL
AMOUNT:

ISSUANCE DATE:
_____, 2022

STATED
MATURITY
DATE:
December 1, 20____

REGISTERED

CUSIP
NO.:

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of

_____ DOLLARS

The Maturity Amount represents the total of the original principal amount hereof, plus the initial premium paid hereon, if any, plus interest accreted thereon to the Stated Maturity Date. Interest accretes from the Issuance Date specified above, and will compound semiannually on December 1 and June 1, commencing _____ 1, 2022. A table of the “Compounded Amounts” per \$5,000 Maturity Amount is printed on or attached to this Series 2022B Junior Bond. The term “Compounded Amount,” as used herein, means the original principal amount of this Bond plus the initial premium, if any, paid therefor with interest thereon accreted and compounded

semiannually to the December 1 or June 1 next preceding the date of such calculation (or, the date of calculation, if such calculation is made on December 1 or June 1) at a compounding rate which produces the approximate yield to maturity set forth above. For any date other than a December 1 or June 1, the Compounded Amount of this Bond shall be determined as the amount set forth in the Table of Compounded Amounts for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Table of Compounded Amounts for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounded Date to the next succeeding Compounding Date.

Payment of the Maturity Amount of this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein that are defined terms in the Indenture defined below have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The Maturity Amount of this Bond shall be payable on the Stated Maturity Date shown above, without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the “Trustee”), in Dallas, Texas, or at such other location as may be designated by the Trustee (the “Designated Payment/Transfer Office”), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor.

If a date for the payment of the Maturity Amount of this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated “Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B” (the “Series 2022B Junior Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$ _____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture dated as of February 1, 2022 (the “Second Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$ _____, as (i) “Series 2022B Current Interest Bonds,” which total \$ _____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022B Capital Appreciation

Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing _____ 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022B Convertible Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THIS SERIES 2022B JUNIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022B JUNIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022B JUNIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022B Junior Bonds are being issued pursuant to the Indenture to provide funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022B Current Interest Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022B Junior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022B Junior Bonds with respect thereto; the terms and conditions upon which the Series 2022B Junior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022B Junior Bond assents by the acceptance of this Series 2022B Junior Bond.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022B Junior Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE — SERIES 2022B CAPITAL APPRECIATION
BONDS**

[To be inserted following final pricing]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022B CAPITAL APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022B CAPITAL APPRECIATION
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.
Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022B CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Capital Appreciation Bond

The Initial Series 2022B Capital Appreciation Bond shall be in the form of this Exhibit B above, except that:

(a) immediately under the name of the Series 2022B Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT B-3

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B

CONVERTIBLE CAPITAL APPRECIATION BOND

**THE ORIGINAL MATURITY AMOUNT OF THIS BOND IS SUBJECT TO
REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL
REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE
MATURITY AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE
REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE**

**[THE MATURITY AMOUNT OF THIS BOND WHILE REGISTERED IN
THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK,
OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS
OF ANY BONDS OR PORTIONS THEREOF]²**

REGISTERED	REGISTERED
No. _____	MATURITY AMOUNT
	\$ _____

APPROXIMATE YIELD TO MATURITY: _____ %	ORIGINAL PRINCIPAL AMOUNT: _____	ISSUANCE DATE: _____, 2022	STATED MATURITY DATE: December 1, 20__	CUSIP NO.: _____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the
“Authority”), a body politic and corporate and a public and a political subdivision of the State of
Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE
RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the
Stated Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, the
Maturity Amount of this Series 2022B Junior Bond, being the sum of
_____ DOLLARS

² To be included only in bonds registered in the name of DTC or its nominees.

in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on the original principal amount set forth above in like coin or currency from the Issuance Date specified above to December 1, 20__ (the "Conversion Date") at per annum rate set forth above, compounded on June 1, 2022 and each December 1 and June 1 thereafter until and including the Conversion Date (each such date being a "Compounding Date"), such interest to be payable as part of the Maturity Amount specified above on the maturity date specified above or the prior redemption hereof, and to pay interest on the Maturity Amount specified above from the later of the Conversion Date or the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid at the per annum rate specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest on the Maturity Amount to be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 20__ (each, an "Interest Payment Date"). A Compounded Amounts Table per \$5,000 Maturity Amount is printed on or attached to this Series 2022B Junior Bond. The term "Compounded Amount," as used herein, means as of any particular date of calculation, the original principal amount thereof, plus all interest accreted and compounded to the particular date of calculation, determined as follows:

(a) as of any Compounding Date (which shall include the Conversion Date), the amount shown as the Compounded Amount for such Compounding Date in the Compounded Amount Table; and

(b) as of any date that is not a Compounding Date, the amount set forth in the Compounded Amount Table for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Compounded Amount Table for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

The Maturity Amount or redemption price of this Series 2022B Junior Bond shall be payable upon presentation and surrender of this Series 2022B Junior Bond, at the Designated Payment/Transfer Office of Wilmington Trust, National Association (such bank and any successor in such capacity being referred to as the "Trustee"), being, initially, the office of the Trustee in Dallas, Texas. The interest accrued on this Series 2022B Junior Bond on and after the Conversion Date shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2022B Junior Bond is registered on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the "Record Date"), at the address of such Person as shown on the registration books for the Series 2022B Junior Bonds kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on the Series 2022B Junior Bonds (including interest calculated as provided in the Indenture (as defined below), together with all other amounts that constitute interest on the Series 2022B Junior Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Series 2022B Junior Bonds (whether at maturity or upon earlier redemption) exceed the "net interest cost" that will produce a "net effective interest rate" of greater than 15% per annum or, to the extent allowed by law, such greater "net effective interest rate" as

may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

This is one of the Obligations of the Authority designated “Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B” (the “Series 2022B Junior Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$ _____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture dated as of February 1, 2022 (the “Second Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$ _____, as (i) “Series 2022B Current Interest Bonds,” which total \$ _____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022B Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022B Convertible Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Convertible Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Series 2022B Junior Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Series 2022B Junior Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Series 2022B Junior Bonds. The Series 2022B Junior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022B Junior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indentures as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THIS SERIES 2022B JUNIOR BOND IS PAYABLE

SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022B JUNIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022B JUNIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022B Junior Bonds are being issued pursuant to the Indenture to provide funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022B Current Interest Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022B Junior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022B Junior Bonds with respect thereto; the terms and conditions upon which the Series 2022B Junior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022B Junior Bond assents by the acceptance of this.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Series 2022B Junior Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Series 2022B Junior Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Series 2022B Junior Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Series 2022B Junior Bond or Series 2022B Junior Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee

may deem and treat the person in whose name this Series 2022B Junior Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Series 2022B Junior Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022B Junior Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Series 2022B Junior Bond, exist, have happened, and have been performed and that the issuance of this Series 2022B Junior Bond and the series of Series 2022B Junior Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Series 2022B Junior Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2022B Junior Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE
FOR THE SERIES 2022B
CONVERTIBLE CAPITAL APPRECIATION BONDS
(Per \$5,000 Maturity Amount)**

[To be inserted following final pricing]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022B CONVERTIBLE CAPITAL
APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022B CONVERTIBLE CAPITAL
APPRECIATION BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.
Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022B CONVERTIBLE CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Convertible Capital Appreciation Bond

The Initial Series 2022B Convertible Capital Appreciation Bond shall be in the form of this Exhibit C above, except that:

(a) immediately under the name of the Series 2022B Convertible Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

MASTER TRUST INDENTURE
BETWEEN
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
AND
WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE

DATED AS OF FEBRUARY 1, 2022

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HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE, dated as of the 1st day of February, 2022 (together with any amendments and supplements hereto, the “Indenture”) made by and between the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (together with any successor to its rights, duties and obligations hereunder, the “Authority”), a body politic and corporate and a political subdivision of the State of Texas (the “State”) duly created, organized and existing under the laws of the State, and WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as trustee (together with any successor trustee hereunder, the “Trustee”), a national banking association duly organized and existing under the laws of the United States of America.

WHEREAS, the Authority was created and organized by Hidalgo County, Texas (the “County”) on November 17, 2005 pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as amended, and operates pursuant to the Constitution and laws of the State, including, particularly, Chapter 370, Texas Transportation Code, as amended (the “Act”), for the purposes of constructing, maintaining and operating transportation projects in Hidalgo County, Texas; and

WHEREAS, under the Act, a transportation project is defined to include, among other things, a toll road and transportation projects; and

WHEREAS, pursuant to the Act, the Authority is authorized to: (i) study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); and (ii) issue bonds, certificates, notes or other obligations payable from the revenues of a transportation project or system, including tolls, fees, fares or other charges, to pay all or part of the cost of a transportation project and to refund any bonds previously issued for a transportation project; and (iii) impose tolls, fees, fares or other charges for the use of each of its transportation projects and the different parts or sections of each of its transportation projects; and

WHEREAS, pursuant to the Act and other applicable laws, including Chapter 1371, Texas Government Code, as amended, the Authority is authorized to issue revenue bonds, notes, certificates or other obligations as hereinafter provided, to enter into this Indenture, and to enter into credit agreements in connection therewith and to enter into any loan agreements, other agreements or contracts authorized by the Act; and

WHEREAS, the Authority has determined to enter into this Indenture to provide for the issuance from time to time of its revenue bonds, notes, certificates or other obligations (including any loan agreements, other agreements or contracts containing payment obligations of the Authority) secured as set forth herein and the execution and delivery of credit agreements in connection therewith for the purposes of financing all or a portion of the cost of the acquisition, construction, improvement, extension or expansion of one or more transportation projects (as defined in the Act) and paying the expenses of issuing such revenue bonds, notes, certificates or other obligations; and

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the bonds, notes, certificates or other obligations issued under this Indenture by the holders thereof from time to time, 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 holders from time to time of the bonds, notes, certificates or other obligations issued under this Indenture, as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND INTERPRETATION

Section 1.1 Definitions. The following terms shall, for all purposes of the Indenture, have the following meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate accounts within a Fund that may be created and established pursuant to this Indenture or any Supplemental Indenture.

“Accounting Principles” shall mean the “Generally Accepted Accounting Principles” for governmental entities in the United States, which are promulgated by the Governmental Accounting Standards Board, the Financial Accounting Standards Board and, when applicable, such other accounting principles as the Authority may be required to employ from time to time, in order to comply with the terms of this Indenture, or pursuant to State law or regulation or as the Authority, as applicable, may otherwise elect.

“Act” shall mean Chapter 370, Texas Transportation Code, as amended from time to time, together with the Constitution and other laws of the State of Texas applicable to the Authority.

“Additional Junior Lien Obligations” shall mean Junior Lien Obligations authorized to be issued or incurred under Section 7.8 of this Indenture and secured by a lien on, pledge of and security interest in the Trust Estate, subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations.

“Additional Other Obligations” shall mean Other Obligations authorized to be issued or incurred under Section 7.10 of this Indenture and secured by a lien on, pledge of and security interest in the Trust Estate, subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit of the Senior Lien Obligations, the Junior Lien Obligations and the Subordinate Lien Obligations, respectively.

“Additional Senior Lien Obligations” shall mean Senior Lien Obligations authorized to be issued or incurred under Section 7.7 of this Indenture and secured by a first lien on, pledge of and security interest in the Trust Estate.

“Additional Subordinate Lien Obligations” shall mean Subordinate Lien Obligations authorized to be issued or incurred under Section 7.9 of this Indenture and secured by a lien on, pledge of and security interest in the Trust Estate, subject and subordinate to the lien on, pledge of

and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations and the Junior Lien Obligations, respectively.

“Amortized Value” shall mean, with respect to a Permitted Investment, the value of such Permitted Investment calculated by dividing the total premium or discount at which such Permitted Investment was acquired (exclusive of accrued interest other than accrued interest paid in connection with the acquisition of such Permitted Investment and not yet recovered) by the number of days remaining to the maturity of such Permitted Investment at the time of its acquisition and multiplying the amount so calculated by the number of days since such acquisition and deducting or adding, as the case may be, the product thus obtained to the par value of such Permitted Investment.

“Annual Capital Budget” shall mean the capital budget adopted by the Authority for the System pursuant to Section 7.6(c).

“Annual Debt Service” shall mean for any Annual Period with respect to all Outstanding Obligations or to all Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, respectively, (i) the principal amount and interest paid or payable or Maturity Amount paid or payable with respect to such Obligations in the Annual Period, plus (ii) Reimbursement Obligations with respect to such Obligations paid or payable by the Authority in such Annual Period (but only to the extent not duplicative of such principal and interest or Maturity Amount), plus (iii) the amounts, if any, paid or payable by the Authority in such Annual Period with respect to Swap Agreements, minus (iv) the amounts, if any, paid or payable to the Authority in such Annual Period with respect to Swap Agreements, provided that the difference between the amounts described in clauses (iii) and (iv) shall be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth in clauses (a) through (f) below, and minus (v) all amounts that are deposited to the credit of a debt service fund or the Construction Fund for the payment of the principal of or interest on Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, as the case may be, from original proceeds from the sale of such Obligations, from Supplemental Security or from any other lawfully available source (other than the Revenue Fund or any moneys that would constitute Revenues in the subject Annual Period), and that are used or scheduled to be used to pay the principal of or interest on such Obligations during any Annual Period. The following assumptions shall be used to calculate the Annual Debt Service for any Annual Period:

(a) any amounts described in clauses (i), (ii) and (iii) above that are due on the first day of a Fiscal Year shall be deemed due in the preceding Fiscal Year;

(b) in determining the principal amount or Maturity Amount paid or payable with respect to Obligations or Reimbursement Obligations in each Annual Period, payment shall be assumed to be made in accordance with any amortization schedule established for such Obligations, including amounts paid or payable pursuant to any mandatory redemption schedule for such Obligations;

(c) if any of the Obligations or proposed Obligations constitutes Balloon Obligations or Short-Term Obligations, then such amounts thereof as constitute Balloon Obligations or Short-Term Obligations shall be treated as if such Obligations are to be amortized in substantially equal

annual installments of principal and interest, or Maturity Amount, over the useful life of the improvements financed with the proceeds of such Balloon Obligations or Short-Term Obligations as calculated by, and set forth in a certificate of, an Authorized Representative of the Authority; provided, anything to the contrary herein notwithstanding, during the Annual Period preceding the final maturity date of such Balloon Obligations and, in the case of Short-Term Obligations in each Annual Period, all of the principal or Maturity Amount thereof shall be considered to be due on the maturity or due date of such Balloon Obligations or Short-Term Obligations unless the Authority provides to the Trustee, prior to the beginning of such Annual Period, a certificate of a Financial Consultant certifying that, in its judgment, the Authority will be able to refund such Balloon Obligations or Short-Term Obligations through the issuance of Long Term Obligations, in which event the Balloon Obligations or Short-Term Obligations shall be amortized over the term of such proposed refunding Obligations and shall be deemed to bear the interest rate specified in the certificate of the Financial Consultant;

(d) as to any Annual Period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Obligations which were Outstanding as of the first day of such period; and as to any future Annual Period such requirements shall be calculated solely on the basis of Obligations Outstanding as of the date of calculation plus any Obligations then proposed to be issued;

(e) subject to paragraph (f) below, if any of the Obligations or proposed Obligations constitute Variable Rate Obligations, then, subject to the following proviso, interest in future periods shall be based on the Assumed Variable Rate; provided, however, if the Authority has entered into a Swap Agreement with respect to a Series of Obligations constituting Variable Rate Obligations that provides for the Authority to pay a fixed interest rate during any future period, the fixed interest rate payable by the Authority under the Swap Agreement during such future period shall be assumed to be the interest rate on such Obligations if the notional amount under the Swap Agreement is equal to or greater than the Outstanding principal amount or Maturity Amount of the Obligations and reduces in the amounts and on the dates that the Obligations mature; and

(f) if any of the Obligations or proposed Obligations constitute (i) Tender Obligations or (ii) multimodal Obligations with a periodic fixed rate then in effect as of the date of calculation for any applicable Annual Period, then such amounts thereof that constitute any such Obligations shall be treated as if such Obligations shall bear interest at the fixed rate then in effect for such Tender Obligations or multimodal obligations, as the case may be, until the mandatory tender date, in the case of Tender Obligations, or the mode conversion date, in the case of multimodal Obligations, and thereafter interest in future periods for any such Obligations shall be based on the Assumed Variable Rate provided, however, in the case of Tender Obligations, if the Authority provides to the Trustee, prior to the date of calculation for any applicable Annual Period, a certificate of the Financial Consultant certifying that, in its judgment, the Authority will be able to refinance such Tender Obligations prior to the mandatory tender date, and the Authority intends to do so, then in such event the Tender Obligations shall be amortized over the term of the proposed refinancing and shall be deemed to bear the interest rate or rates specified in the certificate of the Financial Consultant; and

(g) termination or similar payments under a Swap Agreement shall not be taken into account in any calculation of Annual Debt Service.

“Annual Maintenance Budget” shall mean the annual budget of maintenance expenditures adopted by the Authority for the System pursuant to Section 7.6(b).

“Annual Operating Budget” shall mean the annual operating budget adopted by the Authority for the System pursuant to Section 7.6(a).

“Annual Period” shall mean the Fiscal Year or any consecutive twelve-month period.

“Assumed Variable Rate” shall mean in the case of:

(a) Outstanding Obligations in the form of Variable Rate Obligations, the greater of:

(1) the average interest rate on such Variable Rate Obligations for the most recently completed sixty (60) month period or the period such Variable Rate Obligations have been Outstanding if it is less than sixty (60) months, or

(2) the rate to be determined pursuant to clause (b) below assuming the Outstanding Variable Rate Obligations were being issued on the date of calculation; and

(b) proposed Obligations in the form of Variable Rate Obligations, unless otherwise defined in a Supplemental Indenture authorizing the issuance of such Obligations, either

(1) to be issued on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such Variable Rate Obligations would be excluded from gross income for federal income tax purposes, the greater of (i) the average of the [] Index for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the [] Swap Index (“[] Index”) for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or

(2) to be issued as Variable Rate Obligations not described in clause (1), the greater of the (i) average of the [] (“[]”) for the time period most closely resembling the reset period for the Variable Rate Obligations for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) average of [] for the time period most closely resembling the reset period for the Variable Rate Obligations for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points;

provided, that if the [] or [] shall cease to be published, the index to be used in its place shall be that index which the Authority, in consultation with the Financial Consultant, determines most closely replicates such index, as set forth in a certificate of an Authorized Representative of the Authority filed with the Trustee. Notwithstanding the foregoing, in no event shall the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Authority.

“Authority” shall mean the Hidalgo County Regional Mobility Authority, a body politic and corporate and a political subdivision of the State of Texas, and its successors and assigns.

“Authorized Denomination” shall mean any amount specified as an Authorized Denomination in an applicable Supplemental Indenture.

“Authorized Emergency Vehicle” shall have the meaning given to such term in Section 541.201, Texas Transportation Code, as amended, and such other emergency vehicles as may constitute Authorized Emergency Vehicles under the Act.

“Authorized Representative of the Authority” or “Authorized Representative” shall mean, unless otherwise defined in a Supplemental Indenture, the Executive Director of the Authority or any other employee or officer or member of the Board of Directors of the Authority authorized to perform specific acts or duties by resolution duly adopted by the Board of Directors of the Authority, a copy of which shall be filed with the Trustee.

“Authorized Veteran’s Vehicle” shall mean a vehicle eligible for free or discounted use on an Authority toll project pursuant to Section 372.053, Texas Transportation Code, or any successor statute, and any policy of the Authority adopted by its Board of Directors implementing a toll waiver or discount program for disabled veterans in accordance with such statutory authority, or successor statute.

“Average Annual Debt Service” shall mean, with respect to Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Other Obligations or all Obligations, at any time of determination, the average amount of Annual Debt Service paid or payable in each Annual Period on such Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Other Obligations, respectively, or on all such Obligations, to the stated maturity thereof.

“Balloon Obligations” shall mean Long-Term Obligations of a particular issue or Series of Obligations of which 25% or more of the principal or Maturity Amount matures in the same Annual Period and is not required by the documents pursuant to which such Obligations were issued to be amortized by payment or redemption prior to that Annual Period; provided, however, that any such Obligations will not constitute Balloon Obligations and will be assumed to amortize in accordance with its stated terms if the Trustee is provided a certificate of an Authorized Representative of the Authority certifying that such Obligations are not to be treated as Balloon Obligations.

“Bankruptcy Law” shall mean Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such Title and any other applicable federal or state bankruptcy, insolvency or similar law.

“Bankruptcy-Related Event” shall mean, unless otherwise defined in a Supplemental Indenture, the occurrence of any of the following: (i) the application by or consent of the Authority to the appointment of a receiver, trustee, liquidator or custodian or the like is appointed for the Authority; or (ii) the Authority becomes unable to pay its debts generally as they become due; or (iii) the Authority is adjudicated as bankrupt or insolvent; or (iv) the Authority commences a voluntary proceeding under the Bankruptcy Law, or files a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of

any insolvency law or admits the material allegations of a petition filed against the Authority in any state or federal bankruptcy, reorganization or insolvency proceeding or takes corporate action for the purpose of effecting any of the foregoing.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the principal offices of the Trustee or any Paying Agent are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” shall mean Obligations on which interest accretes from the Issuance Date to the maturity date but is not payable prior to the maturity date.

“Compounded Amount” shall mean, with respect to a Capital Appreciation Bond or a Convertible Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accreted and compounded to the particular date of calculation, determined as follows:

(a) as of any Compounding Date (which shall include the Conversion Date for a Convertible Bond), the amount shown as the Compounded Amount for such Compounding Date in the Compounded Amount Table relating to a particular Capital Appreciation Bond or Convertible Bond; and

(b) as of any date that is not a Compounding Date, the amount set forth in the Compounded Amount Table relating to a particular Capital Appreciation Bond or Convertible Bond for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Compounded Amount Table for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

“Compounded Amount Table” shall mean with respect to a Capital Appreciation Bond or Convertible Bond, the table attached as an exhibit to the Supplemental Indenture relating to the Obligations issued as Capital Appreciation Bonds or Convertible Bonds that shows the rounded original principal amounts, plus initial premium, if any, at the Issuance Date and the Compounded Amounts per \$5,000 Maturity Amount (or such other Maturity Amount specified in a Supplemental Indenture) on the Compounding Dates for each maturity to its maturity or Conversion Date, as the case may be.

“Compounding Dates” shall mean the dates specified in a Supplemental Indenture on which interest on Capital Appreciation Bonds and Convertible Bonds will be compounded.

“Construction Fund” shall mean the fund so designated and established in Section 5.19.

“Consultant” shall mean a Person who shall be independent, employed by the Authority as needed, being qualified and having a nationwide and favorable reputation for skill and experience in such work for which the Consultant was appointed. In those situations in which a Consultant is

appointed to survey risks and to recommend insurance coverage, such Consultant may be a broker or agent with whom the Authority transacts business.

“Conversion Date” shall mean, with respect to Convertible Bonds, the date at which the original principal amount of an Obligation plus all interest accreted and compounded equals the Maturity Amount.

“Convertible Bonds” or “Convertible Capital Appreciation Bonds” shall mean the Obligations on which interest accretes from the Issuance Date to the Conversion Date but is not payable until maturity or prior redemption in the same manner as Capital Appreciation Bonds and on which interest on the Maturity Amount accrues and is payable on a periodic basis from the Conversion Date to maturity, all as set forth in a Supplemental Indenture relating to such Obligations.

“Cost” shall mean, with respect to the System, all or any part of:

(a) the cost of study, design, acquisition, construction, expansion, enlargement, extension, reconstruction, restoration, repair and rehabilitation of the System or portion thereof (including, but not limited to, indemnity and surety bonds, permits, taxes, licenses, insurance premiums, or other municipal or governmental charges lawfully levied or assessed during construction);

(b) the cost of acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for the System or portion thereof,

(c) the cost of site preparation, including demolishing or removing any structures on land so acquired and the cost of acquiring any land to which the structures may be removed;

(d) any cost of borings and other preliminary investigations necessary or incident to determining the feasibility or practicability of constructing the System or portion thereof and any cost necessary or desirable to satisfy conditions associated with the issuance of any permit for the construction thereof (including the costs of environmental related mitigation required in connection therewith);

(e) the cost of all machinery and equipment, vehicles, materials and rolling stock;

(f) Issuance Costs;

(g) interest on Obligations and on any Reimbursement Obligation for the period prior to, during and for a period of up to three years (or such longer period as may be allowed by applicable law) after acquisition or completion of construction, as determined by the Authority, and reserves for principal and interest for extensions, enlargements, additions, replacements, renovations and improvements to the System;

(h) the cost of architectural, engineering, environmental feasibility, traffic and revenue, economic and demographic, appraisal, financial, and legal services;

(i) planning, investigations, studies, evaluations, plans, specifications, estimates, and administrative and other expenses that are necessary or incidental to the determination of the feasibility of constructing the System or portion thereof or incidental to the obtaining of construction contracts or to the construction (including construction administration and inspection), acquisition or financing thereof and that constitute capital costs;

(j) Operating Expenses and Maintenance Expenses occurring during and for a period of up to one year after acquisition or completion of construction, as determined by the Authority, provided that, if applicable, the Trustee has received a Counsel's Opinion (which opinion may address either specific Operating Expenses or Maintenance Expenses or categories of Operating Expenses or Maintenance Expenses) to the effect that the treatment of such Operating Expenses or Maintenance Expenses as a Cost will not adversely affect the tax treatment of interest on any Obligations from gross income for federal income tax purposes;

(k) the repayment or reimbursement of any Obligation, loan or advance for any of the foregoing;

(l) such other costs and expenses as are permitted by the Act or other applicable law at the time such Obligations are issued; and

(m) payment obligations of the Authority under a contract or agreement authorized by the Act in connection with the acquisition, construction, improvement, extension, expansion, or financing of a transportation project.

"Counsel's Opinion" shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Authority) selected by the Authority and satisfactory to the Trustee.

"Counterparty" shall mean a counterparty to a Swap Agreement.

"Credit Enhancer" shall mean any party providing a Credit Facility with respect to Obligations.

"Credit Facility" shall mean any letter of credit, line of credit, standby letter of credit or agreement to purchase a debt obligation or any similar extension of credit, credit enhancement or liquidity support obtained by the Authority from a responsible financial or insurance institution, to provide for or to secure payment of the principal and purchase price of, and/or interest on or Maturity Amount of Obligations pursuant to the provisions of a Supplemental Indenture under which such Obligations are issued. The use of such definition is not intended to preclude the Authority from providing the credit or liquidity support with respect to Obligations directly rather than through a financial or insurance institution.

"Current Interest Bonds" shall mean Obligations paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Supplemental Indenture relating to such Obligations.

“Debt Service Reserve Fund” shall mean the Senior Lien Debt Service Reserve Fund, Junior Lien Debt Service Reserve Fund, Subordinate Lien Debt Service Reserve Fund or other debt service reserve fund established pursuant to this Indenture or any Supplemental Indenture.

“Defeasance Securities” shall mean any securities now or hereafter permitted by Chapter 1207, Texas Government Code, as amended (or successor statute) for defeasance of the Obligations, including, without limitation, (i) Government Obligations, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date Authority adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Authority adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, unless otherwise defined within a Supplemental Indenture.

“Defeased Obligation” shall mean Obligations deemed to be paid, retired and no longer Outstanding pursuant to the provisions of Article XI.

“Depository” shall mean any bank or trust company appointed by the Authority in accordance with Section 9.14 as a depository of moneys and securities held under the Indenture.

“Designated Payment/Transfer Office” shall mean (i) with respect to the Trustee, the office designated as such in the Supplemental Indenture relating to any Series of Obligations, or such other location designated by the Trustee and (ii) with respect to any other Paying Agent for a Series of Obligations, the office of such Paying Agent designated and located as may be agreed upon by the Authority and such Paying Agent.

“DSRF Security” shall mean a Senior Lien DSRF Security, a Junior Lien DSRF Security or a Subordinate Lien DSRF Security.

“Event of Default” shall mean those events specified in Section 8.1 hereof and such other events specified in any Supplemental Indentures.

“Fair Market Value” shall mean, as of any particular date of valuation: (i) as to Permitted Investments the bid and asked prices of which are published on a regular basis in a financial journal or publication of general circulation in the United States of America, the bid price for such Permitted Investments so published on or most recently prior to the date of valuation by the Trustee or any Depository; or (ii) as to Permitted Investments the bid and asked prices of which are not published on a regular basis in a financial journal or publication of general circulation in the United States of America, the average bid price on such Permitted Investments at the date of valuation by the Trustee or any Depository, as reported by any two nationally recognized dealers in such Permitted Investments.

“Fiduciary” or “Fiduciaries” shall mean the Trustee, any Paying Agent, any Securities Depository, any Depository, or any or all of them, as may be appropriate.

“Financial Consultant” shall mean any financial advisor or firm of financial advisors of favorable national reputation for skill and experience in performing the duties for which a Financial Consultant is required to be employed pursuant to the provisions hereof and who is retained by the Authority as a Financial Consultant for the purposes hereof.

“Fiscal Year” shall mean the fiscal year of the Authority, currently the period commencing on the first day of January and ending on the last day of December of the same year.

“Fund” or “Funds” shall mean any one or more, as the case may be, of the separate special trust funds created and established in Section 5.4 or in a Supplemental Indenture in accordance with Section 5.4(c).

“General Engineering Consultant” shall mean one or more engineers or firms of engineers of favorable reputation for skill and experience in performing the duties for which a General Engineering Consultant is required to be employed pursuant to the provisions of the Indenture and who is retained by the Authority as a General Engineering Consultant for purposes of this Indenture.

“General Fund” shall mean the fund so designated and created in Section 5.4(a).

“Government Obligations” shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by the full faith and credit of, the United States of America.

“Holder” or “Holder of Obligations” shall mean (i) with respect to Senior Lien Obligations, (A) each Person who is a registered owner of a Senior Lien Obligation, as shown on the registration books for Senior Lien Obligations kept by the Trustee, (B) each Credit Enhancer providing a Credit Facility secured on a parity with the Senior Lien Obligations, (C) each Counterparty to a Senior Lien Swap Agreement, and (D) each bank, financial institution or other lender under a Loan Agreement that constitutes a Senior Lien Obligation, (ii) with respect to Junior Lien Obligations, (A) each Person who is a registered owner of a Junior Lien Obligation, as shown on the registration books for Junior Lien Obligations kept by the Trustee, (B) each Credit Enhancer providing a Credit Facility secured on a parity with the Junior Lien Obligations, (C) each Counterparty to a Junior Lien Swap Agreement, and (D) each bank, financial institution or other lender under a Loan Agreement that constitutes a Junior Lien Obligation, (iii) with respect to Subordinate Lien Obligations, (A) each Person who is a registered owner of a Subordinate Lien Obligation, as shown on the registration books for Subordinate Lien Obligations kept by the Trustee, (B) each Credit Enhancer providing a Credit Facility secured on a parity with the Subordinate Lien Obligations, (C) each Counterparty to a Subordinate Lien Swap Agreement, and (D) each bank, financial institution or other lender under a Loan Agreement that constitutes a Subordinate Lien Obligation, and (iv) with respect to Other Obligations, (A) each Person who is a registered owner of an Other Obligation, as shown on the registration books for Other Obligations kept by the Trustee, (B) each Credit Enhancer providing a Credit Facility secured on a parity with the Other Obligations, and (C) each bank, financial institution or other lender under a Loan Agreement that constitutes an Other Obligation.

“Indenture” shall mean this Master Trust Indenture, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Interest Payment Date” shall mean the dates that are defined as such in any Supplemental Indenture under which Obligations are issued. However, in each case, if the date specified above is not a Business Day then the Interest Payment Date shall be the Business Day next succeeding the date specified above.

“Issuance Cost” shall mean costs incurred by or on behalf of the Authority in connection with the issuance of Obligations including, without limitation, the following: financial, rating agency, legal, accounting and appraisal fees and expenses; the cost of printing, engraving and reproduction services; fees and expenses incurred in connection with any Credit Facility and any Swap Agreement; the initial or acceptance fee of the Trustee; underwriters’ discount or placement agent fees; and all other fees, charges and expenses incurred in connection with the issuance of the Obligations and the preparation of this Indenture and any Supplemental Indentures entered into in connection with the issuance of Obligations.

“Issuance Date” shall mean with respect to any Obligations, the date of delivery of such Obligations to the initial purchaser or purchasers thereof against payment therefor.

“Investment Policy” shall mean the investment policy of the Authority relating to the funds of the System adopted pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

“Junior Lien Debt Service Fund” shall mean the fund so designated and created in Section 5.4(a).

“Junior Lien Debt Service Reserve Fund” shall mean the fund so designated and created in Section 5.4(a).

“Junior Lien Debt Service Reserve Requirement” shall mean the amount, if any, specified in the Supplemental Indentures and Award Certificate authorizing Junior Lien Obligations as the Junior Lien Debt Service Reserve Requirement or, if not so specified, \$0.

“Junior Lien DSRF Security” shall have the meaning given to such term in Section 5.11.

“Junior Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations (including indebtedness arising under any loan agreement, other agreement or contract authorized by the Act) issued or incurred as Junior Lien Obligations under and in accordance with this Indenture and any Supplemental Indenture, and includes all obligations of the Authority owed to Holders of (i) Junior Lien Obligations, (ii) Reimbursement Obligations secured by the Trust Estate on a parity with Junior Lien Obligations and (iii) obligations of the Authority under Junior Lien Swap Agreements.

“Junior Lien Swap Agreement” shall mean a Swap Agreement entered into as a Junior Lien Obligation.

“Letter of Instructions” shall mean a written directive and authorization to the Trustee or any Depository executed by an Authorized Representative of the Authority.

“Letter of Representations” shall mean the letter of representations or similar document executed by the Authority and delivered to a Securities Depository (and any amendments thereto or successor agreements) for one or more Series of Obligations issued in book-entry form.

“Loan Agreement” shall mean a loan or other contract of the Authority with payment obligations that is authorized by the Act. As used in this Indenture, the term does not include “Credit Facilities,” but to the extent applicable, a “Loan Agreement” hereunder may be a “credit agreement” for the purposes of Chapter 1371, Texas Government Code, as amended or otherwise provided in a successor statute.

“Long-Term Obligations” shall mean all Obligations that are not Short-Term Obligations.

“Maintenance Expenses” shall mean the Authority’s reasonable and necessary expenses of repair and maintenance of the System, including, without limiting the generality of the foregoing, periodic repair of roadway or repair of toll collection, vehicle identification, toll integration and video enforcement equipment and all administrative and engineering expenses relating to repair and maintenance of the System and any other expenses required to be paid by the Authority as shown in the Annual Maintenance Budget for the System.

“Maturity Amount” shall mean the Compounded Amount of a Capital Appreciation Bond or a Convertible Bond due on its maturity.

“Obligation” or “Obligations” shall mean all indebtedness of the Authority payable from Revenues and, to the extent pledged in any Supplemental Indenture, any Supplemental Security, incurred or assumed by the Authority for borrowed money (including indebtedness arising under any loan agreement, other agreement or contract authorized by the Act) and all other financing obligations of the Authority related to the System that, in accordance with Accounting Principles, are included as a liability on a balance sheet for the System books and records, including, any bonds, notes, certificates or other obligations, as the case may be, authenticated and delivered under and pursuant to the Indenture as Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations. For the purpose of determining the “Obligations” payable from the Revenues, any Defeased Obligation shall be excluded.

“Operating Expenses” shall mean the Authority’s reasonable and necessary expenses of operation of the System, including, without limiting the generality of the foregoing, expenses for toll collection, all premiums for insurance and payments into any self-insurance reserve fund, all administrative and engineering expenses relating to operation of the System, fees and expenses of the Traffic Consultant, the General Engineering Consultant, the Trustee and of the Paying Agents, periodic fees or charges required to maintain a DSRF Security, legal expenses, expenses for Public Safety Officers and any other expenses required to be paid by the Authority as shown in the Annual Operating Budget for the System.

“Operating Fund” shall mean the fund so designated and created in Section 5.4(a).

“Other Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations (including indebtedness arising under any loan agreement, other agreement or contract authorized by the Act) issued or incurred as Other Obligations under and in accordance with this Indenture and any Supplemental Indenture,

and includes all obligations of the Authority owed to Holders of (i) Other Obligations and (ii) Reimbursement Obligations secured by the Trust Estate on a parity with Other Obligations.

“Other Obligations Fund” shall mean the fund so designated and created in Section 5.4(a).

“Outstanding” shall mean, when used with reference to Obligations, as of any date, Obligations theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Obligations cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(b) Obligations in lieu of or in substitution for which other Obligations shall have been authenticated and delivered pursuant to Article III or Section 10.6; and

(c) Obligations paid or deemed to have been paid as provided in Section 11.2.

“Paying Agent” shall mean, with respect to any Series, any bank or trust company appointed by the Authority in accordance with Section 9.12 to act as paying agent for the Obligations of such Series.

“Permitted Investments” shall mean any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended, and the Authority’s duly approved Investment Policy, unless otherwise defined within a Supplemental Indenture.

“Person” shall mean any individual, public or private corporation, district, authority, municipality, political subdivision or other agency or entity of the State of Texas or the United States of America, and any incorporated city, town or village, whether operating under general or special law or under its home rule charter, and any partnership, association, firm, trust, estate, or any other entity whatsoever.

“Project” shall mean any transportation project (as defined in the Act) financed or refinanced with the proceeds of Obligations or otherwise designated by the Authority as a Project under this Indenture.

“Projected Annual Debt Service” shall mean, when applied to Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Other Obligations or all Obligations, as the case may be, for each Annual Period, an amount equal to the sum of (i) the amount of Annual Debt Service on such Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Other Obligations or all Obligations, as the case may be, then Outstanding plus (ii) the Annual Debt Service on any Obligations at such lien level then proposed to be issued; provided, that in making such calculation, the Authority may take into consideration any amounts specified in clause (v) of the first paragraph of the definition of “Annual Debt Service” in Section 1.1 hereof, including but limited to, any Supplemental Security that the Authority has pledged for the benefit of the Obligations for which such calculation is being made.

“Projected Debt Service Coverage Ratio” shall mean, when applied to Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations,

respectively, or a combination of the foregoing, for each of the Fiscal Years commencing with the Fiscal Year following the end of any period during which interest was fully capitalized on the Obligations proposed to be issued and ending with the latest Fiscal Year in which any Obligation is scheduled to mature or for any other Annual Period, the ratio determined by dividing Projected Revenues for such Annual Period, less projected Operating Expenses and Maintenance Expenses for such Annual Period to be paid from Revenues, by the Projected Annual Debt Service for each such Annual Period.

“Projected Revenues” shall mean Revenues projected by the Traffic Consultant or the Authority, as applicable, to be received in the Annual Period in question, taking into account (i) any revisions of the Tolls that have been approved by the Authority and that will be effective during such Annual Period, (ii) any additional Tolls that the Traffic Consultant estimates will be received by the Authority following the completion of any Project then being constructed or proposed to be constructed, (iii) any revisions of the Tolls expected to be implemented by the Authority, as evidenced by a certificate of an Authorized Representative of the Authority delivered to the Trustee, and included as assumptions in a Traffic and Revenue Report of the Traffic Consultant, and (iv) with respect to any Revenues that are not related to Tolls (e.g. investments, other income and any other monies not related to Tolls that are designated as Revenues by the Authority pursuant to a Supplemental Indenture) and that are estimated by an Authorized Representative pursuant to the terms of this Indenture or any Supplemental Indenture, such considerations and determinations that are deemed to be reasonable and appropriate by such Authorized Representative and, if applicable, such considerations and determinations that may be set forth in any Supplemental Indenture pursuant to which the Authority designates any other source of funds as Revenues.

“Public Safety Officers” shall mean public safety officers in the employment of or under contract to the Authority for the purpose of performing public safety duties in connection with the System.

“Rate Covenant” shall mean the covenant of the Authority set forth in Section 5.2.

“Rating Agency” shall mean, as of any particular date, any nationally-recognized credit rating agency whose rating is then in effect with respect to a particular Series of Obligations at the written request of the Authority.

“Rating Category” shall mean each major rating classification established by the Rating Agency, determined without regard to gradations such as “1,” “2” and “3” or “plus” (+) and “minus” (-).

“Rebate Fund” shall mean the fund so designated and established in Section 5.4(a).

“Refunding Obligations” shall mean all Obligations, whether issued in one or more Series, authenticated and delivered on original issuance for the purpose of refunding Outstanding Obligations, and all Obligations thereafter authenticated and delivered in lieu of or in substitution for such Obligations pursuant to Article III, Section 10.6 or the redemption provisions of any Supplemental Indenture.

“Reimbursement Agreement” shall mean an agreement between the Authority and one or more Credit Enhancers pursuant to which, among other things, such Credit Enhancer issues a Credit Facility with respect to Obligations of one or more Series and the Authority agrees to reimburse such Credit Enhancer for any drawings made thereunder.

“Reimbursement Obligation” shall mean the obligation of the Authority pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility and to pay interest on such drawn amounts pursuant to such Reimbursement Agreement, which Reimbursement Obligation is secured by the Trust Estate on a parity with the Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, as appropriate.

“Renewal and Replacement Fund” shall mean the fund so designated and created in Section 5.4(a).

“Reserve Fund Participants” shall mean any Series of Obligations for which the Authority elects to fund a shared Debt Service Reserve Fund.

“Revenue Fund” shall mean the fund so designated and created in Section 5.4(a).

“Revenues” shall mean all income and revenues derived from the operation of the System, including (i) all Tolls received by or on behalf of the Authority, (ii) the proceeds of any insurance covering business interruption loss relating to the System or a portion thereof, (iii) any liquidated damages for delayed completion under a construction contract relating to the System or a portion thereof, (iv) any other sources of revenues or funds of the Authority that the Authority chooses to designate as “Revenues” pursuant to a Supplemental Indenture, and (v) the interest and income earned on any fund or account where said interest or income is required to be credited to the Revenue Fund pursuant to this Indenture. “Revenues” does not include Supplemental Security.

“Securities Depository” shall mean any bank or trust company (including the Trustee) appointed by the Authority in accordance with Section 9.13 to act as securities depository for the Obligations of one or more Series.

“Senior Lien Debt Service Fund” shall mean the fund so designated and created in Section 5.4(a).

“Senior Lien Debt Service Reserve Fund” shall mean the fund so designated and created in Section 5.4(a).

“Senior Lien Debt Service Reserve Requirement” shall mean the amount, if any, specified in the Supplemental Indentures and Award Certificate authorizing Senior Lien Obligations as the Senior Lien Debt Service Reserve Requirement or, if not so specified, \$0.

“Senior Lien DSRF Security” shall have the meaning given to such term in Section 5.9.

“Senior Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations (including indebtedness arising under any loan agreement, other agreement or contract authorized by the Act) issued or incurred as Senior Lien Obligations under and in accordance with this Indenture and any

Supplemental Indenture, and includes all obligations of the Authority owed to Holders of (i) Senior Lien Obligations, (ii) Reimbursement Obligations secured by the Trust Estate on a parity with Senior Lien Obligations and (iii) obligations of the Authority under Senior Lien Swap Agreements.

“Senior Lien Swap Agreement” shall mean a Swap Agreement entered into as a Senior Lien Obligation.

“Series” shall mean all of the Obligations designated as a Series in a Supplemental Indenture and which are authenticated and delivered on original issuance in a simultaneous transaction, and any Obligations thereafter authenticated and delivered in lieu of or in substitution for such Obligations pursuant to Article III, Section 10.6 or the redemption provisions of any Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions.

“Short-Term Obligations” shall mean all Obligations that mature in less than 365 days and are issued as Short-Term Obligations pursuant to Sections 7.7, 7.8, 7.9 or 7.10. In the event a Credit Enhancer has extended a line of credit or the Authority has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days shall be considered Short-Term Obligations and the full amount of such commitment or program shall not be treated as Short-Term Obligations to the extent that such facility remains available but undrawn.

“State” shall mean the State of Texas.

“State Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas or any successor thereto.

“Subordinate Lien Debt Service Fund” shall mean the fund so designated and created in Section 5.4(a).

“Subordinate Lien Debt Service Reserve Fund” shall mean the fund so designated and created in Section 5.4(a).

“Subordinate Lien Debt Service Reserve Requirement” shall mean the amount, if any, specified in the Supplemental Indentures and Award Certificate authorizing Subordinate Lien Obligations as the Subordinate Lien Debt Service Reserve Requirement or, if not so specified, \$0.

“Subordinate Lien DSRF Security” shall have the meaning given to such term in Section 5.13.

“Subordinate Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations (including indebtedness arising under any loan agreement, other agreement or contract authorized by the Act) issued or incurred as Subordinate Lien Obligations under and in accordance with this Indenture and any Supplemental Indentures, and includes all obligations of the Authority owed to Holders of (i) Subordinate Lien Obligations, (ii) Reimbursement Obligations secured by the Trust Estate on a parity with Subordinate Lien Obligations and (iii) obligations of the Authority under Subordinate Lien Swap Agreements.

“Subordinate Lien Swap Agreement” shall mean a Swap Agreement entered into as a Subordinate Lien Obligation.

“Substantial Completion” shall mean, as evidenced by a certificate of an Authorized Representative of the Authority pursuant to Section 5.19(d)(2), the point in time when any Project has been partially opened to traffic to the extent that the portions of such Project open to traffic were projected to produce 80% of the Revenues of such Project in the Traffic and Revenue Report issued at the time of the issuance of Obligations to finance the cost of such Project.

“Supplemental Indenture” shall mean any trust indenture supplemental to or amendatory of the Indenture, executed and delivered by the Authority and the Trustee in accordance with Article X.

“Supplemental Security” shall mean (i) any Credit Facility or other credit enhancement for specified Obligations and (ii) any funds received by or obligations payable to the Authority, other than Revenues, which, pursuant to a Supplemental Indenture, the Authority chooses to include as security for specified Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations or which the Authority chooses to deposit into one or more specified Funds or Accounts created under this Indenture or any Supplemental Indenture, all as provided in Section 5.18.

“Swap Agreement” shall have the meaning given to such term in Section 3.3.

“Swap Agreement Policy” means a master swap policy as may be adopted by the Board of Directors of the Authority, governing the authorization, execution and delivery of Swap Agreements, as the same may be amended from time to time.

“System” shall mean the Hidalgo County Transportation Project System, which shall be comprised of any (i) Project and (ii) other roads, bridges, tunnels or other toll facilities for which the Authority has operational responsibility that, in the case of both (i) and (ii), the Authority designates as part of the Hidalgo County Transportation Project System by official action of the Board of Directors, which action may be included in any resolution authorizing Obligations or in any Supplemental Indenture, in accordance with the Act.

“Tender Obligations” shall mean any Obligations the terms of which include (i) an option or an obligation on the part of the Holder to tender all or a portion of such Obligation to the Authority, the Trustee, the Paying Agent or another fiduciary or agent for payment or purchase and (ii) a requirement on the part of the Authority to purchase or cause to be paid or purchased such Obligation or portion thereof if properly tendered.

“Toll” or Tolls” shall mean all rates, rents, fees, charges, fines or other income derived by the Authority from the vehicular usage of the System and the rights of the Authority to receive the same.

“Traffic and Revenue Report” shall mean a report of the Traffic Consultant setting forth the estimated traffic and revenue for the System or a Project.

“Traffic Consultant” shall mean one or more traffic and revenue consultants or firms of traffic and revenue consultants of favorable national reputation for skill and experience in performing the duties for which a Traffic Consultant is required to be employed pursuant to the provisions of this Indenture and who is retained by or on behalf of the Authority as a Traffic Consultant for the purposes of this Indenture.

“Transfer Date” shall have the meaning given to such term in Section 5.5.

“Trust Estate” shall have the meaning set forth in Section 2.1 of this Indenture.

“Trustee” shall mean Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, and its successors in trust under the Indenture.

“Variable Rate Obligations” shall mean any Obligation the interest rate on which fluctuates from time to time subsequent to the time of incurrence. Variable Rate Obligations may include, without limitation, (i) “auction rate” Obligations (A) the interest rate applicable to which (after an initial period following the issuance thereof or the conversion thereof to such an interest rate mode) is reset from time to time through an auction or bidding system and (B) which the Authority has no obligation to repurchase in connection with the resetting of the interest rate applicable thereto except to the extent proceeds are available for such purpose either from the remarketing of such Obligations or from such other sources as identified in the Supplemental Indenture pursuant to which such Obligations were issued; (ii) Tender Obligations; (iii) commercial paper Obligations which are intended to be reissued and refinanced periodically; (iv) Obligations that bear interest at a fixed rate, but with respect to which the Authority has entered into a Swap Agreement that provides for the Authority to pay a variable interest rate; provided, that the notional amount under the Swap Agreement is equal to or greater than the Outstanding principal amount of the related Obligations and reduces in amounts and on the dates that the related Obligations mature; or (v) other forms of Obligations on which the interest fluctuates or is subject to being set or reset from time to time.

Section 1.2 Authority for This Indenture. This Master Trust Indenture is adopted pursuant to the provisions of the Act.

Section 1.3 Recitals, Table of Contents, Titles and Headings. The terms and phrases used in this Indenture have been included for convenience of reference only and the meaning, construction and interpretation of such words and phrases for purposes of this Indenture shall be determined solely by reference to Section 1.1. The table of contents, titles and headings of the articles and sections of this Indenture 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 and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4 Interpretation. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, words of the singular number shall be construed to include correlative words of the plural number and vice versa. References in the Indenture to numbered Articles,

Sections or portions thereof shall refer to the respective Articles and Sections of the Indenture, unless expressly specified otherwise. The terms “hereof,” “herein,” “hereunder” and similar terms shall refer to the Indenture as a whole and not to any particular provision of the Indenture. This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of the Indenture.

[END OF ARTICLE I]

ARTICLE II

SECURITY FOR THE OBLIGATIONS

Section 2.1 Granting Clauses. In order to secure the payment of the Obligations as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Obligations by the Holders thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority does hereby GRANT, BARGAIN, CONVEY, ASSIGN and PLEDGE to the Trustee and its successors in trust hereunder all right, title and interest of the Authority, whether now owned or hereafter acquired, in and to (i) all Revenues (subject to the requirements for transfers of Revenues to the Rebate Fund and Operating Fund set forth in Section 5.5) and, to the extent set forth in a Supplemental Indenture, any Supplemental Security; (ii) all moneys, including investment earnings, deposited into accounts or funds created in Sections 5.4 and 5.19 or in a Supplemental Indenture to be held by or on behalf of the Trustee subject to the provisions of this Indenture relating to each of such funds and accounts (but excluding moneys on deposit in the Operating Fund and Rebate Fund and amounts held in an account or subaccount of the Construction Fund containing moneys that are restricted to another use, such as right-of-way contributions that may be used for only that purpose); (iii) any insurance proceeds and other moneys required to be deposited in such accounts and funds by this Indenture or the provisions of a Supplemental Indenture; and (iv) all payments received by the Authority pursuant to Swap Agreements (collectively, the "Trust Estate"),

FIRST: for the equal and proportionate benefit and security of all Senior Lien Obligations, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Senior Lien Obligation over any other Senior Lien Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Senior Lien Obligations which are deemed to have been paid pursuant to the provisions of Article XI and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Senior Lien Obligations shall be held and used only to pay or provide security for the Senior Lien Obligations for which such deposit was made and shall not be held as security on a parity for any other Senior Lien Obligations; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to the Senior Lien Obligations and for the purposes and uses and in the order of priority set forth herein prior to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations; and

SECOND: subject to the security interest in the Trust Estate pledged for the security and payment of the Senior Lien Obligations, for the equal and proportionate benefit and security of all Junior Lien Obligations, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or

distinction as to lien or otherwise of any Junior Lien Obligation over any other Junior Lien Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Junior Lien Obligations that are deemed to have been paid pursuant to the provisions of Article XI and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Junior Lien Obligations shall be held and used only to pay or provide security for the Junior Lien Obligations for which such deposit was made and shall not be held as security on a parity for any other Junior Lien Obligations; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to the Junior Lien Obligations and for the purposes and uses and in the order of priority set forth herein subordinate to the payment of the Senior Lien Obligations but prior to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to Subordinate Lien Obligations and Other Obligations; and

THIRD: subject to the security interest in the Trust Estate pledged for the security and payment of the Senior Lien Obligations and the Junior Lien Obligations, for the equal and proportionate benefit and security of all Subordinate Lien Obligations, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Subordinate Lien Obligation over any other Subordinate Lien Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Subordinate Lien Obligations which are deemed to have been paid pursuant to the provisions of Article XI and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Subordinate Lien Obligations shall be held and used only to pay or provide security for the Subordinate Lien Obligations for which such deposit was made and shall not be held as security on a parity for any other Subordinate Lien Obligations; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to the Subordinate Lien Obligations and for the purposes and uses and in the order of priority set forth herein subordinate to the payment of the Senior Lien Obligations and the Junior Lien Obligations but prior to the payment of the principal of and interest on, or Maturity Amount of, and other payments with respect to Other Obligations; and

FOURTH: excluding moneys on deposit in the Renewal and Replacement Fund and subject to the security interest in the Trust Estate pledged for the security and payment of the Senior Lien Obligations, the Junior Lien Obligations and the Subordinate Lien Obligations, for the equal and proportionate benefit and security of all Other Obligations, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Other Obligation over any other Other Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Other Obligations which are deemed to have been paid pursuant to the provisions of Article XI and any funds deposited with the Trustee

hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Other Obligations shall be held and used only to pay or provide security for the Other Obligations for which such deposit was made and shall not be held as security on a parity for any other Other Obligations; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Amount of, and other payments with respect to the Other Obligations and for the purposes and uses and in the order of priority set forth herein subordinate to the payment of the Senior Lien Obligations, the Junior Lien Obligations and the Subordinate Lien Obligations.

TO HAVE AND TO HOLD all the same, with rights and privileges appurtenant thereto, unto the Trustee and its successors in trust forever, subject, however, to all of the terms and provisions of this Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of the Holders from time to time of the Obligations issued and to be issued hereunder, without preference, priority or distinction as to lien or otherwise of any Obligation over any other Obligation except as provided in this Indenture or in a Supplemental Indenture;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal amount or Maturity Amount, as applicable, of the Obligations and the interest due or to become due thereon, at the times and in the manner provided in the Obligations according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds in the amounts required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee an amount sufficient to provide for payment of the entire amount due or to become due thereon as provided in this Indenture, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon such payment and performance, this Indenture and the rights and liens hereby granted shall cease, determine and be void; otherwise, this Indenture is to be and shall remain in full force and effect.

Section 2.2 Time of Pledge; Delivery of Trust Estate. The grant, conveyance, assignment, mortgage and pledge of the Trust Estate, including the Revenues, pursuant to the provisions of this Indenture shall be effective from and after the payment for and delivery of the Obligations. Nothing in the Indenture shall create an obligation on the part of the Authority to physically deliver the Trust Estate to the Trustee except as expressly provided in this Indenture.

Section 2.3 Limited Obligations of Authority. The Obligations shall be limited obligations of the Authority payable solely from the Trust Estate, including the Revenues. The Obligations shall constitute a valid claim of the respective Holders thereof against such Trust Estate, which is pledged to secure the payment of the principal amount or Maturity Amount, as applicable, of and interest on the Obligations, whether at maturity or upon prior redemption, and which shall be utilized for no other purpose, except as expressly authorized in this Indenture. The Obligations shall never constitute general obligations of the Authority and under no circumstances

shall the Obligations ever be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged hereunder as security for the payment of the Obligations.

Section 2.4 Declaration. It is hereby expressly declared that the Trust Estate hereby pledged is to be applied, disbursed, dealt with and disposed of under, upon and subject to the terms, conditions, covenants, agreements, uses and purposes set forth in this Indenture.

[END OF ARTICLE II]

ARTICLE III

AUTHORIZATION AND ISSUANCE OF OBLIGATIONS, GENERAL TERMS AND PROVISIONS OF THE OBLIGATIONS

Section 3.1 Authorization of Obligations. This Indenture provides for and authorizes the issuance from time to time pursuant to this Indenture and one or more Supplemental Indentures of Obligations of the Authority and creates a continuing pledge and lien to secure the full and final payment of the principal amount or Maturity Amount, as applicable, of and interest on all the Obligations. The aggregate principal amount or Maturity Amount, as applicable, of the Obligations which may be executed, authenticated and delivered under this Indenture is not limited, except as may be provided hereafter in this Indenture or as may be limited hereafter by the Act. The Obligations may, if and when authorized by the Authority pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to describing the priority of the security therefor as “Senior Lien,” “Junior Lien,” “Subordinate Lien” or “Other Obligation” shall include such further appropriate particular designation added to or incorporated in such title for the Obligations of any particular Series, as the Authority may determine, including, without limitation, the designation of such Obligations as “Bonds,” “Notes” or “Certificates.” Each Obligation shall bear upon its face the designation so determined for the Series to which it belongs.

Section 3.2 Provisions for Issuance of Obligations. (a) All (but not less than all) of the initial Obligations of each Series, other than Refunding Obligations which shall be executed and issued as described in subsection (b) hereof, shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A Counsel’s Opinion to the effect that: (i) the Authority has the right and power under the Act, as amended, to authorize, execute and deliver the Indenture and the Indenture has been duly and lawfully authorized, executed and delivered by the Authority, is in full force and effect and is valid and binding upon the Authority and no other official action for the authorization, execution and delivery of the Indenture is required; (ii) the Indenture creates the valid pledge which it purports to create of the Trust Estate, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; (iii) the Obligations of such Series have been duly and validly authorized and issued in accordance with the Act, as amended to the date of such Counsel’s Opinion, and in accordance with the Indenture; and (iv) the Obligations of such Series are valid and binding limited obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture, and are entitled to the benefits of the Indenture, as amended to the date of such Counsel’s Opinion; provided, however, that such Counsel’s Opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally;

(2) A Letter of Instructions as to the authentication and delivery of such Obligations;

(3) A certified copy of the resolution of the Board of Directors of the Authority authorizing the issuance of such Obligations;

(4) A copy of the applicable Supplemental Indenture, executed by an Authorized Representative of the Authority, which shall specify:

(i) The principal amount and the designation of the Obligations as Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations and the designation of the Series of such Obligations;

(ii) The date and the maturity date or dates of the Obligations of such Series and the original principal amount of the Obligations of each such maturity;

(iii) The designation of any of the Obligations of such Series as Long-Term Obligations, Short-Term Obligations or Variable Rate Obligations;

(iv) The Interest Payment Dates, the interest rate or rates of the Obligations, or the manner of determining such rate or rates, and the basis on which interest shall be calculated;

(v) The designation of any of the Obligations to be Capital Appreciation Bonds or Convertible Bonds, the specification of the Compounding Dates for such Obligations, a Compounded Amount Table setting forth the Compounded Amount of such Capital Appreciation Bonds or Convertible Bonds as of the date of original issuance of such Series and as of each Compounding Date during the stated term thereof, and the Maturity Amounts for each of such Capital Appreciation Bonds or Convertible Bonds;

(vi) The Authorized Denominations of and the manner of dating, numbering and lettering the Obligations of such Series;

(vii) The designation of any Paying Agents and Security Depository and the methods and places of payment of the principal amount or Maturity Amount, as applicable, of and interest on the Obligations of such Series;

(viii) Subject to Article IV, the redemption prices and other terms upon which the Obligations of such Series shall be subject to redemption, including the manner in which such Obligations are required to be selected for redemption;

(ix) If so determined by the Authority, a description of any Permitted Investments or Defeasance Securities to be added to such definitions or any restrictions to be imposed on Permitted Investments or Defeasance Securities;

(x) If so determined by the Authority, provisions for the sale of the Obligations of such Series;

(xi) If so determined by the Authority, the provisions of any Supplemental Security provided for the Obligations of such Series.

(xii) The forms of the Obligations of such Series, the Trustee's certificate of authentication and the registration certificate of the State Comptroller, to the extent required by applicable law; and

(xiii) Any other provisions, covenants or agreements deemed advisable by the Authority not in conflict with the provisions of this Indenture.

(5) Such amounts as are required by the applicable Supplemental Indenture to be deposited in the Funds created pursuant to this Indenture or the applicable Supplemental Indenture;

(6) A certificate of an Authorized Representative of the Authority to the effect that the Authority (i) is in compliance with requirements of Article VII that are applicable to the Obligations of such Series, if any, and (ii) is not, at the time of the issuance of the Obligations of such Series, committing an Event of Default under the Indenture;

(7) A Letter of Instructions as to the disposition and investment of the proceeds of such Obligations and related amounts;

(8) If required by the Act, the approving opinion of the Attorney General of the State to the effect that the Obligations have been issued in accordance with law, or a judgment of a district court of the State validating the issuance of Obligations;

(9) If required by the Act, the certificate of registration of such Obligations from the State Comptroller; and

(10) Such further documents and moneys as are required by the provisions of Article X or any Supplemental Indenture.

(b) All (but not less than all) of the initial Refunding Obligations of each Series shall be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) The documents and moneys referred to in paragraphs (1), (2), (3), (4), (5), (7), (8), (9) and (10) of subsection of (a) in this Section;

(2) If the Obligations to be refunded are to be called for redemption, a Letter of Instructions to the Trustee, to give due notice of redemption of all the Obligations to be refunded on a redemption date or dates specified in such Letter of Instructions;

(3) A Letter of Instructions to the Trustee, satisfactory to it, to give the notice provided for in Section 11.2 to the Holders of the Obligations being refunded;

(4) Either (i) moneys in an amount sufficient to effect payment at the applicable redemption price (or the principal amount or Maturity Amount, as applicable, at maturity) of the Obligations to be refunded, together with accrued interest on such Obligations to the redemption (or maturity) date, which moneys shall be held by the Trustee, any Depository

or any one or more of the Paying Agents, in a separate account irrevocably in trust for and assigned to the respective Holders of the Obligations to be refunded, or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Section 11.2 and any moneys required pursuant to Section 11.2, which Defeasance Securities and moneys shall be held in trust and used only as provided in Section 11.2 and any applicable Supplemental Indenture; and

(5) Such further documents and moneys as are required by the provisions of Article XI or any Supplemental Indenture.

(c) All the Obligations of each Series of the same maturity shall be identical in all respects, except as to interest rate, denominations, numbers and letters. After the original issuance of Obligations of any Series no Obligations of such Series shall be issued except in lieu of or in substitution for other Obligations of such Series pursuant to Article III or Section 10.6.

Section 3.3 Provisions for Swap Agreements. Pursuant to one or more Supplemental Indentures and subject to compliance with the requirements of Section 7.7(b) with respect to Senior Lien Obligations, Section 7.8(b) with respect to Junior Lien Obligations, and Section 7.9(b) with respect to Subordinate Lien Obligations, the Authority reserves the right to enter into one or more contracts having an interest rate, currency, cash-flow, or other basis desired by the Authority (a “Swap Agreement”), including, without limitation and to the extent permitted by law, interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures contracts, contracts providing for payments based on levels of or changes in interest rates, currency exchange rates, stock or other indices, or contracts to exchange cash flows or a series of payments, and contracts including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, currency rate, spread or similar exposure, secured by or payable from Revenues. In the event the Authority wishes to enter into a Swap Agreement under this Section and to have its obligations thereunder be on parity with Obligations under this Indenture, it shall file with the Trustee a Supplemental Indenture granting such parity position (in which event, such Swap Agreement shall constitute a Senior Lien Swap Agreement, Junior Lien Swap Agreement, or Subordinate Lien Swap Agreement, as the case may be). The terms of any such Supplemental Indenture authorizing a Swap Agreement shall prevail over any inconsistent or conflicting terms in the Indenture. Any termination payments and collateral posting requirements under a Swap Agreement shall have a priority position that is inferior to Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations.

Section 3.4 Application of Obligation Proceeds. The proceeds, including accrued interest and premium, if any, on the Obligations of each Series, including Refunding Obligations, together with other moneys provided by the Authority, shall be applied simultaneously with the delivery of such Obligations in the manner provided in the applicable Supplemental Indenture.

Section 3.5 Medium and Method of Payment; Form and Date; Letters and Numbers.
(a) The Obligations shall be payable, with respect to interest and principal, or Maturity Amount, as applicable, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments of the principal of and interest

on the Obligations of each Series shall be made by such method or methods as may be specified in the applicable Supplemental Indenture.

(b) The Obligations of each Series shall be issued in fully registered form without coupons.

(c) The Obligations of each Series shall be dated as provided in the applicable Supplemental Indenture. Each Obligation shall bear interest from the Interest Payment Date thereon next preceding the date of authentication of such Obligation, unless such date of authentication is an Interest Payment Date, in which case such Obligation shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Interest Payment Date on such Obligation, in which case such Obligation shall bear interest from either the date thereof or the date of initial delivery of such Obligation, as provided in the applicable Supplemental Indenture; provided, however, that if on such date of authentication the Authority is in default in the payment of interest on such Obligation, then such Obligation shall bear interest from the date to which interest shall have been paid.

(d) Each Obligation shall be lettered and numbered as provided in this Indenture and the applicable Supplemental Indenture so as to be distinguished from every other Obligation.

Section 3.6 Legends. The Obligations of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

Section 3.7 Execution, Authentication and Registration of Obligations. (a) The Obligations shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman or other Authorized Representative of the Authority, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary, Assistant Secretary or other Authorized Representative of the Authority, or in such other manner as may be required or permitted by the Act. In case any one or more of the Authorized Representatives who shall have signed or sealed any of the Obligations shall cease to be Authorized Representatives before the Obligations so signed and sealed shall have been authenticated and delivered by the Trustee, such Obligations nevertheless may be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Obligations had not ceased to be Authorized Representatives. Any Obligation of a Series may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Obligations shall be duly authorized for such purpose, although at the date borne by the Obligations of such Series such persons may not have been so authorized.

(b) Except as provided in this subsection, and if required by the Act, the Obligations of each Series shall be registered by the State Comptroller, which registration shall be evidenced by the manual signature of the State Comptroller or his deputy and the official seal of the State Comptroller shall be impressed or placed in facsimile on the Obligations of each Series. Any Obligation or Obligations issued in exchange, substitution or replacement for any other Obligation

or Obligations pursuant to the provisions of this Article III, Section 10.6 or the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) need not be reregistered by the State Comptroller.

(c) Except for Obligations registered by the State Comptroller as provided for in subsection (b) above, the Obligations of each Series shall bear thereon a certificate of authentication, in the form set forth in the applicable Supplemental Indenture, executed manually by the Trustee. Only such Obligations as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Indenture and no Obligation shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Obligation executed on behalf of the Authority shall be conclusive evidence that the Obligation or authenticated has been duly authenticated and delivered under the Indenture and that the Holder thereof is entitled to the benefits of the Indenture.

Section 3.8 Exchange of Obligations. Upon surrender of any Obligations at the Designated Payment/Transfer Office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or the duly authorized attorney of the Holder, such Obligations may be exchanged, at the option of the Holder thereof, and upon payment by such Holder of any charges which the Trustee or the Authority may make as provided in Section 3.10, for an Obligation or Obligations of an equal aggregate principal amount or Maturity Amount, as applicable, and of the same Series, maturity and interest rate, in any Authorized Denomination.

Section 3.9 Transfer of Obligations. Obligations shall be transferable only upon the registration books of the Authority, which shall be kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the Holder thereof in person or by the attorney of the Holder duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Obligation and payment of any required fees the Authority shall issue in the name of the transferee a new Obligation or Obligations, of the same aggregate principal amount or Maturity Amount, as applicable, and of the same Series, maturity and interest rate as the surrendered Obligation, in any Authorized Denomination.

Section 3.10 Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Obligations is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Obligations in accordance with the provisions of the Indenture. All Obligations surrendered in any exchanges or transfers shall be cancelled by the Trustee. For every such exchange or transfer of Obligations, whether temporary or definitive, the Authority or the Trustee shall make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and to reimburse the Trustee for administrative expenses, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. In addition, the cost, if any, of preparing each new Obligation upon such exchange or transfer and any other expenses of the Authority or the Trustee incurred in connection therewith shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Obligations issued in exchange, substitution or replacement of other Obligations may bear a certificate of the Trustee, which may be executed in facsimile, to the effect that the Series of

Obligations of which the exchanged substituted or replaced Obligation is a part was approved by the Attorney General of Texas or validated by a district court of the State of Texas and registered by the State Comptroller. Neither the Authority nor the Trustee shall be required (i) to transfer or exchange Obligations for a period of 15 days next preceding an Interest Payment Date on such Obligations or next preceding any selection of Obligations to be redeemed or thereafter until after the mailing of any notice of redemption; or (ii) to transfer or exchange any Obligations called for redemption.

Section 3.11 Ownership of Obligations. (a) Except as provided in subsection (b) of this Section 3.11 and subsection (c) of Section 9.13, the Authority, the Trustee and any Paying Agent may deem and treat the Person in whose name any Obligation is registered upon the Obligation registration books kept by the Trustee as the absolute owner of such Obligation for all purposes of the Indenture, regardless of any notice to the contrary. All payments of the principal or Maturity Amount, as applicable, of and interest on such Obligation made to such Person or upon the order of such Person shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Obligation to the extent of the amounts so paid.

(b) If so provided in the applicable Supplemental Indenture, payment of interest on any Obligation may be made to the Person in whose name such Obligation is registered as of a specified day of the month (whether or not a business day) immediately preceding the applicable Interest Payment Date.

Section 3.12 Mutilated, Destroyed, Stolen or Lost Obligations. In case any Obligation shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, by facsimile signature or otherwise, and the Trustee shall authenticate and deliver, a replacement Obligation, in any Authorized Denomination, of the same Series, maturity and interest rate and in an equal principal amount or Maturity Amount, as applicable, as the Obligation so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Obligation, such Obligation is first surrendered to the Authority, (ii) in the case of any such lost, stolen or destroyed Obligation, there is first furnished evidence of such loss, theft or destruction satisfactory to the Authority together with indemnity satisfactory to the Authority, (iii) all other reasonable requirements of the Authority are complied with, and (iv) expenses in connection with such transaction are paid by the Holder. All Obligations so surrendered to the Trustee shall be cancelled by it. Any such replacement Obligations issued pursuant to this Section in substitution for Obligations alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Obligations alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Obligations issued under the Indenture, in the Trust Estate.

Section 3.13 Temporary Obligations. (a) Until the definitive Obligations of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.6, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Obligations, but subject to the same provisions, limitations and conditions as the definitive Obligations except as to denominations thereof and as to exchangeability, one or more temporary Obligations substantially of the tenor of the definitive Obligations in lieu of which such temporary Obligation or Obligations are issued, with such omissions, insertions and variations as may be appropriate to temporary Obligations. The Authority at its own expense shall prepare and execute

and, upon the surrender of such temporary Obligations for exchange and the cancellation of such surrendered temporary Obligations, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Obligations, in any Authorized Denomination, of the same Series, maturity and interest rate and in any equal aggregate principal amount or Maturity Amount, as applicable, as the temporary Obligations surrendered. Until so exchanged, the temporary Obligations shall in all respects be entitled to the same benefits and security as definitive Obligations authenticated and issued pursuant to the Indenture.

(b) All temporary Obligations surrendered in exchange for a definitive Obligation or Obligations shall be cancelled by the Trustee.

Section 3.14 Cancellation and Destruction of Obligations. Except as otherwise provided in the Indenture, all Obligations paid in full, either at or before maturity, or purchased by the Authority pursuant to the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) or the provisions of Sections 5.8, 5.10, 5.12 or 5.15, shall be delivered to the Trustee when such payment or purchase is made, and such Obligations shall be cancelled promptly. Obligations so cancelled may be destroyed at any time by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Obligations so destroyed. One executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

[END OF ARTICLE III]

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1 Redemption of Bonds. Obligations issued under the provisions of this Indenture at any time outstanding shall or may be redeemed prior to their maturity or maturities as provided and set forth in the Supplemental Indenture providing for their issuance or in other proceedings approved by the Authority. It is further provided that redemption of Obligations prior to maturity, other than from the respective redemption account securing such Obligations to be redeemed and the proceeds of refunding bonds, shall be made only from and to the extent of funds on deposit with the Trustee and available for such purpose unless otherwise provided in a Supplemental Indenture or in other proceedings approved by the Authority.

[END OF ARTICLE IV]

ARTICLE V

TOLLS, REVENUES, FUNDS AND FLOW OF FUNDS

Section 5.1 The Pledge Effected by the Indenture. The Obligations are limited obligations of the Authority as provided in Section 2.3. The Obligations are payable from and secured by the Trust Estate, including the Revenues. The Trust Estate shall immediately be subject to the lien and pledge of the Indenture without any physical delivery thereof or further act, and the lien and pledge of the Indenture shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Authority or other party, irrespective of whether such persons have notice thereof.

Section 5.2 Rate Covenant. The Authority covenants that it shall at all times establish, levy, maintain and collect such Tolls in connection with the System and establish such charges for use of the property constituting part of the System, including, without limitation, leasehold payments, concession payments, rents and other charges, as shall be sufficient, collectively, to produce Revenues in each Fiscal Year, after the payment of all Operating Expenses and Maintenance Expenses for such Fiscal Year paid or to be paid from Revenues, in an amount at least equal to the greater of (1), (2), (3) or (4) below:

(1) one hundred twenty-five percent (125%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations; or

(2) one hundred twenty percent (120%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations and Junior Lien Obligations; or

(3) one hundred ten percent (110%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations; or

(4) one hundred percent (100%) of the Annual Debt Service in such Fiscal Year on all Obligations, plus the amounts required to be deposited into the Senior Lien Debt Service Reserve Fund, the Junior Lien Debt Service Reserve Fund, the Subordinate Lien Debt Service Reserve Fund, the Renewal and Replacement Fund and any other fund established by a Supplemental Indenture to be funded by Revenues.

In making the calculations in (1), (2), (3) and (4) above, the Authority may take into consideration as a credit against Annual Debt Service any amounts received, or reasonably expected to be received, in the Fiscal Year from or as a result of any Supplemental Security the Authority has pledged for the benefit of Obligations; provided, that if the pledge is not for the benefit of all Obligations, the amounts expected to be received may only be taken into account when making the calculation for the affected Obligations.

On or before August 1 of each Fiscal Year, commencing with the Fiscal Year beginning January 1, 2022, the Authority will review its financial condition and estimate and determine whether Revenues for such Fiscal Year are expected to be sufficient to enable the Authority to comply with subsection (a) above and file with the Trustee a certification of an Authorized

Representative of the Authority making such determination. If such determination filed with the Trustee indicates that the Revenues are or are reasonably expected to be insufficient to comply with subsection (a) above, the Authority shall promptly request the Traffic Consultant to make written recommendations as to appropriate revisions to the schedule of Tolls, rates, fees, rentals and other charges and any changes in methods of operation necessary or appropriate to provide sufficient revenues to enable the Authority to comply with subsection (a) above. The failure of the System in any Fiscal Year to produce Revenues in the amounts sufficient to enable the Authority to comply with subsection (a) above, which failure may continue during the succeeding Fiscal Year, shall not, in and of itself, constitute an Event of Default under this Indenture if the Authority (i) promptly requests the written recommendations of the Traffic Consultant as described above and (ii) substantially complies in a timely fashion with the recommendations of the Traffic Consultant.

Section 5.3 Uniformity of Tolls.

(a) Classifications. The Authority covenants that Tolls will be classified in a reasonable way to cover all traffic, so that the Tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any Person participating in the traffic; provided, that the foregoing shall not be interpreted to restrict the Authority's right, in its discretion in management of the System, to establish and maintain flexible Toll schedules including, but not limited to, provisions for utilizing or otherwise taking into account, peak and nonpeak pricing, introductory pricing, vehicle weight, number of axles, method of payment, frequency, carpooling, electronic and other Toll collection technologies, traffic management systems and similar classifications.

Any change in classification that results in a reduced Toll or any new classification shall be subject to a Traffic Consultant approving the same before it is implemented unless the same is temporary (i.e., having a duration of less than one year from the effective date). In all events, the Authority shall not make a change in classification or any new classification unless the Authority determines that such change is not expected to result in the receipt of Revenues in amounts less than that necessary to comply with Section 5.2.

(b) Free Passage. The Authority shall not grant free passage through a Toll collection facility on the System, except that it shall grant free or discounted passage to Authorized Emergency Vehicles, Authorized Veterans Vehicles and such other vehicles as may be required or allowed by applicable law.

(c) Discretion of Authority. The Authority's covenant as to uniformity of Tolls shall not be construed as requiring that Tolls for any given class of traffic shall be identical in amount throughout the entire System for trips of approximately identical lengths. The Authority may fix and place in effect a Toll rate schedule for any given class of traffic wherein the Tolls charged for travel on a given section of the System shall be different from the Tolls charged on another section of the System notwithstanding the fact that both of said sections shall be of identical or approximately identical length.

(d) Approval by the Traffic Consultant. As used in this Section, approval by the Traffic Consultant means that the Traffic Consultant has undertaken an analysis of the impact of the

contemplated action of the Authority and has provided a written determination to the Authority that it would not adversely affect the ability of the Authority to meet the requirements of Section 5.2. The Authority shall file a copy of each approval by the Traffic Consultant with the Trustee promptly after receipt.

Section 5.4 Establishment of Funds and Accounts. (a) In addition to the Construction Fund created pursuant to Section 5.19 and any other Funds and Accounts created by Supplemental Indentures, the following Funds are hereby established and created, provided that the Trustee shall have no duty to establish and maintain any such Fund prior to receipt of amounts to be deposited therein:

- (1) Revenue Fund;
- (2) Rebate Fund;
- (3) Operating Fund;
- (4) Senior Lien Debt Service Fund;
- (5) Senior Lien Debt Service Reserve Fund;
- (6) Junior Lien Debt Service Fund;
- (7) Junior Lien Debt Service Reserve Fund;
- (8) Subordinate Lien Debt Service Fund;
- (9) Subordinate Lien Debt Service Reserve Fund;
- (10) Renewal and Replacement Fund;
- (11) Other Obligations Fund; and
- (12) General Fund.

All of such Funds shall be established with, held and maintained by the Trustee or, to the extent permitted by this Indenture or a Supplemental Indenture, a Depository. Amounts held at any time by the Trustee in any of the Funds and accounts established and created pursuant to this Section (other than the Operating Fund, which shall be held outside the Indenture) shall be held in trust for the Owners of the Obligations separate and apart from all other funds of the Trustee and shall be disbursed, allocated and applied solely for the purposes and in the manner provided herein. The segregation of any such accounts as required by this Section is for the purpose of making the calculations, to the extent necessary, required by Sections 143(g) and 148 of the Internal Revenue Code of 1986, as amended, and may be for other purposes as the Authority may reasonably determine, including as provided in (b) and (c) below and to accommodate direct pay subsidy bonds or provide for subaccounts in a reserve fund, but otherwise is not for the purpose of giving a priority or preference to the Obligations of one Series over that of another Series.

(b) The Authority reserves the right to establish, pursuant to a Supplemental Indenture, one or more additional Funds for such purposes as the Authority may determine from time to time.

(c) The Authority further reserves the right to establish, pursuant to a Supplemental Indenture, one or more accounts and subaccounts within each Fund including, without limitation, accounts and subaccounts for the purpose of accounting for Obligation proceeds, Revenues and other amounts relating to one or more Series of Obligations and for such other purposes as the Authority may determine from time to time. Each such account or subaccount within a Fund shall be designated in a manner that indicates the identity of such Fund and that distinguishes such account or subaccount from all other accounts and subaccounts established under the Indenture.

Section 5.5 Flow of Funds. All Revenues shall be deposited as received by the Authority into the Revenue Fund. Amounts on deposit in the Revenue Fund shall be deposited in, or credited to, as appropriate, the following Funds and Accounts, on the fifteenth (15th) day of each month (each, a “Transfer Date”) beginning on the fifteenth (15th) day of the first full calendar month following the first date on which any Obligations are issued and Outstanding hereunder (or on such other date as may be provided in a Supplemental Indenture) in the following amounts in the following order of priority:

First, to the Rebate Fund such amounts as may be authorized or required by this Indenture or any Supplemental Indenture.

Second, to the Operating Fund, an amount sufficient to make the balance in the Operating Fund equal to one-sixth (1/6) of the Operating Expenses and Maintenance Expenses for such Fiscal Year, as set forth in the Annual Operating Budget and Annual Maintenance Budget of the Authority; provided, the monthly payment shall be increased or decreased, as necessary, to reflect amendments to the Annual Operating Budget and Annual Maintenance Budget or to take into consideration amounts then on deposit in the Operating Fund.

Third, to the Senior Lien Debt Service Fund (or to a fund or account created to pay or repay amounts under a Credit Facility entered into in connection with Senior Lien Obligations), an amount equal to the sum of the following:

(i) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Senior Lien Obligations that bear interest semiannually; and

(ii) the amount of interest next becoming due on Senior Lien Obligations that bear interest payable monthly; and

(iii) the amount of interest accruing in such month on Senior Lien Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Senior Lien Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(iv) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Senior Lien Obligations that will mature and become due and payable on the next annual maturity date; and

(v) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Senior Lien Obligations subject to mandatory sinking fund redemption on the next annual maturity date; and

(vi) the amount, if any, payable by the Authority under a Senior Lien Swap Agreement or Credit Facility secured on a parity with the Senior Lien Obligations (other than payments for fees and expenses) accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts described in clauses (i) through (v) above.

In calculating such monthly deposit to the Senior Lien Debt Service Fund, the Trustee shall take into account (a) any accrued interest deposited into the Senior Lien Debt Service Fund from the proceeds of a Series of Senior Lien Obligations, (b) any amounts delivered to the Trustee prior to such Transfer Date for credit to the Senior Lien Debt Service Fund (or, to the extent applicable, the Construction Fund) and dedicated to pay capitalized interest on Senior Lien Obligations and anticipated to be available to pay interest on Senior Lien Obligations on the next Interest Payment Date, (c) any amounts (including without limitation any amounts representing Supplemental Security) deposited to the Senior Lien Debt Service Fund prior to the Transfer Date, (d) any investment income realized by the Authority from the investment of amounts on deposit in the Senior Lien Debt Service Fund, and (e) any payments received by the Authority from a Counterparty under a Senior Lien Swap Agreement.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Senior Lien Obligations and the frequency of payments under any Senior Lien Swap Agreements. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates from and to the extent monies remain on deposit in the Revenue Fund.

Fourth, to the Senior Lien Debt Service Reserve Fund, all amounts, if any, which, together with amounts on deposit therein and amounts available under a Senior Lien DSRF Security, will be sufficient to make the amount on deposit therein equal to the Senior Lien Debt Service Reserve Fund Requirement in accordance with the provisions of Section 5.9 hereof and any applicable Supplemental Indenture.

Fifth, to the Junior Lien Debt Service Fund (or to a fund or account created to pay or repay amounts under a Credit Facility entered into in connection with Junior Lien Obligations), an amount equal to the sum of the following:

(i) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Junior Lien Obligations that bear interest semiannually; and

(ii) the amount of interest next becoming due on Junior Lien Obligations that bear interest payable monthly; and

(iii) the amount of interest accruing in such month on Junior Lien Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Junior Lien Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(iv) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Junior Lien Obligations that will mature and become due and payable on the next annual maturity date; and

(v) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Junior Lien Obligations subject to mandatory sinking fund redemption on the next annual maturity date; and

(vi) the amount, if any, payable by the Authority under a Junior Lien Swap Agreement or Credit Facility secured on a parity with the Junior Lien Obligations (other than payments for fees and expenses) accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts described in clauses (i) through (v) above.

In calculating such monthly deposit to the Junior Lien Debt Service Fund, the Trustee shall take into account (a) any accrued interest deposited into the Junior Lien Debt Service Fund from the proceeds of a Series of Junior Lien Obligations, (b) any amounts delivered to the Trustee prior to such Transfer Date for credit to the Junior Lien Debt Service Fund (or, to the extent applicable, the Construction Fund) and dedicated to pay capitalized interest on Junior Lien Obligations and anticipated to be available to pay interest on Junior Lien Obligations on the next Interest Payment Date, (c) any amounts (including without limitation any amounts representing Supplemental Security) deposited to the Junior Lien Debt Service Fund prior to the Transfer Date, (d) any investment income realized by the Authority from the investment of amounts on deposit in the Junior Lien Debt Service Fund, and (e) any payments received by the Authority from a Counterparty under a Junior Lien Swap Agreement.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Junior Lien Obligations and the frequency of payments under any Junior Lien Swap Agreements. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates from and to the extent monies remain on deposit in the Revenue Fund.

Sixth, to the Junior Lien Debt Service Reserve Fund, all amounts, if any, which, together with amounts on deposit therein and amounts available under a Junior Lien DSRF Security, will be sufficient to make the amount on deposit therein equal to the Junior Lien Debt Service Reserve Fund Requirement, if any, in accordance with the provisions of Section 5.11 hereof and any applicable Supplemental Indenture.

Seventh, to the Subordinate Lien Debt Service Fund (or to a fund or account created to pay or repay amounts under a Credit Facility entered into in connection with Subordinate Lien Obligations), an amount equal to the sum of the following:

(i) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Subordinate Lien Obligations that bear interest semiannually; and

(ii) the amount of interest next becoming due on Subordinate Lien Obligations that bear interest payable monthly; and

(iii) the amount of interest accruing in such month on Subordinate Lien Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Subordinate Lien Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(iv) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Subordinate Lien Obligations that will mature and become due and payable on the next annual maturity date; and

(v) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Subordinate Lien Obligations subject to mandatory sinking fund redemption on the next annual maturity date; and

(vi) the amount, if any, payable by the Authority under a Subordinate Lien Swap Agreement or Credit Facility secured on a parity with the Subordinate Lien Obligations (other than payments for fees and expenses) accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts described in clauses (i) through (v) above.

In calculating such monthly deposit to the Subordinate Lien Debt Service Fund, the Trustee shall take into account (a) any accrued interest deposited into the Subordinate Lien Debt Service Fund from the proceeds of a Series of Subordinate Lien Obligations, (b) any amounts delivered to the Trustee prior to such Transfer Date for credit to the Subordinate Lien Debt Service Fund (or, to the extent applicable, the Construction Fund) and dedicated to pay capitalized interest on Subordinate Lien Obligations and anticipated to be available to pay interest on Subordinate Lien Obligations on the next Interest Payment Date, (c) any amounts (including without limitation any amounts representing Supplemental Security)

deposited to the Subordinate Lien Fund prior to the Transfer Date, (d) any investment income realized by the Authority from the investment of amounts on deposit in the Subordinate Lien Debt Service Fund, and (e) any payments received by the Authority from a Counterparty under a Subordinate Lien Swap Agreement.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Subordinate Lien Obligations and the frequency of payments under any Subordinate Lien Swap Agreements. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates from and to the extent monies remain on deposit in the Revenue Fund.

Eighth, to the Subordinate Lien Debt Service Reserve Fund, if any, which, together with amounts on deposit therein and amounts available under a Subordinate Lien DSRF Security, will be sufficient to make the amount on deposit therein equal to the Subordinate Lien Debt Service Reserve Requirement, if any, in accordance with Section 5.13 hereof and any applicable Supplemental Indenture.

Ninth, to the Renewal and Replacement Fund, one-twelfth (1/12) of the amount identified in the Annual Capital Budget for deposit into the Renewal and Replacement Fund from the Revenue Fund.

Tenth, to the Other Obligation Fund (or to a fund or account created to pay or repay amounts under a Credit Facility entered into in connection with Other Obligations), an amount equal to the sum of the following:

(i) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Other Obligations that bear interest semiannually; and

(ii) the amount of interest next becoming due on Other Obligations that bear interest payable monthly; and

(iii) the amount of interest accruing in such month on Other Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Other Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(iv) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Other Obligations that will mature and become due and payable on the next annual maturity date; and

(v) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Other Obligations subject to mandatory sinking fund redemption on the next annual maturity date; and

(vi) the amount, if any, payable by the Authority under a Credit Facility secured on a parity with the Other Obligations (other than payments for fees and

expenses) accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts described in clauses (i) through (v) above.

In calculating such monthly deposit to the Other Obligations, the Trustee shall take into account (a) any accrued interest deposited into the Other Obligations Fund from the proceeds of Other Obligations, (b) any amounts delivered to the Trustee prior to such Transfer Date for credit to the Other Obligations Fund (or, to the extent applicable, the Construction Fund) and dedicated to pay capitalized interest on Other Obligations and anticipated to be available to pay interest on Other Obligations on the next Interest Payment Date, (c) any amounts (including without limitation any amounts representing Supplemental Security) deposited to the Other Obligations Fund prior to the Transfer Date, and (d) any investment income realized by the Authority from the investment of amounts on deposit in the Other Obligations Fund.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Other Obligations. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates from and to the extent monies remain on deposit in the Revenue Fund.

Eleventh, except as otherwise provided in a Supplemental Indenture, to the General Fund all amounts remaining on deposit in the Revenue Fund.

Section 5.6 Rebate Fund. There is created and established with the Trustee as a special fund of the Authority designated as the Rebate Fund. As set forth in Section 2.1 hereof, the Rebate Fund does not constitute part of the Trust Estate. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under Section 148 of the Code and to pay costs related to the calculation of the amounts due.

The Trustee shall deposit or transfer to the credit of the Rebate Fund each amount delivered to the Trustee by the Authority for deposit thereto and each amount directed by the Authority to be transferred thereto from the Revenue Fund. The Trustee shall withdraw from the Rebate Fund and pay to the United States of America the balance of the Rebate Fund at such times as may be specified in any applicable Supplemental Indenture. All payments to the United States of America pursuant to this Section shall be made by the Trustee for the account and in the name of the Authority and shall be paid by draft posted by registered United States Mail (return receipt requested), addressed to the Internal Revenue Service Center, Ogden, Utah 84201 (or to such other address that may be specified by the Internal Revenue Service) accompanied by the relevant Internal Revenue Service Form 8038-T (or to such other applicable successor information return specified by the Internal Revenue Service). The Trustee shall preserve all statements, forms, and explanations received from the Authority and all records of transactions in the Rebate Fund until six years after the retirement of all of the Obligations.

The Trustee may conclusively rely on the instructions of the Authority with regard to any actions to be taken by it pursuant to this Section and shall have no liability for any consequences

of any failure of the Authority to perform its duties or obligations or to supply accurate or sufficient instructions. Except as provided above, the Trustee shall have no duty or responsibility with respect to the Rebate Fund or the Authority's duties and responsibilities with respect thereto except to follow the Authority's specific written instruction related thereto.

If at any time during the term of this Indenture the Authority or the Trustee desires to take any action that would otherwise be prohibited by the terms of this Section, such Person shall be permitted to take such action if it shall first obtain and provide to the other Persons named herein a Counsel's Opinion to the effect that such action shall not adversely affect the tax treatment of interest on the Obligations from gross income of the Holders thereof for federal income tax purposes and shall be in compliance with the laws of the State of Texas and the terms of this Indenture.

Section 5.7 Operating Fund. There is created and established with the Trustee a special fund of the Authority designated as the Operating Fund. As set forth in Section 2.1 hereof, the Operating Fund does not constitute part of the Trust Estate. All funds in the Operating Fund shall be held separate and apart from the Authority's other funds and accounts until applied as provided herein. Amounts on deposit in the Operating Fund shall be applied by the Authority, from time to time, to pay Operating Expenses and Maintenance Expenses of the System. In making payments from the Operating Fund, the Authority shall be deemed to be certifying that obligations in such amounts have been incurred by the Authority and that each item was properly incurred in operating and maintaining the System and has not been previously paid.

Section 5.8 Senior Lien Debt Service Fund. The Trustee and the Authority may create such additional accounts and subaccounts in the Senior Lien Debt Service Fund pursuant to a Supplemental Indenture as they deem necessary or appropriate, including, but not limited to, (i) an account into which drawings on a Credit Facility are to be deposited and from which principal or Maturity Amount, as applicable (including redemption price), of and interest on the Series of Senior Lien Obligations secured by such Credit Facility are to be paid (and upon such payment, amounts on deposit in the Senior Lien Debt Service Fund shall be used to repay the provider of the Credit Facility for such payments), and (ii) an account into which payments to the Authority from any Senior Lien Swap Agreement Counterparty are to be deposited and from which payments from the Authority to any such Senior Lien Swap Agreement Counterparty are to be paid.

The moneys in the Senior Lien Debt Service Fund shall be held by the Trustee in trust for the benefit of the Senior Lien Obligations, to the extent the foregoing are payable therefrom, and, pending application, shall be subject to a lien and charge in favor of the Holders of the Senior Lien Obligations until paid out or transferred as hereinafter provided. The Trustee shall pay out of the Senior Lien Debt Service Fund to the respective Paying Agents for Senior Lien Obligations (a) on or before each Interest Payment Date and each date fixed for the redemption of Senior Lien Obligations, the amount required for the payment of the interest becoming due on such date and (b) on or before each date on which Senior Lien Obligations mature or become subject to scheduled mandatory sinking fund redemption or optional redemption, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Senior Lien Obligations maturing and the redemption price of Senior Lien Obligations becoming subject to redemption on such date, except, in each case, to the extent such interest, principal amount or Maturity Amount, as

applicable, or redemption price is payable from a fund or account other than the Senior Lien Debt Service Fund, as provided in any Supplemental Indenture.

The Authority may determine to purchase Senior Lien Obligations from time to time in accordance with the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) and, in such event, the Trustee shall apply amounts in the Senior Lien Debt Service Fund to pay the purchase price of such Senior Lien Obligations if (i) so directed in writing by an Authorized Representative of the Authority and (ii) after the application of amounts in Senior Lien Debt Service Fund for such purpose, the amounts on deposit in the Senior Lien Debt Service Fund, together with amounts required to be deposited therein by Section 5.5, will be sufficient to pay the principal, or Maturity Amount, and interest next becoming due on the Senior Lien Obligations.

If at the time the Trustee is required to make a withdrawal from the Senior Lien Debt Service Fund the moneys therein shall not be sufficient for such purpose, unless otherwise provided in a Supplemental Indenture, the Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the following funds or accounts and transfer the same to the Senior Lien Debt Service Fund in the following order: the Revenue Fund; the General Fund; the Renewal and Replacement Fund and the Senior Lien Debt Service Reserve Fund, subject to the terms of this Indenture.

Section 5.9 Senior Lien Debt Service Reserve Fund. Notwithstanding anything to the contrary herein, the Authority reserves the right to establish, pursuant to a Supplemental Indenture authorizing the issuance of a Series of Senior Lien Obligations, whether such Series of Senior Lien Obligations will be a Reserve Fund Participant in the Senior Lien Debt Service Reserve Fund. Moneys, investments and any Senior Lien DSRF Security held in the Senior Lien Debt Service Reserve Fund shall, except as otherwise provided in a Supplemental Indenture, be held and used for the benefit of all Senior Lien Obligations that the Authority elects to establish as Reserve Fund Participants in the Senior Lien Debt Service Reserve Fund. If on any Interest Payment Date on the Senior Lien Obligations that are Reserve Fund Participants, after giving effect to all transfers pursuant to Section 5.5 and after making all required transfers from other Funds, the amount in the Senior Lien Debt Service Fund shall be less than the amount required to pay the interest on Senior Lien Obligations that are Reserve Fund Participants due and payable on such date, the amount required to pay the principal amount or Maturity Amount, as applicable, of the Senior Lien Obligations that are Reserve Fund Participants maturing on such date or the redemption price of Senior Lien Obligations becoming subject to scheduled mandatory redemption on such date, then the Trustee shall apply amounts from the Senior Lien Debt Service Reserve Fund to the extent necessary to eliminate such deficiency.

If at any time, the moneys, investments and principal amount of any Senior Lien DSRF Security held in the Senior Lien Debt Service Reserve Fund (based on the last valuation made pursuant to Section 6.2) are less than the Senior Lien Debt Service Reserve Fund Requirement, the Trustee shall make the monthly deposits required in Section 5.5, in equal monthly installments, in such amount as will restore the balance of the Senior Lien Debt Service Reserve Fund to the Senior Lien Debt Service Reserve Fund Requirement within eighteen (18) months of the occurrence of any such deficiency. If at any time the moneys, investments and the principal amount of any Senior Lien DSRF Security held in the Senior Lien Debt Service Reserve Fund

shall exceed the Senior Lien Debt Service Reserve Requirement, subject to the receipt of a Counsel's Opinion to the effect that such transfer and use will not adversely affect the treatment of interest on any Outstanding Obligations for federal income tax purposes, the Authority shall direct whether such excess moneys shall be transferred by the Trustee to the credit of the Senior Lien Debt Service Fund, used to reduce the principal amount of any Senior Lien DSRF Security or, to the extent that such excess was derived from Revenues, transferred to the Revenue Fund or the General Fund.

In lieu of the deposit of moneys into the Senior Lien Debt Service Reserve Fund, the Authority may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the Senior Lien DSRF Security will not result in the rating on any Outstanding Senior Lien Obligations that are Reserve Fund Participants being downgraded) (each, a "Senior Lien DSRF Security") payable to the Trustee for the benefit of the Holders of the Senior Lien Obligations that are Reserve Fund Participants in an amount equal to the difference between the Senior Lien Debt Service Reserve Requirement and the amounts then on deposit in the Senior Lien Debt Service Reserve Fund. The Senior Lien DSRF Security shall be payable (upon the giving of any notice as may be required thereunder) on any Interest Payment Date, principal payment date or redemption date on which moneys will be required to be withdrawn from the Senior Lien Debt Service Reserve Fund and applied to the payment of the principal amount, Maturity Amount or redemption price of or interest on any Senior Lien Obligations that are Reserve Fund Participants in the Senior Lien Debt Service Reserve Fund, unless otherwise provided in a Supplemental Indenture.

If a disbursement is made pursuant to a Senior Lien DSRF Security, the Authority shall be obligated either (i) to cause the reinstatement to the maximum limits of such Senior Lien DSRF Security or (ii) to deposit into the Senior Lien Debt Service Reserve Fund, funds in the amount of the disbursement made under such Senior Lien DSRF Security, or a combination of such alternatives, as shall provide that the amount credited to the Senior Lien Debt Service Reserve Fund equals the Senior Lien Debt Service Reserve Requirement within eighteen (18) months.

Section 5.10 Junior Lien Debt Service Fund. The Trustee and the Authority may create such additional accounts in the Junior Lien Debt Service Fund pursuant to a Supplemental Indenture as they deem necessary or appropriate, including, but not limited to, (i) an account into which drawings on a Credit Facility are to be deposited and from which principal or Maturity Amount, as applicable (including redemption price), of and interest on the Series of Junior Lien Obligations secured by such Credit Facility are to be paid (and upon such payment, amounts on deposit in the Junior Lien Debt Service Fund shall be used to repay the provider of the Credit Facility for such payments), and (ii) an account into which payments to the Authority from any Junior Lien Swap Agreement Counterparty are to be deposited and from which payments from the Authority to any such Junior Lien Swap Agreement Counterparty are to be paid.

The moneys in the Junior Lien Debt Service Fund shall be held by the Trustee in trust for the benefit of the Junior Lien Obligations, to the extent the foregoing are payable therefrom, and pending application shall be subject to a lien and charge in favor of the Holders of the Junior Lien Obligations until paid out or transferred as hereinafter provided. The Trustee shall pay out of the Junior Lien Debt Service Fund to the respective Paying Agents for Junior Lien Obligations (a) on

or before each Interest Payment Date and each date fixed for the redemption of Junior Lien Obligations, the amount required for the payment of the interest becoming due on such date and (b) on or before each date on which Junior Lien Obligations mature or become subject to scheduled mandatory sinking fund redemption or optional redemption, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Junior Lien Obligations maturing and the redemption price of Junior Lien Obligations becoming subject to redemption on such date, except, in each case, to the extent such interest, principal amount or Maturity Amount, as applicable, or redemption price is payable from a fund or account other than the Junior Lien Debt Service Fund, as provided in any Supplemental Indenture.

The Authority may determine to purchase Junior Lien Obligations from time to time in accordance with the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) and, in such event, the Trustee shall apply amounts in the Junior Lien Debt Service Fund to pay the purchase price of such Junior Lien Obligations if (i) so directed in writing by an Authorized Representative of the Authority and (ii) after the application of amounts in Junior Lien Debt Service Fund for such purpose, the amounts on deposit in the Junior Lien Debt Service Fund, together with amounts required to be deposited therein by Section 5.5, will be sufficient to pay the principal, or Maturity Amount, and interest next becoming due on the Junior Lien Obligations.

If at the time the Trustee is required to make a withdrawal from the Junior Lien Debt Service Fund the moneys therein shall not be sufficient for such purpose, subject to the requirements of Sections 5.8 and 5.9, and unless otherwise provided in a Supplemental Indenture, the Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the following funds or accounts and transfer the same to the Junior Lien Debt Service Fund in the following order: the Revenue Fund; the General Fund; the Renewal and Replacement Fund and the Junior Lien Debt Service Reserve Fund, subject to the terms of this Indenture.

Section 5.11 Junior Lien Debt Service Reserve Fund. Notwithstanding anything to the contrary herein, the Authority reserves the right to establish, pursuant to a Supplemental Indenture authorizing the issuance of a Series of Junior Lien Obligations, whether such Series of Junior Lien Obligations will be a Reserve Fund Participant in the Junior Lien Debt Service Reserve Fund. Moneys, investments and any Junior Lien DSRF Security held in the Junior Lien Debt Service Reserve Fund shall, except as otherwise provided in a Supplemental Indenture, be held and used for the benefit of all Junior Lien Obligations that the Authority elects to establish as Reserve Fund Participants in the Junior Lien Debt Service Reserve Fund. If on any Interest Payment Date on the Junior Lien Obligations that are Reserve Fund Participants, after giving effect to all transfers pursuant to Section 5.5 and after making all required transfers from other Funds, the amount in the Junior Lien Debt Service Fund shall be less than the amount required to pay the interest on Junior Lien Obligations that are Reserve Fund Participants due and payable on such date, the amount required to pay the principal amount or Maturity Amount, as applicable, of the Junior Lien Obligations that are Reserve Fund Participants maturing on such date or the redemption price of Junior Lien Obligations that are Reserve Fund Participants becoming subject to scheduled mandatory redemption on such date, then the Trustee shall apply amounts from the Junior Lien Debt Service Reserve Fund to the extent necessary to eliminate such deficiency.

If at any time, the moneys, investments and principal amount of any Junior Lien DSRF

Security held in the Junior Lien Debt Service Reserve Fund (based on the last valuation made pursuant to Section 6.2) are less than the Junior Lien Debt Service Reserve Fund Requirement, the Trustee shall make the monthly deposits required in Section 5.5, in equal monthly installments, in such amount as will restore the balance of the Junior Lien Debt Service Reserve Fund to the Junior Lien Debt Service Reserve Fund Requirement within eighteen (18) months of the occurrence of any such deficiency. If at any time the moneys, investments and the principal amount of any Junior Lien DSRF Security held in the Junior Lien Debt Service Reserve Fund shall exceed the Junior Lien Debt Service Reserve Requirement, subject to the receipt of a Counsel's Opinion to the effect that such transfer and use will not adversely affect the treatment of interest on any Outstanding Obligations for federal income tax purposes, the Authority shall direct whether such excess moneys shall be transferred by the Trustee to the credit of the Junior Lien Debt Service Fund, used to reduce the principal amount of any Junior Lien DSRF Security or, to the extent that such excess was derived from Revenues, transferred to the Revenue Fund or the General Fund.

In lieu of the deposit of moneys into the Junior Lien Debt Service Reserve Fund, the Authority may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the Junior Lien DSRF Security will not result in the rating on any outstanding Junior Lien Obligations that are Reserve Fund Participants being downgraded) (each, a "Junior Lien DSRF Security") payable to the Trustee for the benefit of the Holders of the Junior Lien Obligations that are Reserve Fund Participants in an amount equal to the difference between the Junior Lien Debt Service Reserve Requirement and the amounts then on deposit in the Junior Lien Debt Service Reserve Fund. The Junior Lien DSRF Security shall be payable (upon the giving of any notice as may be required thereunder) on any Interest Payment Date, principal payment date or redemption date on which moneys will be required to be withdrawn from the Junior Lien Debt Service Reserve Fund and applied to the payment of the principal amount, Maturity Amount or redemption price of or interest on any Junior Lien Obligations that are Reserve Fund Participants, unless otherwise provided in a Supplemental Indenture.

If a disbursement is made pursuant to a Junior Lien DSRF Security, the Authority shall be obligated either (a) to cause the reinstatement to the maximum limits of such Junior Lien DSRF Security or (b) to deposit into the Junior Lien Debt Service Reserve Fund, funds in the amount of the disbursement made under such Junior Lien DSRF Security, or a combination of such alternatives, as shall provide that the amount credited to the Junior Lien Debt Service Reserve Fund equals the Junior Lien Debt Service Reserve Requirement within eighteen (18) months.

Section 5.12 Subordinate Lien Debt Service Fund. The Trustee and the Authority may create such additional accounts in the Subordinate Lien Debt Service Fund pursuant to a Supplemental Indenture as they deem necessary or appropriate, including, but not limited to, (i) an account into which drawings on a Credit Facility are to be deposited and from which principal or Maturity Amount, as applicable, (including redemption price) of and interest on the Series of Subordinate Lien Obligations secured by such Credit Facility are to be paid (and upon such payment, amounts on deposit in the Subordinate Lien Debt Service Fund shall be used to repay the provider of the Credit Facility for such payments), and (ii) an account into which payments to the Authority from any Subordinate Lien Swap Agreement Counterparty are to be deposited and from which payments from the Authority to any such Subordinate Lien Swap Agreement Counterparty are to be paid.

The moneys in the Subordinate Lien Debt Service Fund shall be held by the Trustee in trust for the benefit of the Subordinate Lien Obligations, to the extent the foregoing are payable therefrom and, pending application, shall be subject to a lien and charge in favor of the Holders of the Subordinate Lien Obligations until paid out or transferred as hereinafter provided. The Trustee shall pay out of the Subordinate Lien Debt Service Fund to the respective Paying Agents for Subordinate Lien Obligations (i) on or before each Interest Payment Date and each date fixed for the redemption of Subordinate Lien Obligations, the amount required for the payment of the interest becoming due on such date and (ii) on or before each date on which Subordinate Lien Obligations mature or become subject to scheduled mandatory sinking fund redemption or optional redemption, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Subordinate Lien Obligations maturing and the redemption price of Subordinate Lien Obligations becoming subject to redemption on such date, except, in each case, to the extent such interest, principal amount or Maturity Amount, as applicable, or redemption price is payable from a fund or account other than the Subordinate Lien Debt Service Fund, as provided in any Supplemental Indenture.

The Authority may determine to purchase Subordinate Lien Obligations from time to time in accordance with the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) and, in such event, the Trustee shall apply amounts in the Subordinate Lien Debt Service Fund to pay the purchase price of such Subordinate Lien Obligations if (i) so directed in writing by an Authorized Representative of the Authority and (ii) after the application of amounts in Subordinate Lien Debt Service Fund for such purpose, the amounts on deposit in the Subordinate Lien Debt Service Fund, together with amounts required to be deposited therein by Section 5.5, will be sufficient to pay the principal, or Maturity Amount, and interest next becoming due on the Subordinate Lien Obligations.

If at the time the Trustee is required to make a withdrawal from the Subordinate Lien Debt Service Fund the moneys therein shall not be sufficient for such purpose, subject to the requirements of Sections 5.8 through 5.11, inclusive, and unless otherwise provided in a Supplemental Indenture, the Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the following funds or accounts and transfer the same to the Subordinate Lien Debt Service Fund in the following order: the Revenue Fund; the General Fund; the Renewal and Replacement Fund and the Subordinate Lien Debt Service Reserve Fund, subject to the terms of this Indenture.

Section 5.13 Subordinate Lien Debt Service Reserve Fund. Notwithstanding anything to the contrary herein, the Authority reserves the right to establish, pursuant to a Supplemental Indenture authorizing the issuance of a Series of Subordinate Lien Obligations, whether such Series of Subordinate Lien Obligations will be a Reserve Fund Participant in the Subordinate Lien Debt Service Reserve Fund. Moneys, investments and any Subordinate Lien DSRF Security held in the Subordinate Lien Debt Service Reserve Fund shall, except as otherwise provided in a Supplemental Indenture, be held and used for the benefit of all Subordinate Lien Obligations that the Authority elects to establish as Reserve Fund Participants in the Subordinate Lien Debt Service Reserve Fund. If on any Interest Payment Date on the Subordinate Lien Obligations that are Reserve Fund Participants, after giving effect to all transfers pursuant to Section 5.5 and after making all required transfers from other Funds, the amount in the Subordinate Lien Debt Service Fund shall be less than the amount required to pay the interest on Subordinate Lien Obligations

that are Reserve Fund Participants due and payable on such date, the amount required to pay the principal amount or Maturity Amount, as applicable, of the Subordinate Lien Obligations that are Reserve Fund Participants maturing on such date or the redemption price of Subordinate Lien Obligations that are Reserve Fund Participants becoming subject to scheduled mandatory redemption on such date, then the Trustee shall apply amounts from the Subordinate Lien Debt Service Reserve Fund to the extent necessary to eliminate such deficiency.

If at any time, the moneys, investments and principal amount of any Subordinate Lien DSRF Security held in the Subordinate Lien Debt Service Reserve Fund (based on the last valuation made pursuant to Section 6.2) are less than the Subordinate Lien Debt Service Reserve Fund Requirement, the Trustee shall make the monthly deposits required in Section 5.5, in equal monthly installments, in such amount as will restore the balance of the Subordinate Lien Debt Service Reserve Fund to the Subordinate Lien Debt Service Reserve Fund Requirement within eighteen (18) months of the occurrence of any such deficiency. If at any time the moneys, investments and the principal amount of any Subordinate Lien DSRF Security held in the Subordinate Lien Debt Service Reserve Fund shall exceed the Subordinate Lien Debt Service Reserve Requirement, subject to the receipt of a Counsel's Opinion to the effect that such transfer and use will not adversely affect the treatment of interest on any Outstanding Obligations for federal income tax purposes, the Authority shall direct whether such excess moneys shall be transferred by the Trustee to the credit of the Subordinate Lien Debt Service Fund, used to reduce the principal amount of any Subordinate Lien DSRF Security or, to the extent that such excess was derived from Revenues, transferred to the Revenue Fund or the General Fund.

In lieu of the deposit of moneys into the Subordinate Lien Debt Service Reserve Fund, the Authority may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the Subordinate Lien DSRF Security will not result in the rating on any outstanding Subordinate Lien Obligations that are Reserve Fund Participants being downgraded) (each, a "Subordinate Lien DSRF Security") payable to the Trustee for the benefit of the Holders of the Subordinate Lien Obligations that are Reserve Fund Participants in an amount equal to the difference between the Subordinate Lien Debt Service Reserve Requirement and the amounts then on deposit in the Subordinate Lien Debt Service Reserve Fund. The Subordinate Lien DSRF Security shall be payable (upon the giving of any notice as may be required thereunder) on any Interest Payment Date, principal payment date or redemption date on which moneys will be required to be withdrawn from the Subordinate Lien Debt Service Reserve Fund and applied to the payment of the principal amount, Maturity Amount or redemption price of or interest on any Subordinate Lien Obligations that are Reserve Fund Participants, unless otherwise provided in a Supplemental Indenture.

If a disbursement is made pursuant to a Subordinate Lien DSRF Security, the Authority shall be obligated either (i) to cause the reinstatement to the maximum limits of such Subordinate Lien DSRF Security or (ii) to deposit into the Subordinate Lien Debt Service Reserve Fund, funds in the amount of the disbursement made under such Subordinate Lien DSRF Security, or a combination of such alternatives, as shall provide that the amount credited to the Subordinate Lien Debt Service Reserve Fund equals the Subordinate Lien Debt Service Reserve Requirement within eighteen (18) months.

Section 5.14 Renewal and Replacement Fund. Except as hereinafter provided in this Section, moneys held for the credit of the Renewal and Replacement Fund shall be disbursed only for the purpose of paying the cost of:

- (a) unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, and renewals and replacements, including major items of equipment,
- (b) repairs or replacements resulting from an emergency caused by some extraordinary occurrence, so characterized by a certificate signed by an Authorized Representative, approved by the Consulting Engineer and filed with the Trustee stating that the moneys in the Revenue Fund and insurance proceeds, if any, available therefor are insufficient to meet such emergency, and
- (c) paying all or any part of the cost of any capital improvement to the System.

Disbursements by the Trustee from the Renewal and Replacement Fund shall be made within two Business Days after receipt by the Trustee of a written request in the form of Exhibit A to this Indenture signed by an Authorized Representative specifying the amount of the requested disbursement and the purpose for which such funds will be used.

The Trustee shall transfer moneys in the Renewal and Replacement Fund to the Senior Lien Debt Service Fund, Junior Lien Debt Service Fund and Subordinate Lien Debt Service Fund at such times as may be required by Sections 5.8, 5.10 and 5.12, and as may be otherwise required by a Supplemental Indenture.

Section 5.15 Other Obligations Fund. The Trustee and the Authority may create such additional accounts in the Other Obligations Fund pursuant to a Supplemental Indenture as they deem necessary or appropriate, including, but not limited to, an account into which drawings on a Credit Facility are to be deposited and from which principal or Maturity Amount, as applicable (including redemption price), of and interest on the Series of Other Obligations secured by such Credit Facility are to be paid (and upon such payment, amounts on deposit in the Other Obligations Fund shall be used to repay the provider of the Credit Facility for such payments).

The moneys in the Other Obligations Fund shall be held by the Trustee in trust for the benefit of the Other Obligations, to the extent the foregoing are payable therefrom and, pending application, shall be subject to a lien and charge in favor of the Holders of the Other Obligations until paid out or transferred as hereinafter provided. The Trustee shall pay out of the Other Obligations Fund to the respective Paying Agents for Other Obligations (i) on or before each Interest Payment Date and each date fixed for the redemption of Other Obligations, the amount required for the payment of the interest becoming due on such date and (ii) on or before each date on which Other Obligations mature or become subject to scheduled mandatory sinking fund redemption or optional redemption, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Other Obligations maturing and the redemption price of Other Obligations becoming subject to redemption on such date, except, in each case, to the extent such interest, principal amount or Maturity Amount, as applicable, or redemption price is payable from a fund or account other than the Other Obligations Fund, as provided in any Supplemental Indenture.

The Authority may determine to purchase Other Obligations from time to time in accordance with the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority) and, in such event, the Trustee shall apply amounts in the Other Obligations Fund to pay the purchase price of such Other Obligations if (i) so directed in writing by an Authorized Representative of the Authority and (ii) after the application of amounts in Other Obligations Fund for such purpose, the amounts on deposit in the Other Obligations Fund, together with amounts required to be deposited therein by Section 5.5, will be sufficient to pay the principal, or Maturity Amount, and interest next becoming due on the Other Obligations.

If at the time the Trustee is required to make a withdrawal from the Other Obligations Fund the moneys therein shall not be sufficient for such purpose, subject to the requirements of Sections 5.8 through 5.14, inclusive, and unless otherwise provided in a Supplemental Indenture, the Trustee shall withdraw the amount of such deficiency from the moneys on deposit in the following funds or accounts and transfer the same to the Other Obligations Fund in the following order: the Revenue Fund and the General Fund.

Section 5.16 General Fund. Moneys in the General Fund shall be used by the Trustee as provided in Sections 5.8, 5.10, 5.12 and 5.15 and to restore deficiencies in any funds or accounts created under this Indenture. After satisfying those requirements, such moneys may be expended at the written direction of the Authority, for any of the following purposes, with no one item having priority over any of the others:

- (a) to purchase or redeem Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations;
- (b) to pay Maintenance Expenses and Operating Expenses;
- (c) to make payments into the Construction Fund;
- (d) to fund improvements, extensions and replacements of the System; or
- (e) for any other lawful purpose, including, without limitation and to the extent applicable, the purposes set forth in Section 370.174 of the Act.

The Authority reserves the right to pledge amounts on deposit in the General Fund to the payment of any obligation of the Authority authorized under the Act. The Trustee is authorized to apply moneys on deposit in the General Fund for any of such purposes upon receipt of a requisition in the form of Exhibit B to this Indenture signed by an Authorized Representative of the Authority, stating in respect of each payment to be made:

- (1) the name of the Person to whom payment is to be made or, if the payment is to be made to a fund or account held by the Trustee under this Indenture or to a fund or account held by the Authority and not subject to the Indenture, the name of such fund or account,
- (2) the amount to be paid, and
- (3) the purpose for which the payment is to be made.

Section 5.17 Moneys Set Aside for Principal and Interest Held in Trust. All moneys that the Trustee shall have set aside (or deposited with any paying agent) for the purpose of paying any of the Obligations hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Holders of such Obligations. However, any moneys which shall be so held or deposited by the Trustee, and which shall remain unclaimed by the Holders of such Obligations for the period of three years after the date on which such Obligations shall have become payable, shall, subject to the provisions of Title 6, Texas Property Code, be paid to the Authority upon its written request or to such officer, board or body as may then be entitled by law to receive the same; thereafter, the Holders of such Obligations shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Section 5.18 Supplemental Security. Except as otherwise provided or permitted herein or in a Supplemental Indenture, the Trust Estate securing all (i) Senior Lien Obligations, shall be shared on a parity with other Senior Lien Obligations on an equal and ratable basis, (ii) Junior Lien Obligations, shall be shared on a parity with other Junior Lien Obligations on an equal and ratable basis but subordinate and junior to the lien on, pledge of and security interest in the Trust Estate for the benefit of the Holders of the Senior Lien Obligations, (iii) Subordinate Lien Obligations, shall be shared on a parity with other Subordinate Lien Obligations on an equal and ratable basis but subordinate and junior to the lien on, pledge of and security interest in the Trust Estate for the benefit of the Holders of the Senior Lien Obligations and Junior Lien Obligations, and (iv) Other Obligations, shall be shared on a parity with other Other Obligations on an equal and ratable basis but subordinate and junior to the lien on, pledge of and security interest in the Trust Estate for the benefit of the Holders of the Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations. The Authority may, however, in its discretion, provide Supplemental Security (a) for specified Obligations, but shall have no obligation to provide such additional security or credit enhancement to other Obligations, or (b) for deposit into one or more specified Funds or Accounts created under this Indenture or any Supplemental Indenture, except that no Supplemental Security shall be provided unless there shall have been first delivered to the Trustee a Counsel's Opinion that the tax treatment of interest on any Obligations for federal income tax purposes will not be adversely affected thereby. The Authority reserves the right to establish, pursuant to a Supplemental Indenture, one or more Funds or Accounts for the purpose of holding, investing and disbursing Supplemental Security.

Section 5.19 Construction Fund.

(a) Creation. There is hereby created a special fund known as the "Construction Fund," which shall be held in trust by the Trustee. There shall be deposited to the Construction Fund such amounts as shall be specified in a Supplemental Indenture.

A special account shall be created and identified in the Construction Fund for each Project. Funds on deposit in each account of the Construction Fund shall be used to pay the Cost of the related Project; provided, that at the written direction of the Authority, funds may be transferred from one such account in the Construction Fund to another account in such Fund.

(b) Payments from Construction Fund. The Trustee shall disburse moneys on deposit in the Construction Fund to pay or as reimbursement for payment of Costs of any Project within two Business Days after receipt by the Trustee of written requisition requests of the Authority in the form specified in the related Supplemental Indenture.

Upon receipt of each requisition, the Trustee shall transfer from the Construction Fund as directed by the Authority funds equal to the total of the amounts to be paid as set forth in such requisition and the Authority covenants to apply such funds to the payments described in the requisition. If for any reason the Authority should decide prior to release of payment by the Trustee of any item not to pay such item, an Authorized Representative of the Authority shall give notice, confirmed in writing, of such decision to the Trustee and the Trustee shall not make such payment.

(c) Trustee Reliance and Retention of Requisitions. All requisitions and accompanying certificates and statements received by the Trustee pursuant to subsection (b) above may be relied upon by and shall be retained in the possession of the Trustee for a period of five years, subject at all times to the inspection of the Authority, its agents and representatives, and any other Person authorized by a certificate of an Authorized Representative of the Authority. The Trustee shall not be required to make any independent investigation in connection with any such requisitions and accompanying certificates and statements.

(d) Progress Reports and Substantial Completion. (1) The Authority covenants that at least quarterly during the construction of any Project, it will cause the General Engineering Consultant to prepare a progress report in connection with such construction including current projections with respect to:

(i) the date on which such Project will be opened for traffic, unless such Project shall have been opened for traffic prior to the date of such report;

(ii) the date on which the construction of such Project will be completed;

(iii) the Cost of such Project; and

(iv) the amount of funds required each six months during the remaining estimated period of construction to pay the Costs of the Project exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs.

(2) An Authorized Representative of the Authority shall deliver to the Trustee a report certifying when Substantial Completion of any Project has occurred. In certifying Substantial Completion of any Project, an Authorized Representative of the Authority shall base such certification upon his or her review of the quarterly progress reports for such Project prepared by the General Engineering Consultant and upon consultation with the Traffic Consultant preparing the Traffic and Revenue Report for such Project.

(e) Transfer of Excess Moneys in Construction Fund. Unless otherwise provided in a Supplemental Indenture, if at any time an Authorized Representative of the Authority shall file with the Trustee a certificate stating that the Substantial Completion of a Project has occurred, that the Cost of the Project has been finally determined and that the funds remaining in the account established for such Project exceed the remaining Costs of the Project, then, to the extent that such remaining amounts represent the proceeds of Obligations, including investment earnings on such proceeds, the Trustee shall transfer such amount, on a pro rata basis based upon the respective Outstanding principal amounts of the Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations and Other Obligations issued to finance the Project, to the Senior Lien Debt Service Fund, the Junior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund and the Other Obligations Fund to be used to (i) redeem such respective Obligations, or (ii) to pay current debt service on such respective Obligations if the Authority has received a Counsel's Opinion to the effect that such application of the funds will not adversely affect the treatment of any of the interest on the Outstanding Obligations for federal tax purposes; provided, that such excess funds may be transferred to such other Fund or Account as directed in a certificate of an Authorized Representative of the Authority if such certificate is accompanied by Counsel's Opinion to the effect that such transfer and/or application will not adversely affect the treatment of any of the interest on the Outstanding Obligations for federal tax purposes and that it is authorized by law.

(f) Enforcement of Contracts and Surety Bonds. In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with a Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Authority will, unless the Authority determines that it would not be beneficial to the System, promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of the Authority against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to the Authority of any amounts theretofore paid by the Authority and not previously reimbursed to the Authority for correcting or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be paid into the appropriate account of the Construction Fund if received before the date of completion of the Project, and otherwise shall be deposited in the Revenue Fund and applied in accordance with the provisions of Section 5.5 of this Indenture.

(g) Reconstruction, Application of Insurance Proceeds. If any material portion of the System shall be damaged or destroyed, the Authority shall, unless the Authority determines that it would not be beneficial to the System, as expeditiously as possible, cause the reconstruction or replacement thereof to be prosecuted continuously and diligently in accordance with plans and specifications approved by the General Engineering Consultant and the Authority if such plans and specifications are deemed necessary by such General Engineering Consultant and the Authority. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption insurance, shall be deposited in the appropriate account of the Construction Fund and be available for, and to the extent necessary be applied to, the payment of or reimbursement for payment of the cost of such reconstruction or replacement in accordance with subsection (b) above. Proceeds of any insurance not applied within eighteen (18) months after receipt thereof by the Authority to repairing or replacing damaged or destroyed property, or

in respect to which notice in writing of intention to apply the same to the work of repairing or replacing the property damaged or destroyed shall not have been given by the Authority within such eighteen (18) months, or which the Authority shall at any time determine are not to be so applied, shall be deposited in the Revenue Fund and applied in accordance with the provisions of Section 5.5 of this Indenture.

The proceeds of any business interruption insurance shall be deposited in the Revenue Fund and applied in accordance with the provisions of Section 5.5 of this Indenture.

[END OF ARTICLE V]

ARTICLE VI

INVESTMENT OF MONEYS AND SECURITY FOR DEPOSITS

Section 6.1 Investment of Moneys. (a) Moneys held in any of the Funds held under this Indenture and any Supplemental Indenture may be retained uninvested, if deemed necessary by the Authority, as trust funds and secured as provided in Section 6.5 or may be invested and reinvested by the Trustee or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Authority (which, if given orally, shall be confirmed promptly by a Letter of Instructions), to the fullest extent practicable and if permitted by the Act, in Permitted Investments the proceeds of which the Authority estimates will be received not later than such times as shall be necessary to provide moneys when needed for payments to be made from each such Fund. Notwithstanding anything herein to the contrary, Permitted Investments in all Funds shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. The investment instructions of the Authority may take the form of standing investment directions.

(b) Except as may be otherwise provided in a Supplemental Indenture, interest earned from investing any moneys in any Fund or Account or profits realized from any Permitted Investments in any Fund or Account shall be retained in such Fund or Account.

Section 6.2 Valuation and Sale of Investments. (a) Permitted Investments acquired as an investment of moneys in any Fund shall be at all times a part of such Fund and any profit realized from the liquidation of such investment shall be applied as provided in subsection (b) of Section 6.1 and any loss resulting from the liquidation of such Permitted Investment shall be charged to the respective Fund.

(b) In computing the amount in any Fund, obligations purchased as an investment of moneys therein shall be valued at their Amortized Value. The valuation of each Fund held under this Indenture shall be valued by the Trustee within thirty (30) days after the end of the Fiscal Year.

(c) Except as otherwise provided in the Indenture, the Trustee or any Depository shall sell at the best price obtainable (as evidenced by two or more bids), or present for redemption, any Permitted Investment so purchased as an investment whenever it shall be requested to do so in a Letter of Instructions or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by it. Neither the Trustee nor any Depository shall be liable or responsible for making any such investment in the manner provided in this Article VI or for any loss resulting from any such investment.

Section 6.3 Payment for Authorized Investments and Trust Receipts. When Permitted Investments are purchased from or through a member in good standing of the National Association of Securities Dealers, or from or through a national or state bank, the Authority, the Trustee and any Depository are authorized to pay for them using moneys in the appropriate Fund and, in each case, shall obtain, as soon as may be practicable, a confirming invoice from the seller of the Permitted Investments showing that the Permitted Investments have been purchased by or for the account of the Authority. Actual delivery of the Permitted Investments to the Authority, the

Trustee or the Depository may be accomplished thereafter in accordance with normal and recognized practices within the securities and banking industries, including the book entry procedure of the Federal Reserve Bank. Any Permitted Investments so acquired, at the direction of the Authority, the Trustee, or the Depository, as applicable, may be deposited with a bank or trust company having undivided capital and surplus of at least \$50,000,000 or a federal reserve bank or branch thereof designated by the Authority within or without the State of Texas, in trust, and such deposits shall be evidenced by receipts of the banks in which the Permitted Investments are thus deposited.

Section 6.4 Transfer of Investments. Any transfer required to be made from one Fund to another Fund held by the same Person may be made by book transfer of any moneys or investments or portions of investments without liquidating any investments in order to make such transfer unless the moneys required to be transferred are needed to make payments out of the Fund to which such moneys were transferred at the time of transfer.

Section 6.5 Security for Deposits. All moneys held under the Indenture by the Trustee or any Depository, to the extent not insured by the Federal Deposit Insurance Corporation or represented by Permitted Investments acquired with such moneys, shall be continuously and fully secured for the benefit of the Authority and the Holders of the Obligations, either (i) by lodging with a Federal Reserve Bank or the Trustee, as custodian, as collateral security, Government Obligations having a Fair Market Value not less than the amount of such moneys, or (ii) in such other manner as may then be required by applicable laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee to give security under this Section 6.5 for the deposit with it of any moneys held in trust and set aside by it for the payment of the principal amount or Maturity Amount, as applicable, or redemption price of or interest on any Obligations.

[END OF ARTICLE VI]

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Holders of Obligations as follows:

Section 7.1 Payment of Obligations. The Authority shall duly and punctually pay or cause to be paid, but solely from the Trust Estate including the Revenues, the proceeds of the Obligations, other funds pledged therefor by the Indenture, the principal amount or Maturity Amount, as applicable, or redemption price of and interest on every Obligation at the dates and places and in the manner mentioned in the Obligations, according to the true intent and meaning thereof.

Section 7.2 Extension of Payment of Obligations. The Authority shall not directly or indirectly extend or assent to the extension of the time for payment of the principal amount or Maturity Amount, as applicable, of or interest on any Obligation and will not directly or indirectly be a party to any arrangement therefor without the consent of each Holder affected thereby. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Obligations and such issuance shall not be deemed to constitute an extension of the maturity of Obligations.

Section 7.3 Power to Adopt Indenture, Issue Obligations and Pledge Trust Estate. The Authority is duly authorized under the Act to create and issue the Obligations and to adopt the Indenture and to pledge the Trust Estate purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture and no other authorization or consent is required therefor. The Trust Estate so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto except the pledge granted by this Indenture and all action on the part of the Authority to that end has been and will be duly and validly taken. The Indenture has been duly and lawfully adopted by the Authority, is in full force and effect and will be valid and binding upon the Authority and enforceable in accordance with its terms. The Obligations and the provisions of the Indenture are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Indenture subject only to the laws relating to bankruptcy and creditors' rights. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Trust Estate, the pledge of the Trust Estate under the Indenture and all the rights of the Holders of Obligations under the Indenture against all claims and demands of all persons whomsoever.

Section 7.4 Perfection of Trust Estate. Chapter 1208, Texas Government Code, applies to the issuance of the Obligations and the pledge of, lien on and security interest in the Trust Estate granted by the Authority under this Indenture, and such pledge of, lien on and security interest in the Trust Estate are therefore valid, effective, and perfected. If Texas law is amended at any time while the Obligations are outstanding and unpaid such that the pledge of, lien on and security interest in the Trust Estate granted by the Authority under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Trustee for the benefit of the Holders the perfection of the pledge of, lien on and security interest in the Trust Estate, the Authority and the Trustee agree to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable

provisions of Chapter 9, Texas Business & Commerce Code, to perfect such pledge of, lien on and security interest in the Trust Estate, provided, however, that the Authority and the Trustee shall also take such additional reasonably required measures to perfect such pledge of, lien on and security interest in the Trust Estate as directed by the Holders of not less than 25% of the aggregate principal amount of the Obligations then Outstanding.

Section 7.5 Maintenance of Existence; Further Acts. (a) The Authority will at all times maintain its legal existence or assure the assumption of its obligations under the Indenture by a public or corporate body succeeding to its powers under applicable law, and it will use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act.

(b) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, as amended and supplemented, the Indenture and any other law or regulation applicable to the Authority.

Section 7.6 Annual Operating Budget; Annual Maintenance Budget; Annual Capital Budget.

(a) Annual Operating Budget. The Authority covenants that on or before the first day of each Fiscal Year (or such other date as is consistent with the Authority's policies then in effect) it will adopt an Annual Operating Budget for the System for the ensuing Fiscal Year. Copies of each Annual Operating Budget shall be provided to the Trustee. The Authority further covenants that it will prepare each such Annual Operating Budget on the basis of monthly requirements, so that it will be possible to determine the estimated Operating Expenses for each month during the following Fiscal Year.

If for any reason the Authority shall not have adopted the Annual Operating Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the new Annual Operating Budget, be deemed to be in force and shall be treated as the Annual Operating Budget under the provisions of this Article.

The Authority may adopt an amended or supplemental Annual Operating Budget at any time for the remainder of the then current Fiscal Year. Copies of any such amended or supplemental Annual Operating Budget shall be provided to the Trustee.

(b) Annual Maintenance Budget. The Authority covenants that on or before the first day of each Fiscal Year (or such other date as is consistent with the Authority's policies then in effect) it will adopt an Annual Maintenance Budget for the System for the ensuing Fiscal Year. Copies of each Annual Maintenance Budget shall be provided to the Trustee. The Authority further covenants that it will prepare each such Annual Maintenance Budget on the basis of monthly requirements, so that it will be possible to determine the estimated Maintenance Expenses for each month during the Fiscal Year.

If for any reason the Authority shall not have adopted the Annual Maintenance Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year, shall, until the

adoption of the new Annual Maintenance Budget, be deemed to be in force and shall be treated as the Annual Maintenance Budget under the provisions of this Article.

The Authority may adopt an amended or supplemental Annual Maintenance Budget at any time for the remainder of the then current Fiscal Year. Copies of any such amended or supplemental Annual Maintenance Budget shall be provided to the Trustee.

(c) Annual Capital Budget. The Authority further covenants that on or before the first day of each Fiscal Year (or such other date as is consistent with the Authority's policies then in effect) it will adopt an Annual Capital Budget for the System for the ensuing Fiscal Year. The Annual Capital Budget will detail the Authority's planned capital expenditures during the ensuing Fiscal Year and the portion of capital expenditures expected to be funded from the Renewal and Replacement Fund. The Annual Capital Budget for each Fiscal Year shall include the expected beginning balance in the Renewal and Replacement Fund, the amounts to be transferred by the Trustee to the Renewal and Replacement Fund from the Revenue Fund, the amount of proceeds of Obligations expected to become available during the Fiscal Year, and the desired year-end balance in the Renewal and Replacement Fund.

If for any reason the Authority shall not have adopted the Annual Capital Budget before the first day of any Fiscal Year, the Budget for the preceding Fiscal Year, shall, until the adoption of the new Annual Capital Budget, be deemed to be in force and shall be treated as the Annual Capital Budget under the provisions of this Article.

The Authority may adopt amendments or supplements to the Annual Capital Budget at any time. Copies of the Annual Capital Budget shall be provided to the Trustee.

(d) Consolidation of Budgets. The Authority, at its discretion, may consolidate the Operating Budget, the Maintenance Budget and the Capital Budget into a single document that conforms to subsections (a), (b) and (c) above.

Section 7.7 Limitations on Issuance of Additional Senior Lien Obligations and Execution of Senior Lien Swap Agreements and Loan Agreements.

The Authority reserves the right to issue Additional Senior Lien Obligations in accordance with and subject to the provisions of this Section and any applicable Supplemental Indenture to finance the Costs of improvements, extensions or enlargements to the System. Such Additional Senior Lien Obligations may be issued as either Short-Term Obligations or Long-Term Obligations, and may have such other characteristics as may be specified in the applicable Supplemental Indenture.

(a) Long-Term Obligations. The Authority agrees that it will not issue any Additional Senior Lien Obligations constituting Long-Term Obligations unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.2 are met and there is delivered to the Trustee either:

(1) a certificate of an Authorized Representative to the effect that

(A) the Revenues during the preceding Annual Period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Senior Lien Obligations, after the payment of all Operating Expenses and Maintenance Expenses for such Annual Period paid from Revenues, were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Authority subsequent to the beginning of such Annual Period had been in effect for the entire Annual Period), and

(B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Senior Lien Obligations, less the projected Operating Expenses and Maintenance Expenses for each such Fiscal Year to be paid from Revenues, is expected to produce a Projected Debt Service Coverage Ratio of at least (i) 1.40 with respect to Senior Lien Obligations, (ii) 1.20 with respect to Senior Lien Obligations and Junior Lien Obligations, (iii) 1.10 with respect to Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations, and (iv) 1.00 with respect to all Obligations; or

(2) [if the Long-Term Obligations are being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any Outstanding Long-Term Obligations, a certificate of an Authorized Representative of the Authority certifying that the Annual Debt Service on all Obligations for each Annual Period prior to giving effect to the issuance of the proposed Long-Term Obligations is greater than the Annual Debt Service on all Obligations for each Annual Period after giving effect to the issuance of such proposed Long-Term Obligations.] [Discuss]

Any such certificate of an Authorized Representative shall be accompanied by a report, certificate or letter by a Traffic Consultant filed with the Trustee stating the opinion of Traffic Consultant as to Revenues to be derived by the Authority from the ownership and operation of the System (provided that investment and other income and any other monies not related to Tolls that constitute Revenues shall be estimated by an Authorized Representative) and a certificate of the General Engineering Consultant as to the amount of Operating Expenses and Maintenance Expenses paid or accrued or to be paid or accrued, as the case may be, during any pertinent period.

(b) Senior Lien Swap Agreements and Loan Agreements. The Authority agrees that it will not enter into any Senior Lien Swap Agreement or a Loan Agreement as a Senior Lien Obligation unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.3 are met and there is delivered to the Trustee the certificates or reports required in subsection (a)(1) or (a)(2) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Authority pursuant to such Senior Lien Swap Agreement or a Loan Agreement.

(c) Springing Senior Lien Obligations. Notwithstanding the foregoing and without complying with any of the provisions of this Section 7.7 or of Section 7.8, the Authority may, from

time to time, issue and deliver to the United States Department of Transportation or a successor agency a Subordinate Lien Obligation that, upon the occurrence of an Event of Default described in Section 8.1(c) of this Indenture, will be deemed to be and will automatically become a Senior Lien Obligation in accordance with the provisions of the Supplemental Indenture authorizing such Subordinate Lien Obligation.

Section 7.8 Limitations on Issuance of Additional Junior Lien Obligations and Execution of Junior Lien Swap Agreements and Loan Agreements.

The Authority reserves the right to issue Additional Junior Lien Obligations in accordance with and subject to the provisions of this Section and any applicable Supplemental Indenture to finance the Costs of improvements, extensions or enlargements to the System. Such Additional Junior Lien Obligations may be issued as either Short-Term Obligations or Long-Term Obligations, and may have such other characteristics as may be specified in the applicable Supplemental Indenture.

(a) Long-Term Obligations. The Authority agrees that it will not issue any Additional Junior Lien Obligations constituting Long-Term Obligations unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.2 are met and there is delivered to the Trustee either:

(1) A certificate of an Authorized Representative to the effect that:

(A) the Revenues during the preceding Annual Period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Junior Lien Obligations, after the payment of all Operating Expenses and Maintenance Expenses for such Annual Period paid from Revenues, were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Authority subsequent to the beginning of such Annual Period had been in effect for the entire Annual Period), and

(B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Junior Lien Obligations, less the projected Operating Expenses and Maintenance Expenses for each such Fiscal Year to be paid from Revenues, is expected to produce a Projected Debt Service Coverage Ratio of at least (i) 1.20 with respect to Senior Lien Obligations and Junior Lien Obligations, (ii) 1.10 with respect to Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations, and (iii) 1.00 with respect to all Obligations; or

(2) if the Long-Term Obligations are being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Obligations, a certificate of an Authorized Representative of the Authority certifying that the Annual Debt Service on all Obligations for each Annual Period prior to giving effect to the issuance of the proposed Long-Term Obligations is greater than the

Annual Debt Service on all Obligations for each Annual Period after giving effect to the issuance of such proposed Long-Term Obligations.

Any such certificate of an Authorized Representative shall be accompanied by a report, certificate or letter by a Traffic Consultant filed with the Trustee stating the opinion of Traffic Consultant as to Revenues to be derived by the Authority from the ownership and operation of the System (provided that investment and other income and any other monies not related to Tolls that constitute Revenues shall be estimated by an Authorized Representative) and a certificate of the General Engineering Consultant as to the amount of Operating Expenses and Maintenance Expenses paid or accrued or to be paid or accrued, as the case may be, during any pertinent period.

(b) Junior Lien Swap Agreements and Loan Agreements. The Authority agrees that it will not enter into any Junior Lien Swap Agreement or a Loan Agreement as a Junior Lien Obligation unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.3 are met and there is delivered to the Trustee the certificates or reports required in subsection (a)(1) or (a)(2) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Authority pursuant to such Junior Lien Swap Agreement or a Loan Agreement.

Section 7.9 Limitations on Issuance of Additional Subordinate Lien Obligations and Execution of Subordinate Lien Swap Agreements and Loan Agreements.

The Authority reserves the right to issue Additional Subordinate Lien Obligations in accordance with and subject to the provisions of this Section and any applicable Supplemental Indenture to finance the Costs of improvements, extensions or enlargements to the System. Such Additional Subordinate Lien Obligations may be issued as either Short-Term Obligations or Long-Term Obligations, and may have such other characteristics as may be specified in the applicable Supplemental Indenture.

(a) Long-Term Obligations. The Authority agrees that it will not issue any Additional Subordinate Lien Obligations constituting Long-Term Obligations unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.2 are met and there is delivered to the Trustee either:

(1) a certificate of an Authorized Representative to the effect that:

(A) the Revenues during the preceding Annual Period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Subordinate Lien Obligations, after the payment of all Operating Expenses and Maintenance Expenses for such Annual Period paid from Revenues, were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Authority subsequent to the beginning of such Annual Period had been in effect for the entire Annual Period), and

(B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Subordinate Lien Obligations, less the projected

Operating Expenses and Maintenance Expenses for each such Fiscal Year to be paid from Revenues, is expected to produce a Projected Debt Service Coverage Ratio of at least (i) 1.10 with respect to Senior Lien Obligations, Junior Lien Obligations and Subordinate Lien Obligations and (ii) 1.00 with respect to all Obligations; or

(2) if the Long-Term Obligations are being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Obligations, a certificate of an Authorized Representative of the Authority certifying that the Annual Debt Service on all Obligations for each Annual Period prior to giving effect to the issuance of the proposed Long-Term Obligations is greater than the Annual Debt Service on all Obligations for each Annual Period after giving effect to the issuance of such proposed Long-Term Obligations.

Any such certificate of an Authorized Representative shall be accompanied by a report, certificate or letter by a Traffic Consultant filed with the Trustee stating the opinion of Traffic Consultant as to Revenues to be derived by the Authority from the ownership and operation of the System (provided that investment and other income and any other monies not related to Tolls that constitute Revenues shall be estimated by an Authorized Representative) and a certificate of the General Engineering Consultant as to the amount of Operating Expenses and Maintenance Expenses paid or accrued or to be paid or accrued, as the case may be, during any pertinent period.

(b) Subordinate Lien Swap Agreements and Loan Agreements. The Authority agrees that it will not enter into any Subordinate Lien Swap Agreement or a Loan Agreement as a Subordinate Lien Obligation unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.3 are met and there is delivered to the Trustee the certificates or reports required in subsection (a)(1) or (a)(2) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Authority pursuant to such Subordinate Lien Swap Agreement or a Loan Agreement.

Section 7.10 Limitations on the Issuance of Additional Other Obligations. The Authority reserves the right to issue Additional Other Obligations in accordance with and subject to the provisions of this Section and any applicable Supplemental Indenture to (i) finance the Costs of improvements, extensions or enlargements to the System and (ii) to finance the Cost of the acquisition, construction, improvement, extension or expansion of transportation projects (as defined in the Act) that, at the time of issuance of such Additional Other Obligations, has not been designated as part of the System. Such Additional Other Obligations may be issued as either Short-Term Obligations or Long-Term Obligations, and may have such other characteristics as may be specified in the applicable Supplemental Indenture.

(a) Long-Term Obligations. The Authority agrees that it will not issue any Additional Other Obligations constituting Long-Term Obligations unless prior to or contemporaneously with the incurrence thereof, the provisions of Section 3.2 are met and there is delivered to the Trustee either:

(1) a certificate of the Authorized Representative to the effect that:

(A) the Revenues during the preceding Annual Period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Other Obligations, after the payment of all Operating Expenses and Maintenance Expenses for such Annual Period paid from Revenues, were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Authority subsequent to the beginning of such Annual Period had been in effect for the entire Annual Period), and

(B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Other Obligations, less the projected Operating Expenses and Maintenance Expenses for each such Fiscal Year to be paid from Revenues, is expected to produce a Projected Debt Service Coverage Ratio of at least 1.00 with respect to all Obligations; or

(2) if the Long-Term Obligations are being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Obligations, a certificate of an Authorized Representative of the Authority certifying that the Annual Debt Service on all Obligations for each Annual Period prior to giving effect to the issuance of the proposed Long-Term Obligations is greater than the Annual Debt Service on all Obligations for each Annual Period after giving effect to the issuance of such proposed Long-Term Obligations.

Any such certificate of an Authorized Representative shall be accompanied by a report, certificate or letter by a Traffic Consultant filed with the Trustee stating the opinion of Traffic Consultant as to Revenues to be derived by the Authority from the ownership and operation of the System (provided that investment and other income and any other monies not related to Tolls that constitute Revenues shall be estimated by an Authorized Representative) and a certificate of the General Engineering Consultant as to the amount of Operating Expenses and Maintenance Expenses paid or accrued or to be paid or accrued, as the case may be, during any pertinent period.

(b) Additional Other Obligations for Non-System Projects. The Authority agrees that it will not issue any Additional Other Obligations to finance the cost of the acquisition, construction, improvement, extension or expansion of a transportation project that has not been designated as part of the System unless:

(i) immediately after the issuance of Additional Other Obligations for such purpose, the Outstanding principal amount or Maturity Amount, as applicable, of all Outstanding Other Obligations issued for such purposes will not exceed 10 percent (10%) of the aggregate principal amount or Maturity Amount, as applicable, of all Outstanding Obligations; and

(ii) the requirements of Section 7.10(a) shall be satisfied.

Section 7.11 Completion Obligations.

(a) Completion Obligations. To finance the Costs of completion of any improvements, extensions or enlargements to the System financed with the proceeds of Obligations, the Authority may, without complying with any other provisions of Section 7.7(a), Section 7.8(a) or Section 7.9(a), as applicable, issue Additional Senior Lien Obligations, Additional Junior Lien Obligations or Additional Subordinate Lien Obligations in a principal amount not in excess of 10% of the principal amount of the original Obligations issued to finance such facilities, if prior to the issuance thereof there is delivered to the Trustee (1) a certificate from the General Engineering Consultant stating the amount estimated to be needed to complete the facilities and (2) a certificate of an Authorized Representative of the Authority stating: (A) that at the time the original Obligations financing the facilities to be completed were issued, the Authority had reason to believe that the proceeds of such Obligations together with other moneys then expected to be available would provide sufficient moneys for the completion of such facilities; and (B) that the proceeds of such Additional Senior Lien Obligations, Additional Junior Lien Obligations or Additional Subordinate Lien Obligations to be applied to the completion of the facilities, together with reasonable estimates provided by the Authority of investment income to be earned on such proceeds and available to pay such Costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit), and any other moneys reasonably expected to be available, will be in an amount not less than the estimated amount needed to complete the facilities, as set forth in the General Engineering Consultant's certificate described in clause (1) above. The principal amount of the Additional Senior Lien Obligations, Additional Junior Lien Obligations or Additional Subordinate Lien Obligations to be used in assessing whether the test set forth in this Section 7.11(a) has been met shall include the amount required to (1) provide completed and equipped facilities of substantially the same type and scope contemplated at the time such prior Obligations were originally issued, (2) provide for capitalized interest during the period of construction, (3) provide the required deposit, if any, to cause the balance in the applicable debt service reserve fund to equal the applicable Debt Service Reserve Requirement, if any, and (4) pay the costs and expenses of issuing such Obligations.

Section 7.12 Use and Operation of System. The Authority covenants that (i) it will maintain and operate the System in an efficient and economical manner, (ii) it will maintain the System in good repair and will make all necessary repairs, renewals and replacements, to the extent funds are available therefor hereunder; and (iii) it will comply with laws and all rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such System, subject to the right of the Authority to contest the same in good faith and by appropriate legal proceedings.

Section 7.13 Inspection of the System and Duties of the General Engineering Consultant. The Authority shall cause the General Engineering Consultant to make an inspection of the System at least once in the Fiscal Year following the Substantial Completion of the initial Project funded with Obligations and in each Fiscal Year thereafter; provided, however, with the advice and consent of the Authority the obligations of the General Engineering Consultant required by this section may be modified or lessened to the extent that the obligations of the General Engineering Consultant have been performed by other parties otherwise retained by the Authority to carry out inspections in accordance with the National Bridge Inspection Program. Following

each inspection and on or before the 90th day prior to the end of each Fiscal Year, the General Engineering Consultant shall submit to the Authority a report setting forth (i) its findings as to whether the System has been maintained in good repair, working order and condition and (ii) its advice and recommendations as to the proper maintenance, repair and operation of the System during the ensuing Fiscal Year and (iii) an estimate of the amount of money necessary for such purposes, including its recommendations as to the total amounts and classifications of items and amounts that should be provided for in the Annual Operating Budget, the Annual Maintenance Budget and Annual Capital Budget for the next ensuing Fiscal Year. Copies of such reports shall be provided to the Trustee, except, with the advice and consent of the Authority, the obligations of the General Engineering Consultant, as defined in this Section 7.13, may be modified and lessened by the performance of the National Bridge Inspection Program (NBI), in accordance with applicable Federal law, by parties otherwise retained by the Authority to perform NBIs in the geographic region of the Authority.

Section 7.14 Construction of Projects. The Authority covenants that:

(a) it will proceed with diligence to (i) construct and complete any Project in conformity with law, all requirements of all governmental authorities having jurisdiction and the policies, rules and regulations of the Authority and (ii) to enforce any contracts relating to the construction of any Project.

(b) the Authority shall involve the General Engineering Consultant or another Consultant to assist in quality assurance matters in connection with design, construction or both of any Project or portion thereof to the extent the Authority determines necessary or appropriate.

Section 7.15 Employment of General Engineering Consultant and Traffic Consultant. The Authority covenants to employ an independent engineer or engineering firm or corporation having a national reputation for skill and experience in such work to perform any functions of the General Engineering Consultant. The Authority further covenants to employ an independent engineer or engineering firm or corporation having a national reputation for skill and experience in such work to perform any functions of the Traffic Consultant hereunder. The General Engineering Consultant and the Traffic Consultant shall be independent of one another.

Section 7.16 Insurance. The Authority covenants that it will keep the System and its use and operation thereof insured (including through self-insurance) at all times in such amounts, subject to such exceptions and deductibles and against such risks, as are customary for similar organizations, including business interruption insurance. All insurance policies shall be carried with a responsible insurance company or companies authorized to do business in the State or shall be provided under a self-insurance program; any self-insurance program shall be actuarially sound in the written opinion of an accredited actuary, which opinion shall be filed with the Trustee at least annually. At any time and from time to time, the Authority may elect to terminate self-insurance of a given type. Upon making such election, the Authority shall, to the extent then deemed necessary by a Consultant, obtain and maintain comparable commercial insurance.

Prior to Substantial Completion of the initial Project funded by Obligations and every three years thereafter (except with respect to self-insurance, which shall be annually), the Authority shall cause the Consultant referenced in the preceding paragraph to certify to the Trustee that (i) it has

reviewed the adequacy of the Authority's insurance, listing the types and amounts of insurance, and (ii) it finds such coverage to be reasonable and customary for similar organizations. If the Consultant concludes that coverage other than that currently carried by the Authority should be carried, the Authority shall obtain such insurance coverage unless it determines in good faith that it is unreasonable or uneconomical to obtain such coverage and an Authorized Representative of the Authority certifies the same in writing to the Trustee.

All insurance policies maintained by the Authority shall be available at reasonable times for inspection by the Trustee, its agents and representatives.

The Authority covenants that it will take actions as it deems necessary to demand, collect and sue for any proceeds that may become due and payable to it under any policy. To the extent that the Authority receives insurance payments under a business interruption insurance policy, such amounts shall be deposited into the Revenue Fund. To the extent that the Authority receives liquidated damages for delayed completion under a construction contract relating to the acquisition or construction of a Project, such amounts shall be deposited into the Revenue Fund.

Section 7.17 Damage or Destruction. Immediately after any damage to or destruction of any part of the System that materially adversely affects the Revenues, the Authority will promptly take action to repair, reconstruct or replace the damaged or destroyed property or to otherwise ameliorate the adverse impact on Revenues.

Section 7.18 Records; Annual Audit. The Authority covenants that it will maintain books and accounts reflecting the operations of the System in accordance with Accounting Principles. The books and records of the System may form a part of the books and records of the Authority but shall be maintained as a separate enterprise account.

In addition, the Authority covenants that as soon as practicable, but in no event more than six months after the last day of each Fiscal Year, beginning with the Fiscal Year ending December 31, 2021, it will prepare or cause to be prepared financial statements of the Authority prepared in accordance with Accounting Principles and audited by a certified public accountant or firm of certified public accounts selected by the Authority, which, beginning with the Fiscal Year in which Substantial Completion of the 2022 Project (as defined in the First Supplemental Trust Indenture of even date herewith, between the Authority and the Trustee) occurs, shall include the results of operations of the System. A copy of such audit shall be filed with the Trustee promptly after the receipt by the Authority for such purpose.

Section 7.19 Encumbrance of Revenues; Sale, Lease or Other Disposition of Property. The Authority covenants as follows so long as any Obligations are Outstanding under this Indenture:

(a) Except as otherwise permitted by law or this Indenture (1) the Authority will not create or suffer to be created any lien or charge upon any Revenues, except the lien and charge of the Senior Lien Obligations, the Junior Lien Obligations, the Subordinate Lien Obligations and the Other Obligations secured hereby; and (2) from such Revenues or other funds available hereunder, it will pay or cause to be discharged, or will make adequate provision to pay or discharge, within ninety (90) days after the same shall accrue, all lawful claims and demands for

labor, materials or supplies that, if unpaid, might by law become a lien upon any Revenues; provided, however, that the Authority shall not be required to pay or discharge, or make provision for such payment or discharge of, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

(b) The Authority will not sell or otherwise dispose of any real estate or personal property comprising a portion of the System unless an Authorized Representative of the Authority determines in the case of property with a value of \$1 million or less or the Authority, by resolution or other official action, determines in the case of property with a value in excess of \$1 million that:

(1) such property (A) has become obsolete or worn out or is reasonably expected to become so within one year after the date of such disposition, (B) is no longer used or useful in the operation of the System or in the generation of Revenues or (C) is to be or has been replaced by other property; or

(2) such action will not materially adversely affect the Revenues.

The Authority shall have the discretion to deposit the proceeds of such sale or disposition in a fund or account held under the Indenture or a Authority account held outside the Indenture, as it deems appropriate. In the event the Authority did not meet the Rate Covenant during the preceding Fiscal Year, however, then the Authority shall notify the Trustee of the sale or disposition of any property that generated Revenues in excess of one percent of the Authority's Revenues during the prior Fiscal Year, and all proceeds from such sale or disposition shall be deposited in the Revenue Fund.

(c) The Authority will not lease any real estate or personal property comprising a portion of the System unless the Authority determines by resolution or other official action that such action will not materially adversely affect the Revenues.

Without intending to limit the foregoing, the Authority also may enter into contracts or other forms of agreement for the use of any real estate comprising a portion of the System including, but not limited to, rights of way for telephone, telegraph, optic fiber and other forms of communication, electric, gas transmission and other lines, towers, or facilities for utilities, and other uses that do not materially adversely affect the operation of the System and the payments received in connection with the same shall, to the extent permitted by law, constitute Revenues. The Authority also covenants to ensure that all necessary real property filings will be made in connection with any such lease or other agreement relating to the use of real estate comprising a portion of the System to protect the interest of the Authority in such property.

Section 7.20 Further Instruments and Action. The Authority covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be necessary or appropriate or otherwise required to carry out the purposes of this Indenture.

Section 7.21 Covenant Not to Build Competing System. To the extent permitted by law and except as necessary for safety reasons or to preserve the condition of existing non-tolled facilities, the Authority agrees to refrain from exercising its discretionary authority to initiate, support, provide funding for, or approve any project undertaken to construct a transportation

facility for motorized vehicular traffic where no such facility existed previously or to construct a portion of a transportation facility where additional or widened traffic lanes are physically added on to existing traffic lanes on an already constructed facility, that would have the purpose or reasonably foreseeable effect of materially adversely affecting the ability of the Authority to comply with the covenants in this Indenture, particularly those covenants set forth in Sections Section 5.2 and Section 7.1.

[END OF ARTICLE VII]

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.1 Events of Default. The occurrence and continuation of the following events shall constitute an Event of Default under this Indenture:

(a) (1) failure by the Authority to pay the principal or Maturity Amount, as applicable, of and premium, if any, or interest on any of the Obligations when the same shall become due and payable, either at maturity or by redemption, other than at the election or direction of the Authority pursuant to the terms of the Obligation, or (2) any failure of the Authority to purchase or cause to be purchased any Variable Rate Obligations, including Tender Obligations, upon any optional or mandatory tender to the Authority or a tender agent of the Authority, unless otherwise provided in a Supplemental Indenture authorizing Variable Rate Obligations or Tender Obligations; or

(b) the occurrence and continuance of an event of default under a Credit Facility, Senior Lien DSRF Security, Junior Lien DSRF Security, Subordinate Lien DSRF Security, Swap Agreement or Reimbursement Agreement; or

(c) the occurrence of a Bankruptcy-Related Event that shall not have been cured, vacated, discharged or stayed within sixty (60) days after the occurrence thereof; or

(d) failure of the Authority to duly and punctually perform any other of the covenants, conditions, agreements and provisions contained in any Obligations or in this Indenture or in any Supplemental Indenture on the part of the Authority to be performed, and the continuation of such failure for sixty (60) days after written notice specifying such failure and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than ten per centum (10%) in principal amount of the Obligations then Outstanding.

Section 8.2 Remedies Applicable. The Holders shall be entitled to the remedies provided in this Article VIII; provided, however, acceleration of the principal or Maturity Amount, as applicable, of or interest on the Obligations or any of the Obligations upon the occurrence of an Event of Default is not a remedy available under this Indenture and in no event shall the Trustee, the Holders or other parties have the ability, upon the occurrence of an Event of Default, to declare immediately due and payable the principal or Maturity Amount, as applicable, of or interest on the Obligations or any of the Obligations. To the extent that a Series of Obligations is secured by a Credit Facility, municipal bond insurance policy, a Senior Lien DSRF Security, a Junior Lien DSRF Security or a Subordinate Lien DSRF Security, the provider of such Credit Facility, municipal bond insurance policy, or DSRF Security shall be considered the Holder of such Obligation for all purposes of exercising any remedy or giving any directions to the Trustee pursuant to the provisions of this Article.

Section 8.3 Enforcement of Remedies. Upon the occurrence of any Event of Default specified in Section 8.1, then and in every such case the Trustee may proceed, and upon the written notification of such Event of Default and written request of the Holders of not less than twenty percent (25%) in principal amount or Maturity Amount, as applicable, of the Obligations then

Outstanding hereunder shall proceed, subject to the provisions of Sections 9.2 and Section 9.3, to protect and enforce its rights and the rights of the Holders under the Act and under this Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by Counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Authority for principal, interest or otherwise under any of the provisions of this Indenture or of the Outstanding Obligations and unpaid, with interest on overdue payments, to the extent permitted by law, at the rate or rates of interest borne by such Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Obligations, without prejudice, to any other right or remedy of the Trustee or of the Holders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Obligations, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from Revenues) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 8.4 Application of Funds. If at any time the moneys in the Senior Lien Debt Service Fund, the Junior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund or the Other Obligations Fund, and the respective reserve Funds and other Funds established by this Indenture shall not be sufficient to pay the principal or Maturity Amount, as applicable, of or the interest on any Obligations as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, but in any event subject to the provisions of Section 8.2 and subject to the requirements for transfers of Revenues to the Rebate Fund and the Operating Fund set forth in Section 5.5, shall be applied (subject to the provisions of Section 9.2, Section 9.3 and Section 9.4 of this Indenture) as set forth in (a) through (h) below; provided, however, amounts on deposit in a Fund or Account (i) dedicated to the payment or security of the Senior Lien Obligations, the Junior Lien Obligations, the Subordinate Lien Obligations or the Other Obligations, or (ii) constituting Supplemental Security for the benefit of one or more specific Series of Obligations shall not be applied as provided in (a) through (h) below but shall be used only for the purpose for which such deposits were made and, except as may be otherwise provided in a Supplemental Indenture, any amounts remaining in a Fund or Account shall be applied solely to the Obligations issued under the Supplemental Indenture creating such Fund or Account:

(a) Unless the principal or Maturity Amount, as applicable, of all the Senior Lien Obligations shall then be due and payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Senior Lien Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Lien Obligations; and second: to the payment of the principal or Maturity

Amount, as applicable, of any Senior Lien Obligations which have matured, and, if the amount available shall not be sufficient to pay all of such matured Senior Lien Obligations, then to the payment thereof ratably, according to the amount due.

(b) If the principal or Maturity Amount, as applicable, of all the Senior Lien Obligations shall then be due and payable, all such moneys shall be applied to the payment of the principal or Maturity Amount, as applicable, and interest then due and unpaid upon the Senior Lien Obligations, without preference or priority of principal or Maturity Amount, as applicable, over interest or of interest over principal or Maturity Amount, as applicable, or of any installment of interest over any other installment of interest, or of any Senior Lien Obligations over any other Senior Lien Obligations, ratably, according to the amounts due respectively for principal or Maturity Amount, as applicable, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Lien Obligations.

(c) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations but the principal or Maturity Amount, as applicable, of, premium, if any, or interest on Junior Lien Obligations has not been paid when due, unless the principal of all the Junior Lien Obligations shall then be due and payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Junior Lien Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Junior Lien Obligations; and second: to the payment of the principal or Maturity Amount, as applicable, of any Junior Lien Obligations which have matured, and, if the amount available shall not be sufficient to pay all of such matured Junior Lien Obligations, then to the payment thereof ratably, according to the amount due.

(d) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations but the principal or Maturity Amount, as applicable, of all the Junior Lien Obligations shall then be due and payable, all such moneys shall be applied to the payment of the principal or Maturity Amount, as applicable, and interest then due and unpaid upon the Junior Lien Obligations, without preference or priority of principal or Maturity Amount, as applicable, over interest or of interest over principal or Maturity Amount, as applicable, or of any installment of interest over any other installment of interest, or of any Junior Lien Obligations over any other Junior Lien Obligations, ratably, according to the amounts due respectively for principal or Maturity Amount, as applicable, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Junior Lien Obligations.

(e) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations or the Junior Lien Obligations but the principal or Maturity Amount, as applicable, of, premium, if any, or interest on Subordinate Lien Obligations has not been paid when due, unless the principal or Maturity Amount, as applicable, of all the Subordinate Lien Obligations shall then be due and

payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Subordinate Lien Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Obligations; and second: to the payment of the principal or Maturity Amount, as applicable, of any Subordinate Lien Obligations that have matured, and, if the amount available shall not be sufficient to pay all of such matured Subordinate Lien Obligations, then to the payment thereof ratably, according to the amount due.

(f) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations or Junior Lien Obligations but the principal or Maturity Amount, as applicable, of all the Subordinate Lien Obligations shall then be due and payable, all such moneys shall be applied to the payment of the principal or Maturity Amount, as applicable, and interest then due and unpaid upon the Subordinate Lien Obligations, without preference or priority of principal or Maturity Amount, as applicable, over interest or of interest over principal or Maturity Amount, as applicable, or of any installment of interest over any other installment of interest, or of any Subordinate Lien Obligations over any other Subordinate Lien Obligations, ratably, according to the amounts due respectively for principal or Maturity Amount, as applicable, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Obligations.

(g) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations, the Junior Lien Obligations or the Subordinate Lien Obligations but the principal or Maturity Amount, as applicable, of, premium, if any, or interest on Other Obligations has not been paid when due, unless the principal or Maturity Amount, as applicable, of all the Other Obligations shall then be due and payable, all such moneys shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Other Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Other Obligations; and second: to the payment of the principal or Maturity Amount, as applicable, of any Other Obligations that have matured, and, if the amount available shall not be sufficient to pay all of such matured Other Obligations, then to the payment thereof ratably, according to the amount due.

(h) If there is no Event of Default existing in the payment of the principal or Maturity Amount, as applicable, of, premium, if any, or interest on the Senior Lien Obligations, the Junior Lien Obligations or the Subordinate Lien Obligations but the principal or Maturity Amount, as applicable, of all the Other Obligations shall then be due and payable, all such moneys shall be applied to the payment of the principal or Maturity Amount, as applicable, and interest then due and unpaid upon the Other Obligations, without preference or priority of principal or Maturity Amount, as applicable, over interest or of interest over principal or Maturity Amount, as applicable, or of any installment of interest over any other installment of interest, or of any Other

Obligations over any Other Obligations, ratably, according to the amounts due respectively for principal or Maturity Amount, as applicable, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Other Obligations.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 8.4, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Trustee, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority, to any Holder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal or Maturity Amount, as applicable, to be paid to such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation or the interest thereon unless such Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

To the extent any Holder receives funds pursuant to this Section 8.4 in a manner that is inconsistent with the application of funds required by this Section 8.4, the Holder that has received such funds shall pay over or deliver such funds to the Trustee for proper application under this Section 8.4.

Section 8.5 Effect of Discontinuance of Proceedings. In case any action taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee, any bond insurer of record, and the Holders shall be restored to their former respective positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no such action had been taken.

Section 8.6 Majority of Holders May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of not less than a majority in principal amount, or Maturity Amount, as applicable, of the Senior Lien Obligations then Outstanding (or, if no Senior Lien Obligations are then Outstanding, then the Holders of not less than a majority in principal amount, or Maturity Amount, as applicable, of the Junior Lien Obligations and Subordinate Lien Obligations then Outstanding) shall have the right, subject to the provisions of Sections 9.2 and Section 9.3 of this Indenture, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial actions to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Holders not parties to such direction.

Section 8.7 Restrictions Upon Action by Individual Holder. No Holder of any of the Outstanding Obligations shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust hereunder or the protection or enforcement of any right under this Indenture or any resolution of the Authority authorizing the issuance of Obligations, or any right under the Act or other laws of the State, excepting only an action for the recovery of overdue and unpaid principal or Maturity Amount, as applicable, interest or redemption premium, unless such Holder previously shall have given to the Trustee written notice of the Event of Default or breach of trust or duty on account of which such suit or action is to be taken, and unless the Holders of not less than twenty percent (20%) in principal amount or Maturity Amount, as applicable, of the Obligations then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Act or by the other laws of the State, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder or under the Act or by the other laws of the State. It is understood and intended that no one or more Holders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Act or by the other laws of the State with respect to the Obligations or this Indenture, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Obligations, except as otherwise permitted herein with reference to over-due and unpaid principal or Maturity Amount, as applicable, interest or redemption premium.

Section 8.8 Actions by Trustee. All rights of action under this Indenture or under any of the Obligations, enforceable by the Trustee, may be enforced by it without the possession of any of the Obligations or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Obligations, subject to the provisions of this Indenture.

Section 8.9 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee, any bond insurer, or to the Holders of the Obligations is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.10 No Delay or Omission Construed to be a Waiver; Repeated Exercise of Powers and Remedies; Waiver of Default. No delay or omission of the Trustee or of any Holder of the Obligations to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Indenture to the Trustee and the Holders of the Obligations may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount or Maturity Amount, as applicable, of the Outstanding Obligations shall waive any default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.11 Notice of Default. The Trustee shall mail to each bond insurer, Credit Enhancer, DSRF Security Provider, Swap Agreement Counterparty, and each Holder written notice of the occurrence of any Event of Default set forth in Section 8.1, within thirty (30) days after the Trustee has knowledge of any such Event of Default. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail any notice required by this Section.

[END OF ARTICLE VIII]

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.1 Trustee; Appointment and Acceptance of Duties. Wilmington Trust, National Association is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing the certificate of authentication endorsed upon the Obligations, and by executing such certificate upon any Obligation the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Obligation so authenticated, but with respect to all the Obligations thereafter to be issued, but only, however, upon the terms and conditions set forth in the Indenture.

Section 9.2 Responsibilities of the Trustee. (a) The recitals of fact herein and in the Obligations contained shall be taken as the statements of the Authority and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Obligations issued thereunder or as to the security afforded by the Indenture, and the Trustee shall not incur any liability in respect thereof. The Trustee shall be responsible, however, for its representations contained in its certificate on the Obligations. The Trustee shall not be under any responsibility or duty with respect to the application of any moneys paid to the Authority. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b) of this Section 9.2, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own gross negligence, willful misconduct or default.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of the Indenture relating to action taken or to be taken by the Trustee or the evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.2.

Section 9.3 Evidence on Which the Trustee May Act.

(a) The Trustee, upon receipt of any notice, indenture, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Indenture, shall examine such instrument to determine whether it conforms to the requirements of the Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed conclusively to be proved and established by a certificate of an Authorized Representative of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Indenture upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in the Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to the Trustee shall be sufficiently executed if executed in the name of the Authority by an Authorized Representative of the Authority.

Section 9.4 Compensation. The Authority shall pay to the Trustee from time to time reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Indenture. Subject to the provisions of Section 9.2, the Authority further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence, misconduct or default. The Authority also shall pay reasonable compensation to any other Fiduciaries for their services.

Section 9.5 Certain Permitted Acts. The Trustee may become the Holder of any Obligations, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders or to effect or aid in any reorganization growing out of the enforcement of the Obligations or the Indenture, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount, or Maturity Amount, as applicable, of the Obligations then Outstanding.

Section 9.6 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than 60 days' written notice to the Authority of the date it desires to resign, and by giving written notice thereof, specifying the date when such resignation shall take effect, by registered or certified mail, postage prepaid, to each Holder, and such resignation shall take effect immediately on the appointment and acceptance of a successor Trustee pursuant to Section 9.8 hereof.

Section 9.7 Removal of Trustee. The Trustee may be removed, with or without cause, at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of at least a majority in aggregate principal amount, or Maturity Amount, as applicable, of the Obligations then Outstanding or their attorneys-in-fact duly authorized. In addition, the Trustee may be removed, with or without cause, at any time (unless an Event of Default has occurred and is continuing) by a written instrument filed with the Trustee and signed by an Authorized Representative of the Authority, stating that the Board of Directors of the

Authority has adopted a resolution providing for the removal of the Trustee and the appointment of a successor Trustee; provided, however, that such written instrument shall not be effective unless the Authority shall have given written notice of such proposed action, by registered or certified mail, postage prepaid, to each Holder, and the Authority shall not have received, within the 60-day period following the giving of such notice, written objections to such proposed action from the Holder of at least a majority in aggregate principal amount, or Maturity Amount, as applicable, of the Obligations then outstanding, all of which shall be recited in such written instrument. No such removal of the Trustee shall become effective until a successor has been appointed and accepted the duties of Trustee.

Section 9.8 Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holders of at least a majority in aggregate principal amount of the Obligations then Outstanding, excluding any Obligations held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Holders as aforesaid, the Authority by duly executed written instrument signed by an Authorized Representative of the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders as authorized in this Section 9.8. The Authority shall give written notice of any such appointment made by it, within 20 days after such appointment, by registered or certified mail, postage prepaid, to each Holder. Any successor Trustee appointed by the Authority shall be superseded, immediately and without further act, by a Trustee appointed by the Holders.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.8 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 9.6 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, its removal, or for any other reason whatsoever, the Trustee (in the case of a resignation under Section 9.6) or the Holder of any Obligation (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 9.8 in succession to the Trustee shall be a bank, trust company or national banking association organized and doing business under the laws of the United States of America or any state, and having capital stock and surplus aggregating at least \$100,000,000, which is willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such

successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 9.10 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 9.11 Adoption of Authentication. In case any of the Obligations contemplated to be issued under the Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Obligations and deliver such Obligations so authenticated; and in case any of such Obligations shall not have been authenticated, any successor Trustee may authenticate such Obligations in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Obligations or in the Indenture provided that the certificate of the Trustee shall have.

Section 9.12 Paying Agents. (a) The Authority shall appoint one or more Paying Agents for the Obligations of each Series. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Any Paying Agent appointed by the Authority shall be a bank or trust company organized under the laws of the United States or any state thereof and having capital stock and surplus of at least \$50,000,000 which the Authority determines to be capable of properly discharging its duties in such capacity and which is acceptable to the Trustee. The Authority may appoint the Trustee as a Paying Agent.

(b) Any Paying Agent may resign at any time and be discharged of the duties and obligations created by the Indenture by giving at least 60 days' written notice to the Authority, the Trustee, and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority.

(c) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.13 Securities Depository. (a) The Authority may appoint a Securities Depository for the Obligations of one or more Series. In such event, the Authority and the Securities Depository shall enter into a Letter of Representations setting forth the respective duties and obligations of each with respect to such Obligations, which agreement shall provide that the Securities Depository will accept and hold such Obligations as the registered owner thereof and will maintain a book-entry system of recording the ownership and transfer of ownership of beneficial interests in such Obligations. Any Securities Depository appointed by the Authority shall be a bank or trust company organized under the laws of the United States or any state thereof which the Authority determines to be capable of properly discharging its duties in such capacity and which is acceptable to the Trustee. The Authority may appoint the Trustee as Securities Depository.

(b) In the event that the Authority appoints a Securities Depository for one or more Series of Obligations, the Authority shall cause the initial purchaser of such Obligations to register such Obligations in the name of the Securities Depository or its nominee and to deposit such Obligations with the Securities Depository. Except as provided in subsection (c) of this Section 9.13, the Authority and the Trustee shall be entitled to treat the Securities Depository as the absolute owner of such Obligations for all purposes of the Indenture, and neither the Authority and the Trustee shall have any responsibility to the owners of beneficial interests in the Obligations. For so long as such Obligations remain registered in the name of the Securities Depository or its nominee on the Obligation registration books kept by the Trustee, such owners of beneficial interests in the Obligations shall not be treated as Holders of Obligations pursuant to the provisions of the Indenture.

(c) If the Authority shall have appointed a Securities Depository with respect to the Obligations of one or more Series, and if any of the events specified below shall occur, then the Authority shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver, pursuant to and in accordance with Article III of the Indenture, to each person who appears on the records of the Securities Depository as an owner of a beneficial interest in such Obligations, an exchange Obligation or Obligations, in any Authorized Denomination, of the same Series, maturity and interest rate and in the same aggregate principal amount or Maturity Amount, as applicable, as the Obligations beneficially owned by such person, as set forth in such records:

(1) if the Securities Depository determines not to continue to act as securities depository for such Obligations and the Authority is unable to locate a qualified successor Securities Depository;

(2) if the Authority determines that the Securities Depository is incapable of properly discharging its duties as securities depository for such Obligations and is unable to locate a qualified successor Securities Depository;

(3) if the Authority determines that it is in the best interests of the Authority to discontinue the book-entry method system of registration of ownership of beneficial interests in such Obligations provided by the Securities Depository; or

(4) if the Authority determines that the continuance of the book-entry system of registration of ownership of beneficial interests in such Obligations provided by the Securities Depository might adversely affect the interests of the owners of such beneficial interests in such Obligations.

Upon the occurrence of any of the foregoing events, the Authority shall provide written notice of such event to the Trustee and the Securities Depository.

Section 9.14 Depositories. (a) Except as otherwise provided herein, all moneys received by the Authority under the provisions of this Indenture shall be deposited with the Trustee or with one or more Depositories. No moneys shall be deposited with any Depository, other than the Trustee, in an amount exceeding fifty percent (50%) of the amount that an officer of such Depository shall certify to the Authority as the combined capital and surplus of such Depository. All moneys deposited with the Trustee or any other Depository hereunder shall, to the extent not insured, be secured in the manner required or permitted by applicable law.

(b) All moneys and securities deposited with any Depository under the provisions of the Indenture shall be held in trust for the Trustee or the Authority, as applicable, and the Holders, and shall not be applied in any manner that is inconsistent with the provisions of the Indenture.

(c) Any Depository may at any time resign and be discharged of its duties and obligations under the Indenture by giving at least 60 days' written notice to the Authority and the Trustee. Any Depository may be removed at any time by the Authority by a written instrument filed with the Depository and the Trustee and signed by an Authorized Representative of the Authority, stating that the Board of Directors of the Authority has adopted a resolution providing for the removal of such Depository.

(d) In the event of the resignation or removal of any Depository, such Depository promptly shall pay over, assign and deliver any moneys and investments held by it as Depository to the successor Depository appointed by the Authority.

[END OF ARTICLE IX]

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.1 General Provisions Concerning Supplemental Indentures. (a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to provisions of this Article X.

(b) Each Supplemental Indenture, when filed by the Authority with the Trustee, shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully adopted by the Authority in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority.

(c) The Trustee is hereby authorized to accept the delivery of any Supplemental Indenture referred to and permitted or authorized by Sections 10.2 or 10.3 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

(e) Each Supplemental Indenture executed and delivered in accordance with this Article X shall thereafter form a part of the Indenture, and all of the terms and conditions in any such Supplemental Indenture thereafter shall be a part of the terms and conditions of the Indenture.

(f) For purposes of this Article X, the rights of the Holder of an Obligation or of the Holders of the Obligations of a Series shall be deemed to be affected by a modification or amendment of the Indenture if the same materially and adversely affects or diminishes the rights of such Holder or Holders. In each case, the Trustee shall determine whether or not any such modification or amendment affects the rights of such Holder or Holders, and such determination shall be binding and conclusive upon the Authority and all Holders.

Section 10.2 Supplemental Indentures Not Requiring Holder Consent. The Authority and the Trustee, at any time and from time to time, without the consent of the Holders of any Obligations, may execute and deliver a Supplemental Indenture for any one or more of the following purposes:

(a) To authorize Obligations of a Series and, in connection therewith, to specify and determine the matters and things referred to in Article III and Article VII hereof (including specifically, but without limitation, any provision relating to lien status of a Series of Obligations, or, if applicable, the springing lien status of a Series of Obligations) and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the original issuance of such Obligations;

(b) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(c) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect;

(d) To grant to or to confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Trustee;

(e) To close this Indenture or any Supplemental Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture or any Supplemental Indenture on, the issuance and delivery of Obligations;

(f) To add to the covenants and agreements of the Authority in this Indenture or any Supplemental Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Indenture or the applicable Supplemental Indentures as theretofore in effect;

(g) To add to the limitations and restrictions in this Indenture or any Supplemental Indenture other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture or the applicable Supplemental Indenture as theretofore in effect;

(h) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Indenture;

(i) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture or any Supplemental Indenture, of the Trust Estate or of any other moneys, securities or funds;

(j) To modify any of the provisions of this Indenture or any Supplemental Indenture in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Obligations of any Series Outstanding at the date of the adoption of such Indenture or Supplemental Indenture shall cease to be Outstanding; and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Obligations of any Series delivered after the date of the adoption of such Supplemental Indenture and of Obligations issued in exchange therefor or in place thereof;

(k) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law; or

(l) To make any other change in the Indenture which does not, in the opinion of the Trustee, materially and adversely affect the rights of the Holders of the Obligations, including, without limitation, changes or amendments requested by any Rating Agency as a condition to the issuance or maintenance of a rating or requested by the Texas Attorney General's Office as a condition to the approval of any Obligations.

Section 10.3 Supplemental Indentures Requiring Holder Consent. The Authority and the Trustee, at any time and from time to time, may execute and deliver a Supplemental Indenture for the purpose of making any modification or amendment to the Indenture, but only with the written consent given as provided in Section 10.4, of the Holders of at least a majority in aggregate principal amount of the Obligations Outstanding at the time such consent is given, and in case less than all of the several Series of Obligations then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in aggregate principal amount or Maturity Amount, as applicable, of the Obligations of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Obligations of any particular Series and maturity remain Outstanding, the consent of the Holders of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this Section 10.3. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture shall permit any of the following, without the consent of each Holder whose rights are affected thereby: (i) a change in the terms of maturity or redemption of any Obligation or of any installment of interest thereon; (ii) a reduction in the principal amount or Maturity Amount, as applicable, or redemption price of any Obligation or in the rate of interest thereon; (iii) the creation of a lien on or a pledge of any part of the Trust Estate which has priority over or parity with (to the extent not permitted hereunder) the lien or pledge granted to the Holders hereunder (but this provision shall not apply to the release of any part of the Trust Estate as opposed to the creation of a prior or parity lien or pledge); (iv) the granting of a preference or priority of any Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, as the case may be, over any other Senior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, respectively, except to the extent permitted herein; or (v) a reduction in the aggregate principal amount or classes of Obligations of which the consent of the Holders is required to effect any such modification or amendment. Nothing in this Section 10.3, however, shall be construed as requiring the consent of any Holder in connection with the execution and delivery of any Supplemental Indenture for any purpose described in Section 10.2.

Section 10.4 Consent of Holders. Each Supplemental Indenture executed and delivered pursuant to the provisions of Section 10.3 shall take effect only when and as provided in this Section 10.4. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders for their consent thereto in form satisfactory to the Trustee, shall be sent by the Authority to Holders by first class mail, postage prepaid, provided that a failure to mail such request shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section 10.4. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (i) the written consents of Holders of the percentages of Outstanding Obligations specified in Section 10.3, and (ii) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the

Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms and is in accordance with the Indenture; provided, however, that such Counsel's Opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally. Any such consent shall be binding upon the Holder giving such consent and upon any subsequent Holder of such Obligations and of any Obligations issued in exchange therefor or in lieu thereof (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder of such Obligations by filing such revocation with the Trustee prior to the time when the written statement of the Trustee provided for hereinafter in this Section 10.4 is filed. The fact that a consent has not been revoked likewise may be proven by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Obligations shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of the required percentages of Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, the Authority may give written notice to the Holders, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Obligations and will be effective as provided in the Indenture, which notice shall be sent to Holders by registered or certified mail, postage prepaid. The Authority shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted to be filed with the Trustee by this Section 10.4, shall be proof of the matters therein stated. Such Supplemental Indenture shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of the Obligations on the date of filing with the Trustee of the proof of the mailing of such last-mentioned notice.

Notwithstanding anything else herein, if a Supplemental Indenture is to become effective under Section 10.3 on the same date as the date of issuance of Additional Senior Lien Obligations, Additional Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, the consents of the underwriters or purchasers of such Additional Senior Lien Obligations, Additional Junior Lien Obligations, Subordinate Lien Obligations or Other Obligations, as the case may be, shall be counted for purposes of Section 10.3 and this Section 10.4.

Section 10.5 Exclusion of Certain Obligations. Obligations owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Article X, and the Authority shall not be entitled with respect to such Obligations to give any consent or take any other action provided for in this Article X. At the time of any consent or other action taken under this Article X, the Authority shall furnish the Trustee a certificate of an Authorized Representative of the Authority, upon which the Trustee may rely, describing all Obligations so to be excluded.

Section 10.6 Notation on Obligations. Obligations authenticated and delivered after the effective date of any action taken as provided in this Article XI may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Obligation Outstanding at such effective date and presentation of such Obligation for the purpose at the

principal office of the Trustee, or upon any transfer of any Obligation Outstanding at such effective date, suitable notation shall be made on such Obligation or upon any Obligation issued upon any such transfer by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Obligations so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Obligation then Outstanding shall be exchanged, without cost to such Holder, for Obligations then Outstanding, upon surrender of such Obligations for Obligations of an equal aggregate principal amount or Maturity Amount, as applicable, and of the same Series, maturity and interest rate, in any Authorized Denomination, upon surrender of such Obligations.

[END OF ARTICLE X]

ARTICLE XI

DISCHARGE AND DEFEASANCE

Section 11.1 Discharge. If:

(a) the principal amount or Maturity Amount, as applicable, of any Obligations and the interest due or to become due thereon, together with any redemption premium required by redemption of any such Obligations prior to maturity, shall be paid, or is caused to be paid, or is provided for under Section 11.2, at the times and in the manner to which reference is made in the Obligations, as the case may be, according to the true intent and meaning thereof, or the outstanding Obligations shall have been paid and discharged in accordance with this Indenture, and

(b) all of the covenants, agreements, obligations, terms and conditions of the Authority under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof,

then the right, title and interest of the Trustee in the Trust Estate shall thereupon cease and the Trustee, on request of the Authority and at the expense of the Authority, shall release this Indenture and the Trust Estate and shall execute such documents to evidence such release as may be reasonably required by the Authority and shall turn over to the Authority, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds hereunder except for amounts required to pay such Obligations or held pursuant to Section 5.6.

Section 11.2 Defeasance.

(a) Defeased Obligations. Any Obligations and the interest thereon shall be deemed to be paid, retired and no longer outstanding (each a “Defeased Obligation”) within the meaning of the Indenture, except to the extent provided in subsection (c) of this Section, when payment of the principal of such Defeased Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Trustee (or other bank or similar institution with trust powers meeting the requirements of Section 9.8) as escrow agent (the “Escrow Agent”) in accordance with an escrow agreement or other instrument (the “Defeasance Escrow Agreement”) for such payment (1) lawful money of the U.S. sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Authority with the Escrow Agent for the payment of its services and those of the Trustee relating to such Defeased Obligations until such Defeased Obligations shall have become due and payable; provided, however, a Credit Facility shall not be deemed to have been paid and no longer Outstanding until all amounts due thereunder have been paid and the Credit Facility has been terminated in accordance with its terms. The Trustee shall be entitled to receive and may conclusively rely upon a verification report of independent certified public accountants to the effect that the deposit of

money and/or Defeasance Securities will provide sufficient moneys to provide for the payment of such Obligations. At such time as an Obligation shall be deemed to be a Defeased Obligation hereunder, as aforesaid, such Defeased Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Trust Estate herein pledged as provided in this Indenture, and such principal, or Maturity Amount, as applicable, of and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Indenture to the contrary, it is hereby provided that any determination not to redeem Defeased Obligations that is made in conjunction with the payment arrangements specified in clauses (i) or (ii) above shall not be irrevocable, provided that, in the proceedings providing for such payment arrangements, the Authority (A) expressly reserves the right to call the Defeased Obligations for redemption; (B) gives notice of the reservation of that right to the owners of the Defeased Obligations immediately following the making of the payment arrangements; and (C) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment in Defeasance Securities. Any moneys so deposited with the Escrow Agent may at the written direction of the Authority be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Escrow Agent that is not required for the payment of the Defeased Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Authority, or deposited as directed in writing by the Authority. Any Defeasance Escrow Agreement pursuant to which the money, Defeasance Securities or a combination of the foregoing are held for the payment of Defeased Obligations may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in clauses (i) or (ii) or subsection (a) of this Section 11.2. All income from such Defeasance Securities received by the Escrow Agent that is not required for the payment of the Defeased Obligations, with respect to which such money has been so deposited, shall be remitted to the Authority or deposited as directed in writing by the Authority.

(c) Paying Agent/Registrar Services. Until all Defeased Obligations shall have become due and payable, the Trustee shall perform the services of Paying Agent for such Defeased Obligations the same as if they had not been defeased, and the Authority shall make proper arrangements to provide and pay for such services as required by this Indenture.

(d) Selection of Obligations for Defeasance. In the event that the Authority elects to defease less than all of the principal amount or Maturity Amount of a Series of Obligations of a maturity, the Trustee, or the Securities Depository if such Obligations are in book-entry form, shall select, or cause to be selected, such amount of such obligations by such random method as it deems fair and appropriate.

Section 11.3 Notice of Defeasance.

(a) In case any of the Obligations for the payment of which moneys or Defeasance Securities have been deposited with the Escrow Agent pursuant to Section 11.2, are to be redeemed on any date prior to their maturity, the Authority shall give to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Obligations as required by the

provisions of this Indenture or the Supplemental Indenture authorizing the issuance of such Obligations.

(b) In addition to the foregoing notice, in the event such Obligations to be redeemed are not by their terms subject to redemption within the next succeeding 60 days, the Trustee shall give further notice to the Holders that the deposit required by Section 11.2 has been made with the Escrow Agent and that said Obligations are deemed to have been paid in accordance with this Article XI and stating the maturity or redemption date or dates upon which moneys are to be available for the payment of the principal or Maturity Amount, as applicable, of and redemption premium, if any, on said Obligations; such further notice shall be given promptly following the making of the deposit required by Section 11.2; and such further notice also shall be given in the manner set forth in the redemption provisions of any Supplemental Indenture (or other proceedings of the Authority); but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of the deposit.

(c) If the Authority has retained any rights pursuant to Section 11.2, notice thereof shall be sent to Holders of such Obligations as soon as practicable and not later than any notice required by subsections (a) or (b) of this Section.

[END OF ARTICLE XI]

ARTICLE XII

MISCELLANEOUS

Section 12.1 Evidence of Signatures of Holders. Any request, consent, revocation of consent or other instrument which the Indenture may require or permit to be signed and executed by the Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

Section 12.2 Obligations Not Obligations of the State. The Obligations shall not be in any way a debt or liability of the State or any political subdivision thereof other than the Authority and shall not create or constitute any indebtedness, liability or obligation of the State nor of any other political subdivision or be or constitute a pledge of the faith and credit of the State or of any such other political subdivision thereof but all Obligations, unless funded or refunded by other bonds of the Authority, shall be payable solely from the Trust Estate including the Revenues and the Funds pledged or available for their payment as authorized in the Indenture. Each Obligation shall contain on its face a statement to the effect that the Authority is obligated to pay the principal amount or Maturity Amount, as applicable, or redemption price thereof and the interest thereon only from the Trust Estate including the Revenues and Funds of the Authority pledged under the Indenture and that neither the State nor any political subdivision thereof other than the Authority is obligated to pay such principal amount or Maturity Amount, as applicable, or redemption price and interest and that neither the faith and credit nor the taxing power of the State nor any such other political subdivision thereof is pledged to the payment of the principal amount or Maturity Amount, as applicable, or redemption price and interest on the Obligations.

Section 12.3 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, and any Holder and their agents and their representatives, any of whom may make copies thereof.

Section 12.4 Filing of Security Instruments. The Authority hereby covenants that it will cause to be filed all necessary documents, security instruments and financing statements, and the Trustee covenants that it will cause to be filed all necessary continuation statements, under the Business and Commerce Code of the State of Texas, in such manner and in such places as may be required by law in order to perfect and to protect and maintain in force the lien and pledge of, and

the security interests created by, the Indenture. The Authority or the Trustee may rely on a Counsel's Opinion with respect to the necessity of any filing.

Section 12.5 Parties Interested Herein. Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Authority, the Trustee, the Holders of the Obligations and, to the extent provided in a Supplemental Indenture relating to a series of Obligations, the Credit Enhancer for such Obligations, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Holders of the Obligations and, to the extent provided in a Supplemental Indenture relating to a series of Obligations, the Credit Enhancer for such Obligations.

Section 12.6 No Recourse on the Obligations. No recourse shall be had for the payment of the principal amount or Maturity Amount, as applicable, or redemption price of or interest on the Obligations or for any claim based thereon or on the Indenture against any director, officer or employee of the Authority or any person executing the Obligations.

Section 12.7 No Individual Liability. No covenant or agreement contained in the Obligations or in this Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors of the Authority or the Trustee or any officer, agent, employee or representative of the Authority or the Trustee in his or her individual capacity, and neither the directors, officers, agents, employees or representatives of the Authority or the Trustee nor any person executing the Obligations shall be personally liable thereon or be subject to any personal liability or accountability by reason of the issuance thereof, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of this Indenture and the issuance of the Obligations.

Section 12.8 Indenture to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Obligations authorized to be issued hereunder by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders of the Obligations, and the pledge made in this Indenture and the covenants and agreements therein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Obligations all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Obligations over any other thereof except as expressly provided in or permitted by this Indenture.

Section 12.9 Notice. Any notice, demand, direction, request, or other instrument authorized or required by this Indenture to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered or certified mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

Authority: Hidalgo County Regional Mobility Authority
118 South Cage Boulevard, 4th Floor

P.O. Box 1766
Pharr, Texas 78577
Attention: Executive Administrator

Trustee: Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248
Attn: [_____]

Section 12.10 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.

Section 12.11 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Authority or the Trustee to be performed shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 12.12 Successors. Whenever in this Indenture the Authority is named or referred to, it shall be deemed to include the board, body, commission, authority, agency, department or instrumentality of the State of Texas succeeding to the principal functions and powers of the Authority, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 12.13 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall be a day that is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture and no interest shall accrue for the period after such nominal date.

Section 12.14 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.

Section 12.15 Compliance with Texas Government Code. (a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands

“affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(c) To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(d) To the extent this Indenture constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, “SB 19”), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Indenture against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code

does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(e) Any representations, certification, verifications or agreements that may be required to be provided by the Trustee or Paying Agent pursuant to State law at the time of issuance of any additional Obligations may be included in the Supplemental Indenture or other agreement or document executed and delivered by the Trustee in connection with the issuance of such additional Obligations.

[END OF ARTICLE XII]

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:

Secretary

(SEAL)

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF WRITTEN REQUEST
RENEWAL AND REPLACEMENT FUND
CERTIFICATE AND REQUEST FOR PAYMENT

DATE: [Month], [Year]

<u>DESCRIPTION SUMMARY</u>¹	<u>AMOUNT</u>
	\$ _____
TOTAL AMOUNT REQUESTED	\$ _____

The Authority does hereby certify to the Trustee that: (i) each item submitted herewith is a proper charge against the Renewal and Replacement Fund and has not been paid, (ii) no default exists under the Indenture (as hereinafter defined), which has not been disclosed to the Trustee and the Authority will use its best efforts to cure any default if it exists and (iii) there has not been filed with or served upon the Authority legal notice of any lien, right to lien, attachment or other claim, which is valid in the opinion of counsel to the Authority and affects the right to receive payment of any of the moneys payable to any of the Persons, firms or corporations named herein which has not been released or will not be released simultaneously with such payment.

Capitalized terms appearing herein that are defined terms in that certain Master Trust Indenture, dated as of February 1, 2022, as amended and supplemented (the “Indenture”) between Hidalgo County Regional Mobility Authority (together with any successor to its rights, duties, and obligations thereunder, the “Authority”) and Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee (together with any successor trustee thereunder, the “Trustee”), have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

Please remit funds by wire transfer to the Authority [Wiring instructions for disbursement].

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By: _____
Authorized Representative

¹ Attach appropriate information indicating the name of the Person, Firm or Corporation to whom payment is due, the amount to be paid and the purpose for which such obligation was incurred.

EXHIBIT B
FORM OF REQUISITION
GENERAL FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

DATE: [Month], [Year]

<u>DESCRIPTION SUMMARY</u> ²	<u>AMOUNT</u>
	\$ _____
TOTAL AMOUNT REQUESTED	\$ _____

The Authority does hereby certify to the Trustee that: (i) each item submitted herewith is a proper charge against the General Fund and has not been paid, (ii) no default exists under the Indenture (as hereinafter defined), which has not been disclosed to the Trustee and the Authority will use its best efforts to cure any default if it exists and (iii) there has not been filed with or served upon the Authority legal notice of any lien, right to lien, attachment or other claim, which is valid in the opinion of counsel to the Authority and affects the right to receive payment of any of the moneys payable to any of the Persons, firms or corporations named herein which has not been released or will not be released simultaneously with such payment.

Capitalized terms appearing herein that are defined terms in that certain Master Trust Indenture, dated as of February 1, 2022, as amended and supplemented (the “Indenture”) between Hidalgo County Regional Mobility Authority (together with any successor to its rights, duties, and obligations thereunder, the “Authority”) and Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee (together with any successor trustee thereunder, the “Trustee”), have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

Please remit funds by wire transfer to the Authority [Wiring instructions for disbursement].

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By: _____
Authorized Representative

² Attach appropriate information indicating the name of the Person, Firm or Corporation to whom payment is due, the amount to be paid and the purpose for which such obligation was incurred.

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION, TRUSTEE

AUTHORIZING

SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS,
SERIES 2022A

Dated as of February 1, 2022

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of February 1, 2022 (this “Supplemental Indenture” or “First Supplemental Indenture”), is made by and between the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (together with any successor to its rights, duties, and obligations hereunder, the “Authority”), a body politic and corporate and a political subdivision of the State of Texas (the “State”) duly created, organized and existing under the laws of the State, and WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as trustee, a national banking association duly organized and existing under the laws of the United States of America, as trustee (together with any successor trustee hereunder, the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meaning set forth in Article I of this Supplemental Indenture.

RECITALS

WHEREAS, the Authority has been created, is organized, and operates pursuant to the Constitution and laws of the State, including, particularly, Chapter 370, Texas Transportation Code, as amended (the “Act”), for the purposes of constructing, maintaining and operating transportation projects in Hidalgo County, Texas; and

WHEREAS, pursuant to the Act, the Authority is authorized to: (i) study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); and (ii) issue bonds, certificates, notes or other obligations payable from the revenues of a transportation project or system, including tolls, fees, fares or other charges, to pay all or part of the cost of a transportation project and to refund any bonds previously issued for a transportation project; and (iii) impose tolls, fees, fares or other charges for the use of each of its transportation projects and the different parts or sections of each of its transportation projects; and

WHEREAS, pursuant to the Act and other applicable laws, the Authority is authorized to issue revenue bonds, notes, certificates or other obligations as hereinafter provided, and to enter into this Supplemental Indenture; and

WHEREAS, the Authority has previously issued its Junior Lien Revenue Bond, Taxable Series 2016A in the original aggregate principal amount of \$20,000,000 (the “Refunded Obligation”), pursuant to the Prior Master Indenture (as defined herein) and a supplemental indenture adopted thereunder; and

WHEREAS, the Authority and the Trustee have executed and delivered the Master Indenture, providing for the issuance from time to time by the Authority of one or more series of its revenue obligations (collectively, the “Obligations”); and

WHEREAS, Section 10.2 of the Master Indenture authorizes the Authority and the Trustee to execute and deliver a supplemental indenture, authorizing one or more Series of Obligations, to include any other matters and things relative to such Obligations which are not inconsistent with or contrary to the Master Indenture, to add to the covenants of the Authority, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, pursuant to the authority granted in the Act and Chapter 1371, Texas Government Code, as amended, the Authority has determined to authorize the issuance of its Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A (the “Series 2022A Senior Bonds”), pursuant to the Master Indenture and this Supplemental Indenture for the purpose of providing funds (i) to pay a portion of the Costs of the 2022 Project; and (ii) for the other purposes specified herein; and

WHEREAS, pursuant to the authority granted in the Act and Chapters 1207 and 1371, Texas Government Code, as amended, the Authority has determined to authorize the issuance of its Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B (the “Series 2022B Junior Bonds”), pursuant to the Master Indenture and the Second Supplemental Indenture for the purpose of providing funds (i) to pay a portion of the Costs of the 2022 Project; (ii) to refund and redeem the Refunded Obligation; and (iii) for the other purposes specified therein; and

WHEREAS, the Authority has previously issued and there is currently outstanding its VRF Obligations issued pursuant to that certain Indenture of Trust by and between the Authority and Wilmington Trust, National Association, as trustee, dated as of November 1, 2013, as amended and supplemented (the “VRF Indenture”), authorizing the issuance of VRF Obligations; and

WHEREAS, pursuant to the VRF Indenture, the Authority has pledged the Vehicle Registration Fees (as defined herein), as security for the VRF Obligations, with any monthly excess of the Vehicle Registration Fees remaining after the payment of all amounts required under the funds and accounts created for the security and repayment of the VRF Obligations under the VRF Indenture to be deposited into the General Fund under the VRF Indenture, being available for use for any lawful purpose of the Authority (as more particularly described and hereinafter defined as the “Dedicated Vehicle Registration Fees”); and

WHEREAS, the Authority has determined in this Supplemental Indenture to designate all Dedicated Vehicle Registration Fees as Revenues under the Master Indenture; and

WHEREAS, the Board hereby finds and determines that the issuance of the Series 2022A Senior Bonds is in the best interest of the Authority; and

WHEREAS, pursuant to the Bond Resolution, the Authority has authorized the Authorized Representative to make such findings and determinations as may be required in connection with the issuance of the Series 2022A Senior Bonds and to set forth such findings and determinations in the Award Certificate; and

WHEREAS, the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022A Senior Bonds have been in all respects duly and validly authorized by the Bond Resolution; and

WHEREAS, the Trustee has accepted the trusts created by the Master Indenture and this Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this Supplemental Indenture have happened, exist and have been performed as so required in order to make the Master Indenture, as supplemented by this Supplemental Indenture, a valid, binding and legal instrument for the security of the Series 2022A Senior Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2022A Senior Bonds by the holders thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2022A Senior Bonds are to be issued, authenticated, delivered and accepted by the holders thereof, the Authority and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Holders from time to time of the Obligations, including the Series 2022A Senior Bonds, as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.1. Supplemental Indenture. This Supplemental Indenture is supplemental to the Master Indenture and is adopted in accordance with Article III and Article X thereof.

Section 1.2. Definitions.

Unless the context shall require otherwise, all defined terms contained in the Master Indenture shall have the same meanings in this Supplemental Indenture (other than in the Bond Form) as such defined terms are given in Section 1.1 of the Master Indenture.

As used in this Supplemental Indenture (other than in the Bond Form), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2022 Project” shall mean the design, acquisition and construction of the Phase II Project, all as more particularly described in the [Phase II Project Engineer’s Report], dated _____, 2022, prepared by HDR, Inc., and referred to herein as the “GEC Report.”

“2022 Project Account” shall mean the account by that name, established pursuant to Section 3.1 hereof, of the Construction Fund, inclusive of any subaccounts created therein.

“Arbitrage Analyst” shall mean any nationally recognized firm of certified public accountants or any other nationally recognized firm or Person approved by the Authority and expert in the area of verification of arbitrage calculations related to tax-exempt bonds.

“Authorized Denomination” shall mean (i) with respect to Series 2022A Current Interest Bonds, \$5,000 principal amount or any integral multiple thereof, and (ii) with respect to any Series 2022A Capital Appreciation Bonds and any Series 2022A Convertible Capital Appreciation Bonds, \$5,000 Maturity Amount or any integral multiple thereof.

“Authorized Representative” shall mean the Chairman of the Board of Directors of the Authority, the Executive Director of the Authority and the Chief Financial Officer of the Authority, severally and each of them, as provided in the Bond Resolution.

“Award Certificate” shall mean the Award Certificate executed and delivered by an Authorized Representative pursuant to Section 2.1 hereof in connection with initial issuance and delivery of the Series 2022A Senior Bonds authorized to be issued hereunder.

“Bond Form” shall mean, collectively, the Series 2022A Current Interest Bond Form attached hereto as Exhibit A, the Series 2022A Capital Appreciation Bond Form attached hereto as Exhibit B, and the Series 2022A Convertible Capital Appreciation Bond Form attached hereto as Exhibit C.

“Bond Resolution” shall mean Resolution No. adopted by the Board of Directors of the Authority on December 20, 2021.

“Bond Year” shall mean each one-year period that ends at the close of business on the day that is each anniversary of the Issuance Date and on the date of final maturity of the Series 2022A Senior Bonds. The last Bond Year may be a short period.

“BSIF Connector” shall mean the Border Safety Inspection Facility Connector at U.S. Route 281/Military Highway, which is non-tolled, all as more particularly described in the GEC Report.

“Capitalized Interest Period” shall mean, for each portion of the design, acquisition, construction, improvements and extensions to the 2022 Project financed with the proceeds of the Series 2022A Current Interest Bonds with a separate placed-in-service date, the period commencing on the Issuance Date and ending on the date that is the later of (i) three years from the Issuance Date and (ii) one year after the applicable portion of the design, acquisition, construction, improvements and extensions to the 2022 Project financed with the proceeds of the Series 2022A Current Interest Bonds (A) has reached a degree of completion which would permit its operation at substantially its design level and (B) is, in fact, in operation at such level.

“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).

“Compounded Amount” shall have the meaning assigned thereto in the Master Indenture, provided that, with respect to the Series 2022A Capital Appreciation Bonds and the Series 2022A Convertible Capital Appreciation Bonds, such term shall mean, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, plus all interest accreted and compounded to the particular date of calculation as determined pursuant to the Master Indenture and this Supplemental Indenture.

“Compounding Dates” shall mean (i) with respect to the Series 2022A Capital Appreciation Bonds, each June 1 and December 1 until Stated Maturity, commencing on the date

specified in the Award Certificate and (ii) with respect to the Series 2022A Convertible Capital Appreciation Bonds, commencing on the date specified in the Award Certificate, and each June 1 and December 1 thereafter until and including the Conversion Date.

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

“Conversion Date” shall mean the date or dates established in the Award Certificate for each respective Series 2022A Convertible Capital Appreciation Bond on which (i) the Compounded Amount of the Series 2022A Convertible Capital Appreciation Bonds equals the Maturity Amount thereof and (ii) the Series 2022A Convertible Capital Appreciation Bonds begin to bear interest on the Maturity Amount thereof, which is payable on each Interest Payment Date.

“Dedicated Vehicle Registration Fees” shall mean any monthly excess of the Vehicle Registration Fees remaining after the payment of all amounts required under the funds and accounts created for the security and repayment of the VRF Obligations under the VRF Indenture that are deposited into the General Fund under the VRF Indenture, being available for use for any lawful purpose of the Authority.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Securities Depository effects book-entry transfers and pledges of securities deposited with such Securities Depository.

“Designated Payment/Transfer Office” shall mean, initially, the office of the Trustee located in Dallas, Texas, or such other office designated by the Trustee from time to time as the place of payment and transfer of registration of ownership of the Series 2022A Senior Bonds.

“DTC” shall mean The Depository Trust Company, its successors and assigns.

“Final Computation Date” shall mean the date on which the last bond of the Series 2022A Senior Bonds is discharged.

“Indenture” shall mean the Master Indenture, as amended or supplemented (i) by this First Supplemental Indenture; (ii) by the Second Supplemental Trust Indenture dated as of the date first written above, between the Authority and the Trustee; and (iii) hereafter from time to time in accordance with the terms of the Master Indenture.

“Initial Series 2022A Senior Bonds” shall mean, collectively, the Initial Series 2022A Current Interest Bond, the Initial Series 2022A Capital Appreciation Bond, and the Initial Series 2022A Convertible Capital Appreciation Bond, as described in Section 2.4 hereof.

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

“Interest Payment Date” shall mean (i) with respect to the Series 2022A Current Interest Bonds, each June 1 and December 1, commencing on the date specified in the Award Certificate and (ii) with respect to the Series 2022A Convertible Capital Appreciation Bonds, each June 1 and December 1 following the Conversion Date.

“Issuance Date” shall mean the date of initial issuance and delivery of the Series 2022A Senior Bonds to the Underwriters, or the representative thereof, against payment therefor.

“Letter of Representations” shall mean that certain Blanket Issuer Letter of Representations between the Authority and DTC, as the Securities Depository.

“Master Indenture” shall mean the Master Trust Indenture, dated as of February 1, 2022 between the Authority and the Trustee, without regard to supplements and amendments thereto.

“Maturity Amount” shall mean, with respect to the Series 2022A Capital Appreciation Bonds or the Series 2022A Convertible Capital Appreciation Bonds, the Compounded Amount due and payable at Stated Maturity.

“Official Statement” shall mean the Authority’s final official statement prepared in connection with the public offering and sale of the Series 2022A Senior Bonds, together with any addenda, supplements and amendments thereto.

“Prior Master Indenture” shall mean that certain master trust indenture by and between the Authority and Wilmington Trust, National Association, as trustee, dated as of December 1, 2016, pursuant to which the Refunded Obligation was issued.

“Purchase Contract” shall mean the Bond Purchase Contract between the Authority and the respective Underwriters providing for the purchase of the Series 2022A Senior Bonds by the Underwriters.

“Rebate Amount” shall mean, as of any date, the excess as of any date of the future value, as of any such date, of all receipts on nonpurpose investments over the future value, as of such date, of all payments on nonpurpose investments all as determined in accordance with section 1.148-3 of the Regulations.

“Record Date” shall mean with respect to the Series 2022A Current Interest Bonds and, after the Conversion Date, the Series 2022A Convertible Capital Appreciation Bonds, the fifteenth (15th) calendar day of the month preceding each Interest Payment Date.

“Refunded Obligation” shall have the meaning given to such term in the recitals hereof.

“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.

“Securities Depository” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and any successor Securities Depository appointed pursuant to Section 9.13 of the Master Indenture and Section 2.7 of this Supplemental Indenture.

“Senior Lien Bond Proceeds Clearance Fund” shall mean the “Senior Lien Bond Proceeds Clearance Fund” established pursuant to Section 3.4(a) hereof, and any Accounts established therein pursuant to a Letter of Instructions signed by an Authorized Representative.

“Senior Lien 2022A Capitalized Interest Debt Service Subaccount” shall mean the “Senior Lien 2022A Capitalized Interest Debt Service Subaccount” established in Section 3.3(b) hereof as part of the Senior Lien 2022A Debt Service Account.

“Senior Lien 2022A Debt Service Account” shall mean the “Senior Lien 2022A Debt Service Account” established in Section 3.3 hereof as part of the Senior Lien Debt Service Fund and any subaccounts established therein pursuant to this Supplemental Indenture or a Letter of Instructions signed by an Authorized Representative.

“Senior Lien 2022A Project Subaccount” shall mean the “Senior Lien 2022A Project Subaccount” established pursuant to Section 3.2 hereof as part of the 2022 Project Account.

“Senior Lien 2022A Rebate Account” shall mean the account by that name established pursuant to Section 5.2(a) hereof and such subaccounts as may be established therein pursuant to a Letter of Instructions signed by an Authorized Representative.

“Senior Lien Costs of Issuance Fund” shall mean the “Senior Lien Costs of Issuance Fund” established pursuant to Section 3.4(b) hereof.

“Senior Lien Debt Service Reserve Requirement” shall mean an amount equal to the least of (i) the maximum Annual Debt Service on all Outstanding Senior Lien Obligations, (ii) 1.25 times the Average Annual Debt Service on all Outstanding Senior Lien Obligations, or (iii) ten percent of the aggregate stated principal amount of the Outstanding Senior Lien Obligations, in each case, that the Authority determines are Reserve Fund Participants in the Senior Lien Debt Service Reserve Fund as may be determined on the date each Series of Senior Lien Obligations is issued.

“Series 2022A Capital Appreciation Bonds” shall mean the Series 2022A Senior Bonds designated as Capital Appreciation Bonds, which accrete interest to Stated Maturity payable at Stated Maturity as a portion of the Maturity Amount, as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022A Convertible Capital Appreciation Bonds” shall mean the Series 2022A Senior Bonds designated as Convertible Capital Appreciation Bonds, which accrete interest to the Conversion Date and thereafter bear interest on the Maturity Amount thereof payable on each Interest Payment Date with the Maturity Amount thereof, payable on the Stated Maturity thereof, as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022A Current Interest Bonds” shall mean the Series 2022A Senior Bonds designated as Current Interest Bonds on which interest is paid on each Interest Payment Date as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022A Senior Bonds” shall mean, collectively, the Series 2022A Current Interest Bonds, the Series 2022A Capital Appreciation Bonds, and the Series 2022A Convertible Capital Appreciation Bonds, each as authorized pursuant to this Supplemental Indenture and designated as such in the Award Certificate.

“Series 2022B Junior Bonds” shall have the meaning given to such term in the recitals hereof.

“Special Payment Date” shall mean the date that is fifteen (15) days after the Special Record Date.

“Special Record Date” shall mean the new record date for interest payment established in the event of a nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter.

“Stated Maturity” shall mean the date on which a Series 2022A Senior Bond is scheduled to mature, as set forth in the Award Certificate.

“Supplemental Indenture” or “First Supplemental Indenture” shall mean this First Supplemental Trust Indenture by and between the Authority and the Trustee, dated as of the date first above written, together with any amendments hereto.

“Treasury” shall mean the United States Department of the Treasury, or any successor department or agency to the obligations thereof.

“Underwriters” shall mean the underwriters named in the Purchase Contract.

“Vehicle Registration Fees” shall mean the aggregate optional county fee for transportation projects in the current amount of \$10.00 (per registered vehicle) authorized to be collected by Hidalgo County, Texas in accordance with an order effective as of January 1, 2008 in accordance with Section 502.402, Texas Transportation Code, as amended, and pledged to the VRF Obligations issued in accordance with the VRF Indenture.

“VRF Obligations” shall mean the Authority’s Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2013, Senior Lien Vehicle Registration Fee Revenue Bonds, Series 2020A, Senior Lien Vehicle Registration Fee Revenue Refunding Bonds, Taxable Series 2020B, and any additional bonds, notes or other obligations hereafter issued or incurred by the Authority pursuant to the VRF Indenture that are secured by and payable from Vehicle Registration Fees, but expressly excluding any additional Obligations issued or incurred pursuant to the Indenture.

“VRF Indenture” shall have the meaning given to such term in the recitals hereof.

Section 1.3. Authority for This Supplemental Indenture. This Supplemental Indenture is adopted pursuant to the provisions of the Act and the Master Indenture, particularly Section 10.2(a) of the Master Indenture.

Section 1.4. Rules of Construction.

(a) For all purposes of this Supplemental Indenture unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this Supplemental Indenture.

(b) Except where the context otherwise requires, terms defined in this Supplemental Indenture to impart the singular number shall be considered to include the plural number and vice versa.

(c) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

(d) This Supplemental Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Supplemental Indenture and the Master Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this Supplemental Indenture 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 the terms or provisions hereof.

Section 1.6. Indenture to Remain in Force. Except as amended by this Supplemental Indenture, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.7. Successors and Assigns. All covenants and agreements in this Supplemental Indenture by the Authority and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.8. Severability Clause. In case any provision in this Supplemental Indenture shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.9. Benefits of Supplemental Indenture. Subject to the terms of the Master Indenture and the terms hereof, nothing in this Supplemental Indenture or in the Series 2022A Senior Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Series 2022A Senior Bonds, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture.

Section 1.10. Governing Law. This Supplemental Indenture shall be construed in accordance with and governed by the laws of the State.

Section 1.11. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Authority signed by an Authorized Representative of the Authority or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

ARTICLE II.

AUTHORIZATION AND TERMS OF SERIES 2022A SENIOR BONDS

Section 2.1. Authorization, Principal Amounts, Designation of Series, Terms and Provisions to Apply.

(a) In accordance with and subject to the terms, conditions and limitations established in the Indenture and this Supplemental Indenture, the Series 2022A Senior Bonds are hereby authorized to be issued pursuant to and in accordance with the provisions of the Bond Resolution, the Master Indenture, Chapter 1371, Texas Government Code, as amended, and the Act. The Authorized Representative shall determine the aggregate principal amount of Series 2022A Senior Bonds to be issued for the purposes identified in Section 2.2 of this Supplemental Indenture and shall make such findings as required by law, as authorized by the Bond Resolution or as otherwise deemed appropriate by the Authorized Representative, all of which shall be set forth in the Award Certificate. The terms of the Series 2022A Senior Bonds shall be as set forth in the Master Indenture, this Supplemental Indenture and the Award Certificate. All terms and provisions of the Award Certificate relating to the Series 2022A Senior Bonds shall be deemed to be incorporated into and shall become a part of this First Supplemental Indenture.

(b) Series 2022A Senior Bonds. The Authorized Representative shall determine and shall set forth in the Award Certificate the following, together with any other terms and provisions determined by the Authorized Representative as necessary or desirable with respect to the terms of the Series 2022A Senior Bonds:

(i) the principal amount of Series 2022A Senior Bonds to be issued as Series 2022A Current Interest Bonds, the series designation thereof, the maturity dates, the per annum interest rates, and the redemption provisions to be applicable to the Series 2022A Current Interest Bonds;

(ii) the original principal amount of Series 2022A Senior Bonds to be issued as Series 2022A Capital Appreciation Bonds, the maturity dates, the yield to maturity, Maturity Amounts and the redemption provisions to be applicable to such Series 2022A Capital Appreciation Bonds; and

(iii) the original principal amount of Series 2022A Senior Bonds to be issued as Series 2022A Convertible Capital Appreciation Bonds, the maturity dates, the yield to maturity, the Conversion Date, the interest payment dates, the Maturity Amounts and the redemption provisions to be applicable to such Series 2022A Convertible Capital Appreciation Bonds.

Section 2.2. Purposes. The Series 2022A Senior Bonds are issued in accordance with Section 3.2(a) of the Master Indenture for the purpose of providing funds to: (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022A Current Interest Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Series 2022A Senior Bonds, all under and in accordance with the Constitution and the laws of the State.

Section 2.3. Pledge; Limited Obligations.

(a) The Series 2022A Senior Bonds are designated as Senior Lien Obligations and as Long-Term Obligations under the Master Indenture.

(b) The Series 2022A Senior Bonds shall be limited obligations of the Authority constituting Senior Lien Obligations payable from and secured by a first lien on, pledge of and security interest in the Trust Estate; provided, that the interest of the Holders of the Series 2022A Senior Bonds in the Construction Fund shall be limited to amounts on deposit in the Senior Lien 2022A Project Subaccount. The Series 2022A Senior Bonds, as Senior Lien Obligations, shall constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of or Maturity Amount, redemption premium, if any, and interest on the Series 2022A Senior Bonds. The Series 2022A Senior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022A Senior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged hereunder and under the Master Indenture as security for the payment of the Senior Lien Obligations.

(c) As authorized by clause (iv) of the definition of “Revenues” in Section 1.1 of the Master Indenture, the Authority hereby designates all Dedicated Vehicle Registration Fees as “Revenues” for all purposes of the Indenture. The Authority shall transfer, or cause to be transferred, all Dedicated Vehicle Registration Fees as received by the Authority to the Trustee for deposit into the Revenue Fund. The Trustee shall deposit all Dedicated Vehicle Registration Fees as received to the credit of the Revenue Fund, and shall apply such funds in accordance with the terms of the Master Indenture.

(d) In connection with the Authority’s estimation of Dedicated Vehicle Registration Fees as a portion of Projected Revenues for purposes of Sections 7.7, 7.8, 7.9 and 7.10 of the Master Indenture, the estimated Dedicated Vehicle Registration Fees for (i) the initial Annual Period of the term of the proposed additional Obligations shall be equal to the actual amount of the Dedicated Vehicle Registration Fees received by the Authority for the immediately preceding Annual Period, and (ii) each subsequent Annual Period during the term of the proposed additional Obligations shall be escalated annually by a factor equal to the lesser of: (A) two percent (2%) and (B) the average annual increase in the actual amount of Dedicated Vehicle Registration Fees received by the Authority over the five (5) Annual Periods immediately preceding the initial Annual Period of the term of the proposed additional Obligations; provided, that if such average annual increase is calculated to be zero or negative, the estimated Dedicated Vehicle Registration Fees for each subsequent Annual Period shall not be escalated and shall be equal to the estimated Dedicated Vehicle Registration Fees used for the initial Annual Period as determined pursuant to clause (i) above.

(e) The Authority covenants not to issue or incur any additional bonds, notes or other obligations that are secured by and payable from Vehicle Registration Fees, pursuant to the Indenture, the VRF Indenture or otherwise, except for: (i) Obligations issued or incurred pursuant to the terms of the Indenture; and (ii) bonds, notes or other obligations issued or incurred by the Authority pursuant to the terms of the VRF Indenture (“*Additional VRF Indenture Obligations*”) for the purpose of refunding, repurchasing or refinancing (whether in advance or otherwise) any

outstanding VRF Obligations; provided, that (A) such Additional VRF Indenture Obligations shall not mature later than the final maturity date of the VRF Obligations being refunded, repurchased or refinanced, and (B) for each Annual Period over the term of the VRF Obligations being refunded, repurchased or refinanced, the Annual Debt Service for each such Annual Period on all VRF Obligations, prior to giving effect to the issuance or incurrence of the Additional VRF Indenture Obligations, is greater than the Annual Debt Service for each such Annual Period on all VRF Obligations, after giving effect to the issuance or incurrence of the Additional VRF Indenture Obligations, all as certified by an Authorized Representative in a certificate delivered to the Trustee prior to the issuance or incurrence of such Additional VRF Indenture Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022A SENIOR BONDS. THE SERIES 2022A SENIOR BONDS ARE PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022A SENIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THE SERIES 2022A SENIOR BONDS SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THE SERIES 2022A SENIOR BONDS SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY, EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

Section 2.4. Date, Denomination, Numbers, and Letters.

(a) The Series 2022A Senior Bonds shall be dated as provided in the Award Certificate and shall be issued in Authorized Denominations.

(b) Unless the Authority shall direct otherwise, each Series 2022A Current Interest Bond shall be lettered and numbered separately from A-1 upward. The Series 2022A Current Interest Bonds registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Series 2022A Current Interest Bonds”) shall be lettered and numbered separately from AT-1 upward.

(c) Unless the Authority shall direct otherwise, each Series 2022A Capital Appreciation Bond shall be lettered and numbered separately from CAB-1 upward. The Series 2022A Capital Appreciation Bond registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Series 2022A Capital Appreciation Bond”) shall be numbered ATCAB-1.

(d) Unless the Authority shall direct otherwise, each Series 2022A Convertible Capital Appreciation Bond shall be lettered and numbered separately from CCAB-1 upward. The Series 2022A Convertible Capital Appreciation Bond registered by the Comptroller of Public Accounts

of the State of Texas (the “Initial Series 2022A Convertible Capital Appreciation Bond”) shall be numbered ATCCAB-1.

Section 2.5. Interest Payment Dates, Interest Rates and Maturity Dates of the Series 2022A Senior Bonds.

(a) The Series 2022A Current Interest Bonds shall bear interest from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for until the principal of such Series 2022A Current Interest Bonds has been paid or provided for either at Stated Maturity or the prior redemption thereof. Interest on the Series 2022A Current Interest Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months and shall be payable on each Interest Payment Date. The Series 2022A Current Interest Bonds shall mature on December 1 in the years, in the respective principal amounts and shall bear interest at the per annum rates set forth in the Award Certificate.

(b) Interest on each Series 2022A Capital Appreciation Bond shall accrete on the original principal amount thereof, plus premium, if any, paid therefor, from the Issuance Date to Stated Maturity at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity. A Table of Compounded Amounts for the Series 2022A Capital Appreciation Bonds shall be attached to the Award Certificate for such Series 2022A Capital Appreciation Bonds. Interest on each Series 2022A Capital Appreciation Bond shall be computed on the basis of a 360-day year of twelve 30-day months (subject to rounding to the Compounded Amount). The Series 2022A Capital Appreciation Bonds shall mature on December 1 in the years and in the Maturity Amounts, and shall bear interest at the rate per annum which produces the approximate yield to Stated Maturity, all as set forth in the Award Certificate.

(c) Interest on each Series 2022A Convertible Capital Appreciation Bond shall accrete on the original principal amount thereof, plus premium, if any, paid therefor, from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity. A Table of Compounded Amounts for the Series 2022A Convertible Capital Appreciation Bonds shall be attached to the Award Certificate for such Series 2022A Convertible Capital Appreciation Bonds. On the Conversion Date, the Compounded Amount of each Series 2022A Convertible Capital Appreciation Bonds shall equal the Maturity Amount thereof. Following the Conversion Date, interest shall accrue on the Maturity Amount of each Series 2022A Convertible Capital Appreciation Bond from the later of the Conversion Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in Award Certificate until maturity or prior redemption. Following the Conversion Date, interest on each Series 2022A Convertible Capital Appreciation Bond shall be payable on each Interest Payment Date, computed on the basis of a 360-day year of twelve 30-day months. The Series 2022A Convertible Capital Appreciation Bonds shall mature and become payable on the dates and in the respective Maturity Amounts as set forth in the Award Certificate.

Section 2.6. Paying Agent; Method and Place of Payment.

(a) The Trustee is hereby appointed as Paying Agent for the Series 2022A Senior Bonds.

(b) The principal of the Series 2022A Current Interest Bonds, the Maturity Amount of the Series 2022A Capital Appreciation Bonds, and the Maturity Amount of the Series 2022A Convertible Capital Appreciation Bonds shall be payable on the due date thereof (whether at Stated Maturity or, if applicable, prior redemption date) upon the presentation and surrender thereof at the Designated Payment/Transfer Office.

(c) Interest payable on each Series 2022A Current Interest Bond and the Series 2022A Convertible Capital Appreciation Bonds (following the Conversion Date) shall be paid by check dated as of the Interest Payment Date and mailed by the Trustee to the Holder in whose name such Series 2022A Current Interest Bond and Series 2022A Convertible Capital Appreciation Bond is registered at the close of business on the Record Date, by mail, first class postage prepaid, to the address of the Holder as it appears in the registration books kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee and the Person to whom interest is to be paid; provided, however, that such Person shall bear all risk and expenses of such other customary banking arrangements. In the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Series 2022A Current Interest Bond and, after the Conversion Date, Series 2022A Convertible Capital Appreciation Bonds appearing on the books of the Trustee at the close business on the last Business Day preceding the date of mailing of such notice.

Section 2.7. Securities Depository; Book-Entry-Only System.

(a) Pursuant to Section 9.13 of the Master Indenture, the Authority hereby appoints The Depository Trust Company (“DTC”) as Securities Depository for the Series 2022A Senior Bonds. In accordance with the Letter of Representations, the Authority shall cause the Series 2022A Senior Bonds to be registered in the name of Cede & Co., as nominee for DTC, and to be delivered by the Underwriters to DTC on the Issuance Date.

(b) With respect to Series 2022A Senior Bonds registered in the registration books maintained by the Trustee in the name of Cede & Co., or a nominee of any successor Securities Depository, pursuant to Section 9.13 of the Master Indenture, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 2022A Senior Bonds. The Authority and the Trustee may treat and consider the Holder of any Series 2022A Senior Bond as the absolute owner of such Series 2022A Senior Bond for the purpose of payment of the principal or Maturity Amount of, premium, if any, and interest on such Series 2022A Senior Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2022A Senior Bond,

for the purpose of registering transfers and exchanges with respect to such Series 2022A Senior Bond, and for all other purposes whatsoever. The Trustee shall pay the principal or Maturity Amount of, premium, if any, and interest on the Series 2022A Senior Bonds only to or upon the order of the respective Holders of the Series 2022A Senior Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, any successor Securities Depository or any Depository Participant with respect to any ownership interest in Series 2022A Senior Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a Holder of a Series 2022A Senior Bond as shown in the registration books for Obligations required to be kept and maintained pursuant to the Master Indenture, of any notice with respect to the Series 2022A Senior Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a Holder of a Series 2022A Senior Bond, of any amount with respect to any Series 2022A Senior Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 2022A Senior Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Securities Depository.

(c) In the event that either (i) the Securities Depository that is, directly or through a nominee, the Holder of all of the Outstanding Series 2022A Senior Bonds notifies the Trustee and the Authority that it is no longer willing or able to discharge its responsibilities as a Securities Depository or (ii) the Authority determines that continuance of the existing book-entry-only System for ownership of interests in the Series 2022A Senior Bonds is not in the best interest of such owners of beneficial interests in the Series 2022A Senior Bonds, then the Authority shall direct the Securities Depository to terminate the existing book-entry-only system for ownership of interests in the Series 2022A Senior Bonds. Upon such termination, the Authority shall promptly select a substitute Securities Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 2022A Senior Bonds, if one is available satisfactory to the Authority, and the ownership of all Series 2022A Senior Bonds shall be transferred on the registration books for the Series 2022A Senior Bonds to such successor Securities Depository, or its nominee. In the alternative, the Authority may direct the Trustee to, and if the Authority fails to promptly designate a successor Securities Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Securities Depository for the Series 2022A Senior Bonds, of the availability of Series 2022A Senior Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 2022A Senior Bonds and, upon surrender to the Trustee of the Outstanding Series 2022A Senior Bonds held by the Securities Depository, accompanied by registration instructions from the Securities Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 2022A Senior Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 2022A Senior Bonds as of the date of the termination of the existing book-entry ownership system for the Series 2022A Senior Bonds. Neither the Authority nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Authority has designated a Securities Depository to provide a system of book-entry ownership of the Series 2022A Senior Bonds, all of the Series 2022A Senior Bonds must be held under such book-entry-only system.

(d) Notwithstanding any other provisions in Article II hereof, the Authority and the Trustee may, but shall not be required to, enter into separate agreements with one or more Securities Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.8. Redemption Prices and Terms. The Series 2022A Senior Bonds shall be subject to redemption prior to Stated Maturity only as provided in the Award Certificate for the Series 2022A Senior Bonds and in this Supplemental Indenture.

Section 2.9. Redemption at the Election or Direction of the Authority. In the case of any redemption of Series 2022A Senior Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee, in the form of a Letter of Instructions, of the Authority's election or direction to redeem, of the redemption date, and of the aggregate principal amounts of Series 2022A Senior Bonds of each maturity to be redeemed (and of each interest rate within each such maturity, if more than one), maturities, interest rates and principal amounts, thereof to be redeemed shall be determined by the Authority in its discretion, subject to such limitations with respect thereto as may be set forth in the Award Certificate. Such notice shall be given [at least 35 days] prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 2.12, there shall be paid prior to or on the redemption date to the Paying Agent an amount in cash which, in addition to other moneys, if any, available therefor held by the Paying Agent, will be sufficient to redeem on the redemption date at the redemption price thereof, plus interest accrued and unpaid to the redemption date, all of the Series 2022A Senior Bonds to be redeemed.

Section 2.10. Redemption Otherwise Than at Authority's Election or Direction. Whenever by the terms of Master Indenture or this Supplemental Indenture the Trustee is required or authorized to redeem Series 2022A Senior Bonds otherwise than at the election or direction of the Authority, the Trustee shall select the Series 2022A Senior Bonds to be redeemed in the manner provided herein or in the Award Certificate, give the notice of redemption and pay out moneys available therefor in an amount sufficient to pay the redemption price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agent in accordance with the terms of this Supplemental Indenture.

Section 2.11. Selection of Series 2022A Senior Bonds to be Redeemed. If less than all of the Series 2022A Senior Bonds of the same maturity and interest rate shall be called for prior redemption, the particular Series 2022A Senior Bonds or portions of Series 2022A Senior Bonds, to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that any Series 2022A Senior Bond redeemed in part shall be redeemed in an amount such that the unredeemed portion thereof shall equal an Authorized Denomination, and provided further that, in selecting Series 2022A Senior Bonds for redemption, the Trustee shall treat each Series 2022A Senior Bond in a denomination greater than the minimum Authorized Denomination as representing that number of Series 2022A Senior Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Series 2022A Senior Bond by the minimum Authorized Denomination.

Section 2.12. Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem Series 2022A Senior Bonds pursuant to

Section 2.9, and when redemption of Series 2022A Senior Bonds is authorized or required pursuant to Section 2.10, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2022A Senior Bonds, which notice shall specify the series, maturities and interest rates of the Series 2022A Senior Bonds to be redeemed, the redemption date and the method and place or places of payment of the redemption price of such Series 2022A Senior Bonds and, if less than all of the Series 2022A Senior Bonds of the same maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2022A Senior Bonds so to be redeemed, and, in the case of Series 2022A Senior Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Subject to Section 2.14, such notice shall further state that on such date there shall become due and payable upon each Series 2022A Senior Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal amounts as applicable, thereof, in the case of Series 2022A Senior Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given, not more than 60 and not less than [30 days] before the redemption date, by first-class mail, postage prepaid, to the Holder of each Series 2022A Senior Bond which is to be redeemed in whole or in part, at the address appearing upon the registration books kept by the Trustee; provided, however, that any such notice required to be sent to a Securities Depository may be sent by any method agreed upon by the Authority, the Trustee and such Securities Depository

Section 2.13. Payment of Redeemed Obligations. Subject to Section 2.14, notice having been given in the manner provided in Section 2.12, the Series 2022A Senior Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date. If there shall be selected for redemption less than all of a Series 2022A Senior Bond, the Authority shall execute, the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Series 2022A Senior Bond, without charge to the Holder thereof, for the unredeemed balance of the principal amount, as applicable, of the Series 2022A Senior Bonds so surrendered, Series 2022A Senior Bonds of the same series or subseries, maturity, interest rate and aggregate principal amount in any Authorized Denomination; provided, however, that if the Award Certificate provides that the redemption price of any Series 2022A Senior Bond redeemed in part is payable without the necessity of the presentation and surrender of such Series 2022A Senior Bond, then the Trustee shall note on its records the principal amount, so paid and the remaining principal amount of such Series 2022A Senior Bond. If, on the redemption date, moneys for the redemption of all the Series 2022A Senior Bonds or portions thereof, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Series 2022A Senior Bonds or portions thereof, maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Series 2022A Senior Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 2.14. Conditional Notices of Redemption. The Authority reserves the right to give notice of its election or direction to redeem Series 2022A Senior Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon

the deposit of moneys or defeasance securities, in an amount equal to the amount necessary to effect the redemption, with the Trustee 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 an Authorized Representative of the Authority to the Trustee instructing the Trustee to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys or defeasance securities are not so deposited or if the notice is rescinded. The Trustee shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Holders. Any Series 2022A Senior Bond subject to conditional redemption where redemption has been rescinded shall remain a Series 2022A Senior Bond, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

Section 2.15. Purchase of Obligations at Any Time. The Trustee, upon the written request of an Authorized Representative, shall purchase Series 2022A Senior Bonds as specified by an Authorized Representative in the open market at a price not exceeding the price specified by an Authorized Representative. Such purchase of Series 2022A Senior Bonds may be made with funds available under this Supplemental Indenture or with other available funds of the Authority. Upon purchase by the Trustee, such Series 2022A Senior Bonds shall be treated as delivered for cancellation pursuant to Section 3.14 of the Master Indenture. Nothing in this Supplemental Indenture shall prevent the Authority from purchasing Series 2022A Senior Bonds on the open market without the involvement of the Trustee and delivering such Series 2022A Senior Bonds to the Trustee for cancellation pursuant to Section 3.14 of the Master Indenture. Series 2022A Senior Bonds purchased pursuant to this Section 2.15 that are subject to a mandatory sinking fund redemption schedule may be credited as directed by an Authorized Representative against future mandatory sinking fund redemption payments for such Series 2022A Senior Bonds. The principal amount of Series 2022A Senior Bonds to be redeemed by mandatory sinking fund redemption under this Supplemental Indenture may be reduced by the principal amount of Series 2022A Senior Bonds purchased by the Authority and delivered to the Trustee for cancellation at least fifteen (15) days prior to the last date on which the notice of redemption can be mailed.

ARTICLE III.

ACCOUNTS; APPLICATION OF PROCEEDS

Section 3.1. Establishment of 2022 Project Account.

(a) Pursuant to the provisions of Section 5.4(c) of the Master Indenture, there is hereby established within the Construction Fund the “2022 Project Account.”

(b) All amounts on deposit in the 2022 Project Account shall be applied to the payment of the Costs of the 2022 Project, including, without limitation, in accordance with and subject to the provisions of Section 5.19 of the Master Indenture, this First Supplemental Indenture and the Second Supplemental Indenture.

Section 3.2. Senior Lien 2022A Project Subaccount.

(a) There is hereby established within the 2022 Project Account a subaccount designated as the “Senior Lien 2022A Project Subaccount” (“Senior Lien 2022A Project Subaccount”).

(b) On the Issuance Date, a portion of the proceeds of the Series 2022A Senior Bonds shall be deposited to the Senior Lien 2022A Project Subaccount, as directed in a Letter of Instructions of the Authority.

(c) Amounts on deposit in the Senior Lien 2022A Project Subaccount shall be used for the purpose of paying a portion of the Costs of the 2022 Project, in accordance with and subject to the provisions of Section 5.19 of the Master Indenture and this First Supplemental Indenture.

(d) The Authority shall submit written requisition requests in the form of Exhibit D to this Supplemental Indenture to request disbursements from the Senior Lien 2022A Project Subaccount in accordance with Section 5.19 of the Master Indenture.

Section 3.3. Senior Lien 2022A Debt Service Account.

(a) There is hereby established within the Senior Lien Debt Service Fund an account designated “Senior Lien 2022A Debt Service Account” (“Senior Lien 2022A Debt Service Account”). Moneys on deposit in the Senior Lien 2022A Debt Service Account shall be used to pay debt service on the Series 2022A Senior Bonds when due.

(b) There is hereby established within the Senior Lien 2022A Debt Service Account a subaccount designated “Senior Lien 2022A Capitalized Interest Debt Service Subaccount” (“Senior Lien 2022A Capitalized Interest Debt Service Subaccount”). Amounts on deposit in the Senior Lien 2022A Capitalized Interest Debt Service Subaccount shall be used to pay interest on the Series 2022A Current Interest Bonds during the applicable Capitalized Interest Period.

(c) On or prior to each Interest Payment Date with respect to the Series 2022A Senior Bonds, the Trustee shall deposit to the Senior Lien 2022A Debt Service Account from the Revenue Fund in accordance with Section 5.5 of the Master Indenture, after giving effect to any amounts on deposit in the Senior Lien 2022A Capitalized Interest Debt Service Subaccount, an amount sufficient to pay debt service then due on the Series 2022A Senior Bonds.

Section 3.4. Senior Lien Bond Proceeds Clearance Fund; Senior Lien Costs of Issuance Fund; Initial Deposits.

(a) The Trustee is hereby authorized and directed to establish a special temporary Fund designated “Senior Lien Bonds Proceeds Clearance Fund” (the “Senior Lien Bond Proceeds Clearance Fund”). On the Issuance Date, the proceeds from the sale of the Series 2022A Senior Bonds shall be deposited to the Senior Lien Bond Proceeds Clearance Fund and shall be applied and disbursed as set forth in a Letter of Instructions signed by an Authorized Representative. The Trustee shall create within the Senior Lien Bond Proceeds Clearance Fund such accounts as shall be authorized in a Letter of Instructions signed by an Authorized Representative and deposit the proceeds of the Series 2022A Senior Bonds as shall be directed in such Letter of Instructions. The

Senior Lien Bond Proceeds Clearance Fund shall be closed upon disbursement of all amounts deposited thereto.

(b) There is hereby established with the Trustee the “Senior Lien Costs of Issuance Fund” (“Senior Lien Costs of Issuance Fund”), relating to the Series 2022A Senior Bonds. There shall be deposited to the Senior Lien Costs of Issuance Fund from the proceeds of the Series 2022A Senior Bonds deposited to the Senior Lien Bond Proceeds Clearance Fund, together with other lawfully available funds of the Authority, if any, the amounts set forth in a Letter of Instructions from the Authority. Such amounts shall be disbursed as set forth in a Letter of Instructions from the Authority. Amounts remaining in the Senior Lien Costs of Issuance Fund on the date which is 90 days after the Issuance Date of the Series 2022A Senior Bonds shall be transferred to the Senior Lien 2022A Debt Service Account. Following such transfer, the Senior Lien Costs of Issuance Fund shall be closed.

Section 3.5. Reserve Fund Participants; Senior Lien Debt Service Reserve Requirement. The Series 2022A Senior Bonds shall be Reserve Fund Participants in the Senior Lien Debt Service Reserve Fund. The Senior Lien Debt Service Reserve Requirement shall have the meaning given to such term in Section 1.2 hereof and is hereby established as if set forth in this Section. The Authority further reserves the right to establish additional Accounts and subaccounts in the Senior Lien Debt Service Reserve Fund as may be necessary or desirable for the maintenance and operation thereof, and in connection with any future issue of Additional Senior Lien Obligations that the Authority elects to establish as Reserve Fund Participants therein.

ARTICLE IV.

FORMS OF BONDS

Section 4.1. Form of Series 2022A Senior Bonds.

(a) Each Series 2022A Current Interest Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit A attached hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate.

(b) Each Series 2022A Capital Appreciation Bond, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit B attached hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate.

(c) Each Series 2022A Convertible Capital Appreciation Bond, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit C attached hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate.

Section 4.2. Initial Series 2022A Senior Bonds. The Award Certificate may provide for the use of Initial Series 2022A Senior Bonds, as described in Section 2.4, representing the entire principal amount of Series 2022A Current Interest Bonds, the Maturity Amount of Series 2022A Capital Appreciation Bonds, or the Maturity Amount of Series 2022A Convertible Capital Appreciation Bonds, payable in stated installments to the order of the representative of the Underwriters or its designee, executed by the manual or facsimile signature of the Chairman of the Board of Directors of the Authority and attested by manual or facsimile signature of the Secretary of the Board of Directors of the Authority, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas.

Section 4.3. Additional Provisions Regarding Bonds.

(a) The Series 2022A Senior Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of bond counsel) thereon as, consistent herewith, may be determined by the officers executing the Series 2022A Senior Bonds, as evidenced by their execution thereof.

(b) The definitive Series 2022A Senior Bonds shall be typewritten, printed, lithographed, or engraved and may be produced by any combination of such methods or produced in any other similar manner, all as determined by the officers executing such Series 2022A Senior Bonds, as evidenced by their execution thereof.

(c) The Initial Series 2022A Senior Bonds submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise produced or reproduced.

ARTICLE V.

TAX MATTERS; REBATE

Section 5.1. Federal Income Tax Exclusion.

(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 Series 2022A Senior 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 Series 2022A Senior Bonds.

(b) No Private Activity Bonds. The Authority covenants that it will use the proceeds of the Series 2022A Senior Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Series 2022A Senior 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 any Series 2022A Senior Bonds to be a “private activity bond” 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 Series 2022A Senior 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 Series 2022A Senior Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage. The Authority covenants that it will make such use of the proceeds of the Series 2022A Senior Bonds (including investment income) and regulate the investment of such proceeds of the Series 2022A Senior Bonds so that the Series 2022A Senior 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 Series 2022A Senior Bonds, be rebated to the United States.

(g) Information Reporting. The Authority covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Series 2022A Senior Bonds in accordance with section 149(e) of the Code.

(h) Registration. The Series 2022A Senior Bonds will be issued in registered form.

(i) Record Retention. The Authority covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Series 2022A Senior Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Series 2022A Senior 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.

(j) 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 Series 2022A Senior Bonds from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Indenture, the Authority’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Series 2022A Senior Bonds for as long as such matters are relevant to the excludability of interest on the Series 2022A Senior Bonds from gross income for federal income tax purposes.

Section 5.2. Senior Lien 2022A Rebate Account.

(a) There is hereby established within the Rebate Fund, but not as part of the Trust Estate, a special account designated “Senior Lien 2022A Rebate Account.” Amounts deposited to

the Senior Lien 2022A Rebate Account shall be applied to the payment of the Rebate Amount pursuant to a Letter of Instructions from the Authority. The Senior Lien 2022A Rebate Account and amounts on deposit therein are not security for the Series 2022A Senior Bonds and are not part of the Trust Estate.

(b) The Authority will deliver to the Trustee, within 55 days after each Computation Date:

(i) a statement, signed by an officer of the Authority, stating the Rebate Amount as of such Computation Date; and

(ii) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Senior Lien 2022A Rebate Account, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” (determined in accordance with section 1.148-3(f)(1) of the Regulations), made to the United States of America or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Senior Lien 2022A Rebate Account, is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” (determined in accordance with section 1.148-3(f)(1) of the Regulations) made to the United States of America; and

(iii) an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

(c) Not later than 60 days after each Computation Date, the Trustee shall withdraw from the Senior Lien 2022A 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 Series 2022A Senior Bonds.

(d) If the Authority discovers or is notified as of any date that any amount required to be paid to the United States of America pursuant to this Section 5.2 has not been paid as required or that any payment paid to the United States of America pursuant to this Section 5.2 will have failed to satisfy any requirement of section 148(f) of the Code or 1.148-3 of the Regulations (whether or not such failure will be due to any default by the Authority or the Trustee), the Authority will (1) deliver to the Trustee (for deposit to the Senior Lien 2022A Rebate Account) and cause the Trustee to pay to the United States of America from the Senior Lien 2022A Rebate Account (A) the Rebate Amount that the Authority failed to pay, plus any interest specified in section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50% penalty

required by section 1.148-3(h)(1) of the Regulations , and (2) deliver to the Trustee an Internal Revenue Service Form 8038-T completed as of such date. If such Rebate Amount, together with any penalty and/or interest due, is not paid to the United States of America in the amount and manner and by the time specified in the Regulations the Authority will take such steps as are necessary to prevent the Series 2022A Senior Bonds from becoming “arbitrage bonds,” within the meaning of section 148 of the Code.

(e) The Authority will retain calculations, made in preparing the statements described in this Section 5.2, whether prepared by the Authority or the Arbitrage Analyst, for at least three years after the later of the final maturity of the Series 2022A Senior Bonds or the first date on which no Series 2022A Senior Bonds are outstanding.

(f) The Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2022A Senior Bonds that is not purchased at fair market value or includes terms that the Authority would not have included if the Series 2022A Senior Bonds were not subject to section 148(f) of the Code.

(g) Notwithstanding the foregoing, the Authority will not be required to perform the obligations set forth in this Section 5.2 (except for the obligation to retain accounting records as described in Section 5.2) if the Authority has not earned any rebatable arbitrage and, therefore, is not subject to the rebate obligation set forth in section 148(f) of the Code. To the extent that the Authority will not be required to perform such obligations, the Authority will send written notice to the Trustee within 55 days after the applicable Computation Date.

ARTICLE VI.

CONTINUING DISCLOSURE

Section 6.1. Definitions. As used in this Article, the following terms have the meanings assigned to such terms below:

“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 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.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 6.2. Annual and Quarterly Reports.

(a) The Authority shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Authority and the System of the general type included in the final Official Statement, being the information described in Exhibit E hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, 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 such period, then the Authority shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the MSRB. Thereafter, when and if audited financial statements become available, the Authority shall provide such audited financial statements as required to the MSRB. In addition to the annual information described above, the Authority will provide certain information on a quarterly basis, as described in Exhibit E hereto.

(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 date 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 from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 6.3. Event Notices.

(a) As used in this Section, the term “obligated person” shall mean any person, including the Authority, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Series 2022A Senior Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Authority shall provide notice of any of the following events with respect to the Series 2022A Senior Bonds to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner and not more than 10 business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Series

2022A Senior Bonds, or other material events affecting the tax status of the Series 2022A Senior Bonds;

- (vii) modifications to rights of owners, if material;
- (viii) bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series 2022A Senior Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person, which shall occur as described below;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into of 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;
- (xiv) appointment of a successor or additional Trustee or the change of name of a Trustee, if material;
- (xv) 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
- (xvi) 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.

For these purposes, (A) any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the United States 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 obligated person, 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 obligated person, and (B) the Authority intends the words used in the immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with Section 6.2 of this Supplemental Indenture by the time required by such Section.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6.4. 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 Series 2022A Senior Bonds within the meaning of the Rule, except that the Authority in any event will give notice of any deposit of funds that causes Series 2022A Senior Bonds no longer to be Outstanding.

(a) The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2022A Senior 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 Series 2022A Senior Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2022A SENIOR BONDS 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 comprise a breach of or default under the Indenture for purposes of any other provisions of this Supplemental Indenture.

(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 or status of the Authority, or type of business or operations conducted by the Authority, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2022A Senior Bonds in the primary offering of the Series 2022A Senior 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 Holders of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Supplemental Indenture that authorizes such an amendment) of the Outstanding Series 2022A Senior Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Series 2022A Senior Bonds. If the Authority so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 6.2 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.

ARTICLE VII.

OTHER MATTERS

Section 7.1. Execution in Several Counterparts. This Supplemental 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.

Section 7.2. Designation as System Projects. The 2022 Project and BSIF Connector are hereby designated by the Authority as System Projects for all purposes of the Indenture.

Section 7.3. Compliance with Texas Government Code. (a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Supplemental Indenture is a contract for goods or services, will not boycott Israel during the term of this Supplemental Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(c) To the extent this Supplemental Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Supplemental Indenture. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(d) To the extent this Supplemental Indenture constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, “SB 19”), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(ii) will not discriminate during the term of this Supplemental Indenture against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

[Execution Pages Follow]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental Indenture to be signed 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

Attest:

Secretary

(SEAL)

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By _____
Authorized Representative

EXHIBIT A

I. FORM OF SERIES 2022A CURRENT INTEREST BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BOND,
SERIES 2022A**

CURRENT INTEREST BOND

REGISTERED

REGISTERED

No. _____

\$ _____

**INTEREST
RATE**

**STATED
MATURITY DATE**

ISSUANCE DATE

CUSIP NO.

_____, 2022

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date or the most recent interest payment date to which interest has been paid or provided for, at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, such interest to be paid semiannually on each December 1 and June 1 commencing _____ 1, 2022, until this Bond shall be paid or provided for. Payment of principal of and interest on this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein and not otherwise defined have the meanings assigned to them in the Master Indenture, the First Supplemental Indenture and the Award Certificate, as each such term is defined below.

The principal of this Bond shall be payable without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the "Trustee"), in Dallas, Texas, or at such other location as may be designated by the Trustee (the "Designated Payment/Transfer Office"), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor. Interest on this Bond shall be paid by check dated as of the interest payment date and mailed to the person in whose name such Bond is registered on the 15th day of the month (whether or not a business day) immediately preceding the applicable interest payment date (the "Record Date"), at the address of such Person as shown on the registration books for the Bonds kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the person to whom interest is to be paid; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Holder of this Bond appearing on the books of the Trustee at the close business on the last business day preceding the date of mailing of such notice.

If a date for the payment of principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated "Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A" (the "Series 2022A Senior Lien Bonds" or the "Bonds"), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the "Act"), and under and pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2022, (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the "Award Certificate"), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) "Series 2022A Current Interest Bonds," which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) "Series 2022A Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) "Series 2022A Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the

Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Current Interest Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THIS BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture and the Award Certificate are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Award Certificate and the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of this Bond and the Indenture, the terms and provisions of the Indenture shall govern and control.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from and

secured by the Trust Estate that are on a parity with or junior and subordinate to the Bonds, all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in principal denominations of \$5,000 or any integral multiple thereof.

Redemption Prices and Terms. The Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE TO APPEAR ON INITIAL SERIES 2022A CURRENT INTEREST BOND ONLY]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON EACH BOND OTHER THAN INITIAL SERIES 2022A CURRENT INTEREST
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH 2022 CURRENT INTEREST BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Current Interest Bond

The Initial Series 2022A Current Interest Bond shall be in substantially the same form as this Exhibit A above, except that:

(a) Immediately under the name of the Series 2022A Current Interest Bond, the headings “INTEREST RATE” and “STATED MATURITY DATE” shall both be completed with the words “As Shown Below” and the “CUSIP NO.” shall be deleted;

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted:

“on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>

(information to be inserted from the Award Certificate)

EXHIBIT B

FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS,
SERIES 2022A**

CAPITAL APPRECIATION BOND

REGISTERED	REGISTERED
	MATURITY AMOUNT
No. _____	\$ _____

APPROXIMATE YIELD TO MATURITY:	ORIGINAL PRINCIPAL AMOUNT:	ISSUANCE DATE:	STATED MATURITY DATE:	CUSIP NO.:
_____%	_____	_____, 2022	December 1, 20__	_____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of

_____ DOLLARS

The Maturity Amount represents the total of the original principal amount hereof, plus the initial premium paid hereon, if any, plus interest accreted thereon to the Stated Maturity Date. Interest accretes from the Issuance Date specified above, and will compound semiannually on December 1 and June 1, commencing _____ 1, 2022. A table of the “Compounded Amounts” per \$5,000 Maturity Amount is printed on or attached to this Series 2022A Senior Bond. The term “Compounded Amount,” as used herein, means the original principal amount of this Bond plus the initial premium, if any, paid therefor with interest thereon accreted and compounded semiannually

to the December 1 or June 1 next preceding the date of such calculation (or, the date of calculation, if such calculation is made on December 1 or June 1) at a compounding rate which produces the approximate yield to maturity set forth above. For any date other than a December 1 or June 1, the Compounded Amount of this Bond shall be determined as the amount set forth in the Table of Compounded Amounts for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Table of Compounded Amounts for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounded Date to the next succeeding Compounding Date.

Payment of the Maturity Amount of this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein that are defined terms in the Indenture defined below have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The Maturity Amount of this Bond shall be payable on the Stated Maturity Date shown above, without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the "Trustee"), in Dallas, Texas, or at such other location as may be designated by the Trustee (the "Designated Payment/Transfer Office"), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor.

If a date for the payment of the Maturity Amount of this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated "Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A" (the "Series 2022A Senior Lien Bonds" or the "Bonds"), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the "Act"), and under and pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture dated as of February 1, 2022, (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the "Award Certificate"), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) "Series 2022A Current Interest Bonds," which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) "Series 2022A Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date,

compounded semiannually on each December 1 and June 1, commencing _____ 1, 2022, payable at the Stated Maturity thereof, and (iii) "Series 2022A Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THIS SERIES 2022A SENIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022A SENIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022A SENIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022A Senior Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture are on file at the office of the Authority and at the

Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022A Senior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022A Senior Bonds with respect thereto; the terms and conditions upon which the Series 2022A Senior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022A Senior Bond assents by the acceptance of this Series 2022A Senior Bond.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022A Senior Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE — SERIES 2022A CAPITAL APPRECIATION
BONDS**

[To Come]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022A CAPITAL APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022A CAPITAL APPRECIATION
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022A CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Capital Appreciation Bond

The Initial Series 2022A Capital Appreciation Bond shall be in the form of this Exhibit B above, except that:

(a) immediately under the name of the Series 2022A Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT C

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
SENIOR LIEN TOLL AND VEHICLE REGISTRATION FEE REVENUE BONDS,
SERIES 2022A

CONVERTIBLE CAPITAL APPRECIATION BOND

**THE ORIGINAL MATURITY AMOUNT OF THIS BOND IS SUBJECT TO
REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL
REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE
MATURITY AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE
REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE**

**[THE MATURITY AMOUNT OF THIS BOND WHILE REGISTERED IN
THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK,
OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS
OF ANY BONDS OR PORTIONS THEREOF]¹**

REGISTERED	REGISTERED MATURITY AMOUNT
No. _____	\$ _____

APPROXIMATE YIELD TO MATURITY:	ORIGINAL PRINCIPAL AMOUNT:	ISSUANCE DATE:	STATED MATURITY DATE:	CUSIP NO.:
_____%	_____	_____, 2022	December 1, 20__	_____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the
“Authority”), a body politic and corporate and a public and a political subdivision of the State of
Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE
RECEIVED, hereby promises to pay to

¹ To be included only in bonds registered in the name of DTC or its nominees.

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, the Maturity Amount of this Series 2022A Senior Bond, being the sum of

_____ DOLLARS

in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on the original principal amount set forth above in like coin or currency from the Issuance Date specified above to December 1, 20__ (the "Conversion Date") at per annum rate set forth above, compounded on June 1, 2022 and each December 1 and June 1 thereafter until and including the Conversion Date (each such date being a "Compounding Date"), such interest to be payable as part of the Maturity Amount specified above on the maturity date specified above or the prior redemption hereof, and to pay interest on the Maturity Amount specified above from the later of the Conversion Date or the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid at the per annum rate specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest on the Maturity Amount to be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 20__ (each, an "Interest Payment Date"). A Compounded Amounts Table per \$5,000 Maturity Amount is printed on or attached to this Series 2022A Senior Bond. The term "Compounded Amount," as used herein, means as of any particular date of calculation, the original principal amount thereof, plus all interest accreted and compounded to the particular date of calculation, determined as follows:

(a) as of any Compounding Date (which shall include the Conversion Date), the amount shown as the Compounded Amount for such Compounding Date in the Compounded Amount Table; and

(b) as of any date that is not a Compounding Date, the amount set forth in the Compounded Amount Table for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Compounded Amount Table for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

The Maturity Amount or redemption price of this Series 2022A Senior Bond shall be payable upon presentation and surrender of this Series 2022A Senior Bond, at the Designated Payment/Transfer Office of Wilmington Trust, National Association (such bank and any successor in such capacity being referred to as the "Trustee"), being, initially, the office of the Trustee in Dallas, Texas. The interest accrued on this Series 2022A Senior Bond on and after the Conversion Date shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2022A Senior Bond is registered on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the "Record Date"), at the address of such Person as shown on the registration books for the Series 2022A Senior Bonds kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on the Series 2022A Senior Bonds (including interest calculated as provided in the Indenture (as defined below), together with all other amounts that constitute interest on the Series

2022A Senior Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Series 2022A Senior Bonds (whether at maturity or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

This is one of the Obligations of the Authority designated “Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A” (the “Series 2022A Senior Lien Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$ _____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the First Supplemental Trust Indenture dated as of February 1, 2022, (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$ _____, as (i) “Series 2022A Current Interest Bonds,” which total \$ _____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022A Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022A Convertible Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022A Convertible Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Series 2022A Senior Bonds are limited obligations of the Authority constituting Senior Lien Obligations payable from and secured solely by a first lien on, pledge of and security interest in the Trust Estate. The Series 2022A Senior Bonds, as Senior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Series 2022A Senior Bonds. The Series 2022A Senior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022A Senior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indentures as security for the payment of the Senior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER

THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THIS SERIES 2022A SENIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022A SENIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022A SENIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022A SENIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022A Senior Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; and (iv) pay certain costs of issuance for the Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022A Senior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022A Senior Bonds with respect thereto; the terms and conditions upon which the Series 2022A Senior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022A Senior Bond assents by the acceptance of this.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Series 2022A Senior Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Series 2022A Senior Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Series 2022A Senior Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Series 2022A Senior Bond or Series 2022A Senior Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee

may deem and treat the person in whose name this Series 2022A Senior Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Series 2022A Senior Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022A Senior Bonds shall be subject to redemption prior to maturity as set forth in the First Supplemental Indenture and Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Series 2022A Senior Bond, exist, have happened, and have been performed and that the issuance of this Series 2022A Senior Bond and the series of Series 2022A Senior Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Series 2022A Senior Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2022A Senior Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Series 2022A Senior Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By

Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE
FOR THE SERIES 2022A
CONVERTIBLE CAPITAL APPRECIATION BONDS
(Per \$5,000 Maturity Amount)**

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022A CONVERTIBLE CAPITAL
APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022A CONVERTIBLE CAPITAL
APPRECIATION BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022A CONVERTIBLE CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022A Convertible Capital Appreciation Bond

The Initial Series 2022A Convertible Capital Appreciation Bond shall be in the form of this Exhibit C above, except that:

(a) immediately under the name of the Series 2022A Convertible Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022A Senior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT D
FORM OF REQUISITION
CONSTRUCTION FUND
2022A SENIOR LIEN PROJECT SUBACCOUNT
CERTIFICATE AND REQUISITION FOR PAYMENT

DATE: [Month], [Year]

DRAW REQUEST NO.: _____

DESCRIPTION SUMMARY¹	AMOUNT
	\$ _____
TOTAL AMOUNT REQUESTED	\$ _____

The Authority does hereby certify to the Trustee that: (i) each item submitted herewith is a proper charge against the 2022A Senior Lien Project Subaccount of the 2022 Project Account of the Construction Fund and has not been paid, (ii) such requisition contains no item representing payment on account of any retainage which the Authority is as of the date of this requisition not entitled to release, (iii) no default exists under the Indenture which has not been disclosed to the Trustee and the Authority will use its best efforts to cure any default if it exists and (iv) there has not been filed with or served upon the Authority legal notice of any lien, right to lien, attachment or other claim, which is valid in the opinion of counsel to the Authority and affects the right to receive payment of any of the moneys payable to any of the Persons, firms or corporations named herein which has not been released or will not be released simultaneously with such payment.

Please remit funds by wire transfer to the Authority [Wiring instructions for disbursement].

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By: _____
Authorized Representative

¹ Attach appropriate information indicating the name of the Person, Firm or Corporation to whom payment is due, the amount to be paid and the purpose for which such obligation was incurred.

CERTIFICATION OF GENERAL ENGINEERING CONSULTANT

As General Engineering Consultant for the 2022 Project, we hereby certify the following in connection with 2022A Senior Lien Project Subaccount of the 2022 Project Account of the Construction Fund Certificate and Requisition for Payment Draw Request No. _____:

- (i) such requisition is approved;
- (ii) the amount requisitioned is due and has not previously been paid from the 2022 Project Account of the Construction Fund;
- (iii) insofar as the payment is to be made for work, material, supplies or equipment, the work has been performed and the materials, supplies or equipment have been installed as part of the 2022 Project or have been delivered at the site;
- (iv) all work material, supplies and equipment for which payment is to be made are, in our opinion, substantially in accordance with the plans and specifications or duly approved change orders; and

[If an item for payment includes real property:

- (v) acquisition of such property is necessary or advisable in connection with the design, acquisition and construction of the 2022 Project or the operation of the 2022 Project.]

as General Engineering Consultant

By: _____
Title: _____

EXHIBIT E
CONTINUING DISCLOSURE
DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article VI of this Supplemental Indenture. All capitalized terms shall have the meanings assigned to them in the Official Statement.

Annual Financial Information and Operating Data

The information to be updated annually includes all quantitative financial information and operating data with respect to the Authority and the System of the general type included in the Official Statement, under the headings:

1. “ESTIMATED SYSTEM CASH FLOW AND DEBT SERVICE COVERAGE – Estimated System Cash Flow and Debt Service Coverage Table” (but containing only the historical financial information for the current Fiscal Year and the previous Fiscal Year of the type shown in such table);
2. “DEDICATED VEHICLE REGISTRATION FEES – Estimated Dedicated Vehicle Registration Fees” (but containing only the historical financial information for the current Fiscal Year and the previous Fiscal Year of the type shown in such table);
3. “SCHEDULE II – DEBT SERVICE REQUIREMENTS”; and
4. “APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY.”

The Authority will update and provide this information within six months after the end of each Fiscal Year. Included in the annual filing, beginning with the first Fiscal Year following the Fiscal Year in which Substantial Completion (as defined in the Master Trust Indenture) of the Phase II Project occurs and for each subsequent Fiscal Year, the Authority will furnish a copy of the General Engineering Consultant’s annual report relating to its inspection of the System (which may be provided as one or more reports prepared by one or more General Engineering Consultants).

Quarterly Financial Information and Operating Data

In addition to the annual information described above, the Authority will furnish on a quarterly basis, within 60 days after the end of each quarter of the Fiscal Year, (i) commencing with the quarter ending _____, 2022, through the quarter in which Substantial Completion (as defined in the Master Trust Indenture) of the Phase II Project occurs, a copy of the General Engineering Consultant’s construction progress report relating to the Phase II Project for the previous quarter of the Fiscal Year, and (ii) commencing with the first quarter following the quarter in which Substantial Completion of the Phase II occurs and for each quarter thereafter, unaudited information regarding the number of toll transactions for the System and the Revenues generated by such toll transactions for the previous quarter of the Fiscal Year.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in item 4 of the “Annual Financial Information and Operating Data” above.

DM-#8127241

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION, TRUSTEE

AUTHORIZING

JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BONDS,
SERIES 2022B

Dated as of February 1, 2022

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE, dated as of February 1, 2022 (this “Supplemental Indenture” or “Second Supplemental Indenture”), is made by and between the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (together with any successor to its rights, duties, and obligations hereunder, the “Authority”), a body politic and corporate and a political subdivision of the State of Texas (the “State”) duly created, organized and existing under the laws of the State, and WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as trustee, a national banking association duly organized and existing under the laws of the United States of America, as trustee (together with any successor trustee hereunder, the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meaning set forth in Article I of this Supplemental Indenture.

RECITALS

WHEREAS, the Authority has been created, is organized, and operates pursuant to the Constitution and laws of the State, including, particularly, Chapter 370, Texas Transportation Code, as amended (the “Act”), for the purposes of constructing, maintaining and operating transportation projects in Hidalgo County, Texas; and

WHEREAS, pursuant to the Act, the Authority is authorized to: (i) study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); and (ii) issue bonds, certificates, notes or other obligations payable from the revenues of a transportation project or system, including tolls, fees, fares or other charges, to pay all or part of the cost of a transportation project and to refund any bonds previously issued for a transportation project; and (iii) impose tolls, fees, fares or other charges for the use of each of its transportation projects and the different parts or sections of each of its transportation projects; and

WHEREAS, pursuant to the Act and other applicable laws, the Authority is authorized to issue revenue bonds, notes, certificates or other obligations as hereinafter provided, and to enter into this Supplemental Indenture; and

WHEREAS, the Authority has previously issued its Junior Lien Revenue Bond, Taxable Series 2016A in the original aggregate principal amount of \$20,000,000 (the “Refunded Obligation”), pursuant to the Prior Master Indenture (as defined herein) and a supplemental indenture adopted thereunder; and

WHEREAS, the Authority and the Trustee have executed and delivered the Master Indenture, providing for the issuance from time to time by the Authority of one or more series of its revenue obligations (collectively, the “Obligations”); and

WHEREAS, Section 10.2 of the Master Indenture authorizes the Authority and the Trustee to execute and deliver a supplemental indenture, authorizing one or more Series of Obligations, to include any other matters and things relative to such Obligations which are not inconsistent with or contrary to the Master Indenture, to add to the covenants of the Authority, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, pursuant to the authority granted in the Act and Chapters 1207 and 1371, Texas Government Code, as amended, the Authority has determined to authorize the issuance of its Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B (the “Series 2022B Junior Bonds”), pursuant to the Master Indenture and this Supplemental Indenture for the purpose of providing funds (i) to pay a portion of the Costs of the 2022 Project; and (ii) for the other purposes specified herein; and

WHEREAS, pursuant to the authority granted in the Act and Chapter 1371, Texas Government Code, as amended, the Authority has determined to authorize the issuance of its Senior Lien Toll and Vehicle Registration Fee Revenue Bonds, Series 2022A (the “Series 2022A Senior Bonds”), pursuant to the Master Indenture and the First Supplemental Trust Indenture for the purpose of providing funds (i) to pay a portion of the Costs of the 2022 Project; and (ii) for the other purposes specified therein; and

WHEREAS, the Authority has previously issued and there is currently outstanding its VRF Obligations issued pursuant to that certain Indenture of Trust by and between the Authority and Wilmington Trust, National Association, as trustee, dated as of November 1, 2013 as amended and supplemented (the “VRF Indenture”), authorizing the issuance of VRF Obligations; and

WHEREAS, pursuant to the VRF Indenture, the Authority has pledged the Vehicle Registration Fees (as defined herein), as security for the VRF Obligations, with any monthly excess of the Vehicle Registration Fees remaining after the payment of all amounts required under the funds and accounts created for the security and repayment of the VRF Obligations under the VRF Indenture to be deposited into the General Fund under the VRF Indenture, being available for use for any lawful purpose of the Authority (as more particularly described and hereinafter defined as the “Dedicated Vehicle Registration Fees”); and

WHEREAS, the Authority has determined in this Supplemental Indenture to designate all Dedicated Vehicle Registration Fees as Revenues under the Master Indenture; and

WHEREAS, the Board hereby finds and determines that the issuance of the Series 2022B Junior Bonds is in the best interest of the Authority; and

WHEREAS, pursuant to the Bond Resolution, the Authority has authorized the Authorized Representative to make such findings and determinations as may be required in connection with the issuance of the Series 2022B Junior Bonds and to set forth such findings and determinations in the Award Certificate; and

WHEREAS, the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022B Junior Bonds have been in all respects duly and validly authorized by the Bond Resolution; and

WHEREAS, the Trustee has accepted the trusts created by the Master Indenture and this Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this

Supplemental Indenture have happened, exist and have been performed as so required in order to make the Master Indenture, as supplemented by this Supplemental Indenture, a valid, binding and legal instrument for the security of the Series 2022B Junior Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2022B Junior Bonds by the holders thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2022B Junior Bonds are to be issued, authenticated, delivered and accepted by the holders thereof, the Authority and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Holders from time to time of the Obligations, including the Series 2022B Junior Bonds, as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.1. Supplemental Indenture. This Supplemental Indenture is supplemental to the Master Indenture and is adopted in accordance with Article III and Article X thereof.

Section 1.2. Definitions.

Unless the context shall require otherwise, all defined terms contained in the Master Indenture shall have the same meanings in this Supplemental Indenture (other than in the Bond Form) as such defined terms are given in Section 1.1 of the Master Indenture.

As used in this Supplemental Indenture (other than in the Bond Form), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2022 Project” shall mean the design, acquisition and construction of the Phase II Project, all as more particularly described in the [Phase II Project Engineer’s Report], dated _____, 2022, prepared by HDR, Inc., and referred to herein as the “GEC Report.”

“2022 Project Account” shall mean the account by that name, established pursuant to Section 3.1 of the First Supplemental Indenture, of the Construction Fund, inclusive of any subaccounts created therein.

“Arbitrage Analyst” shall mean any nationally recognized firm of certified public accountants or any other nationally recognized firm or Person approved by the Authority and expert in the area of verification of arbitrage calculations related to tax-exempt bonds.

“Authorized Denomination” shall mean (i) with respect to Series 2022B Current Interest Bonds, \$5,000 principal amount or any integral multiple thereof, and (ii) with respect to any Series 2022B Capital Appreciation Bonds and any Series 2022B Convertible Capital Appreciation Bonds, \$5,000 Maturity Amount or any integral multiple thereof.

“Authorized Representative” shall mean the Chairman of the Board of Directors of the Authority, the Executive Director of the Authority and the Chief Financial Officer of the Authority, severally and each of them, as provided in the Bond Resolution.

“Award Certificate” shall mean the Award Certificate executed and delivered by an Authorized Representative pursuant to Section 2.1 hereof in connection with initial issuance and delivery of the Series 2022B Junior Bonds authorized to be issued hereunder.

“Bond Form” shall mean, collectively, the Series 2022B Current Interest Bond Form attached hereto as Exhibit A, the Series 2022B Capital Appreciation Bond Form attached hereto as Exhibit B, and the Series 2022B Convertible Capital Appreciation Bond Form attached hereto as Exhibit C.

“Bond Resolution” shall mean Resolution No. , adopted by the Board of Directors of the Authority on December 20, 2021.

“Bond Year” shall mean each one-year period that ends at the close of business on the day that is each anniversary of the Issuance Date and on the date of final maturity of the Series 2022B Junior Bonds. The last Bond Year may be a short period.

“BSIF Connector” shall mean the Border Safety Inspection Facility Connector at U.S. Route 281/Military Highway, which is non-tolled, all as more particularly described in the GEC Report.

“Capitalized Interest Period” shall mean, for each portion of the design, acquisition, construction, improvements and extensions to the 2022 Project financed with the proceeds of the Series 2022B Current Interest Bonds with a separate placed-in-service date, the period commencing on the Issuance Date and ending on the date that is the later of (i) three years from the Issuance Date and (ii) one year after the applicable portion of the design, acquisition, construction, improvements and extensions to the 2022 Project financed with the proceeds of the Series 2022B Current Interest Bonds (A) has reached a degree of completion which would permit its operation at substantially its design level and (B) is, in fact, in operation at such level.

“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).

“Compounded Amount” shall have the meaning assigned thereto in the Master Indenture, provided that, with respect to the Series 2022B Capital Appreciation Bonds and the Series 2022B Convertible Capital Appreciation Bonds, such term shall mean, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, plus all interest accreted and compounded to the particular date of calculation as determined pursuant to the Master Indenture and this Supplemental Indenture.

“Compounding Dates” shall mean (i) with respect to the Series 2022B Capital Appreciation Bonds, each June 1 and December 1 until Stated Maturity, commencing on the date specified in

the Award Certificate and (ii) with respect to the Series 2022B Convertible Capital Appreciation Bonds, commencing on the date specified in the Award Certificate, and each June 1 and December 1 thereafter until and including the Conversion Date.

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

“Conversion Date” shall mean the date or dates established in the Award Certificate for each respective Series 2022B Convertible Capital Appreciation Bond on which (i) the Compounded Amount of the Series 2022B Convertible Capital Appreciation Bonds equals the Maturity Amount thereof and (ii) the Series 2022B Convertible Capital Appreciation Bonds begin to bear interest on the Maturity Amount thereof, which is payable on each Interest Payment Date.

“Dedicated Vehicle Registration Fees” shall mean any monthly excess of the Vehicle Registration Fees remaining after the payment of all amounts required under the funds and accounts created for the security and repayment of the VRF Obligations under the VRF Indenture that are deposited into the General Fund under the VRF Indenture, being available for use for any lawful purpose of the Authority.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Securities Depository effects book-entry transfers and pledges of securities deposited with such Securities Depository.

“Designated Payment/Transfer Office” shall mean, initially, the office of the Trustee located in Dallas, Texas, or such other office designated by the Trustee from time to time as the place of payment and transfer of registration of ownership of the Series 2022B Junior Bonds.

“DTC” shall mean The Depository Trust Company, its successors and assigns.

“Final Computation Date” shall mean the date on which the last bond of the Series 2022B Junior Bonds is discharged.

“First Supplemental Indenture” shall have the meaning given to such term in the recitals hereof.

“Indenture” shall mean the Master Indenture, as amended or supplemented (i) by the First Supplemental Trust Indenture dated as of the date first written above, between the Authority and the Trustee; (ii) by this Second Supplemental Indenture; and (iii) hereafter from time to time in accordance with the terms of the Master Indenture.

“Initial Series 2022B Junior Bonds” shall mean, collectively, the Initial Series 2022B Current Interest Bond, the Initial Series 2022B Capital Appreciation Bond, and the Initial Series 2022B Convertible Capital Appreciation Bond, as described in Section 2.4 hereof.

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

“Interest Payment Date” shall mean (i) with respect to the Series 2022B Current Interest Bonds, each June 1 and December 1, commencing on the date specified in the Award Certificate and (ii) with respect to the Series 2022B Convertible Capital Appreciation Bonds, each June 1 and December 1 following the Conversion Date.

“Issuance Date” shall mean the date of initial issuance and delivery of the Series 2022B Junior Bonds to the Underwriters, or the representative thereof, against payment therefor.

“Junior Lien 2022B Capitalized Interest Debt Service Subaccount” shall mean the “Junior Lien 2022B Capitalized Interest Debt Service Subaccount” established in Section 3.3(b) hereof as part of the Junior Lien 2022B Debt Service Account.

“Junior Lien 2022B Debt Service Account” shall mean the “Junior Lien 2022B Debt Service Account” established in Section 3.3 hereof as part of the Junior Lien Debt Service Fund and any subaccounts established therein pursuant to this Supplemental Indenture or a Letter of Instructions signed by an Authorized Representative.

“Junior Lien Bond Proceeds Clearance Fund” shall mean the “Junior Lien Bond Proceeds Clearance Fund” established pursuant to Section 3.4(a) hereof, and any Accounts established therein pursuant to a Letter of Instructions signed by an Authorized Representative.

“Junior Lien Costs of Issuance Fund” shall mean the “Junior Lien Costs of Issuance Fund” established pursuant to Section 3.4(b) hereof.

“Junior Lien Debt Service Reserve Requirement” shall mean an amount equal to the least of (i) the maximum Annual Debt Service on all Outstanding Junior Lien Obligations, (ii) 1.25 times the Average Annual Debt Service requirements on all Outstanding Junior Lien Obligations, or (iii) ten percent of the aggregate stated principal amount of the Outstanding Junior Lien Obligations, in each case, that the Authority determines are Reserve Fund Participants in the Junior Lien Debt Service Reserve Fund as may be determined on the date each Series of Junior Lien Obligations is issued.

“Junior Lien 2022B Project Subaccount” shall mean the “Junior Lien 2022B Project Subaccount” established pursuant to Section 3.2 hereof as part of the 2022 Project Account.

“Junior Lien 2022B Rebate Account” shall mean the account by that name established pursuant to Section 5.2 hereof and such subaccounts as may be established therein pursuant to a Letter of Instructions signed by an Authorized Representative.

“Letter of Representations” shall mean that certain Blanket Issuer Letter of Representations between the Authority and DTC, as the Securities Depository.

“Master Indenture” shall mean the Master Trust Indenture, dated as of February 1, 2022 between the Authority and the Trustee, without regard to supplements and amendments thereto.

“Maturity Amount” shall mean, with respect to the Series 2022B Capital Appreciation Bonds or the Series 2022B Convertible Capital Appreciation Bonds, the Compounded Amount due and payable at Stated Maturity.

“Official Statement” shall mean the Authority’s final official statement prepared in connection with the public offering and sale of the Series 2022B Junior Bonds, together with any addenda, supplements and amendments thereto.

“Prior Master Indenture” shall mean that certain master trust indenture by and between the Authority and Wilmington Trust, National Association, as trustee, dated as of December 1, 2016, pursuant to which the Refunded Obligation was issued.

“Purchase Contract” shall mean the Bond Purchase Contract between the Authority and the respective Underwriters providing for the purchase of the Series 2022B Junior Bonds by the Underwriters.

“Rebate Amount” shall mean, as of any date, the excess as of any date of the future value, as of any such date, of all receipts on nonpurpose investments over the future value, as of such date, of all payments on nonpurpose investments all as determined in accordance with section 1.148-3 of the Regulations.

“Record Date” shall mean with respect to the Series 2022B Current Interest Bonds and, after the Conversion Date, the Series 2022B Convertible Capital Appreciation Bonds, the fifteenth (15th) calendar day of the month preceding each Interest Payment Date.

“Refunded Obligation” shall have the meaning given to such term in the recitals hereof.

“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.

“Securities Depository” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and any successor Securities Depository appointed pursuant to Section 9.13 of the Master Indenture and Section 2.7 of this Supplemental Indenture.

“Series 2022A Senior Bonds” shall have the meaning given to such term in the recitals hereof.

“Series 2022B Capital Appreciation Bonds” shall mean the Series 2022B Junior Bonds designated as Capital Appreciation Bonds, which accrete interest to Stated Maturity payable at Stated Maturity as a portion of the Maturity Amount, as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022B Convertible Capital Appreciation Bonds” shall mean the Series 2022B Junior Bonds designated as Convertible Capital Appreciation Bonds, which accrete interest to the Conversion Date and thereafter bear interest on the Maturity Amount thereof payable on each Interest Payment Date with the Maturity Amount thereof, payable on the Stated Maturity thereof, as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022B Current Interest Bonds” shall mean the Series 2022B Junior Bonds designated as Current Interest Bonds on which interest is paid on each Interest Payment Date as provided in the Award Certificate as authorized by this Supplemental Indenture.

“Series 2022B Junior Bonds” shall mean, collectively, the Series 2022B Current Interest Bonds, the Series 2022B Capital Appreciation Bonds and the Series 2022B Convertible Capital Appreciation Bonds, each as authorized pursuant to this Supplemental Indenture and designated as such in the Award Certificate.

“Special Payment Date” shall mean the date that is fifteen (15) days after the Special Record Date.

“Special Record Date” shall mean the new record date for interest payment established in the event of a nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter.

“Stated Maturity” shall mean the date on which a Series 2022B Junior Bond is scheduled to mature, as set forth in the Award Certificate.

“Supplemental Indenture” or “Second Supplemental Indenture” shall mean this Second Supplemental Trust Indenture by and between the Authority and the Trustee, dated as of the date first above written, together with any amendments hereto.

“Treasury” shall mean the United States Department of the Treasury, or any successor department or agency to the obligations thereof.

“Underwriters” shall mean the underwriters named in the Purchase Contract.

“Vehicle Registration Fees” shall mean the aggregate optional county fee for transportation projects in the current amount of \$10.00 (per registered vehicle) authorized to be collected by Hidalgo County, Texas in accordance with an order effective as of January 1, 2008 in accordance with Section 502.402, Texas Transportation Code, as amended, and pledged to the VRF Obligations issued in accordance with the VRF Indenture.

“VRF Obligations” shall mean the Authority’s Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2013, Senior Lien Vehicle Registration Fee Revenue Bonds, Series 2020A, Senior Lien Vehicle Registration Fee Revenue Refunding Bonds, Taxable Series 2020B, and any additional bonds, notes or other obligations hereafter issued or incurred by the Authority pursuant to the VRF Indenture that are secured by and payable from Vehicle Registration Fees, but expressly excluding any additional Obligations issued or incurred pursuant to the Indenture.

“VRF Indenture” shall have the meaning given to such term in the recitals hereof.

Section 1.3. Authority for This Supplemental Indenture. This Supplemental Indenture is adopted pursuant to the provisions of the Act and the Master Indenture, particularly Section 10.2(a) of the Master Indenture.

Section 1.4. Rules of Construction.

(a) For all purposes of this Supplemental Indenture unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this Supplemental Indenture.

(b) Except where the context otherwise requires, terms defined in this Supplemental Indenture to impart the singular number shall be considered to include the plural number and vice versa.

(c) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

(d) This Supplemental Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Supplemental Indenture and the Master Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this Supplemental Indenture 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 the terms or provisions hereof.

Section 1.6. Indenture to Remain in Force. Except as amended by this Supplemental Indenture, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.7. Successors and Assigns. All covenants and agreements in this Supplemental Indenture by the Authority and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.8. Severability Clause. In case any provision in this Supplemental Indenture shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.9. Benefits of Supplemental Indenture. Subject to the terms of the Master Indenture and the terms hereof, nothing in this Supplemental Indenture or in the Series 2022B Junior Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Series 2022B Junior Bonds, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture.

Section 1.10. Governing Law. This Supplemental Indenture shall be construed in accordance with and governed by the laws of the State.

Section 1.11. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Authority signed by an Authorized Representative of the Authority or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

ARTICLE II.

AUTHORIZATION AND TERMS OF SERIES 2022B JUNIOR BONDS

Section 2.1. Authorization, Principal Amounts, Designation of Series, Terms and Provisions to Apply.

(a) In accordance with and subject to the terms, conditions and limitations established in the Indenture and this Supplemental Indenture, the Series 2022B Junior Bonds are hereby authorized to be issued pursuant to and in accordance with the provisions of the Bond Resolution, the Master Indenture, Chapters 1207 and 1371, Texas Government Code, as amended, and the Act. The Authorized Representative shall determine the aggregate principal amount of Series 2022B Junior Bonds to be issued for the purposes identified in Section 2.2 of this Supplemental Indenture and shall make such findings as required by law, as authorized by the Bond Resolution or as otherwise deemed appropriate by the Authorized Representative, all of which shall be set forth in the Award Certificate. The terms of the Series 2022B Junior Bonds shall be as set forth in the Master Indenture, this Supplemental Indenture and the Award Certificate. All terms and provisions of the Award Certificate relating to the Series 2022B Junior Bonds shall be deemed to be incorporated into and shall become a part of this Second Supplemental Indenture.

(b) Series 2022B Junior Bonds. The Authorized Representative shall determine and shall set forth in the Award Certificate the following, together with any other terms and provisions determined by the Authorized Representative as necessary or desirable with respect to the terms of the Series 2022B Junior Bonds:

(i) the principal amount of Series 2022B Junior Bonds to be issued as Series 2022B Current Interest Bonds, the series designation thereof, the maturity dates, the per annum interest rates, and the redemption provisions to be applicable to the Series 2022B Current Interest Bonds;

(ii) the original principal amount of Series 2022B Junior Bonds to be issued as Series 2022B Capital Appreciation Bonds, the maturity dates, the yield to maturity, Maturity Amounts and the redemption provisions to be applicable to such Series 2022B Capital Appreciation Bonds; and

(iii) the original principal amount of Series 2022B Junior Bonds to be issued as Series 2022B Convertible Capital Appreciation Bonds, the maturity dates, the yield to maturity, the Conversion Date, the interest payment dates, the Maturity Amounts and the redemption provisions to be applicable to such Series 2022B Convertible Capital Appreciation Bonds.

Section 2.2. Purposes. The Series 2022B Junior Bonds are issued in accordance with Section 3.2(a) of the Master Indenture for the purpose of providing funds to: (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022B Current Interest Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds, all under and in accordance with the Constitution and the laws of the State.

Section 2.3. Pledge; Limited Obligations.

(a) The Series 2022B Junior Bonds are designated as Junior Lien Obligations and as Long-Term Obligations under the Master Indenture.

(b) The Series 2022B Junior Bonds shall be limited obligations of the Authority constituting Junior Lien Obligations payable from and secured by a lien on, pledge of and security interest in the Trust Estate, subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations; provided that the interest of the Holders of the Series 2022B Junior Bonds in the Construction Fund shall be limited to amounts on deposit in the Junior Lien 2022B Project Subaccount. The Series 2022B Junior Bonds, as Junior Lien Obligations, shall constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of or Maturity Amount, redemption premium, if any, and interest on the Series 2022B Junior Bonds. The Series 2022B Junior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022B Junior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged hereunder and under the Master Indenture as security for the payment of the Junior Lien Obligations.

(c) As authorized by clause (iv) of the definition of “Revenues” in Section 1.1 of the Master Indenture, the Authority hereby designates all Dedicated Vehicle Registration Fees as Revenues for all purposes of the Indenture. The Authority shall transfer, or cause to be transferred, all Dedicated Vehicle Registration Fees as received by the Authority to the Trustee for deposit into the Revenue Fund. The Trustee shall deposit all Dedicated Vehicle Registration Fees as received to the credit of the Revenue Fund and shall apply such funds in accordance with the terms of the Master Indenture.

(d) In connection with the Authority’s estimation of Dedicated Vehicle Registration Fees as a portion of Projected Revenues for purposes of Sections 7.7, 7.8, 7.9 and 7.10 of the Master Indenture, the estimated Dedicated Vehicle Registration Fees for (i) the initial Annual Period of the term of the proposed additional Obligations shall be equal to the actual amount of the Dedicated Vehicle Registration Fees received by the Authority for the immediately preceding Annual Period, and (ii) each subsequent Annual Period during the term of the proposed additional Obligations shall be escalated annually by a factor equal to the lesser of: (A) two percent (2%) and (B) the average annual increase in the actual amount of Dedicated Vehicle Registration Fees received by the Authority over the five (5) Annual Periods immediately preceding the initial Annual Period of the term of the proposed additional Obligations; provided, that if such average annual increase is calculated to be zero or negative, the estimated Dedicated Vehicle Registration Fees for each subsequent Annual Period shall not be escalated and shall be equal to the estimated Dedicated Vehicle Registration Fees used for the initial Annual Period as determined pursuant to clause (i) above.

(e) The Authority covenants not to issue or incur any additional bonds, notes or other obligations that are secured by and payable from Vehicle Registration Fees, pursuant to the Indenture, the VRF Indenture or otherwise, except for: (i) Obligations issued or incurred pursuant to the terms of the Indenture; and (ii) bonds, notes or other obligations issued or incurred by the

Authority pursuant to the terms of the VRF Indenture (“*Additional VRF Indenture Obligations*”) for the purpose of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding VRF Obligations; provided, that (A) such Additional VRF Indenture Obligations shall not mature later than the final maturity date of the VRF Obligations being refunded, repurchased or refinanced, and (B) for each Annual Period over the term of the VRF Obligations being refunded, repurchased or refinanced, the Annual Debt Service for each such Annual Period on all VRF Obligations, prior to giving effect to the issuance or incurrence of the Additional VRF Indenture Obligations, is greater than the Annual Debt Service for each such Annual Period on all VRF Obligations, after giving effect to the issuance or incurrence of the Additional VRF Indenture Obligations, all as certified by an Authorized Representative in a certificate delivered to the Trustee prior to the issuance or incurrence of such Additional VRF Indenture Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022B JUNIOR BONDS. THE SERIES 2022B JUNIOR BONDS ARE PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022B JUNIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THE SERIES 2022B JUNIOR BONDS SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THE SERIES 2022B JUNIOR BONDS SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY, EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

Section 2.4. Date, Denomination, Numbers, and Letters.

(a) The Series 2022B Junior Bonds shall be dated as provided in the Award Certificate and shall be issued in Authorized Denominations.

(b) Unless the Authority shall direct otherwise, each Series 2022B Current Interest Bond shall be lettered and numbered separately from A-1 upward. The Series 2022B Current Interest Bonds registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Series 2022B Current Interest Bonds”) shall be lettered and numbered separately from AT-1 upward.

(c) Unless the Authority shall direct otherwise, each Series 2022B Capital Appreciation Bond shall be lettered and numbered separately from CAB-1 upward. The Series 2022B Capital Appreciation Bond registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Series 2022B Capital Appreciation Bond”) shall be numbered ATCAB-1.

(d) Unless the Authority shall direct otherwise, each Series 2022B Convertible Capital Appreciation Bond shall be lettered and numbered separately from CCAB-1 upward. The Series 2022B Convertible Capital Appreciation Bond registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Series 2022B Convertible Capital Appreciation Bond”) shall be numbered ATCCAB-1.

Section 2.5. Interest Payment Dates, Interest Rates and Maturity Dates of the Series 2022B Junior Bonds.

(a) The Series 2022B Current Interest Bonds shall bear interest from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for until the principal of such Series 2022B Current Interest Bonds has been paid or provided for either at Stated Maturity or the prior redemption thereof. Interest on the Series 2022B Current Interest Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months and shall be payable on each Interest Payment Date. The Series 2022B Current Interest Bonds shall mature on December 1 in the years, in the respective principal amounts and shall bear interest at the per annum rates set forth in the Award Certificate

(b) Interest on each Series 2022B Capital Appreciation Bond shall accrete on the original principal amount thereof, plus premium, if any, paid therefor, from the Issuance Date to Stated Maturity at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity. A Table of Compounded Amounts for the Series 2022B Capital Appreciation Bonds shall be attached to the Award Certificate for such Series 2022B Capital Appreciation Bonds. Interest on each Series 2022B Capital Appreciation Bond shall be computed on the basis of a 360-day year of twelve 30-day months (subject to rounding to the Compounded Amount). The Series 2022B Capital Appreciation Bonds shall mature on December 1 in the years and in the Maturity Amounts, and shall bear interest at the rate per annum which produces the approximate yield to Stated Maturity, all as set forth in the Award Certificate.

(c) Interest on each Series 2022B Convertible Capital Appreciation Bond shall accrete on the original principal amount thereof, plus premium, if any, paid therefor, from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity. A Table of Compounded Amounts for the Series 2022B Convertible Capital Appreciation Bonds shall be attached to the Award Certificate for such Series 2022B Convertible Capital Appreciation Bonds. On the Conversion Date, the Compounded Amount of each Series 2022B Convertible Capital Appreciation Bonds shall equal the Maturity Amount thereof. Following the Conversion Date, interest shall accrue on the Maturity Amount of each Series 2022B Convertible Capital Appreciation Bond from the later of the Conversion Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Award Certificate until maturity or prior redemption. Following the Conversion Date, interest on each Series 2022B Convertible Capital Appreciation Bond shall be payable on each Interest Payment Date, computed on the basis of a 360-day year of twelve 30-day months. The Series 2022B Convertible Capital Appreciation Bonds shall mature and become payable on the dates and in the respective Maturity Amounts as set forth in the Award Certificate.

Section 2.6. Paying Agent; Method and Place of Payment.

(a) The Trustee is hereby appointed as Paying Agent for the Series 2022B Junior Bonds.

(b) The principal of the Series 2022B Current Interest Bonds, the Maturity Amount of the Series 2022B Capital Appreciation Bonds, and the Maturity Amount of the Series 2022B Convertible Capital Appreciation Bonds shall be payable on the due date thereof (whether at Stated Maturity or, if applicable, prior redemption date) upon the presentation and surrender thereof at the Designated Payment/Transfer Office

(c) Interest payable on each Series 2022B Current Interest Bond and the Series 2022B Convertible Capital Appreciation Bonds (following the Conversion Date) shall be paid by check dated as of the Interest Payment Date and mailed by the Trustee to the Holder in whose name such Series 2022B Current Interest Bond and Series 2022B Convertible Capital Appreciation Bond is registered at the close of business on the Record Date, by mail, first class postage prepaid, to the address of the Holder as it appears in the registration books kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee and the Person to whom interest is to be paid; provided, however, that such Person shall bear all risk and expenses of such other customary banking arrangements. In the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Series 2022B Current Interest Bond and, after the Conversion Date, Series 2022B Convertible Capital Appreciation Bonds appearing on the books of the Trustee at the close business on the last Business Day preceding the date of mailing of such notice.

Section 2.7. Securities Depository; Book-Entry-Only System.

(a) Pursuant to Section 9.13 of the Master Indenture, the Authority hereby appoints The Depository Trust Company (“DTC”) as Securities Depository for the Series 2022B Junior Bonds. In accordance with the Letter of Representations, the Authority shall cause the Series 2022B Junior Bonds to be registered in the name of Cede & Co., as nominee for DTC, and to be delivered by the Underwriters to DTC on the Issuance Date.

(b) With respect to Series 2022B Junior Bonds registered in the registration books maintained by the Trustee in the name of Cede & Co., or a nominee of any successor Securities Depository, pursuant to Section 9.13 of the Master Indenture, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 2022B Junior Bonds. The Authority and the Trustee may treat and consider the Holder of any Series 2022B Junior Bond as the absolute owner of such Series 2022B Junior Bond for the purpose of payment of the principal or Maturity Amount of, premium, if any, and interest on such Series 2022B Junior Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2022B Junior Bond, for

the purpose of registering transfers and exchanges with respect to such Series 2022B Junior Bond, and for all other purposes whatsoever. The Trustee shall pay the principal or Maturity Amount of, premium, if any, and interest on the Series 2022B Junior Bonds only to or upon the order of the respective Holders of the Series 2022B Junior Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, any successor Securities Depository or any Depository Participant with respect to any ownership interest in Series 2022B Junior Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a Holder of a Series 2022B Junior Bond as shown in the registration books for Obligations required to be kept and maintained pursuant to the Master Indenture, of any notice with respect to the Series 2022B Junior Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a Holder of a Series 2022B Junior Bond, of any amount with respect to any Series 2022B Junior Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 2022B Junior Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Securities Depository.

(c) In the event that either (i) the Securities Depository that is, directly or through a nominee, the Holder of all of the Outstanding Series 2022B Junior Bonds notifies the Trustee and the Authority that it is no longer willing or able to discharge its responsibilities as a Securities Depository or (ii) the Authority determines that continuance of the existing book-entry-only System for ownership of interests in the Series 2022B Junior Bonds is not in the best interest of such owners of beneficial interests in the Series 2022B Junior Bonds, then the Authority shall direct the Securities Depository to terminate the existing book-entry-only system for ownership of interests in the Series 2022B Junior Bonds. Upon such termination, the Authority shall promptly select a substitute Securities Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 2022B Junior Bonds, if one is available satisfactory to the Authority, and the ownership of all Series 2022B Junior Bonds shall be transferred on the registration books for the Series 2022B Junior Bonds to such successor Securities Depository, or its nominee. In the alternative, the Authority may direct the Trustee to, and if the Authority fails to promptly designate a successor Securities Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Securities Depository for the Series 2022B Junior Bonds, of the availability of Series 2022B Junior Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 2022B Junior Bonds and, upon surrender to the Trustee of the Outstanding Series 2022B Junior Bonds held by the Securities Depository, accompanied by registration instructions from the Securities Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 2022B Junior Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 2022B Junior Bonds as of the date of the termination of the existing book-entry ownership system for the Series 2022B Junior Bonds. Neither the Authority nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Authority has designated a Securities Depository to provide a system of book-entry ownership of the Series 2022B Junior Bonds, all of the Series 2022B Junior Bonds must be held under such book-entry-only system.

(d) Notwithstanding any other provisions in Article II hereof, the Authority and the Trustee may, but shall not be required to, enter into separate agreements with one or more Securities Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.8. Redemption Prices and Terms. The Series 2022B Junior Bonds shall be subject to redemption prior to Stated Maturity only as provided in the Award Certificate for the Series 2022B Junior Bonds and in this Supplemental Indenture.

Section 2.9. Redemption at the Election or Direction of the Authority. In the case of any redemption of Series 2022B Junior Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee, in the form of a Letter of Instructions, of the Authority's election or direction to redeem, of the redemption date, and of the aggregate principal amounts of Series 2022B Junior Bonds of each maturity to be redeemed (and of each interest rate within each such maturity, if more than one), maturities, interest rates and principal amounts, thereof to be redeemed shall be determined by the Authority in its discretion, subject to such limitations with respect thereto as may be set forth in the Award Certificate. Such notice shall be given [at least 35 days] prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 2.12, there shall be paid prior to or on the redemption date to the Paying Agent an amount in cash which, in addition to other moneys, if any, available therefor held by the Paying Agent, will be sufficient to redeem on the redemption date at the redemption price thereof, plus interest accrued and unpaid to the redemption date, all of the Series 2022B Junior Bonds to be redeemed.

Section 2.10. Redemption Otherwise Than at Authority's Election or Direction. Whenever by the terms of Master Indenture or this Supplemental Indenture the Trustee is required or authorized to redeem Series 2022B Junior Bonds otherwise than at the election or direction of the Authority, the Trustee shall select the Series 2022B Junior Bonds to be redeemed in the manner provided herein or in the Award Certificate, give the notice of redemption and pay out moneys available therefor in an amount sufficient to pay the redemption price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agent in accordance with the terms of this Supplemental Indenture.

Section 2.11. Selection of Series 2022B Junior Bonds to be Redeemed. If less than all of the Series 2022B Junior Bonds of the same maturity and interest rate shall be called for prior redemption, the particular Series 2022B Junior Bonds or portions of Series 2022B Junior Bonds, to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that any Series 2022B Junior Bond redeemed in part shall be redeemed in an amount such that the unredeemed portion thereof shall equal an Authorized Denomination, and provided further that, in selecting Series 2022B Junior Bonds for redemption, the Trustee shall treat each Series 2022B Junior Bond in a denomination greater than the minimum Authorized Denomination as representing that number of Series 2022B Junior Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Series 2022B Junior Bond by the minimum Authorized Denomination.

Section 2.12. Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem Series 2022B Junior Bonds pursuant to Section 2.9, and when redemption of Series 2022B Junior Bonds is authorized or required pursuant to Section 2.10, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2022B Junior Bonds, which notice shall specify the series, maturities and interest rates of the Series 2022B Junior Bonds to be redeemed, the redemption date and the method and place or places of payment of the redemption price of such Series 2022B Junior Bonds and, if less than all of the Series 2022B Junior Bonds of the same maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2022B Junior Bonds so to be redeemed, and, in the case of Series 2022B Junior Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Subject to Section 2.14, such notice shall further state that on such date there shall become due and payable upon each Series 2022B Junior Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal amounts as applicable, thereof, in the case of Series 2022B Junior Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given, not more than 60 and not less than [30 days] before the redemption date, by first-class mail, postage prepaid, to the Holder of each Series 2022B Junior Bond which is to be redeemed in whole or in part, at the address appearing upon the registration books kept by the Trustee; provided, however, that any such notice required to be sent to a Securities Depository may be sent by any method agreed upon by the Authority, the Trustee and such Securities Depository

Section 2.13. Payment of Redeemed Obligations. Subject to Section 2.14, notice having been given in the manner provided in Section 2.12, the Series 2022B Junior Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date. If there shall be selected for redemption less than all of a Series 2022B Junior Bond, the Authority shall execute, the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Series 2022B Junior Bond, without charge to the Holder thereof, for the unredeemed balance of the principal amount, as applicable, of the Series 2022B Junior Bonds so surrendered, Series 2022B Junior Bonds of the same series or subseries, maturity, interest rate and aggregate principal amount in any Authorized Denomination; provided, however, that if the Award Certificate provides that the redemption price of any Series 2022B Junior Bond redeemed in part is payable without the necessity of the presentation and surrender of such Series 2022B Junior Bond, then the Trustee shall note on its records the principal amount, so paid and the remaining principal amount of such Series 2022B Junior Bond. If, on the redemption date, moneys for the redemption of all the Series 2022B Junior Bonds or portions thereof, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Series 2022B Junior Bonds or portions thereof, maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Series 2022B Junior Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 2.14. Conditional Notices of Redemption. The Authority reserves the right to give notice of its election or direction to redeem Series 2022B Junior Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys or defeasance securities, in an amount equal to the amount necessary to effect the redemption, with the Trustee 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 an Authorized Representative of the Authority to the Trustee instructing the Trustee to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys or defeasance securities are not so deposited or if the notice is rescinded. The Trustee shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Holders. Any Series 2022B Junior Bond subject to conditional redemption where redemption has been rescinded shall remain a Series 2022B Junior Bond, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

Section 2.15. Purchase of Obligations at Any Time. The Trustee, upon the written request of an Authorized Representative, shall purchase Series 2022B Junior Bonds as specified by an Authorized Representative in the open market at a price not exceeding the price specified by an Authorized Representative. Such purchase of Series 2022B Junior Bonds may be made with funds available under this Supplemental Indenture or with other available funds of the Authority. Upon purchase by the Trustee, such Series 2022B Junior Bonds shall be treated as delivered for cancellation pursuant to Section 3.14 of the Master Indenture. Nothing in this Supplemental Indenture shall prevent the Authority from purchasing Series 2022B Junior Bonds on the open market without the involvement of the Trustee and delivering such Series 2022B Junior Bonds to the Trustee for cancellation pursuant to Section 3.14 of the Master Indenture. Series 2022B Junior Bonds purchased pursuant to this Section 2.15 that are subject to a mandatory sinking fund redemption schedule may be credited as directed by an Authorized Representative against future mandatory sinking fund redemption payments for such Series 2022B Junior Bonds. The principal amount of Series 2022B Junior Bonds to be redeemed by mandatory sinking fund redemption under this Supplemental Indenture may be reduced by the principal amount of Series 2022B Junior Bonds purchased by the Authority and delivered to the Trustee for cancellation at least fifteen (15) days prior to the last date on which the notice of redemption can be mailed.

ARTICLE III.

ACCOUNTS; APPLICATION OF PROCEEDS

Section 3.1. Establishment of 2022 Project Account.

(a) Pursuant to the provisions of Section 5.4(c) of the Master Indenture and Section 3.1 of the First Supplemental Indenture, the 2022 Project Account has been established within the Construction Fund.

(b) All amounts on deposit in the 2022 Project Account shall be applied to the payment of the Costs of the 2022 Project, including, without limitation, in accordance with and subject to

the provisions of Section 5.19 of the Master Indenture, the First Supplemental Indenture and this Second Supplemental Indenture.

Section 3.2. Junior Lien 2022B Project Subaccount.

(a) There is hereby established within the 2022 Project Account a subaccount designated as the “Junior Lien 2022B Project Subaccount” (“Junior Lien 2022B Project Subaccount”).

(b) On the Issuance Date, a portion of the proceeds of the Series 2022B Junior Bonds shall be deposited to the Junior Lien 2022B Project Subaccount, as directed in a Letter of Instructions of the Authority.

(c) Amounts on deposit in the Junior Lien 2022B Project Subaccount shall be used for the purpose of paying a portion of the Costs of the 2022 Project, in accordance with and subject to the provisions of Section 5.19 of the Master Indenture and this Second Supplemental Indenture.

(d) The Authority shall submit written requisition requests in the form of Exhibit D to this Supplemental Indenture to request disbursements from the Junior Lien 2022B Project Subaccount in accordance with Section 5.19 of the Master Indenture.

Section 3.3. Junior Lien 2022B Debt Service Account.

(a) There is hereby established within the Junior Lien Debt Service Fund an account designated “Junior Lien 2022B Debt Service Account” (“Junior Lien 2022B Debt Service Account”). Moneys on deposit in the Junior Lien 2022B Debt Service Account shall be used to pay debt service on the Series 2022B Junior Bonds when due.

(b) There is hereby established within the Junior Lien 2022B Debt Service Account a subaccount designated “Junior Lien 2022B Capitalized Interest Debt Service Subaccount” (“Junior Lien 2022B Capitalized Interest Debt Service Subaccount”). Amounts on deposit in the Junior Lien 2022B Capitalized Interest Debt Service Subaccount shall be used to pay interest on the Series 2022B Current Interest Bonds during the applicable Capitalized Interest Period.

(c) On or prior to each Interest Payment Date with respect to the Series 2022B Junior Bonds, the Trustee shall deposit to the Junior Lien 2022B Debt Service Account from the Revenue Fund in accordance with Section 5.5 of the Master Indenture, after giving effect to any amounts on deposit in the Junior Lien 2022B Capitalized Interest Debt Service Subaccount, an amount sufficient to pay debt service then due on the Series 2022B Junior Bonds.

Section 3.4. Junior Lien Bond Proceeds Clearance Fund; Junior Lien Costs of Issuance Fund; Initial Deposits.

(a) The Trustee is hereby authorized and directed to establish a special temporary Fund designated “Junior Lien Bonds Proceeds Clearance Fund” (the “Junior Lien Bond Proceeds Clearance Fund”). On the Issuance Date, the proceeds from the sale of the Series 2022B Junior Bonds shall be deposited to the Junior Lien Bond Proceeds Clearance Fund and shall be applied and disbursed as set forth in a Letter of Instructions signed by an Authorized Representative. The

Trustee shall create within the Junior Lien Bond Proceeds Clearance Fund such accounts as shall be authorized in a Letter of Instructions signed by an Authorized Representative and deposit the proceeds of the Series 2022B Junior Bonds as shall be directed in such Letter of Instructions. The Junior Lien Bond Proceeds Clearance Fund shall be closed upon disbursement of all amounts deposited thereto.

(b) There is hereby established with the Trustee the “Junior Lien Costs of Issuance Fund” (“Junior Lien Costs of Issuance Fund”), relating to the Series 2022B Junior Bonds. There shall be deposited to the Junior Lien Costs of Issuance Fund from the proceeds of the Series 2022B Junior Bonds deposited to the Junior Lien Bond Proceeds Clearance Fund, together with other lawfully available funds of the Authority, if any, the amounts set forth in a Letter of Instructions from the Authority. Such amounts shall be disbursed as set forth in a Letter of Instructions from the Authority. Amounts remaining in the Junior Lien Costs of Issuance Fund on the date which is 90 days after the Issuance Date of the Series 2022B Junior Bonds shall be transferred to the Junior Lien 2022B Debt Service Account. Following such transfer, the Junior Lien Costs of Issuance Fund shall be closed.

Section 3.5. Reserve Fund Participants; Junior Lien Debt Service Reserve Requirement. The Series 2022B Junior Bonds shall be Reserve Fund Participants in the Junior Lien Debt Service Reserve Fund. The Junior Lien Debt Service Reserve Requirement shall have the meaning given to such term in Section 1.2 hereof and is hereby established as if set forth in this Section. The Authority further reserves the right to establish additional Accounts and subaccounts in the Junior Lien Debt Service Reserve Fund as may be necessary or desirable for the maintenance and operation thereof, and in connection with any future issue of Additional Junior Lien Obligations that the Authority elects to establish as Reserve Fund Participants therein.

ARTICLE IV.

FORMS OF BONDS

Section 4.1. Form of Series 2022B Junior Bonds.

(a) Each Series 2022B Current Interest Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit A attached hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate

(b) Each Series 2022B Capital Appreciation Bond, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit B attached hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate.

(c) Each Series 2022B Convertible Capital Appreciation Bond, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas and the Certificate of Authentication of the Trustee shall be in substantially the form and tenor of Exhibit C attached

hereto, with such omissions, insertions, and variations as permitted or required by the Master Indenture, this Supplemental Indenture, and the Award Certificate.

Section 4.2. Initial Series 2022B Junior Bonds. The Award Certificate may provide for the use of Initial Series 2022B Junior Bonds, as described in Section 2.4, representing the entire principal amount of Series 2022B Current Interest Bonds, the Maturity Amount of Series 2022B Capital Appreciation Bonds, or the Maturity Amount of Series 2022B Convertible Capital Appreciation Bonds, payable in stated installments to the order of the representative of the Underwriters or its designee, executed by the manual or facsimile signature of the Chairman of the Board of Directors of the Authority and attested by manual or facsimile signature of the Secretary of the Board of Directors of the Authority, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas.

Section 4.3. Additional Provisions Regarding Bonds.

(a) The Series 2022B Junior Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of bond counsel) thereon as, consistent herewith, may be determined by the officers executing the Series 2022B Junior Bonds, as evidenced by their execution thereof.

(b) The definitive Series 2022B Junior Bonds shall be typewritten, printed, lithographed, or engraved and may be produced by any combination of such methods or produced in any other similar manner, all as determined by the officers executing such Series 2022B Junior Bonds, as evidenced by their execution thereof.

(c) The Initial Series 2022B Junior Bonds submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise produced or reproduced.

ARTICLE V.

TAX MATTERS; REBATE

Section 5.1. Federal Income Tax Exclusion.

(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 Series 2022B Junior 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 Series 2022B Junior Bonds.

(b) No Private Activity Bonds. The Authority covenants that it will use the proceeds of the Series 2022B Junior Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Series 2022B Junior 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 any

Series 2022B Junior Bonds to be a “private activity bond” 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 Series 2022B Junior 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 Series 2022B Junior Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage. The Authority covenants that it will make such use of the proceeds of the Series 2022B Junior Bonds (including investment income) and regulate the investment of such proceeds of the Series 2022B Junior Bonds so that the Series 2022B Junior 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 Series 2022B Junior Bonds, be rebated to the United States.

(g) Information Reporting. The Authority covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Series 2022B Junior Bonds in accordance with section 149(e) of the Code.

(h) Registration. The Series 2022B Junior Bonds will be issued in registered form.

(i) Record Retention. The Authority covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Series 2022B Junior Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Series 2022B Junior 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.

(j) 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 Series 2022B Junior Bonds from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Indenture, the Authority’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Series 2022B Junior Bonds for as long as such matters are relevant to the excludability of interest on the Series 2022B Junior Bonds from gross income for federal income tax purposes.

Section 5.2. Junior Lien 2022B Rebate Account.

(a) There is hereby established within the Rebate Fund, but not as part of the Trust Estate, a special account designated “Junior Lien 2022B Rebate Account.” Amounts deposited to the Junior Lien 2022B Rebate Account shall be applied to the payment of the Rebate Amount pursuant to a Letter of Instructions from the Authority. The Junior Lien 2022B Rebate Account and amounts on deposit therein are not security for the Series 2022B Junior Bonds and are not part of the Trust Estate.

(b) The Authority will deliver to the Trustee, within 55 days after each Computation Date:

(i) a statement, signed by an officer of the Authority, stating the Rebate Amount as of such Computation Date; and

(ii) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Junior Lien 2022B Rebate Account, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” (determined in accordance with section 1.148-3(f)(1) of the Regulations), made to the United States of America or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Junior Lien 2022B Rebate Account, is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” (determined in accordance with section 1.148-3(f)(1) of the Regulations) made to the United States of America; and

(iii) an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

(c) Not later than 60 days after each Computation Date, the Trustee shall withdraw from the Junior Lien 2022B 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 Series 2022B Junior Bonds.

(d) If the Authority discovers or is notified as of any date that any amount required to be paid to the United States of America pursuant to this Section 5.2 has not been paid as required or that any payment paid to the United States of America pursuant to this Section 5.2 will have failed to satisfy any requirement of section 148(f) of the Code or 1.148-3 of the Regulations (whether or not such failure will be due to any default by the Authority or the Trustee), the Authority will (1) deliver to the Trustee (for deposit to the Junior Lien 2022B Rebate Account) and cause the Trustee to pay to the United States of America from the Junior Lien 2022B Rebate Account (A) the Rebate Amount that the Authority failed to pay, plus any interest specified in

section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50% penalty required by section 1.148-3(h)(1) of the Regulations , and (2) deliver to the Trustee an Internal Revenue Service Form 8038-T completed as of such date. If such Rebate Amount, together with any penalty and/or interest due, is not paid to the United States of America in the amount and manner and by the time specified in the Regulations the Authority will take such steps as are necessary to prevent the Series 2022B Junior Bonds from becoming “arbitrage bonds,” within the meaning of section 148 of the Code.

(e) The Authority will retain calculations, made in preparing the statements described in this Section 5.2, whether prepared by the Authority or the Arbitrage Analyst, for at least three years after the later of the final maturity of the Series 2022B Junior Bonds or the first date on which no Series 2022B Junior Bonds are outstanding.

(f) The Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2022B Junior Bonds that is not purchased at fair market value or includes terms that the Authority would not have included if the Series 2022B Junior Bonds were not subject to section 148(f) of the Code.

(g) Notwithstanding the foregoing, the Authority will not be required to perform the obligations set forth in this Section 5.2 (except for the obligation to retain accounting records as described in Section 5.2) if the Authority has not earned any rebatable arbitrage and, therefore, is not subject to the rebate obligation set forth in section 148(f) of the Code. To the extent that the Authority will not be required to perform such obligations, the Authority will send written notice to the Trustee within 55 days after the applicable Computation Date.

ARTICLE VI.

CONTINUING DISCLOSURE

Section 6.1. Definitions. As used in this Article, the following terms have the meanings assigned to such terms below:

“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 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.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 6.2. Annual and Quarterly Reports.

(a) The Authority shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Authority and the System of the general type included in the final Official Statement, being the information described in Exhibit E hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, 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 such period, then the Authority shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the MSRB. Thereafter, when and if audited financial statements become available, the Authority shall provide such audited financial statements as required to the MSRB. In addition to the annual information described above, the Authority will provide certain information on a quarterly basis, as described in Exhibit E hereto.

(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 date 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 from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 6.3. Event Notices.

(a) As used in this Section, the term “obligated person” shall mean any person, including the Authority, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Series 2022B Junior Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Authority shall provide notice of any of the following events with respect to the Series 2022B Junior Bonds to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner and not more than 10 business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 Series 2022B Junior Bonds, or other material events affecting the tax status of the Series 2022B Junior Bonds;

(vii) modifications to rights of owners, if material;

(viii) bond calls, if material and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2022B Junior Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of any obligated person, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into of 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;

(xiv) appointment of a successor or additional Trustee or the change of name of a Trustee, if material;

(xv) 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

(xvi) 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.

For these purposes, (A) any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the United States 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 obligated person, 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 obligated person, and (B) the Authority intends the words used in the

immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with Section 6.2 of this Supplemental Indenture by the time required by such Section.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6.4. 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 Series 2022B Junior Bonds within the meaning of the Rule, except that the Authority in any event will give notice of any deposit of funds that causes Series 2022B Junior Bonds no longer to be Outstanding.

(a) The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2022B Junior 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 Series 2022B Junior Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2022B JUNIOR BONDS 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 comprise a breach of or default under the Indenture for purposes of any other provisions of this Supplemental Indenture.

(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 or status of the Authority, or type of business or operations

conducted by the Authority, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2022B Junior Bonds in the primary offering of the Series 2022B Junior 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 Holders of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Supplemental Indenture that authorizes such an amendment) of the Outstanding Series 2022B Junior Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Series 2022B Junior Bonds. If the Authority so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 6.2 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.

ARTICLE VII.

OTHER MATTERS

Section 7.1. Execution in Several Counterparts. This Supplemental 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.

Section 7.2. Designation as System Project. The designation by the Authority in the First Supplemental Indenture of the 2022 Project and the BSIF Connector as System Projects for all purposes of the Indenture is hereby ratified and confirmed.

Section 7.3. Compliance with Texas Government Code. (a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Supplemental Indenture is a contract for goods or services, will not boycott Israel during the term of this Supplemental Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(c) To the extent this Supplemental Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Supplemental Indenture. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(d) To the extent this Supplemental Indenture constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, “SB 19”), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(ii) will not discriminate during the term of this Supplemental Indenture against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

[Execution Pages Follow]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental Indenture to be signed 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

Attest:

Secretary

(SEAL)

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By _____
Authorized Representative

EXHIBIT A

FORM OF SERIES 2022B CURRENT INTEREST BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B**

CURRENT INTEREST BOND

REGISTERED

REGISTERED

No. _____

\$ _____

**INTEREST
RATE**

**STATED
MATURITY DATE**

ISSUANCE DATE

CUSIP NO.

_____, 2022

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date or the most recent interest payment date to which interest has been paid or provided for, at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, such interest to be paid semiannually on each December 1 and June 1 commencing _____ 1, 2022, until this Bond shall be paid or provided for. Payment of principal of and interest on this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein and not otherwise defined have the meanings assigned to them in the Master Indenture, the First Supplemental Indenture and the Award Certificate, as each such term is defined below.

The principal of this Bond shall be payable without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the "Trustee"), in Dallas, Texas, or at such other location as may be designated by the Trustee (the "Designated Payment/Transfer Office"), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor. Interest on this Bond shall be paid by check dated as of the interest payment date and mailed to the person in whose name such Bond is registered on the 15th day of the month (whether or not a business day) immediately preceding the applicable interest payment date (the "Record Date"), at the address of such Person as shown on the registration books for the Bonds kept by the Trustee, or such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the person to whom interest is to be paid; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Holder of this Bond appearing on the books of the Trustee at the close business on the last business day preceding the date of mailing of such notice.

If a date for the payment of principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated "Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B" (the "Series 2022B Junior Lien Bonds" or the "Bonds"), dated February 1, 2022, issued in the aggregate principal amount of \$_____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the "Act"), and under and pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture, dated as of February 1, 2022, (the "Second Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the "Award Certificate"), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$_____, as (i) "Series 2022B Current Interest Bonds," which total \$_____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) "Series 2022B Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each

December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) "Series 2022B Convertible Capital Appreciation Bonds," which total \$_____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Current Interest Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THIS BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Bonds are being issued pursuant to the Indenture to provide funds to (i) to pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Bonds; (iii) make a deposit to the Senior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Bonds. Copies of the Indenture and the Award Certificate are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Award Certificate and the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the

Holders of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of this Bond and the Indenture, the terms and provisions of the Indenture shall govern and control.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from and secured by the Trust Estate that are on a parity with or junior and subordinate to the Bonds, all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in principal denominations of \$5,000 or any integral multiple thereof.

Redemption Prices and Terms. The Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE TO APPEAR ON INITIAL SERIES 2022B CURRENT INTEREST BOND ONLY]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON EACH BOND OTHER THAN INITIAL SERIES 2022B CURRENT INTEREST
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH 2022 CURRENT INTEREST BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Current Interest Bond

The Initial Series 2022B Current Interest Bond shall be in substantially the same form as this Exhibit A above, except that:

(a) Immediately under the name of the Series 2022B Current Interest Bond, the headings “INTEREST RATE” and “STATED MATURITY DATE” shall both be completed with the words “As Shown Below” and the “CUSIP NO.” shall be deleted;

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted:

“on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>

(information to be inserted from the Award Certificate)

EXHIBIT B

FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B**

CAPITAL APPRECIATION BOND

REGISTERED	REGISTERED
	MATURITY AMOUNT
No. _____	\$ _____

APPROXIMATE YIELD TO MATURITY:	ORIGINAL PRINCIPAL AMOUNT:	ISSUANCE DATE:	STATED MATURITY DATE:	CUSIP NO.:
_____%	_____	_____, 2022	_____ 1, 20__	_____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the “Authority”), a body politic and corporate and a public and a political subdivision of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE RECEIVED, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of

_____ DOLLARS

The Maturity Amount represents the total of the original principal amount hereof, plus the initial premium paid hereon, if any, plus interest accreted thereon to the Stated Maturity Date. Interest accretes from the Issuance Date specified above, and will compound semiannually on December 1 and June 1, commencing _____ 1, 2022. A table of the “Compounded Amounts” per \$5,000 Maturity Amount is printed on or attached to this Series 2022B Junior Bond. The term “Compounded Amount,” as used herein, means the original principal amount of this

Bond plus the initial premium, if any, paid therefor with interest thereon accreted and compounded semiannually to the December 1 or June 1 next preceding the date of such calculation (or, the date of calculation, if such calculation is made on December 1 or June 1) at a compounding rate which produces the approximate yield to maturity set forth above. For any date other than a December 1 or June 1, the Compounded Amount of this Bond shall be determined as the amount set forth in the Table of Compounded Amounts for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Table of Compounded Amounts for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounded Date to the next succeeding Compounding Date.

Payment of the Maturity Amount of this Bond shall be made in lawful currency of the United States of America.

Capitalized terms appearing herein that are defined terms in the Indenture defined below have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The Maturity Amount of this Bond shall be payable on the Stated Maturity Date shown above, without exchange or collection charges upon presentation and surrender of this Bond, at the designated payment/transfer office of Wilmington Trust, National Association, as trustee and paying agent (such bank and any successor in such capacity being referred to as the “Trustee”), in Dallas, Texas, or at such other location as may be designated by the Trustee (the “Designated Payment/Transfer Office”), or, with respect to a successor trustee, at the Designated Payment/Transfer Office of such successor.

If a date for the payment of the Maturity Amount of this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Authority or the Designated Payment/Transfer Office is located are authorized by law or executive order to close, 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 payment was due.

This is one of the Obligations of the Authority designated “Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B” (the “Series 2022B Junior Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$ _____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture dated as of February 1, 2022 (the “Second Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$ _____, as (i) “Series 2022B Current Interest Bonds,” which total \$ _____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022B Capital Appreciation

Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing _____ 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022B Convertible Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary.

The Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indenture as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THIS SERIES 2022B JUNIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022B JUNIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022B JUNIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022B Junior Bonds are being issued pursuant to the Indenture to provide funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022B Current Interest Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022B Junior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022B Junior Bonds with respect thereto; the terms and conditions upon which the Series 2022B Junior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022B Junior Bond assents by the acceptance of this Series 2022B Junior Bond.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount due hereon and for all other purposes.

The Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022B Junior Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or, in lieu thereof, the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal to be affixed hereto, and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By _____
Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE — SERIES 2022B CAPITAL APPRECIATION
BONDS**

[To Come]

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022B CAPITAL APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022B CAPITAL APPRECIATION
BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022B CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Capital Appreciation Bond

The Initial Series 2022B Capital Appreciation Bond shall be in the form of this Exhibit B above, except that:

(a) immediately under the name of the Series 2022B Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT C

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
JUNIOR LIEN TOLL AND VEHICLE REGISTRATION FEE
REVENUE AND REFUNDING BOND,
SERIES 2022B

CONVERTIBLE CAPITAL APPRECIATION BOND

**THE ORIGINAL MATURITY AMOUNT OF THIS BOND IS SUBJECT TO
REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL
REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE
MATURITY AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE
REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE**

**[THE MATURITY AMOUNT OF THIS BOND WHILE REGISTERED IN
THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK,
OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS
OF ANY BONDS OR PORTIONS THEREOF]¹**

REGISTERED	REGISTERED MATURITY AMOUNT
No. _____	\$ _____

APPROXIMATE YIELD TO MATURITY:	ORIGINAL PRINCIPAL AMOUNT:	ISSUANCE DATE:	STATED MATURITY DATE:	CUSIP NO.:
_____ %	_____	_____, 2022	_____ 1, 20____	_____

The HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY (herein called the
“Authority”), a body politic and corporate and a public and a political subdivision of the State of
Texas, organized and existing under and by virtue of the laws of the State of Texas, FOR VALUE
RECEIVED, hereby promises to pay to

¹ To be included only in bonds registered in the name of DTC or its nominees.

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Stated Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, the Maturity Amount of this Series 2022B Junior Bond, being the sum of

_____ DOLLARS

in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on the original principal amount set forth above in like coin or currency from the Issuance Date specified above to December 1, 20__ (the "Conversion Date") at per annum rate set forth above, compounded on June 1, 2022 and each December 1 and June 1 thereafter until and including the Conversion Date (each such date being a "Compounding Date"), such interest to be payable as part of the Maturity Amount specified above on the maturity date specified above or the prior redemption hereof, and to pay interest on the Maturity Amount specified above from the later of the Conversion Date or the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid at the per annum rate specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest on the Maturity Amount to be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 20__ (each, an "Interest Payment Date"). A Compounded Amounts Table per \$5,000 Maturity Amount is printed on or attached to this Series 2022B Junior Bond. The term "Compounded Amount," as used herein, means as of any particular date of calculation, the original principal amount thereof, plus all interest accreted and compounded to the particular date of calculation, determined as follows:

(a) as of any Compounding Date (which shall include the Conversion Date), the amount shown as the Compounded Amount for such Compounding Date in the Compounded Amount Table; and

(b) as of any date that is not a Compounding Date, the amount set forth in the Compounded Amount Table for the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth in the Compounded Amount Table for the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which determination is being made bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

The Maturity Amount or redemption price of this Series 2022B Junior Bond shall be payable upon presentation and surrender of this Series 2022B Junior Bond, at the Designated Payment/Transfer Office of Wilmington Trust, National Association (such bank and any successor in such capacity being referred to as the "Trustee"), being, initially, the office of the Trustee in Dallas, Texas. The interest accrued on this Series 2022B Junior Bond on and after the Conversion Date shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2022B Junior Bond is registered on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the "Record Date"), at the address of such Person as shown on the registration books for the Series 2022B Junior Bonds kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on the Series 2022B Junior Bonds (including interest calculated as provided in the Indenture (as defined below), together with all other amounts that constitute interest on the Series

2022B Junior Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Series 2022B Junior Bonds (whether at maturity or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

This is one of the Obligations of the Authority designated “Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B” (the “Series 2022B Junior Bonds” or the “Bonds”), dated February 1, 2022, issued in the aggregate principal amount of \$ _____ under and pursuant to and in accordance with the provisions of Chapter 370, Texas Transportation Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Authority, collectively, the “Act”), and under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of February 1, 2022, as supplemented by the Second Supplemental Trust Indenture dated as of February 1, 2022 (the “Second Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and each between the Trustee and the Authority, and the Award Certificate dated as of _____, 2022 (the “Award Certificate”), executed by an Authorized Representative of the Authority. The Bonds are dated February 1, 2022, and are issued in the aggregate principal amount of \$ _____, as (i) “Series 2022B Current Interest Bonds,” which total \$ _____ in principal amount and pay interest at stated intervals to the Holders thereof, (ii) “Series 2022B Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date, compounded semiannually on each December 1 and June 1, commencing June 1, 2022, payable at the Stated Maturity thereof, and (iii) “Series 2022B Convertible Capital Appreciation Bonds,” which total \$ _____ in original principal amount and accrete interest from the Issuance Date to the Conversion Date at the rate per annum for each respective maturity specified in the Award Certificate compounded on each Compounding Date and payable as a portion of the Maturity Amount at Stated Maturity thereof. This Bond is a Series 2022B Convertible Capital Appreciation Bond payable as to principal and interest as herein provided. As provided in the Indenture, Obligations may be issued from time to time pursuant to a supplemental indenture, in one or more series, in various principal amounts, maturing at different times, bearing interest at different rates and subject to the provisions thereof, may otherwise vary.

The Series 2022B Junior Bonds are limited obligations of the Authority constituting Junior Lien Obligations payable from and secured solely by a lien on, pledge of and security interest in the Trust Estate; subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the Senior Lien Obligations. The Series 2022B Junior Bonds, as Junior Lien Obligations, constitute a valid claim of the Holder thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Series 2022B Junior Bonds. The Series 2022B Junior Bonds shall not constitute a general obligation of the Authority and under no circumstances shall the Series 2022B Junior Bonds be payable from, nor shall the Holder thereof have any rightful claim to, any income, revenues, funds or assets of the Authority other than those pledged under the Indentures as security for the payment of the Junior Lien Obligations.

NONE OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THIS SERIES 2022B JUNIOR BOND IS PAYABLE SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, HIDALGO COUNTY, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE MATURITY AMOUNT OF OR INTEREST ON THIS SERIES 2022B JUNIOR BOND. THE AUTHORITY HAS NO TAXING POWER.

NO RECOURSE UNDER THIS SERIES 2022B JUNIOR BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY. THIS SERIES 2022B JUNIOR BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES ASSIGNED BY THE INDENTURE.

The Series 2022B Junior Bonds are being issued pursuant to the Indenture to provide funds to (i) pay a portion of the Costs of the 2022 Project; (ii) pay capitalized interest on the Series 2022B Current Interest Bonds; (iii) make a deposit to the Junior Lien Debt Service Reserve Fund; (iv) refund and redeem the Refunded Obligation; and (v) pay certain costs of issuance for the Series 2022B Junior Bonds. Copies of the Indenture are on file at the office of the Authority and at the Designated Payment/Transfer Office and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2022B Junior Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the Holders of the Series 2022B Junior Bonds with respect thereto; the terms and conditions upon which the Series 2022B Junior Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Series 2022B Junior Bond assents by the acceptance of this.

The Authority reserves the right in the Indenture to issue other Obligations of the Authority for other projects and further reserves the right to issue Obligations that are payable from the pledges and assignments in trust pursuant to the Indenture on a parity with or subordinate to the pledge under the Indenture all as provided in the Indenture.

The Holder of this Series 2022B Junior Bond shall have no right to enforce the provisions of the Indenture, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Series 2022B Junior Bond is transferable, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the Designated Payment/Transfer Office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Series 2022B Junior Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney,

and thereupon, a new Series 2022B Junior Bond or Series 2022B Junior Bonds in the same aggregate Maturity Amount shall be issued to the transferee in exchange herefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the person in whose name this Series 2022B Junior Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Maturity Amount, redemption price or purchase price hereof and interest due hereon and for all other purposes.

The Series 2022B Junior Bonds are issuable only in fully registered form, without coupons, in the denomination of \$5,000 Maturity Amount or any integral multiple thereof.

Redemption Prices and Terms. The Series 2022B Junior Bonds shall be subject to redemption prior to maturity as set forth in the Second Supplemental Indenture and the Award Certificate.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Series 2022B Junior Bond, exist, have happened, and have been performed and that the issuance of this Series 2022B Junior Bond and the series of Series 2022B Junior Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Series 2022B Junior Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2022B Junior Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY has caused this Series 2022B Junior Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By

Chairman

Attest:

Secretary

(SEAL)

**COMPOUNDED AMOUNTS TABLE
FOR THE SERIES 2022B
CONVERTIBLE CAPITAL APPRECIATION BONDS
(Per \$5,000 Maturity Amount)**

*[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON THE INITIAL SERIES 2022B CONVERTIBLE CAPITAL
APPRECIATION BOND]*

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Hidalgo County Regional Mobility Authority, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL SERIES 2022B CONVERTIBLE CAPITAL
APPRECIATION BOND]*

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, Trustee

By

Authorized Representative

*[FORM OF ASSIGNMENT
TO APPEAR ON EACH SERIES 2022B CONVERTIBLE CAPITAL APPRECIATION BOND]*

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

II. Initial Series 2022B Convertible Capital Appreciation Bond

The Initial Series 2022B Convertible Capital Appreciation Bond shall be in the form of this Exhibit C above, except that:

(a) immediately under the name of the Series 2022B Convertible Capital Appreciation Bond, the headings “APPROXIMATE YIELD TO MATURITY,” ORIGINAL PRINCIPAL AMOUNT” and “STATED MATURITY DATE,” shall be completed with the words “As Shown Below” and the heading “CUSIP NO.” shall be deleted; and

(b) in the first paragraph:

the words “on the Stated Maturity Date specified above, the Maturity Amount of this Series 2022B Junior Bond, being the sum of _____ DOLLARS” shall be deleted and the following shall be inserted:

“on December 1, in the years, in the Original Principal Amounts, Maturity Amounts and with interest at the per annum rates which produce the Approximate Yield to Maturity in accordance with the following schedule:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Approximate Yield To Maturity</u>	<u>Maturity Amount</u>
_____	\$ _____	_____	\$ _____

(information to be inserted from the Award Certificate)

EXHIBIT D
FORM OF REQUISITION
CONSTRUCTION FUND
2022B JUNIOR LIEN PROJECT SUBACCOUNT
CERTIFICATE AND REQUISITION FOR PAYMENT

DATE: [Month], [Year]

DRAW REQUEST NO.: _____

DESCRIPTION SUMMARY¹	AMOUNT
	\$ _____
TOTAL AMOUNT REQUESTED	\$ _____

The Authority does hereby certify to the Trustee that: (i) each item submitted herewith is a proper charge against the 2022B Junior Lien Project Subaccount of the 2022 Project Account of the Construction Fund and has not been paid, (ii) such requisition contains no item representing payment on account of any retainage which the Authority is as of the date of this requisition not entitled to release, (iii) no default exists under the Indenture which has not been disclosed to the Trustee and the Authority will use its best efforts to cure any default if it exists and (iv) there has not been filed with or served upon the Authority legal notice of any lien, right to lien, attachment or other claim, which is valid in the opinion of counsel to the Authority and affects the right to receive payment of any of the moneys payable to any of the Persons, firms or corporations named herein which has not been released or will not be released simultaneously with such payment.

Please remit funds by wire transfer to the Authority [Wiring instructions for disbursement].

HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY

By: _____
Authorized Representative

¹ Attach appropriate information indicating the name of the Person, Firm or Corporation to whom payment is due, the amount to be paid and the purpose for which such obligation was incurred.

CERTIFICATION OF GENERAL ENGINEERING CONSULTANT

As General Engineering Consultant for the 2022 Project, we hereby certify the following in connection with 2022B Junior Lien Project Subaccount of the 2022 Project Account of the Construction Fund Certificate and Requisition for Payment Draw Request No. _____:

- (i) such requisition is approved;
- (ii) the amount requisitioned is due and has not previously been paid from the 2022 Project Account of the Construction Fund;
- (iii) insofar as the payment is to be made for work, material, supplies or equipment, the work has been performed and the materials, supplies or equipment have been installed as part of the 2022 Project or have been delivered at the site;
- (iv) all work material, supplies and equipment for which payment is to be made are, in our opinion, substantially in accordance with the plans and specifications or duly approved change orders; and

[If an item for payment includes real property:

- (v) acquisition of such property is necessary or advisable in connection with the design, acquisition and construction of the 2022 Project or the operation of the 2022 Project.]

as General Engineering Consultant

By: _____
Title: _____

EXHIBIT E

CONTINUING DISCLOSURE

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article VI of this Supplemental Indenture. All capitalized terms shall have the meanings assigned to them in the Official Statement.

Annual Financial Information and Operating Data

The information to be updated annually includes all quantitative financial information and operating data with respect to the Authority and the System of the general type included in the Official Statement, under the headings:

1. “ESTIMATED SYSTEM CASH FLOW AND DEBT SERVICE COVERAGE – Estimated System Cash Flow and Debt Service Coverage Table” (but containing only the historical financial information for the current Fiscal Year and the previous Fiscal Year of the type shown in such table);
2. “DEDICATED VEHICLE REGISTRATION FEES – Estimated Dedicated Vehicle Registration Fees” (but containing only the historical financial information for the current Fiscal Year and the previous Fiscal Year of the type shown in such table);
3. “SCHEDULE II – DEBT SERVICE REQUIREMENTS”; and
4. “APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY.”

The Authority will update and provide this information within six months after the end of each Fiscal Year. Included in the annual filing, beginning with the first Fiscal Year following the Fiscal Year in which Substantial Completion (as defined in the Master Trust Indenture) of the Phase II Project occurs and for each subsequent Fiscal Year, the Authority will furnish a copy of the General Engineering Consultant’s annual report relating to its inspection of the System (which may be provided as one or more reports prepared by one or more General Engineering Consultants).

Quarterly Financial Information and Operating Data

In addition to the annual information described above, the Authority will furnish on a quarterly basis, within 60 days after the end of each quarter of the Fiscal Year, (i) commencing with the quarter ending _____, 2022, through the quarter in which Substantial Completion (as defined in the Master Trust Indenture) of the Phase II Project occurs, a copy of the General Engineering Consultant’s construction progress report relating to the Phase II Project for the previous quarter of the Fiscal Year, and (ii) commencing with the first quarter following the quarter in which Substantial Completion of the Phase II occurs and for each quarter thereafter, unaudited information regarding the number of toll transactions for the System and the Revenues generated by such toll transactions for the previous quarter of the Fiscal Year.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in item 4 of the “Annual Financial Information and Operating Data” above.

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Item 31

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM 3I
DATE SUBMITTED 12/14/2021
MEETING DATE 12/20/2021

1. Agenda Item: **Resolution 2021-78 – Consideration and Approval of Change Order 2 to the Construction Contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
 Consideration and approval of Change Order 2 Construction Contract with Pulice Construction Inc for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).
3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: X Yes No N/A Funding Source: _____
5. Staff Recommendation: **Motion to approve Resolution 2021-78 – Approval of Change Order 2 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**
6. Development Engineer's Recommendation: X Approved Disapproved None
7. Construction Engineer's Recommendation: X Approved Disapproved None
8. Chief Auditor's Recommendation: Approved Disapproved X None
9. Board Attorney's Recommendation: X Approved Disapproved None
10. Chief Financial Officer's Recommendation: X Approved Disapproved None
11. Executive Director's Recommendation: X Approved Disapproved None



Memorandum

To: Pilar Rodriguez, PE, Executive Director

From: Ramon Navarro IV, P.E., Chief Construction Engineer

Date: December 19, 2021

Re: **Consideration and Approval of Change Order No. 2 to the Construction Contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**

Background

On October 19, 2021, the Board of Directors awarded the construction contract for the 365 Tollway Project to the lowest, responsive, and responsible bidder Pulice Construction, Inc. [PCI] in the amount of \$295,932,420.25 with issuance of NTP subject to a reduction of scope to bring the project back into budget by implementing project's Value Engineering Change Proposals [VECP]. Board approval on November 10, 2021 of CO No.1 sanctioned the use of VECP by authorizing PCI to develop the schematics (30% of design), budget and savings; and, establishes compensation for such services to be the lesser of (a) the sum (5% of the Projected Savings x 30%), or (b) the direct costs to the Contractor in developing the acceptable Project Savings (the "Cost") within 30 days from the date of the Change Order to present projected savings acceptable to the HCRMA.

Goal

Attached for the Board's review and consideration, is Change Order No. 2 which captures accepted conceptual plans and pricing. Each VECP concept has been detailed for the Board's consideration and approval individually, along with a total gross savings, Exhibit A (the "Projected Savings"). The Projected Savings are based on the preliminary design work. Contractor's direct costs for preparation of the VECP, including final design, and Owner's reasonable costs to review and administer the VECP shall be deducted from the gross savings. The net savings of any accepted VECP concepts under the Contract shall be shared between the Owner and Contractor as follows: Owner 40% and Contractor 60%.

Change Order No. 2 establishes the VECP concepts/Projected Savings to make the Project financeable by toll revenue bonds. The Contract Price delivered by the VECP process is a "not-to-exceed" Contract amount, except as expressly provided for under the terms of the Contract. The VECP Savings shall be shared between Contractor and Owner as described above; disbursements will be made to the contractor for its 60% portion of project savings based on 20% increments of Project's progressive construction completion; and, stipulates that any overages due to errors, oversights, omissions, additions, or corrections to final units, quantities or unit pricing shall be deducted from Contractor's 60% portion of the net savings, as detailed in Change Order No. 2.

Recommendation

Based on review by this office, HDR (GEC) and Legal approval of Change Order No. 2 to the construction contract with PCI for the 365 Tollway Project is recommended.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION No. 2021-78

**CONSIDERATION AND APPROVAL OF CHANGE ORDER 2 TO THE CONSTRUCTION
CONTRACT WITH PULICE CONSTRUCTION INC. FOR THE 365 TOLLWAY PROJECT FROM
US 281/MILITARY HIGHWAY TO FM 396 (ANZALDUAS HIGHWAY)**

THIS RESOLUTION is adopted this 20th day of December, 2021 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 Act allows the Authority to construct transportation projects within the County, including the 365 Tollway Project (the “Project”); and

WHEREAS, the Texas Department of Transportation approved the Project’s final design, contract letting and award procedures, and form of construction contract; and

WHEREAS, on August 8, 2021, August 11, 2021, August 15, 2021, August 18, 2021, August 22, 2021, and August 25, 2021 the Authority published a solicitation for Bid #2021-001 for the 365 Tollway Project (Segments 1 and 2), Contract No. 0921-02-368 for the Project; and

WHEREAS, bids for the Project were submitted electronically via Civcast Bid System; the first bid was received at 2:27 p.m. on October 13, 2021, and the last bid was received at 2:51 pm on October 13, 2021; and

WHEREAS, at 3:05 p.m. on October 13, 2021, the Authority opened and read into the record three (3) formal sealed, electronic bids for the Project from: (i) Pulice Construction, Inc., (ii) Webber, LLC., (iii) and Anderson Columbia Co., Inc., in amounts ranging from \$295,932,420.25 to \$340,409,415.64 for construction of the Project; and

WHEREAS, Pulice Construction, Inc. provided the lowest Project bid in the amount of \$295,932,420.25; and

WHEREAS, on October 19, 2021 the Board approved Resolution 2021-46 conditionally awarding the construction contract of the 365 Toll Project to the lowest, responsive, and responsible bidder Pulice Construction, Inc. in the amount of \$295,932,420.25; and

WHEREAS, on November 10, 2021 the Board approved Resolution 2021-54, approving Change Order No. 1 to the construction contract with Pulice Construction Inc.; provided, there was no issuance of an NTP to Pulice Construction Inc. until a Value Engineering Proposal (“VECP”) is approved by the Board of Directors and TxDOT to establish the financeability of the Project. If, after the VECP process, the Project scope is not deemed feasible and additional revenue is not available to fully fund the Project, no NTP shall be

issued and the Authority shall terminate the contract without incurring any additional costs other than those approved under Change Order No. 1. The VECP is structured to identify concepts and function oriented techniques to improve the value of the Project, or any component thereof, including improvements to schedule, operating costs, constructability, and risk mitigation; without altering scope or environmental justices, hereby authorize terms of Exhibit A; and

WHEREAS, the Board finds it to be in the best interest of the Authority to accept the VECP proposals outlined in Exhibit A to Change Order No. 2 and revise the contract amount to \$281,723,797.95; and ; and

WHEREAS, the Board further finds it to be in the best interest of the Authority to provide a contingency fund for the Project in the amount of \$5,000,000, and authorizes a total Project cost of \$286,723,797.95;

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 Change Order No. 2 (including Exhibit A thereto) to the construction contract with Pulice Construction Inc. for construction of the 365 Toll Project in substantially final form as attached hereto as Exhibit A, establishing a construction contract amount of \$281,723,797.95, which, with the addition of \$5,000,000 for contingency, revises the Project cost to \$286,723,797.95.

Section 3. Provided that Project financing is achieved by the Financing Deadline established in Change Order No. 2, Pulice Construction Inc. will be directed to complete the design process for the concepts outlined in Exhibit A to Change Order No. 2 and NTP shall be issued in accordance with the Contract. The total design costs and the HCRMA's expenses for administering the VECP process, as outlined in Change Order No. 2, shall be deducted from the total savings created under the change order.

Section 4. If the Project is not financed by the Financing Deadline, no NTP shall be issued under the Contract; and, the Board authorizes payment to Pulice Construction Inc. of the preliminary design fee for the schematics in the amount of \$613,285.06.

Section 5. The Board hereby authorizes the Executive Director to execute the Change Order No. 2.

Section 6. Change Order No. 2 shall be effective upon concurrence by TxDOT.

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 20th day of December, 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A
CHANGE ORDER NUMBER TWO
BETWEEN
PULICE CONSTRUCTION, INC.
AND
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
FOR
CONSTRUCTION
OF
365 TOLLWAY PROJECT

365 TOLLWAY, SEGMENTS 1 AND 2 (365 TOLL PROJECT)

CHANGE ORDER NO. 2

Project Information	ISSUANCE DATE: December 20, 2021
Project	365 Toll Project
CSJ	0921-02-368
Owner	Hidalgo County Regional Mobility Authority (HCRMA)
Description and Reason for the Change Order	

This change order is the result of the conditional contract award for the Project and further requires:

- (i) TxDOT concurrence on Change Order No. 2, as required in the Project Development Agreement; and
- (ii) Withholding NTP until project financeability has been established and completed by the Financing Deadline (described below).

1. **Value Engineering Change Proposal.** In Change Order No. 1, the parties agreed to enter into the post award Value Engineering Change Proposal (“VECP”) process in the Contract (Section V of the Bid Document). Contractor has submitted and Owner hereby accepts a reduction in Project cost of \$38,163,935.40 (the “Savings”), revising the Contract price to: \$281,649,312.89 (the “Contract Price”). During the VECP process, Contractor confirmed quantities and unit pricing for each unit in the Contract. Items included in the Savings have been conceptually designed by Contractor to 30% of final design (the “Schematics”). Exhibit A hereto provides the final units, quantities and unit pricing under the Contract.

Owner agrees to submit the Contract Price for toll revenue bond financing as described in the Bid Document.

2. **Schedule.** As stated in Changer Order No. 1, the Financing Deadline is on or about February 15, 2022. The Financing Deadline requires closing on toll revenue bonds supporting the Project (the “Closing”).
3. **Costs of VECP.** The parties previously agreed that the cost of the Schematics will be calculated as the lesser of (a) the sum (5% of the Savings x 30%) or (b) the direct costs to the Contractor in developing the acceptable Project Savings (the “Schematics Cost”). The parties now agree to a Schematics Cost of \$613,285.06. The parties agree that the Savings presented by the Contractor is a set number based on the Schematics, regardless of cost increases or decreases in final design.

If the Project is financed, the Schematics Cost paid to the Contractor will be deducted from the total gross savings of the VECP. If the Project is not financed, Owner shall pay the Schematics Cost directly to Contractor within ten (10) days of the lapsed Financing Deadline. Owner owns the Schematics design documents created in support of the Savings.

If the Project is financed, Contractor shall proceed with the final design effort. The HCRMA shall reimburse Contractor for total design in an amount not to exceed 5% of Savings, less any amount previously paid out for developing the Savings concepts to the construction level. In any event, total design costs creating Savings under VECP shall not exceed \$1,943,648.45. This Change Order No. 2 reimburses the Contractor for the Schematics; future design reimbursements shall be made upon design milestones at 60%, 90%, and 100% completion and acceptance. All reimbursements for design shall be deducted from gross savings of the VECP. Owner shall own the final design documents created pursuant to VECP.

Contractor's direct costs for design of the VECP (described above) and Owner's reasonable costs to review and administer the VECP (collectively, the "Costs") shall be deducted from the gross Savings as described below.

4. **VECP Savings.** After costs have been deducted from the gross Savings, the remaining Savings shall be shared between the Owner and Contractor as follows: Owner 40% and Contractor 60%.

This Change Order No. 2 establishes \$38,010,382.63 in gross Savings. To establish the amount of net Savings shared between the Contractor and the Owner, first:

- the Schematics Cost of \$613,285.06 shall be deducted from the gross Savings; then,
- the Final Design Cost of \$1,330,363.39 shall be deducted from the gross Savings (combined with Schematics Cost, the total design cost shall not exceed \$1,943,648.45); and, then
- the Owner's administrative fees for VECP, estimated to be \$545,178.43 shall be deducted from the gross Savings.

VECP Calculations for Contract Price of \$281,723,797.95

VECP Gross Savings	\$38,010,382.63	
<i>Less est. Total Design Cost</i>	<i>\$1,943,648.45</i>	<i>(Schematics + Final Design)</i>
<i>Less est. Owner's Fees</i>	<i><u>\$545,178.43</u></i>	<i>(GEC, Environmental, T&R costs)</i>
VECP Net Savings	\$35,521,555.76	
 60% Contractor Savings:	 \$21,312,933.45	 <i>Paid as Progress Payments</i>
 40% Owner Savings:	 \$14,208,622.30	 <i>Reduced from original Project financing total</i>

To the extent actual costs exceed the amounts presented in Exhibit A, Contractor agrees that such overages due to errors, oversights, omissions, additions, or corrections to final units, quantities or unit pricing shall be deducted from Contractor's 60% portion of the net Savings (the "Contractor Risk").

5. **Contractor VECP Savings Payments.**

Contractor's share of the Savings shall be calculated and paid out as progress payments under the terms of the Contract, as follows:

<u>Construction Progress</u>	<u>Proposed Savings Payment</u>
20% Completion	\$4,262,586.69
40% Completion	\$4,262,586.69
60% Completion	\$4,262,586.69
80% Completion	\$4,262,586.69
Final Acceptance	<u>\$4,262,586.69</u>
	\$21,312,933.45

The parties agree that if the Savings are not apparent or justified during a designated progress period, all or part of any such Savings Payment, on the recommendation of the General Engineering Consultant, may be (i) deferred to the next progress period or (ii) reduced to reflect the Contractor's Risk for unrealized Savings/overages.

Price and Budget

This change order establishes the framework for VECP to achieve Savings to make the Project financeable by toll revenue bonds. The Contract Price established by the VECP process is a not-to-exceed Contract amount, except as expressly provided for under the terms of the Contract. The VECP Savings shall be shared between Contractor and Owner as described above.

The Schematic Cost of \$613,285.06 is approved through financing or, if Closing does not occur, then directly from Owner. If Closing is achieved, Contractor shall proceed with final design as described above.

The parties agree to submit additional contract language memorializing the Contractor Risk prior to NTP.

365 TOLL PROJECT, SEGMENTS 1 AND 2

CHANGE ORDER NO. 2

For TxDOT/HCRMA/FHWA use only:	
Days FHWA Non-Participating Co Portion FHWA Non-Participating	N/A \$0.00
Project Schedule	
Substantial Completion Date: Final Acceptance Date:	TBD TBD
Signatures	
ACCEPTED: Pulice	Signature: _____ Date: _____
ACCEPTED: HCRMA	Signature: _____ Pilar Rodriguez, Executive Director Date: _____

EXHIBIT A

CO#2 Exhibit A - Summary (12/20/2021)				
		11/30/2021	12/20/2021	12/20/2021
CONCEPT	DESCRIPTION	PROPOSED SAVINGS	PROPOSED SAVINGS	ACCEPTED SAVINGS
VECP 01	Build from the Center	\$ 12,397,479.11	\$ 13,975,859.20	\$ 13,975,859.20
VECP 02	Keep Portion of FM 494 as a Frontage Road	\$ 466,782.60	\$ 466,780.86	\$ -
VECP 03	FM 494 / Shary Rd Take Mainlanes from 2+2 to 1+1	\$ 1,123,506.99	\$ 1,123,506.99	\$ -
VECP 04	Reduce Should between STA 803+00 TO STA 835+00	\$ 315,734.24	\$ 316,022.79	\$ 316,022.79
VECP 05	Optimize Ramp Designs Between FM 2062/Jackson Rd and US 281/Cage Blvd	\$ 823,120.60	\$ 823,158.26	\$ 823,158.26
VECP 06	SH336/10th Street Reverse Grade Separation	\$ -	\$ -	\$ -
VECP 07	I-Road @ 365 Tollway - Intersection Optimization	\$ 7,265,822.37	\$ 7,173,355.75	\$ 7,173,355.75
VECP 08	Updated Pavement Design (Reduced Pavement Section)	\$ 7,350,268.86	\$ 7,350,268.86	\$ 7,350,268.86
VECP 09	Change in CTB Preparation Method	\$ 2,366,976.00	\$ 2,366,976.00	\$ 2,366,976.00
VECP 10	Optimize Girders (Resize / Optimize)	\$ 1,739,299.28	\$ 1,739,299.28	\$ 1,739,299.28
VECP 11	Optimize Overpass at FM 494/Shary Rd	\$ -	\$ -	\$ -
VECP 12	Floodway Bridge Optimizatrions (Precast Caps, Bridge Shortening, Driven Piles	\$ -	\$ -	\$ -
VECP 13	FM 2062/Jackson Rd Overpass - Bridge Shortening	\$ 1,129,041.70	\$ 1,129,041.70	\$ 1,129,041.70
VECP 14	US281/Cage Blvd Overpass - Bridge Drill Shaft Optimization	\$ -	\$ -	\$ -
VECP 15	ITS Optimizations	\$ 1,201,618.30	\$ 1,193,666.10	\$ 1,193,666.10
VECP 16	Wick Drain Material / Design Change	\$ -	\$ -	\$ -
VECP 17	MSE Backfill Material Change	\$ 1,848,357.60	\$ 1,284,999.96	\$ -
VECP 18	MSE Wall Design	\$ 1,942,734.70	\$ 1,942,734.70	\$ 1,942,734.70
Cost Savings (Added)		\$ 39,970,742.34	\$ 40,885,670.44	\$ 38,010,382.63
	No data provided, therefore concept was not evaluated			
	Concept reviewed by the HCRMA, but rejected in its current form			
	Concept updated by PCI 12/17/2021 & 12/20/2021			

BACKGROUND INFORMATION

CO#1

365 TOLLWAY, SEGMENTS 1 AND 2 (365 TOLL PROJECT)

CHANGE ORDER NO. 1

Project Information	ISSUANCE DATE: October 25, 2021
Project	365 Toll Project
CSJ	0921-02-368
Owner	Hidalgo County Regional Mobility Authority (HCRMA)
Description and Reason for the Change Order	

This change order is the result of the conditional contract award requiring:

- (i) TxDOT concurrence on award, as required in the Project Development Agreement; and
- (ii) Withholding NTP until project financeability has been established and completed by the Financing Deadline (described below).

Value Engineering Change Proposal. Item (ii) triggers the Value Engineering Change Proposal (“VECP”) process in the Contract (Section V of the Bid Document). Contractor and Owner agree to enter into a VECP process to achieve a total project cost that is financeable, estimated by the Owner’s financial advisor to be \$280,000,000 (a reduction in project costs, from materials, scope, schedule, etc. of approximately \$37,000,000 as established by 30% design (the “Projected Savings”)).

Schedule of VECP. Contractor agrees that within 30 days from the date of this Change Order to present Projected Savings acceptable to the Owner based on 30% design (November 24, 2021, the “Design Deadline”). Unless Contractor extends unit pricing beyond 120 days from the Date of Award (October 19, 2021), the Financing Deadline is February 15, 2022. The Financing Deadline requires closing on toll revenue bonds supporting the Project, which requires that the Contract be executed with a change order by December 6, 2021 that establishes a total Project cost that is, in the estimation of the financial advisor, financeable by the toll revenue bonds.

Costs of VECP. The cost to the Project from developing the Projected Savings concepts to a 30% (preliminary) level under this Change Order will be calculated as the lesser of (a) the sum (5% of the Projected Savings x 30%), estimated to be \$562,000, or (b) the direct costs to the Contractor in developing the acceptable Project Savings (the “Cost”). The Cost will be approved by a separate change order. If the Project is financed, the Cost paid to the Contractor will be deducted from the gross savings of the VECP. If the Project is not financed, Owner shall pay the Costs to Contractor. Owner shall own the preliminary design documents created in support of the Projected Savings.

*** Is this section intended to reimburse PCI costs for total design? *** Final design effort including incidental costs for developing Projected Savings concepts to the issued for construction level (VECPs established by a change order and revising the total Contract amount) shall be deducted from the gross savings of the VECP. Owner shall own the final design documents created under VECP.

VECP Savings. Contractor shall present VECP proposed items to Owner. Items the Owner accepts shall be designed to 30% by the Design Deadline. The Projected Savings shall be established by Contractor based on the preliminary design work, regardless of cost increases or decreases in final design.

Contractor's direct costs for preparation of the VECP and Owner's reasonable costs to review and administer the VECP shall be deducted from the gross savings. The gross savings of any accepted Final VECP under the Contract shall be shared between the Owner and Contractor as follows: Owner 40% and Contractor 60%.

For example and by way of illustration, if the VECP Projected Savings were \$1,000,000:

VECP Projected Savings	\$1,000,000	
Preliminary design	\$15,000	
Final Design	\$35,000	
Owner Costs	<u>\$10,000</u>	<u>Division of Balance</u>
Balance	\$940,000	Owner: \$376,000
		Contractor: \$564,000 (+/- difference in Projected Savings vs Actual Savings)

Price and Budget

There will be no cost impact associated with this change order. This change order establishes the framework for VECP to achieve Projected Savings to make the Project financeable by toll revenue bonds.

365 TOLL PROJECT, SEGMENTS 1 AND 2

CHANGE ORDER NO. 1

For TxDOT/HCRMA/FHWA use only:	
Days FHWA Non-Participating Co Portion FHWA Non-Participating	N/A \$0.00
Project Schedule	
Substantial Completion Date: Final Acceptance Date:	TBD
Signatures	
ACCEPTED: Pulice	Signature:  Victor M. Jimenez, President Date: 11/02/2021
ACCEPTED: HCRMA	Signature: _____ Pilar Rodriguez, Executive Director Date: _____

V. VALUE ENGINEERING CHANGE PROPOSALS (VECP)

This Contract is subject to Value Engineering Change Proposals.

1. Owner may accept, in whole or in part, any Contractor proposed VECP by issuing a Change Order. Owner shall not be liable to Contractor for failure to accept or act upon any VECP submitted pursuant to these requirements. Any schedule impacts resulting from a VECP proposal will be identified in an agreed upon Change Order. Until a proposal is affected by a Change Order, the Contractor shall remain obligated to the terms and conditions of the existing Contract.
2. If an executed Change Order has not been issued by the date upon which the Contractor's proposal specifies that a decision should be made, or any other date as the Contractor may subsequently have specified in writing, the proposal shall be deemed rejected. Owner reserves the right to include in the agreement any conditions it deems appropriate for consideration, approval, and implementation of the proposal provided such conditions are reflected in an agreed upon Change Order.
3. The Change Order affecting the necessary Contract modification will establish the net savings agreed upon, will provide for adjustment in the Contract prices or Contract time, and will indicate the net savings to be rationed between Contractor and Owner. In the event a VECP is accepted by Owner, the provisions of the Contract Documents that pertain to adjustment of Contract unit prices due to alterations of Contract quantities will not apply to the items adjusted or deleted as a result of implementing the VECP by Change Order.
4. Acceptance of a VECP and performance of the additional work will not change the Contract time limit, unless specifically provided for in the Change Order authorizing the Final VECP.
5. Owner expressly reserves the right to adopt a VECP for general use in contracts administered by Owner when it determines that the proposal is suitable for application to other contracts. VECPs identical or similar to previously submitted proposals will be eligible for consideration and compensation under these provisions if such proposals were not previously adopted for general application to other contracts administered by Owner. When a VECP is adopted for general use, compensation pursuant to these requirements will be applied only to those contracts awarded and for which the subject VECP has been submitted prior to the date of adoption of the specific VECP. Owner or any other public agency will have the right to use all or part of any accepted VECP on other projects without obligation or compensation of any



HCRMA BID #2021-001 FOR THE
365 TOLLWAY SEGMENTS 1 AND 2
CONTRACT NO.: 0921-02-368

kind to the Contractor. Contractor shall have no obligation related to, or liability resulting from, the use of a VECP or VECP-related concept by Owner utilized outside of the Contract. If VECP is accepted, Contractor hereby grants Owner unlimited rights in the VECP and supporting data.

6. Contractor's direct costs for preparation of the VECP and Owner's reasonable costs to review and administer the VECP shall be deducted from the gross savings.
7. The gross savings of any accepted Final VECP under this Contract shall be shared between the Owner and the Contractor as follows: Owner 40% and Contractor 60%.

Item Number	Description	Sketches	Discipline	Advantages	Challenges	ROM	OWNER Comments	New ROW	NEPA Reval
1	Remove the median reduce EMB and MSE	pict01	ROADWAY	- Reduces the fill	- Entrance and exit ramps in the future	14.5 millions Saving		NO	NO
2	Realignment of 365 Toll at crossing with floodway and SP 115	pict02	ROADWAY	- Reduces the length of the 365 bridge - SP 155 crosses over 365 Toll	- Keep existing access along SP115			YES	YES
3	Alternative Route Between Jackson Rd & E. Thomas Dr	pict16	ROADWAY	- Reduces leeve affection				YES	YES
4	Realignment of WB 365 Toll at Dicker Rd	pict03	ROADWAY	- Reduces footprint and embankment	- Reconfigure proposed			NO	NO
5	Project Start Optimization - Keep current FR from STA 666+00 to 686+00.	pict9	ROADWAY	- Pavement and fill reduction	- Current pavement	2.6 million Savings		NO	NO
6	Reduce number of mainlanes from 2 to 1 around FM 494 (Shary Rd)	pict08	ROADWAY	- Reduces the width of two overpasses - Pavement and fill reduction		1.4 Millions for item 6 and 7		NO	NO
7	To remove one line in 365 TOLL EB MAINLANES from 736+00 to 782+00 aprox.	pict33	ROADWAY	- Reduces pavement and embankment		see above item 6		NO	NO
8	Reduce shoulder with from 12' to 4' in the WB Mainlane Typical Section from STA 803+00 TO STA 835+00	pict05	ROADWAY	- Pavement and fill reduction		260 k		NO	NO
9	Revise Ramp Design Between Jackson Rd and Route 281. Eliminate Auxiliary Lane.	pict11	ROADWAY	- Pavement and fill reduction	- Traffic analysis maybe needed	500 K		NO	NO
10	Replace bridges over drainage ditch with MBCs	pict07	ROADWAY	- Removes four overpasses - Lower mainlane PGL				NO	NO
11	SH336 Reverse Stacking	pict15	ROADWAY	- Reduces embankment				NO	MAYBE
12	Revise Vertical Clearance over S. Depot. Rd & Route 115	pict12	ROADWAY	- Bridge and Wall Surface Reduction				NO	NO
13	Reconfigure I Road (Veterans Blvd) to Cross over 365 Toll	pict04	ROADWAY	- Remove steel bridge	- Reconfigure Thomas Drive	6.1 Million		YES	MAYBE
14	Reconfigure I Road (Veterans Blvd) to Cross over 365 Toll	pict30	ROADWAY						
15	I Road Overpass Remove lateral spans	pict25	ROADWAY	- Reduces bridge area	- Irrigation structure under			NO	NO
16	Revise U-Turns Design on those Overpasses where it is not expected a future widening.	pict10	ROADWAY	- Reduces Bridge Surface	- Confirm future/ultimate			NO	NO
17	Replace San Juan Canal bridges with precast culverts	pict06	STRUCTURE	- Removes two overpasses - Lower mainlane PGL				NO	NO
18	Reduce pavement thickness using same input parameters and following TxDOT Pavement Design Manual 21 (TxCRCP-ME)	pict20	PAVEMENT	- Reduce thicness 1"	- Pilar to provide the cross sections and calculations	2.5 million Savings		NO	NO
19	Reduce pavement thickness following TxDOT Pavement Design Manual 21 and increasing Concrete Modulus of Rupture (720 psi)	pict21	PAVEMENT	- Reduce thicness	- Provide docs to show that value of the concrete modulus of rupture	2.5 million Savings		NO	NO
20	Reduce pavement thickness considering as a design period 30 years	pict22	PAVEMENT	- Reduce thicness	- Possible Maintanance increase	2.5 million Savings		NO	NO
21	Change CTB Type from plant mix to road mix		PAVEMENT	- Reduce cost		3.7 Million			
22	Overpass at FM 494 (Shary Rd) Decrease of number of girders	pict18	STRUCTURE	- Reduces girder elements	- Increasing fci'	68 k		NO	NO
23	Overpass at FM 494 (Shary Rd) Equal spans length	pict24	STRUCTURE			100 k		YES	NO
24	Overpass at FM 494 (Shary Rd) optimize abutment piles	pict27	STRUCTURE			100 k		YES	NO
25	Floodway Bridge at SP 115 Decrease of bridge are (removing spans) by means of box underpass and embankment	pict19	STRUCTURE	- Reduces bridge area				NO	MAYBE

Item Number	Description	Sketches	Discipline	Advantages	Challenges	ROM	OWNER Comments	New ROW	NEPA Reval
26	Floodway Bridge at SP 115 girders optimization	pict28	STRUCTURE			1.1 million		NO	NO
27	Floodway Bridge drilled shaft to driven pile	pict34	STRUCTURE	- Eliminate drilled shaft - reduce cost - increase efficiency		TBD			
28	Floodway Bridge precast caps		STRUCTURE	- reduce cost - increase efficiency		TBD			
29	STRUCTURES OPTIMIZATION	pict32	STRUCTURE					NO	NO
30	Overpass at FM 3072 (Dicker Drive) Decrease of number of girders using Tx62 instead of Tx54		STRUCTURE	- Reduces girder elements	- Check vertical clearance (min 16.5') - Warning: current desing not according with new recommedations	100 k		NO	NO
31	PHARR/San Juan Canal bridge Decrease of number of girders		STRUCTURE	- Reduces girder elements	- Check freeboard	55 K		NO	NO
32	Jackson Road Overpass Not to extend the bridge beyond the crossing Abutmen realignment Decrease of number of girders	pict23	STRUCTURE	- Reduces bridge area	- Irrigation structure under the embakment	1.1 million		NO	NO
33	US281 (Cage Blvd) Underpass Potential drilled shaft diameter optimization Decrease of number of girders in central span		STRUCTURE	- Reduces drilled shaft quantities - Reduces girder elements		140 K		NO	NO
34	Overpass at Anaya Road Decrease of number of girders in central span		STRUCTURE	- Reduces girder elements		40 K		NO	NO
35	HI Line Road Overpass Decrease of number of girders Potential decrease of central span		STRUCTURE	- Reduces girder elements - Reduces bridge area		40 K		NO	NO
36	Reduce one ITS/Tolling trench	pict29	ITS	- Removes the duct bank/trench length	- Is there any redundance requirement	TBD		NO	NO
37	Reduce the number of Electrical Services (up to 4-12 circuits per service)	pict31	ITS	- Reduces the number of Electrical Services point		TBD		NO	NO
38	Replace 12 fixture high masts with 6 fixture high masts	pict31	ITS	- They are using 12 fixture high masts which are not allowed anymore – 6 fixtures are the new norm and are cheaper		TBD		NO	NO
39	Reduce the number of bores except at existing cross streets		ITS	- Reduces the number of conduit bores		TBD		NO	NO
40	Consolidate the trench in the WB to 2-4”		ITS	- Reduction in GB to almost half - Still maintain physical separation of paths - More cost-efficient installation - Material cost saving (Concrete encasing)	Marginally increase # Bores	TBD		NO	NO
41	Change GB material to Polymer concrete and conduits to HDPE, Fiberglass, or thinner wall PVC		ITS	Potentially cheaper materials but same functionalities as current items		TBD		NO	NO

Item Number	Description	Sketches	Discipline	Advantages	Challenges	ROM	OWNER Comments	New ROW	NEPA Reval
42	Fiber Optic optimization: Reduce Fiber count from 144 to 96 SM. (24 for Toll, 48 ITS, 24 Leasing)		ITS	Cheaper fiber, hardware, and less splices. a. Ill14 Switches per rings – 8 Fibers per ring -> We have 69 Switches, 73/14 (Switches per ring) = 5 rings, 5*8 (Fibers per ring) = 40 Fibers. b. Reduce hardware and # of splices		TBD		NO	NO
43	Change switches on MVDS/Bluetooth location for Media Converters and Fiber from 144 to 72 (24 Toll +24 ITS +24 Leasing).		ITS	Cheaper communication hardware, cheaper fiber, hardware, and less splices.		TBD		NO	NO
44	Change in the Communication network -> From 73 to 40 switches (20 CCTV + 16 dome CCTV +4 DMS)(33 Switches to Media Converters) 40/14 = 3 rings, 3*8 (Fibers per ring) = 24 Fibers		ITS	This will require to install 2 FO for MVDS & Bluetooth Locations or 4 FO (RX/TX + Spare)		TBD		NO	NO
45	Use 96 SM under option 2.b to increase spare fibers for ITS. 24 Toll + 48 ITS + 24 Leasing		ITS			TBD		NO	NO
46	DMS change to Ambar instead of Full Color		ITS	Cheaper equipment but same functionalities. Color is just an aesthetic feature		TBD			
47	4 locations static signs – ITS equipment	pict26	ITS			TBD			
48	Relocate Walls at edge of Frontage Roads	pict13		- Wall Surface Reduction	- Fill increase			NO	NO
49	MBGF Side Barriers review	pict14						NO	NO
50	Realignment of north levee at floodway bridge area	pict17		- Reduces the lenght of the 365 bridge	- Check floodway models/capacity			NO	YES
51	Wick drain material and design			- Reduces sand blanket thickness to 1' - Change sand spec to bank sand		1 million		NO	YES
52	MSE backfill material change			- Change material from type AS to CS		3.75 million		NO	YES
53	MSE wall design			- Reduce strap zone and foundation improvement areas		TBD		NO	YES