

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

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

DATE: TUESDAY, JULY 14, 2020
TIME: 5:30 PM
PLACE: HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
TELECONFERENCE MEETING

PRESIDING: S. DAVID DEANDA, JR, CHAIRMAN

MEMBERS OF THE PUBLIC ARE WELCOMED TO PARTICIPATE REMOTELY BY TELEPHONE

DIAL-IN NUMBER: +1 956-413-7950
CONFERENCE ID: 627 936 658 #
WEBLINK: [Join Microsoft Teams Meeting](#)

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

PLEDGE OF ALLEGIANCE

INVOCATION

CALL TO ORDER FOR WORKSHOP

1. Presentation by CM Associates related to Traffic Forecasting Uncertainty for the Investment Grade Traffic & Revenue Study for the 365 Tollway Project.
2. Review of schedule for Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020

ADJOURNMENT OF WORKSHOP

CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR SPECIAL MEETING

PUBLIC COMMENT

1. REGULAR AGENDA

- A. Resolution 2020-18 – Resolution Authorizing the issuance of one or more series of Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020; Approval and Designation of a Pricing Committee to determine the Interest Rates, Maturity Dates, Forms of Bonds, Redemption Provisions and other matters pertaining to such bonds; Approving the projects; Prescribing the form, Terms, Conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds, including the designation and appointment of a Syndicate of Underwriters and Approval and Distribution of an Official Statement Pertaining thereto; Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Agreement, and an Escrow Agreement; Ratifying the Pledge Agreement and Indenture of Trust; Ratifying the designation of Bond Counsel and approving other

agreements related thereto; Making other findings and provisions relating to the subject and matters incident thereto.

ADJOURNMENT OF SPECIAL 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 8th day of **July 2020** at **5:00 pm** and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Maria E. Alaniz
Administrative Assistant

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

PUBLIC COMMENT POLICY

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

All individuals desiring to address the HCRMA must be signed up to do so, prior to the open comment period. 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."

Workshop

Item 1

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 1 </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 07/08/20 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 07/14/20 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **WORKSHOP ITEM 1 – PRESENTATION BY C&M ASSOCIATES RELATED TO TRAFFIC FORECASTING UNCERTAINTY FOR THE INVESTMENT GRADE TRAFFIC & REVENUE STUDY FOR THE 365 TOLLWAY PROJECT**
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Presentation of Traffic Forecasting Uncertainty for the Investment Grade T&R Study for the 365 Tollway Project.
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. 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: 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

Pandemic-Generated Uncertainty for Traffic Forecasts



July 7, 2020

Flatten the Curve: Social Distancing & Economic Lockdown

Suppression through lockdown – March 7

- Short-term lowering to < 1 new infection for each existing infection ($R < 1$)
- About 95% of Americans have been ordered to stay at home.

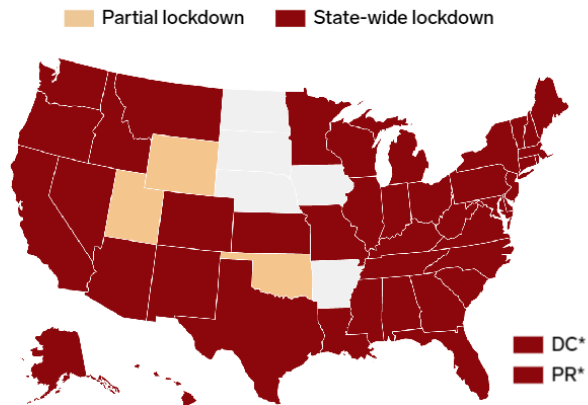
Lockdown begins to lift – May 15

- Example: Georgia
 - Bars/restaurants: Dine-in allowed with capacity limits, sanitation requirements and dozens of other precautionary measures.

Lockdown Pauses and Reversals– June 29

- Example: Texas, Florida and California
 - Closed bars after a spike in cases.

US states that have issued stay-at-home orders

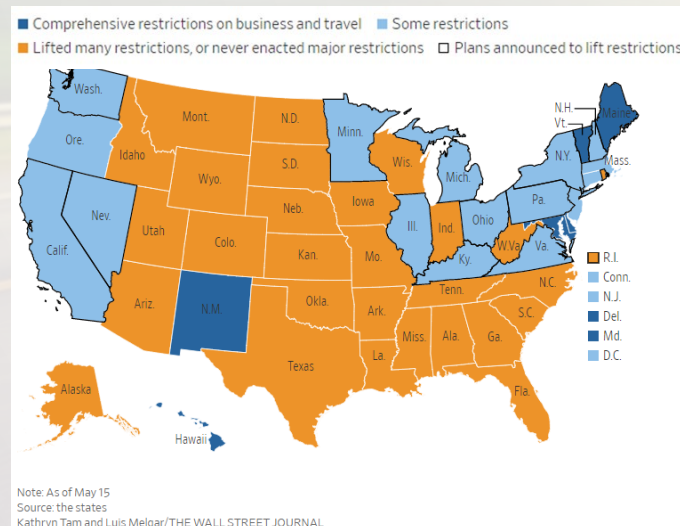


*Puerto Rico and Washington DC issued "stay-at-home" orders that went into effect March 30 and March 27, respectively.

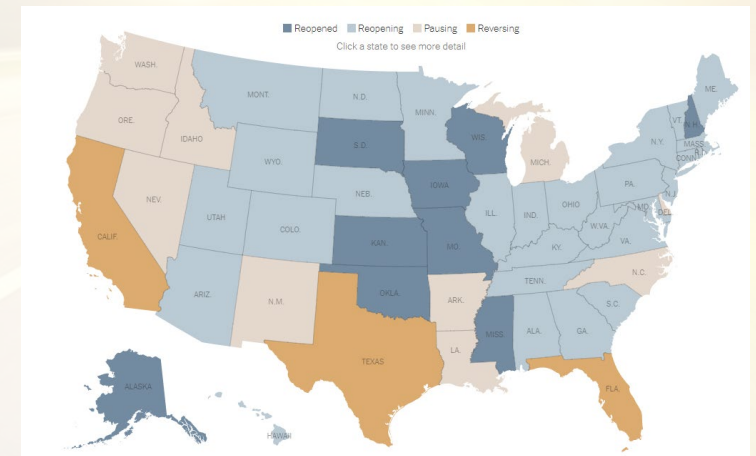
Updated as of April 7, 2020 at 12:00 pm ET.

INSIDER

Source: <https://www.businessinsider.com/us-map-stay-at-home-orders-lockdowns-2020-3?op=1> Accessed April 7, 2020



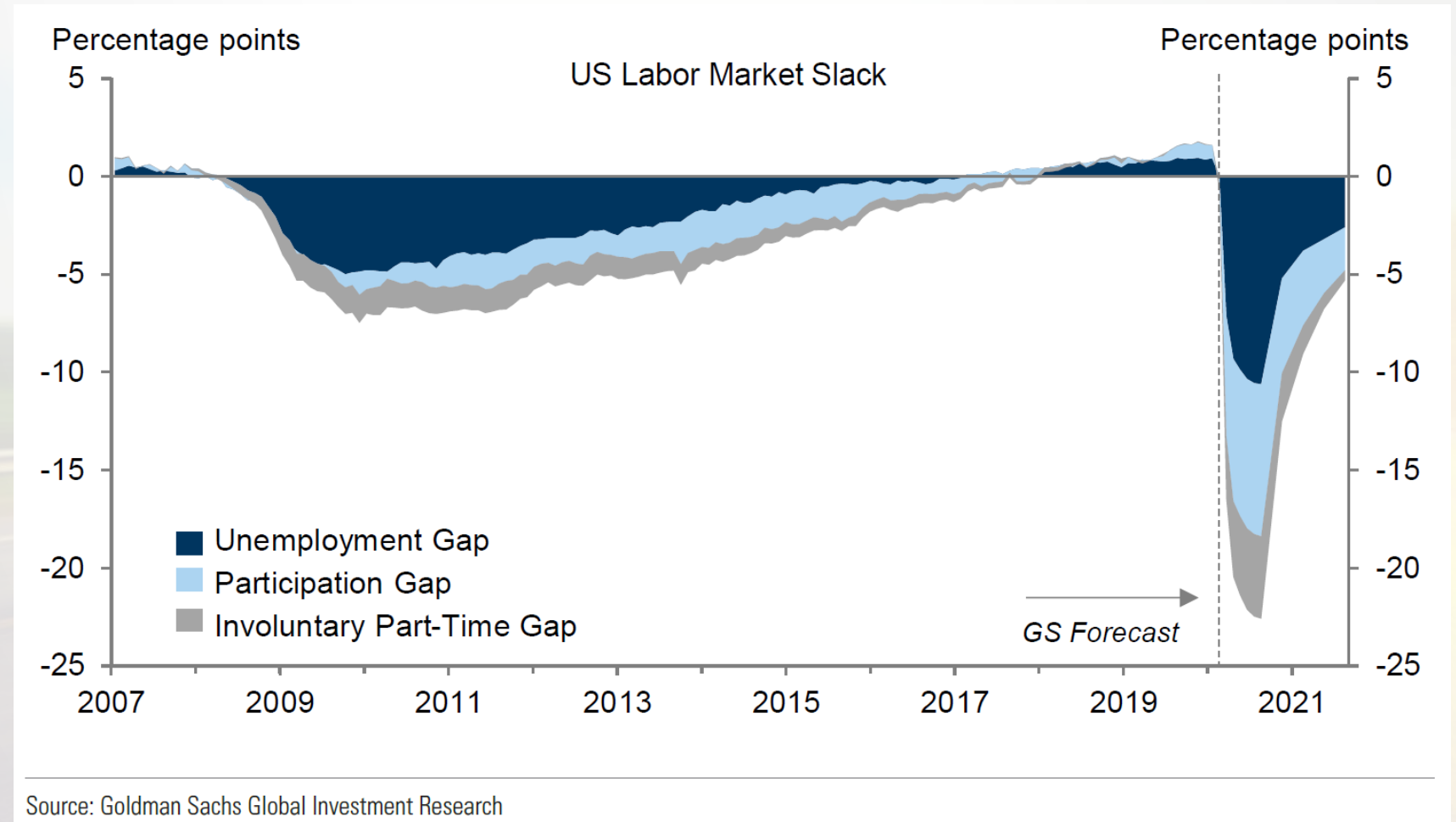
Source: <https://www.wsj.com/articles/a-state-by-state-guide-to-coronavirus-lockdowns-11584749351> Accessed May 16, 2020



Source: <https://www.nytimes.com/interactive/2020/us/states-reopen-map-coronavirus.html> Accessed June 29, 2020

Goldman Sachs: Labor Market Slack Forecast

- Labor market slack to remain substantial by late 2021



Source: Goldman Sachs Global Views: Moving Past the Bottom May 4, 2020

McKinsey Medium-Term Scenarios – April 2020

GDP impact of COVID-19 spread, public health response, and economic policies

Virus spread and public health response

Effectiveness of the public health response in controlling the spread and human impact of COVID-19

Rapid and **effective control** of virus spread

Strong public health response succeeds in controlling spread in each country within 2-3 months

Effective response, but (regional) virus resurgence

Public health response initially succeeds but measures are not sufficient to prevent viral resurgence so social distancing continues (regionally) for several months

Broad failure of public health interventions

Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)

B1

Virus contained, but sector damage; lower long-term trend growth



A3

Virus contained, slow recovery
Virus Contained



A4

Virus contained; strong growth rebound



B2

Virus resurgence; slow long-term growth



A1

Virus resurgence; slow long-term growth
Muted World Recovery



A2

Virus resurgence; return to trend growth
Strong World Rebound



B3

Pandemic escalation; prolonged downturn without economic recovery



B4

Pandemic escalation; slow progression towards economic recovery



B5

Pandemic escalation; delayed but full economic recovery



Ineffective interventions

Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

Partially effective interventions

Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

Highly effective interventions

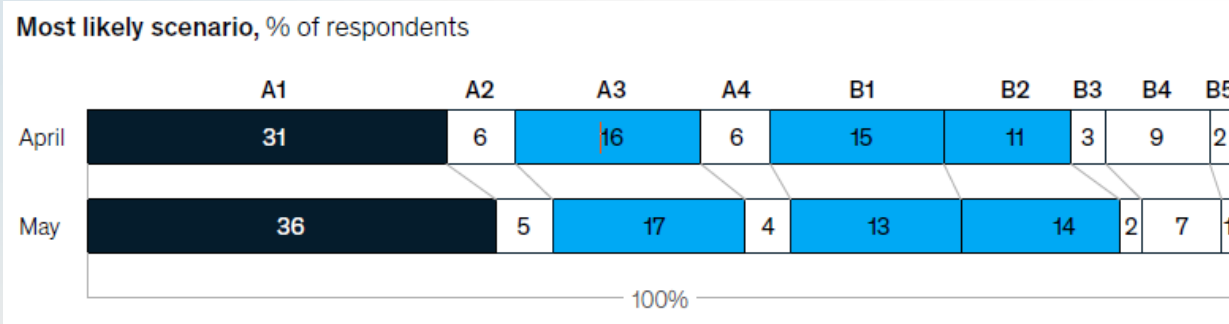
Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

Knock-on effects and economic policy response

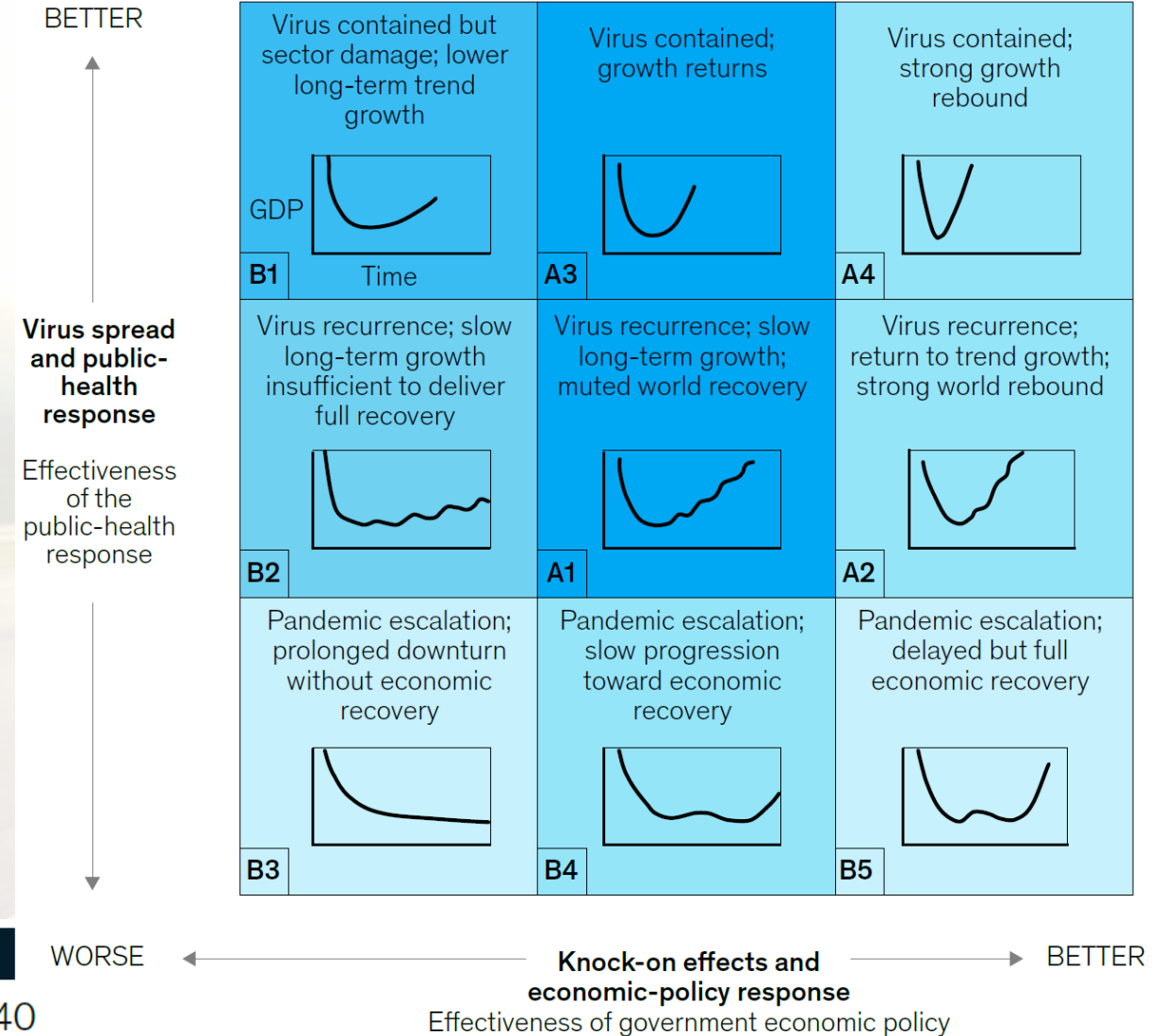
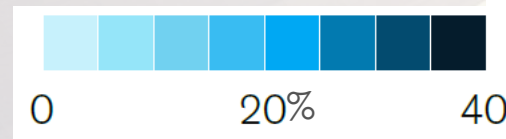
Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)

Source: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/safeguarding-our-lives-and-our-livelihoods-the-imperative-of-our-time>. Accessed April 5, 2020

McKinsey Medium-Term GDP Scenarios – June 2020



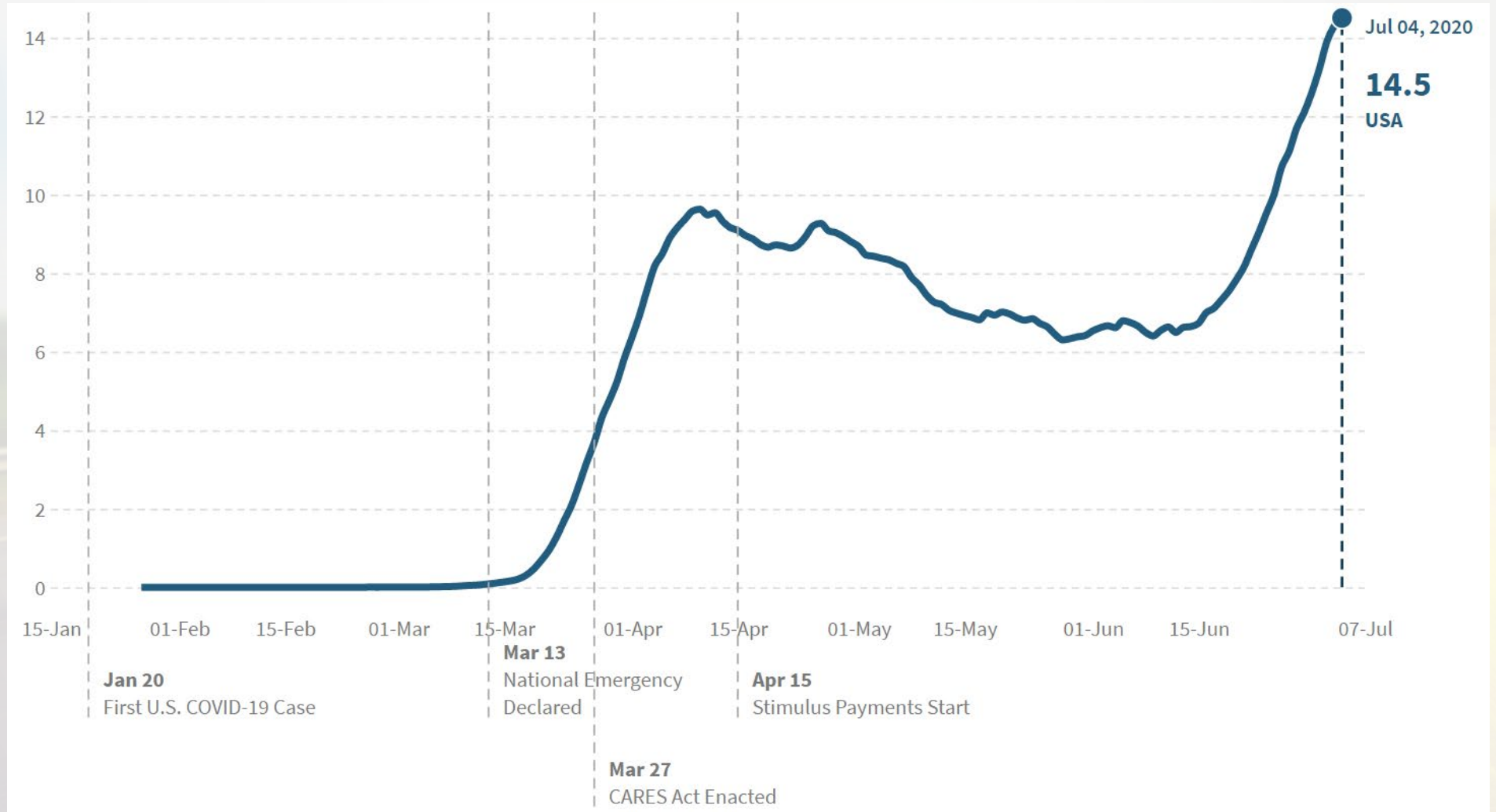
- Highest level of uncertainty in 35 years
 - Slight increase in pessimism in May
- Uncertainty is toxic
 - Fear of virus spread Stay at home
 - Fear for livelihood: Spend less
- June 2020 likeliest scenario is A3 with 23% of respondents for own country
 - Slight increase in optimism in June



Source: McKinsey - Crushing coronavirus uncertainty: The big “unlock” of our economies. McKinsey survey of global executives, n = 2,167. June 2020

U.S. New COVID-19 cases per 100,000 people

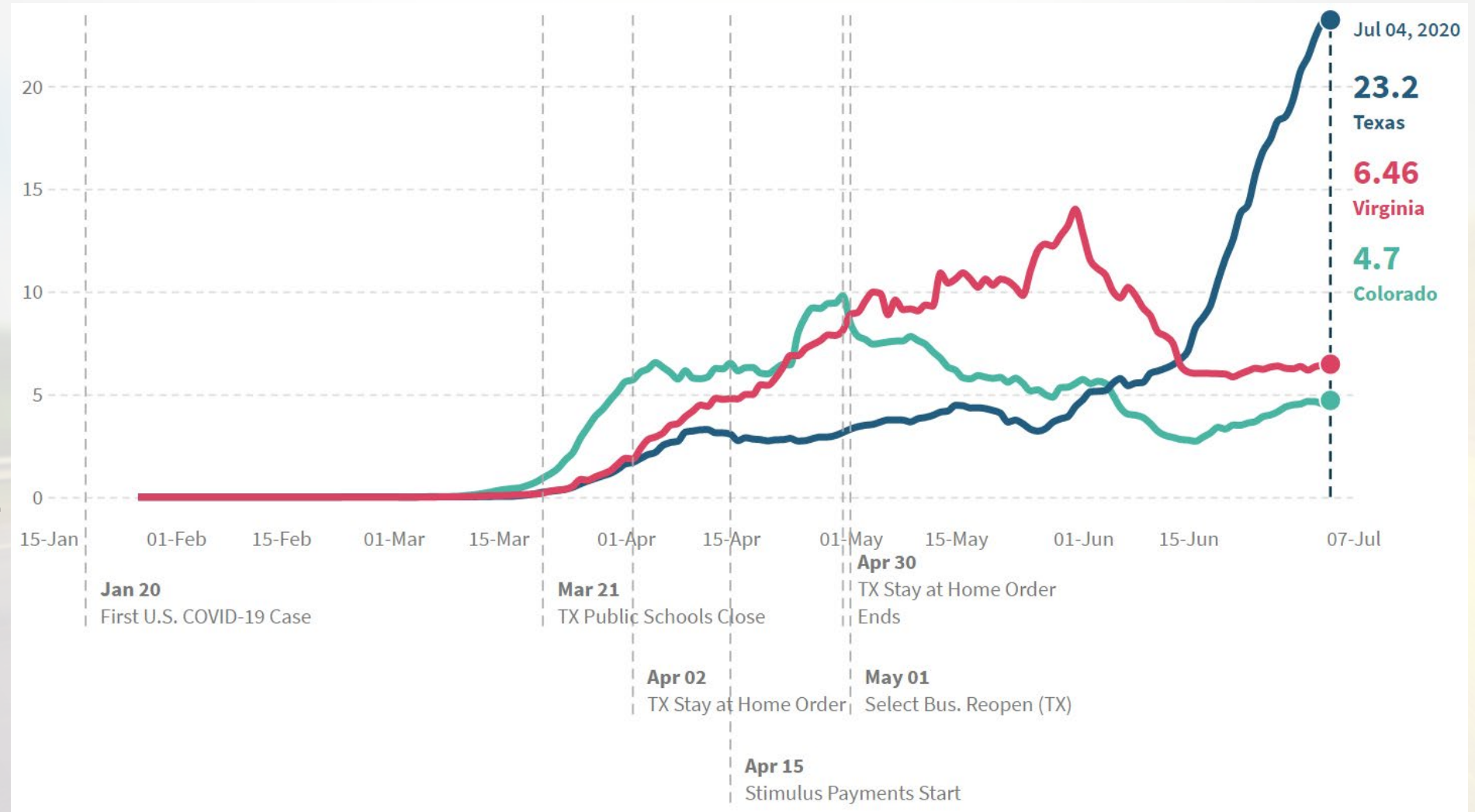
- Decline in total cases continued through May and first half of June
- May re-openings and spread to other states contributed to case growth in second half of June



Source: Track The Recovery <https://tracktherecovery.org/> Accessed July 7, 2020

New COVID-19 cases per 100,000 people by State

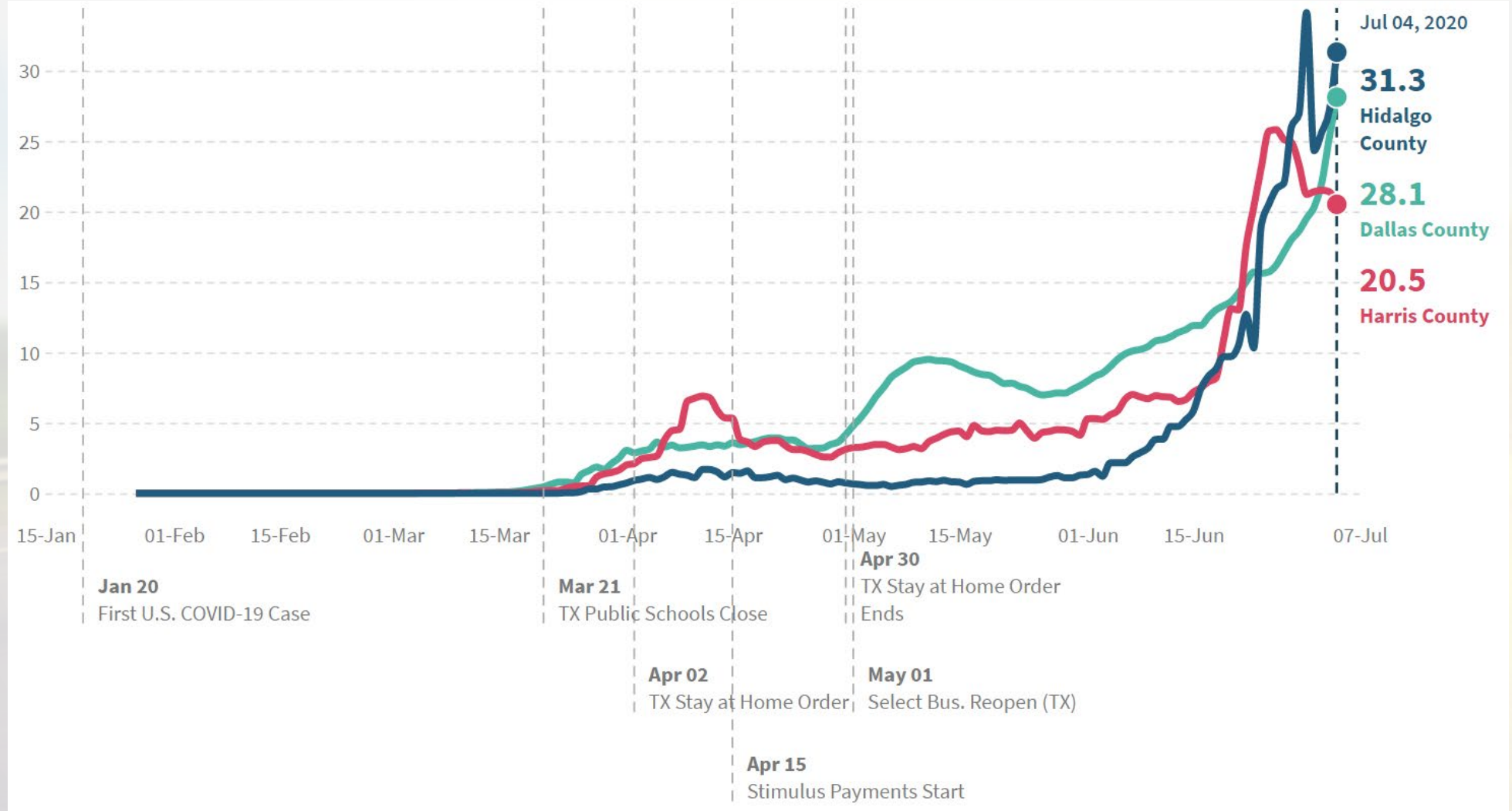
- Texas 23.2 cases per 100,000 is above US average of 14.5 cases
- June spike started one month after stay at home order ended and select businesses reopened



Source: Track The Recovery <https://tracktherecovery.org/> Accessed July 7, 2020

New COVID-19 cases per 100,000 people by County

- Hidalgo County's 31.3 cases per 100,000 is above TX average of 23.2 and US average of 14.5
- On July 4th, there were 552 cumulative reported cases per 100,000 people in Hidalgo Co.
- Reynosa, Tamaulipas reported 320 cumulative cases per 100,000 people as of July 7th

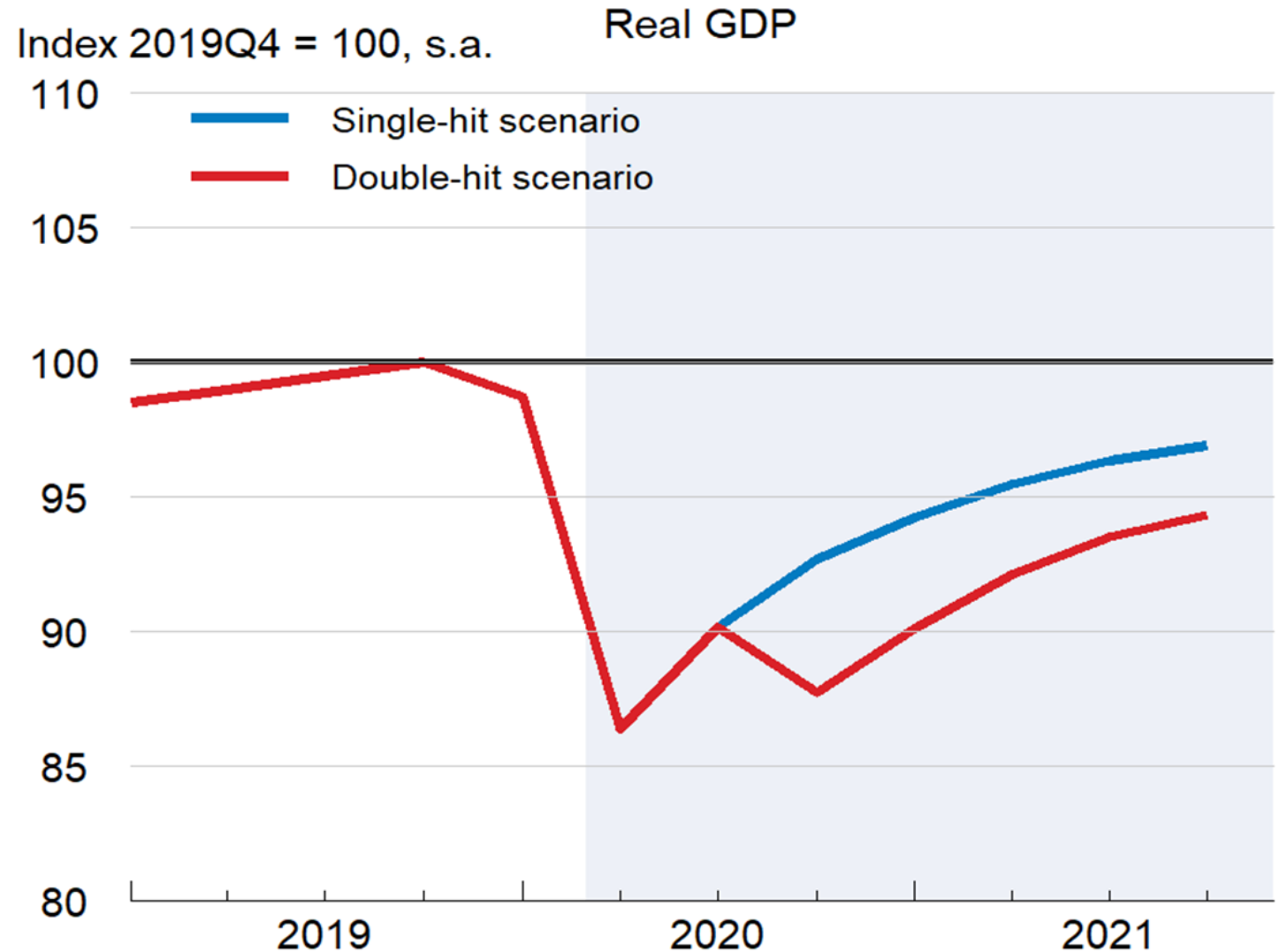


Source: Track The Recovery <https://tracktherecovery.org/> and <http://coronavirus.tamaulipas.gob.mx/situacion-geografica-del-coronavirus/> Accessed July 7, 2020

OECD June 9 US GDP Forecast

- Single hit scenario bottoms in July 2020
- Double hit scenario has a second bottom in October 2020
- GDP growth rate of -8.4% in 2020 and 1.9% in 2021
- Compared with IMF -8.0% and 4.5% for 2020 and 2021, respectively

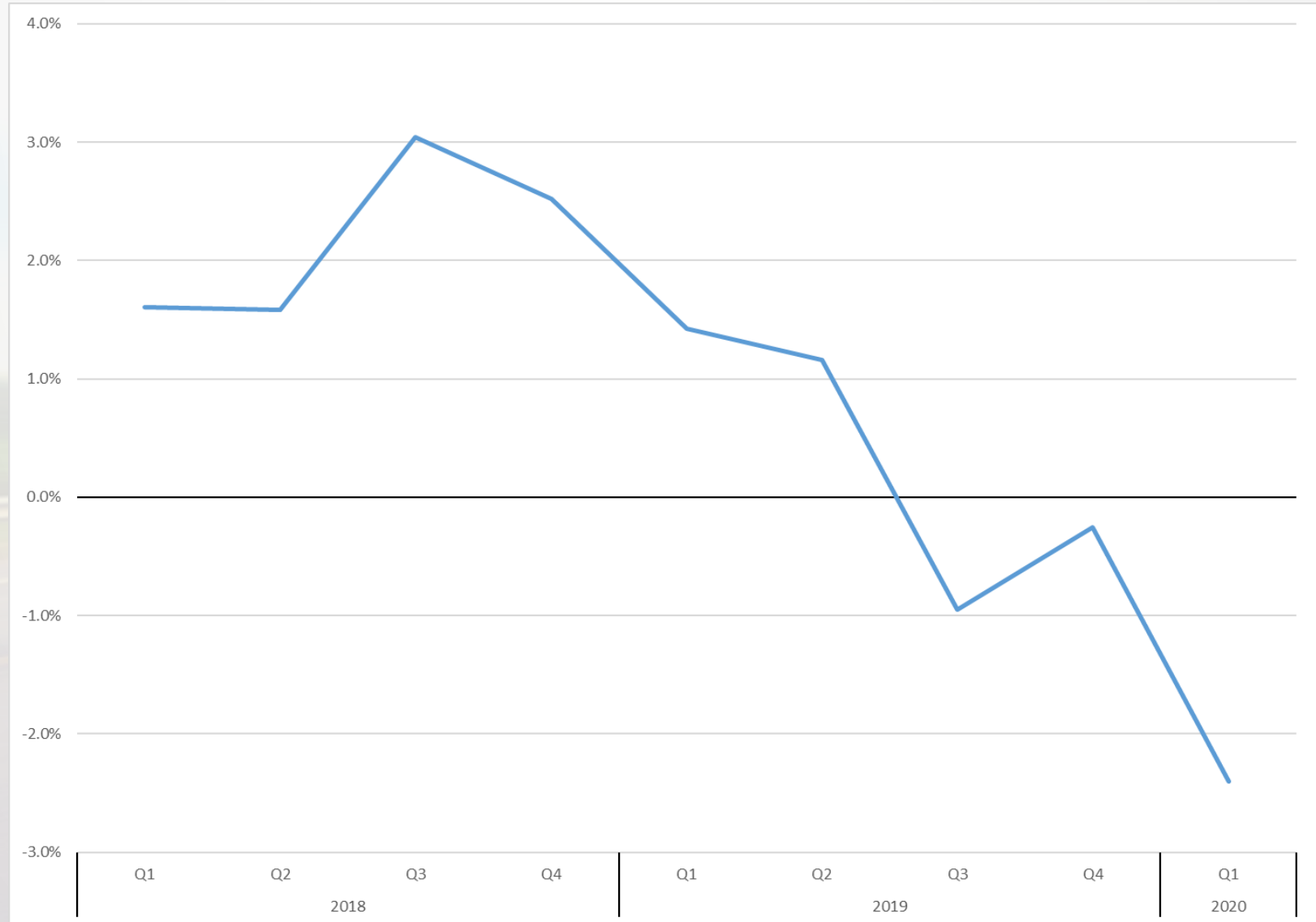
Source: <https://www.oecd-ilibrary.org/sites/0d1d1e2e-en/1/3/3/47/index.html?itemId=/content/publication/0d1d1e2e-en&csp=bfaa0426ac4b641531f10226ccc9a886&itemGO=oecd&itemContentType=>



Mexico GDP Growth vs Previous Year

- Mexican GDP decreased 0.9% in Q3 2019 vs Q3 2018
- COVID-19 has exacerbated the decline in Q1 2020 with -2.4% growth vs Q1 2019
- IMF Projects Mexican GDP growth of -10.5% in 2020 and a recovery of 3.3% in 2021
- Compared with IMF US -8.0% and 4.5% for 2020 and 2021, respectively

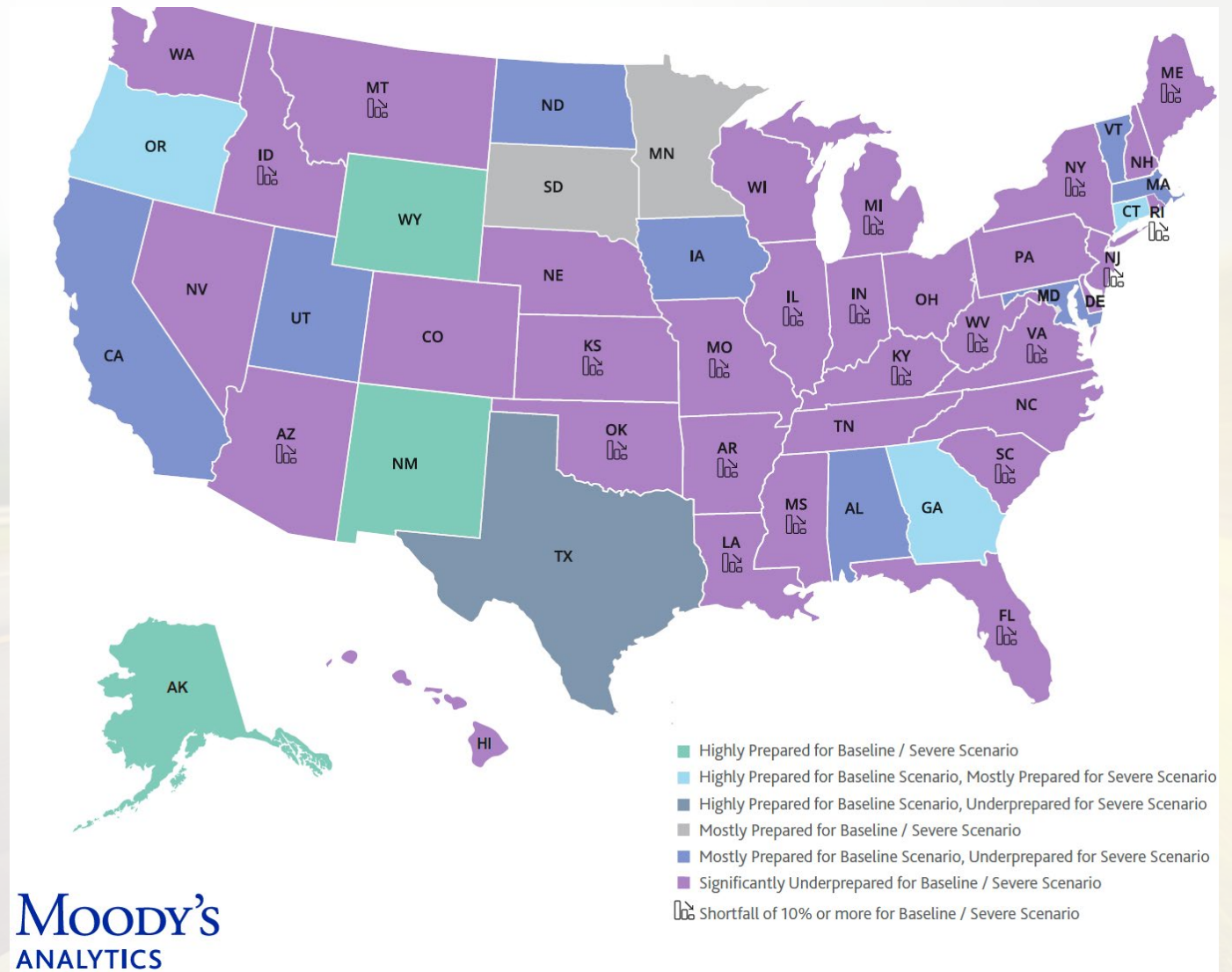
Source: IMF World Economic Outlook June 2020 Update
<https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEUpdateJune2020> Accessed June 24, 2020



Source: INEGI. Sistema de Cuentas Nacionales de México. Producto Interno Bruto Trimestral. <https://www.inegi.org.mx/temas/pibo/> Accessed June 10, 2020

Variation in State Economic Preparedness

- 18% decline in general fund revenues expected for baseline scenario.
 - Compared to 10% revenue declines experienced during the 2007-09 recession
- 23% decline in general fund revenues expected for Moody's sever S3 scenario.
- \$200 billion in aid would be needed through 2021 fiscal year and can grow to
- \$300 billion to get through 2022
- Without aid, the weight of state budget cuts or revenue increases can slow economic growth

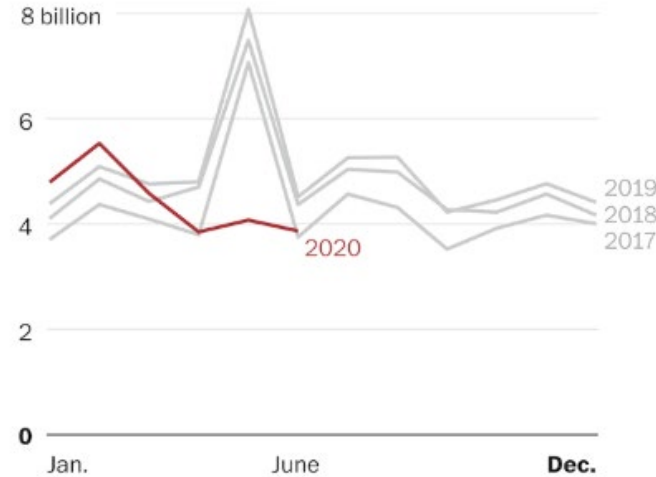


Source: May 22 https://www.moodys.com/sites/products/ProductAttachments/Infographics/Covid-19_Stress_Testing_Infographic.pdf?cid=MYDE1XLE87W8131 Accessed May 31, 2020

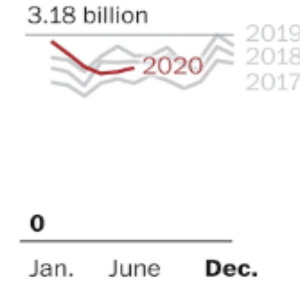
Texas 2020 Tax Collections vs Previous Years

- Tax collections in are down by roughly \$5.7 billion over the past four months compared with the same March-to-June period in 2019.
- A significant portion of the gap is delayed filing date for some business franchising taxes until July.
- Texas entered the economic crisis with reserves of roughly \$11 billion.
- Governor Abbott asked in May most state agencies to calculate 5 percent reductions in their budgets.

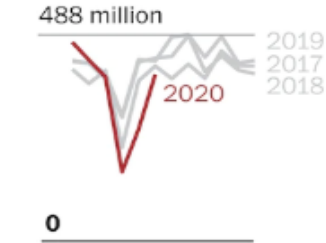
Monthly total tax collections



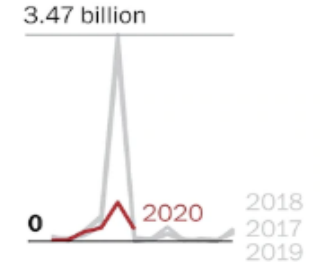
Sales taxes



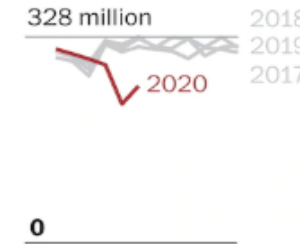
Motor vehicle sales and rental taxes



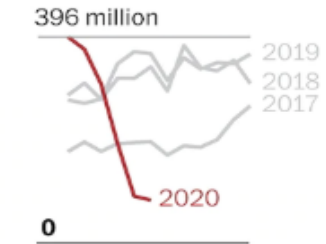
Franchise tax



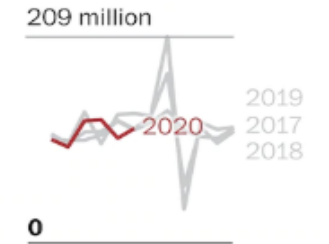
Motor fuel taxes



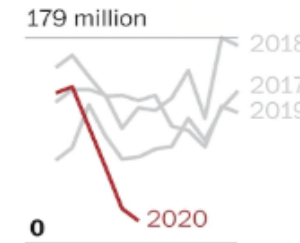
Oil production tax



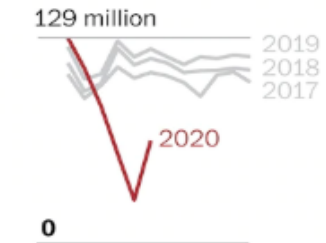
Tobacco taxes



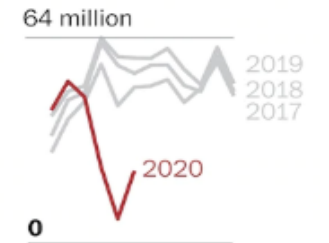
Natural gas production tax



Alcoholic beverage taxes



Hotel occupancy tax



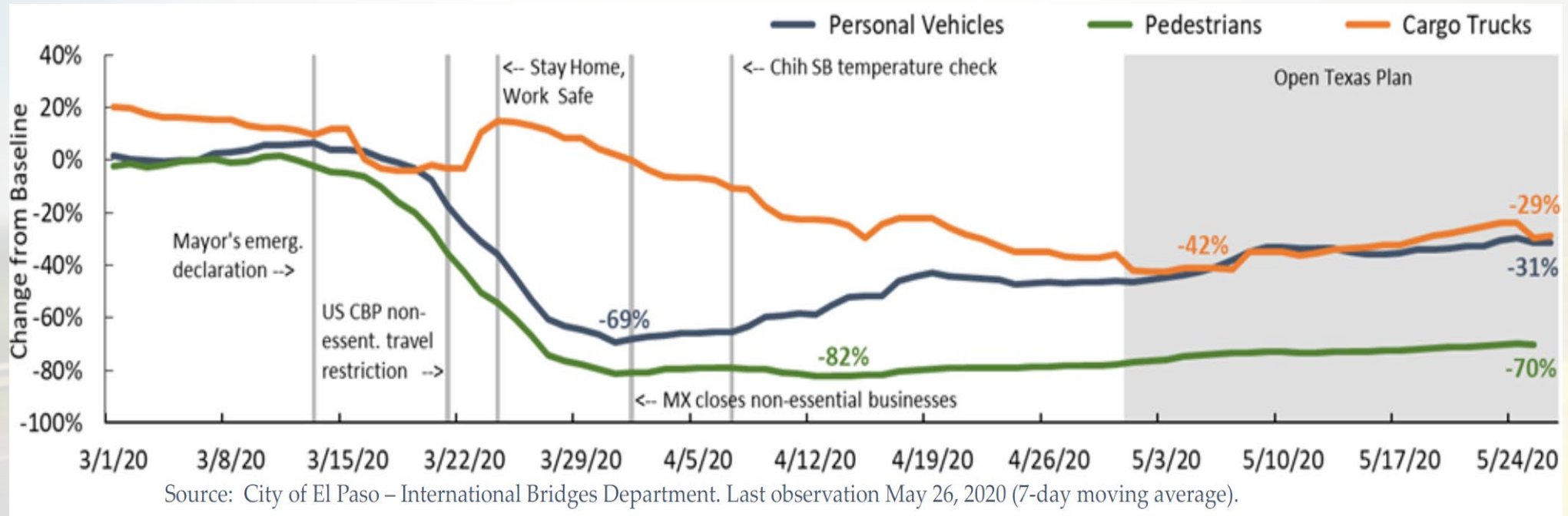
Source: Texas Comptroller

THE WASHINGTON POST

Source: Washington Post <https://www.washingtonpost.com/business/2020/07/07/texas-taxes-budget-coronavirus/> Accessed July 7, 2020

El Paso-Cd Juarez International Bridges

- 30% drop in vehicle crossings by end of May
- Baseline is 2018 daily average crossings



Source: <http://agenda.elpasotexas.gov/sirepub/cache/2/jicymnkdshxxklapq0yshb/38452005292020122307745.PDF> Accessed May 29, 2020

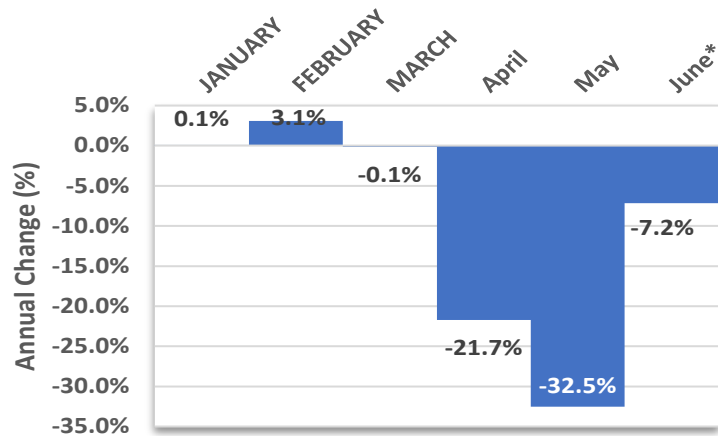
Border Crossing Impact: Laredo POEs

“The rest of the country depends on the health of our port.”

Laredo’s City ordinances:

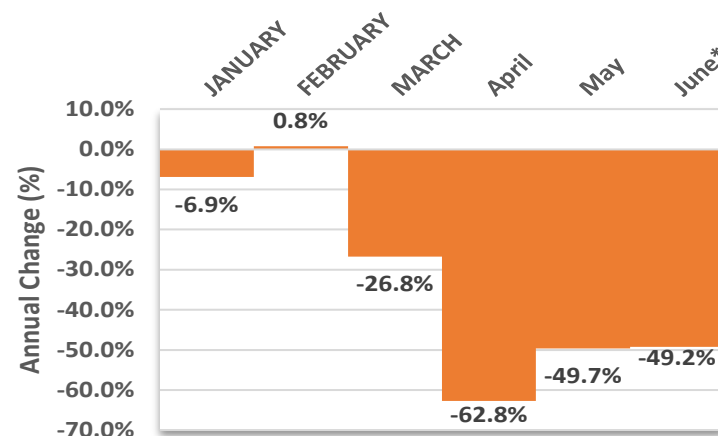
- Curfews
- Cover faces with masks when out in public.
- Truck drivers not permitted to get out of their cabs at CBP check points
- Cargo dropped in Laredo warehouses without being touched by drivers
- Warehouse workers are ordered to wear protective equipment
- Companies with staggered shifts to keep small groups working at any time

Source: <https://thewashingtonpost.pressreader.com/the-washington-post/20200417/textview>



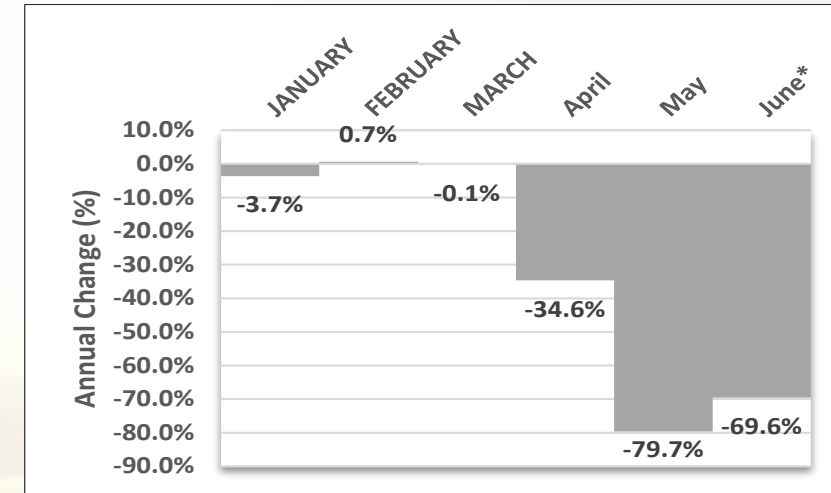
Commercial Vehicles

Source: <https://www.cityoflaredo.com> / Accessed June 08, 2020



Passenger Vehicles

Pedestrian



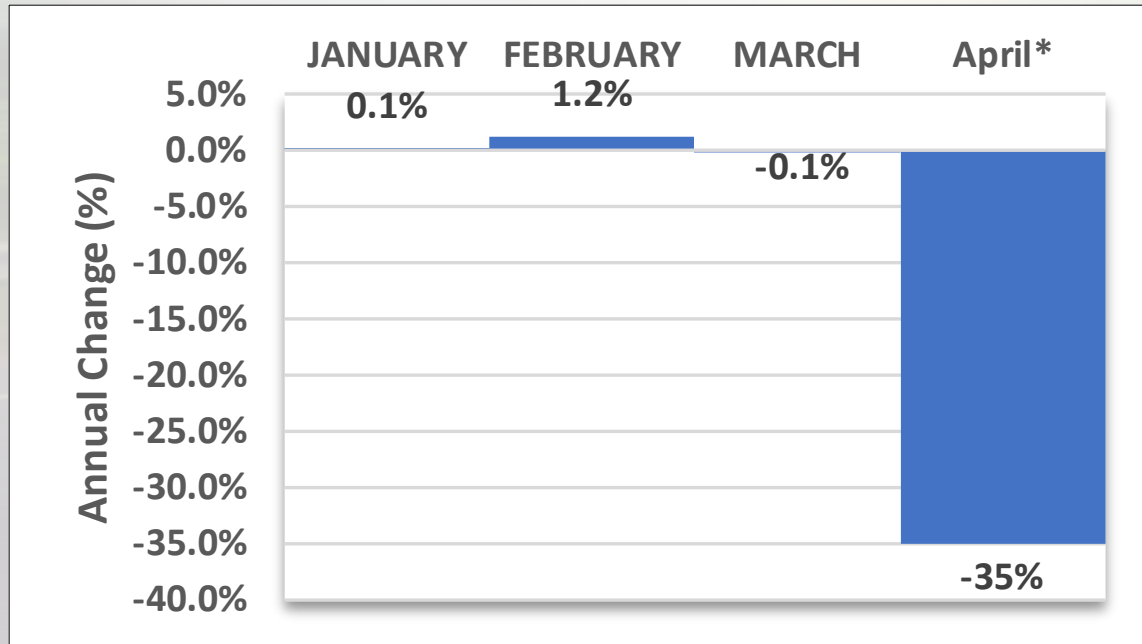
customs broker: shifting demand toward medical supplies and food. Everything from toilet paper to brand-name household disinfectants such as Clorox are being loaded onto about 14,000 trucks a day crossing Laredo’s POE

Source: <https://thewashingtonpost.pressreader.com/the-washington-post/20200417/textview>

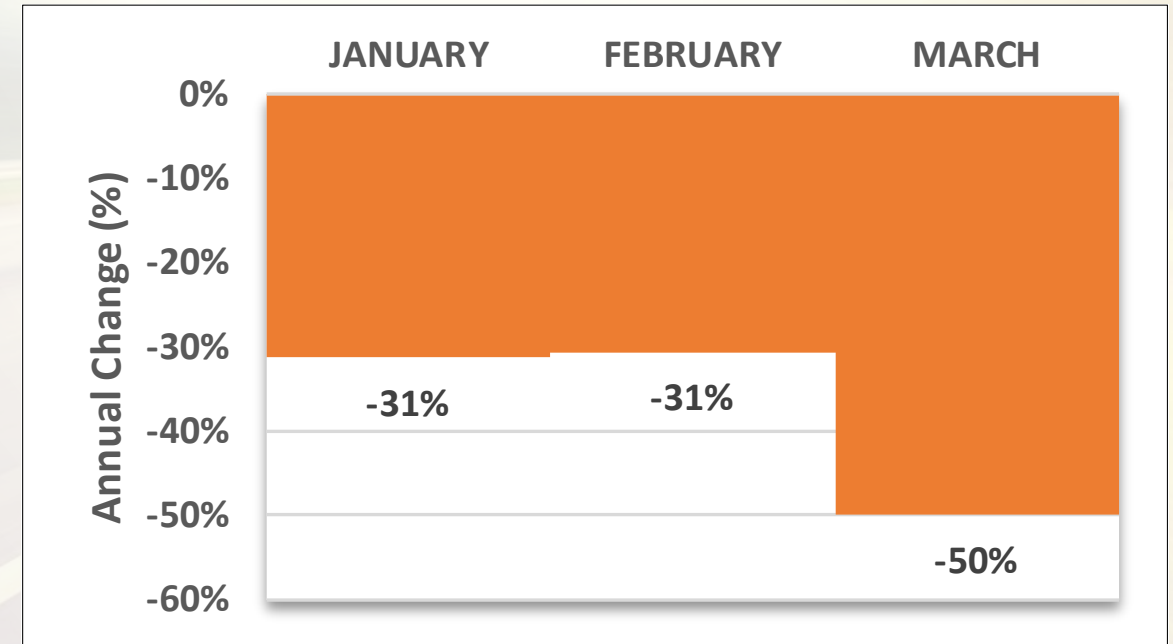
Border Crossing Impact: Pharr International Bridge

- No decrease in March because 60% of the Produce Product crossing to the US cross through Pharr.

- Pharr reduced the hours of passenger vehicles in 2019 to implement the commercial vehicle pilot project.



Commercial Vehicles



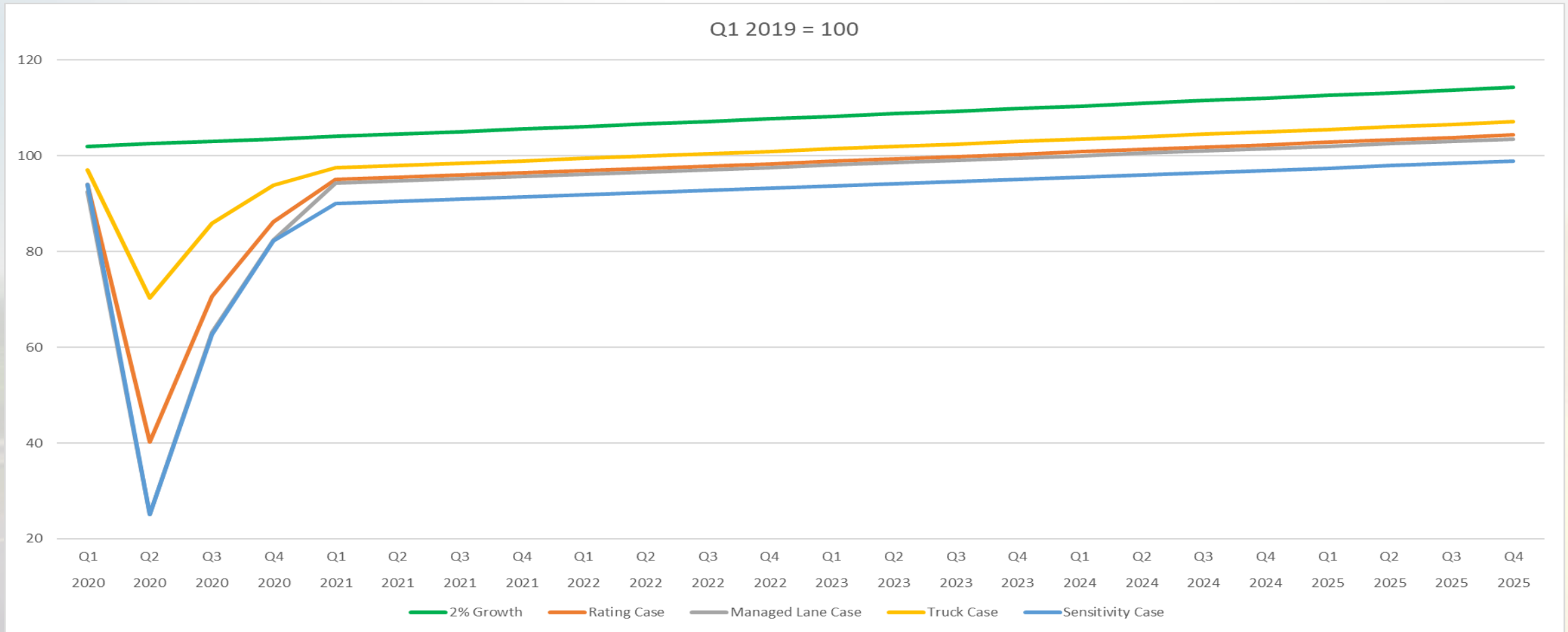
Passenger Vehicles

Source: Pharr International Bridge live webinar <https://bridge.pharr-tx.gov/livestream/> April 16, 2020

Approach to Traffic Forecast Uncertainty

- **Short-Term:** Pandemic and health/economic policy response
 - Continue forecast work as planned
 - Utilize previously collected traffic volumes
 - Consider vehicle and trip purpose differences (i.e. commercial vs passenger vehicles)
 - Assume “V-Long” or “Nike swoosh”-shaped recovery reaching 2019 levels by 2023-25
- **Medium-Term:** Economic Outlook
 - Review socioeconomic variables and outlook
 - Adjust travel mode share to reflect transit and ride share behavior
 - Prioritize need for forecast updates by project
 - Produce model sensitivities and conduct risk analysis
 - Develop “W” shaped and “rating agency” cases as needed
- **Long-Term:** Behavioral Changes
 - Adjust temporary and lasting driver attitude changes in forecasts
 - Scenario analysis

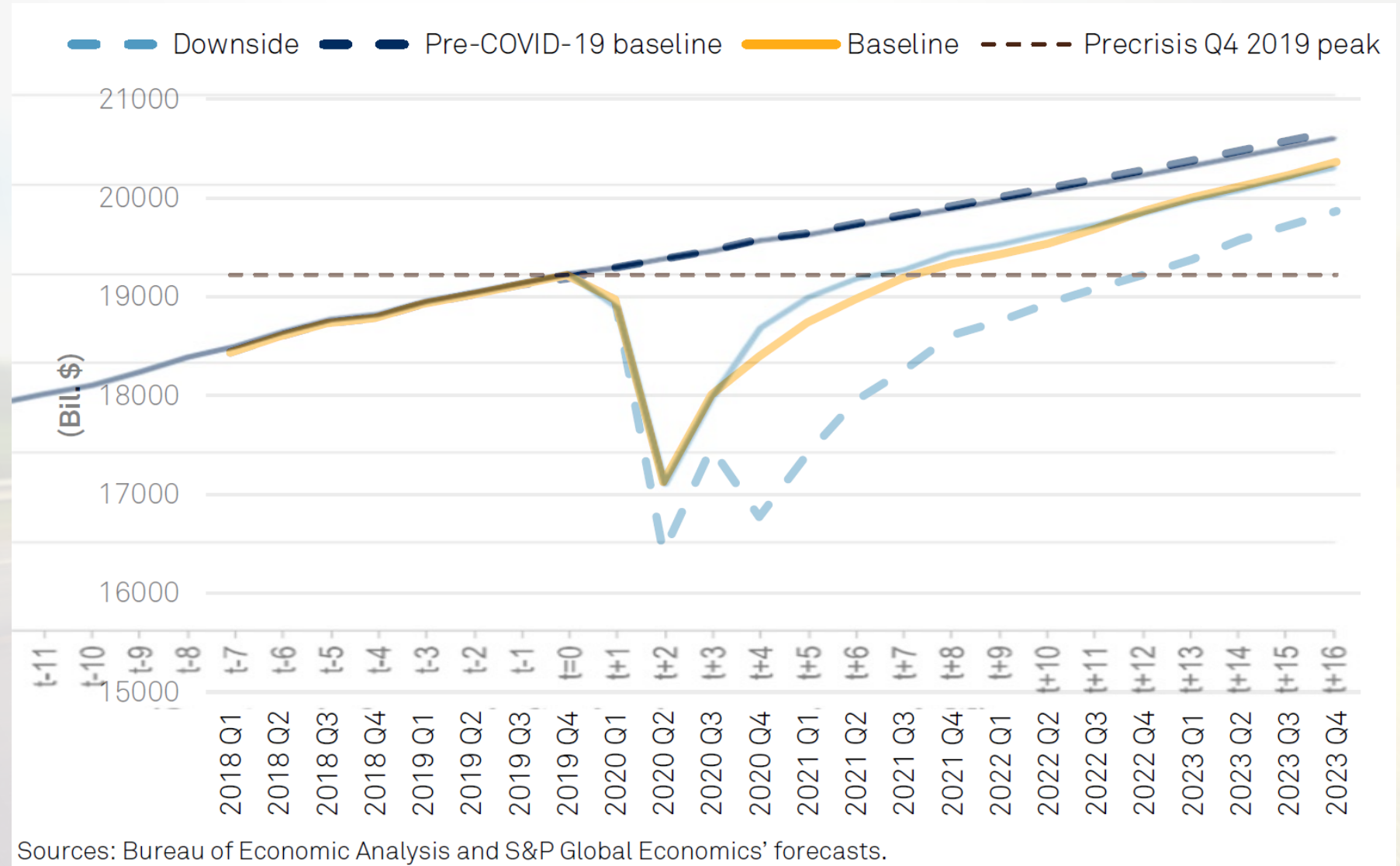
Fitch March 2020 Rating & Sensitivity Traffic Cases



	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020 Ave	2021	Notes
Rating Case Traffic Losses	6%	60%	30%	15%	27.8%	2019 level less 5%	2021 assumes lingering economic impact and increased telecommuting
ML Traffic Losses (1.25x Rating case)	8%	75%	38%	19%	34.7%	2019 level less 5.75%	Losses softened by disproportionate occurrence in shoulder and off-peak hours
Truck Traffic Losses (0.5x Rating Case)	3%	30%	15%	8%	13.9%	2019 level less 2.5%	Losses increased by continued closure of non-essential production and supply chain dysfunction
Sensitivity Case Traffic Losses	6%	75%	38%	19%	34.5%	2019 level less 10%	Most severe case based on Rating Case

S&P U.S. Economy June 30 Baseline Forecast

- GDP reaches Q4 2019 levels in Q3 2021
 - One quarter later than the April forecast
- Second wave downside case reaches 2019 levels by Q4 2022



Source: "Credit Conditions North America: Rolling Out the Recovery," published on June 30, 2020 on S&P RatingsDirect



Questions/Comments

Carlos Contreras, President

cmcontreras@candm-associates.com

(214) 245-5300, Ext. 405

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Workshop

Item 2

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM
DATE SUBMITTED
MEETING DATE

 2
 07/08/20
 07/14/20

1. Agenda Item: REVIEW OF SCHEDULE FOR SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Review of the schedule for Senior Lien VRF Revenue and Refunding Bonds, Series 2020
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: 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



Hidalgo County Regional Mobility Authority

Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020

June 2020							July 2020							August 2020							September 2020						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1			1	2	3	4	5
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
														30	31												

Highlighted dates denote holidays

Financing Timetable as of June 29, 2020

Date	Activity	Responsibility
June 30		
	■ Begin work on POS	RMA/FA/BC
July 14		
	■ Board meeting to approve financing, parameters resolution, and underwriting syndicate	RMA/FA/BC
July 16		
	■ Distribute first draft of POS	RMA/BC/FA
July 20		
	■ Conference call to review 1 st draft of POS	Working Group
July 24		
	■ Send POS and plan of finance to rating agencies	FA/RMA
July 30		
	■ Rating agency call (S&P)	RMA/FA/BC/UW
August 14		
	■ Receive Ratings	FA/BC/RMA
August 17		
	■ Due Diligence Call	Working Group
August 18		
	■ Post POS	BC/RMA/FA
August 25		
	■ Board Meeting	BC/RMA/FA
September 9		
	■ Pre-Pricing	RMA/FA/BC/UW

LEGEND

BC (Bond Counsel): Bracewell LLP
 Financial Advisor (FA): HilltopSecurities
 RMA: Hidalgo County Regional Mobility Authority
 T&R (Traffic and Revenue consultant): C&M Associates, Inc.
 UW (Underwriter): TBD

GEC (General Engineering Contractor): HDR Engineering, Inc.
 GC (General Counsel): Bracewell LLP
 RA: Rating Agency
 UC (Underwriter's Counsel): TBD
 Working Group: RMA, FA, GC, BC, UW, UC



Hidalgo County Regional Mobility Authority

Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020

Date	Activity	Responsibility
September 10		
	<ul style="list-style-type: none"> ■ Pricing ■ Execute BPA 	RMA/FA/BC/UW Working Group
September 14		
	<ul style="list-style-type: none"> ■ Distribute FOS to Working Group 	BC/RMA/FA
September 16		
	<ul style="list-style-type: none"> ■ Receive comments on Final Official Statement 	BC/RMA/FA
September 17		
	<ul style="list-style-type: none"> ■ Distribute Final Official Statement to Printer 	BC/RMA/FA
September 18		
	<ul style="list-style-type: none"> ■ FOS to underwriters 	RMA/FA/BC
September 28		
	<ul style="list-style-type: none"> ■ Pre-closing 	BC/RMA/FA/UW/UC
September 29		
	<ul style="list-style-type: none"> ■ Closing 	BC/RMA/FA/UW/UC

LEGEND

BC (Bond Counsel): Bracewell LLP

Financial Advisor (FA): HilltopSecurities

RMA: Hidalgo County Regional Mobility Authority

T&R (Traffic and Revenue consultant): C&M Associates, Inc.

UW (Underwriter): **TBD**

GEC (General Engineering Contractor): HDR Engineering, Inc.

GC (General Counsel): Bracewell LLP

RA: Rating Agency

UC (Underwriter's Counsel): **TBD**

Working Group: RMA, FA, GC, BC, UW, UC

Item 1A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 1A </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 07/08/20 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 07/14/20 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: RESOLUTION 2020-18 – RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY SENIOR LIEN VEHICLE REGISTRATION FEE REVENUE AND REFUNDING BONDS, SERIES 2020; APPROVAL AND DESIGNATION OF A PRICING COMMITTEE TO DETERMINE THE INTEREST RATES, MATURITY DATES, FORMS OF BONDS, REDEMPTION PROVISIONS AND OTHER MATTERS PERTAINING TO SUCH BONDS; APPROVING THE PROJECTS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE DESIGNATION AND APPOINTMENT OF A SYNDICATE OF UNDERWRITERS AND APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE AGREEMENT, AND AN ESCROW AGREEMENT; RATIFYING THE PLEDGE AGREEMENT AND INDENTURE OF TRUST; RATIFYING THE DESIGNATION OF BOND COUNSEL AND APPROVING OTHER AGREEMENTS RELATED THERETO; MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE SUBJECT AND MATTERS INCIDENT THERETO.
2. Nature of Request: (Brief Overview) Attachments: X Yes No
Consideration and approval of Resolution 2020-18.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted: Yes No X N/A
5. Staff Recommendation: Motion to approve Resolution 2020-14 – Resolution Authorizing the issuance of one or more series of Hidalgo County Regional Mobility Authority Senior Lien Vehicle Registration Fee Revenue and Refunding Bonds, Series 2020; Approval and Designation of a Pricing Committee to determine the Interest Rates, Maturity Dates, Forms of Bonds, Redemption Provisions and other matters pertaining to such bonds; Approving the projects; Prescribing the form, Terms, Conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds, including the designation and appointment of a Syndicate of Underwriters and Approval and Distribution of an Official Statement Pertaining thereto; Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Agreement, and an Escrow Agreement; Ratifying the Pledge Agreement and Indenture of Trust; Ratifying the designation of Bond Counsel and approving other agreements related thereto; Making other findings and provisions relating to the subject and matters incident thereto, as presented.

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

AGENDA ITEM -1A



Richard M. Ramirez

Regional Managing Director

HCRMA Summary of Refunding and New Money Financing July 2020

HilltopSecurities is proposing that HCRMA execute of refunding of its outstanding Vehicle Registration Fee Revenue and Refunding Bonds, Series 2013 as well issue \$11 million of new money bonds all under one transaction. The new money bonds will be used to pay off right-of-way obligations and for utility relocations related to SH 365. The refunding is estimated to provide approximately \$387,000 of annual savings beginning in 2021 at today's interest rates.

Following are key dates and metrics of the financing:

July 14 th	Board approval of Bond Parameters Resolution authorizing the refunding and new money on a taxable or tax-exempt basis
July 30 th	Rating Agency Meeting
August 18 th	Post Preliminary Official Statement (offering document)
September 10 th	Pricing of bonds
September 29 th	Closing of bond issue

Par amount of bonds	\$68,100,000
Projected All-In Interest Cost – Fixed	2.81%
Projected Present Value Savings	\$6,745,017
Total Cost of Issuance Estimate (Includes Bond Counsel, Rating Agency, Underwriters, FA, Insurance Premiums, etc.)	\$1,425,726 (2.10%)

We are recommending a three firm syndicate to sell the bonds:

Senior Manager	Estrada Hinojosa & Company
Co-Senior Manager	Raymond James
Co-Manager	JP Morgan

The following page illustrates a preliminary Sources and Uses for the financing:

SOURCES AND USES OF FUNDS

Preliminary Refunding of 2013 VRF Revenue Refunding Bonds & \$11 Million VRF New Money Issuance
***** Preliminary; Subject to Change *****

Dated Date 09/29/2020
Delivery Date 09/29/2020

Sources:	Proposed 2020 Ref	Proposed 2020 VRF Bonds	Total
Bond Proceeds:			
Par Amount	58,195,000.00	9,905,000.00	68,100,000.00
Premium		<u>1,310,635.40</u>	<u>1,310,635.40</u>
	<u>58,195,000.00</u>	<u>11,215,635.40</u>	<u>69,410,635.40</u>
Other Sources of Funds:			
Prior DSF (Interest)	811,794.93		811,794.93
	<u>59,006,794.93</u>	<u>11,215,635.40</u>	<u>70,222,430.33</u>
Uses:	Proposed 2020 Ref	Proposed 2020 VRF Bonds	Total
Project Fund Deposits:			
Project Fund		11,000,000.00	11,000,000.00
Refunding Escrow Deposits:			
Bond Proceeds	57,792,770.56		57,792,770.56
Cost of Issuance:			
Surety	107,770.06	49,596.00	157,366.06
Rating Agency Fee	50,000.00	25,000.00	75,000.00
Insurance	234,739.56		234,739.56
FA Fee	299,093.25	50,906.75	350,000.00
Bond Counsel Fee	<u>170,910.43</u>	<u>29,089.57</u>	<u>200,000.00</u>
	<u>862,513.30</u>	<u>154,592.32</u>	<u>1,017,105.62</u>
Delivery Date Expenses:			
Underwriter's Discount	349,170.00	59,430.00	408,600.00
Other Uses of Funds:			
Additional Proceeds	2,341.07	1,613.08	3,954.15
	<u>59,006,794.93</u>	<u>11,215,635.40</u>	<u>70,222,430.33</u>

The above Sources and Uses and related results are based on rates as of July 10, 2020 from Estrada Hinojosa & Company. Rates and results are subject to change until the bonds are sold. The plan of finance is being forwarded to TxDOT for their approval of the financing.

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

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

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

ARTICLE I

RECITALS

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the Board hereby finds and determines that the refunding of the Refunded Bonds contemplated in this Resolution will benefit the Authority by providing a present value

savings in the debt service payable by the Authority, and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

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

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

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

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

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

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

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

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

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

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

“Annual Financial Information” shall mean the financial information and operating data, including audited or unaudited Financial Statements, for the preceding Fiscal Year provided at least annually, of the type included in the Official Statement under the headings “THE VEHICLE REGISTRATION FEES – Table 1 – Vehicle Registration and Vehicle Registration Fee History,” “DEBT SERVICE REQUIREMENTS – Table 2 – Debt Service Requirements of

the Bonds,” “INVESTMENT AUTHORITY – Table 3 – Current Investments” and in Appendix B of the Official Statement.

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

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

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

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

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

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

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

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

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

“County” shall mean Hidalgo County, Texas.

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

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

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such participants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

“Paying Agent/Registrar” shall mean the Trustee.

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

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

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

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

“Pricing Committee” shall mean the Chairman 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, who are authorized to act on behalf of the Authority in selling and delivering the Bonds and perform all acts authorized and required of the Pricing Committee set forth in this Resolution and Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2.2 Interpretations. All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or

restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

ARTICLE III

TERMS OF THE BONDS

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

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

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

Resolution, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the Bonds shall have a net effective interest rate of not greater than 5.00%;
- (ii) none of the Bonds shall bear interest at a rate greater than the maximum lawful rate of interest allowed by Chapter 1204, Texas Government Code, as amended;
- (iii) the refunding of the Refunded Bonds shall produce present value debt service savings net of any Authority contribution;
- (iv) the aggregate principal amount of the Bonds shall not exceed the amount set forth in Section 3.1 hereof;
- (v) the Authority may purchase a bond insurance policy and/or Reserve Fund Surety Policy, but may only purchase a bond insurance policy if such policy would result in a net interest rate savings to the Authority which is greater than the costs of the premium of such policy, as may be determined in the Pricing Certificate; and
- (vi) The Authority shall determine whether the Bonds are Long-Term Obligations or Short-Term Obligations as set forth in the Indenture.

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

Section 3.5 Execution of the Bonds.

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

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

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

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

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

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

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

Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.8 Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a “Special Record Date.” The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the Authority. Such Special Record Date shall be fifteen days prior to the date fixed for payment of such past due interest (the “Special Payment Date”), and notice of the Special Payment Date shall be sent by United States mail, first class, postage prepaid, not later than five days prior to the Special Payment Date, to each Owner of record of an affected Bond on the special Record Date.

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

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

Section 3.10 Book-Entry Only System.

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

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Resolution. Without limiting the immediately preceding sentence, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any

other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the Authority to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

Section 3.11 Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the Authority, or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Letter of Representations, and that it is in the best interest of the beneficial owners of the Bonds that they shall be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC Accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Section 3.12 Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in accordance with the Blanket Letter of Representations.

Section 3.13 Registration, Transfer, and Exchange. So long as any Bonds remain Outstanding, the Paying Agent/Registrar shall keep the Register at its designated corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar

shall provide for the registration and transfer of Bonds in accordance with the terms of this Resolution.

Each Bond shall be transferable only upon the presentation and surrender thereof at the designated corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Bond, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Bond so presented.

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

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

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

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

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

by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding.

The Authority or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar. The Authority or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

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

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

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

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

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

Section 3.17 Notice of Redemption to Owners.

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

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

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

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

Section 3.18 Payment Upon Redemption.

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

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

Section 3.19 Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 3.17 of this Resolution, the Bonds or a portion thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Authority defaults in the payment of the

principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or a portion thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds is presented and surrendered for payment on such date.

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

Section 3.20 Limited Obligations. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES. NO ASSURANCE CAN BE GIVEN THAT THE PLEDGED REVENUES WILL REMAIN SUFFICIENT FOR THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, AND THE COUNTY IS LIMITED BY TEXAS LAW IN ITS ABILITY TO INCREASE THE RATE OR AMOUNT OF VEHICLE REGISTRATION FEES PER VEHICLE. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS NOR A PLEDGE OF THE AD VALOREM TAXING POWER OR THE FULL FAITH AND CREDIT OF THE COUNTY, THE STATE OF TEXAS OR ANY OTHER POLITICAL SUBDIVISION OR GOVERNMENTAL ENTITY OF THE STATE OF TEXAS.

ARTICLE IV

FORM OF BONDS

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

Section 4.2 CUSIP Registration. The Authority may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor Bond Counsel to the Authority are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

ARTICLE V

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

Section 5.1 Security for the Bonds. The Pledged Revenues, including the revenues from the Vehicle Registration Fees collected by the County (the Pledged Vehicle Fee Revenues), which are remitted to the Authority pursuant to the Pledge Agreement, are the sole security for the payment of the Bonds. The Bonds shall be secured by and payable from a senior lien on and

pledge of the Pledged Revenues as set forth in the Indenture. Pursuant to a Bond Resolution setting forth the source of funds of the Supplemental Security, Supplemental Security may also be added to the Pledged Revenues, as provided in the Indenture, for the benefit of the Owners of the Bonds.

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

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

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

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

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

Section 5.4 Flow of Funds.

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

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

ARTICLE VI

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF THE BONDS

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

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

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

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

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

ARTICLE VII

FEDERAL TAX MATTERS

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

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

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

(b) *No Private Use or Payment and No Private Loan Financing*. The Authority covenants that it will use the proceeds of the Tax-Exempt Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Tax-Exempt Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the Authority will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Tax-Exempt Bonds to be “private activity bonds” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

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

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

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

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

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

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

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

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

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

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

Section 7.3 Series 2020 Senior Lien Rebate Account.

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

(b) At least 30 days prior to each Computation Date, the Authority shall calculate the estimated Rebate Amount with respect to each such Computation Date. Based on such calculation, as such calculation may be revised from time to time based on actual earnings on the

investment of amounts on deposit in the Funds, Accounts and Subaccounts, the Authority shall advise the Trustee in writing of such amounts as may be necessary to cause the amount on deposit in the Series 2020 Senior Lien Rebate Account to be sufficient to rebate the Rebate Amount to the United States of America as required under the provisions of section 148(f) of the Code, the applicable Regulations thereunder, and the provisions of this Section 7.2 and shall specify in such estimate the amount allocated for such purpose. Within ten days of such notice, the Trustee shall transfer from the Pledged Revenue Fund to the Series 2020 Senior Lien Rebate Account the amounts so specified.

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

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

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

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1 Annual Reports.

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

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

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document), if it is available to the public on the MSRB's internet website or filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 8.2 Event Notices.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;

- (7) Modifications to rights of the holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;

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

(13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

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

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

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 2.1, the Authority intends the words used in such

paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

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

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

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

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

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

(d) The provisions of this Article may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to

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

ARTICLE IX

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

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

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

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

Resolution calling the Refunded Bonds for redemption and a copy of the Pricing Certificate. The delivery of this Resolution and the Pricing Certificate to the trustee for the Refunded Bonds shall constitute the giving of notice of redemption to the trustee for the Refunded Bonds and such trustee is hereby authorized and directed to give notice of redemption to the owners of the Refunded Bonds in accordance with the requirements of the resolution(s) authorizing the issuance thereof.

ARTICLE X

MISCELLANEOUS

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

Section 10.1 Bond Counsel; Appointment, Ratification and Acceptance. The appointment of Bracewell LLP, Houston, Texas, as Bond Counsel and Disclosure Counsel for the issuance of the Bonds is hereby ratified. The terms and provisions of the engagement letter are hereby approved and ratified for all purposes.

Section 10.2 Related Matters. In order that the Authority shall satisfy in a timely manner all of its obligations under this Resolution, the Indenture and the Agreements, the Pricing Committee, the Secretary of the Board and all other appropriate officers and agents of the Authority are hereby authorized and directed to take all other actions that are reasonably necessary to provide for issuance and delivery of each Series of the Bonds, including without limitation, executing by manual or facsimile signature and delivering on behalf of the Authority those certificates, consents, receipts, requests, notices, investment agreements, and other documents as may be reasonably necessary to satisfy the Authority’s obligations under the Agreements and this Resolution and to direct the transfer and application of funds of the Authority consistent with the provisions of the Agreements and this Resolution. In order to obtain the approval of the Bonds by the Attorney General of Texas, the consent of any Bond Insurer or issuer of a Reserve Fund Surety Policy, Bond Counsel is hereby authorized to make such changes in the written text of this Resolution, the Indenture and such other Agreements as they determine are consistent with the intent and purposes of this Resolution, which determination shall be final. Such changes shall be included in the transcript of proceedings

relating to the Bonds and provided to the Secretary of the Board and the Secretary of the Board is hereby directed to make such changes part of the Authority's permanent records.

Section 10.3 Further Proceedings. The Chairman, Vice Chairman, Secretary, and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the intent, purposes and terms of this Resolution, including the execution and delivery of such certificates, documents or papers necessary and advisable.

Section 10.4 Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10.5 Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

Section 10.6 Paying Agent/Registrar Agreement. The form of agreement setting forth the duties of the Paying Agent/Registrar is hereby approved, and an appropriate official of the Authority is hereby authorized to execute such agreement for and on behalf of the Authority.

Section 10.7 Parties Interested. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Paying Agent/Registrar, the Underwriters and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution shall be for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, the Underwriters and the Owners of the Bonds.

Section 10.8 Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 10.9 Changes to Resolution. The Authority's Executive Director is hereby authorized to make changes to the text of this Resolution if necessary or desirable to carry out the purposes hereof or to comply with the requirements of the Attorney General of Texas in connection with the issuance of the Bonds herein authorized.

Section 10.10 Effective Date. This Resolution shall become effective immediately upon passage by this Authority and signature of the Chairman of the Authority.

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

**HIDALGO COUNTY REGIONAL
MOBILITY AUTHORITY**

By: /s/
Chairman, Board of Directors

ATTEST:

By: /s/
Secretary, Board of Directors

EXHIBIT A
PRICING CERTIFICATE

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT C
ESCROW AGREEMENT

EXHIBIT D
INDENTURE OF TRUST