

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION 09-63

RESOLUTION AUTHORIZING THE BORROWING OF FUNDS
FROM THE STATE INFRASTRUCTURE BANK AND THE
EXECUTION AND DELIVERY OF A LOAN AGREEMENT IN
CONNECTION THEREWITH; AND ENACTING OTHER
PROVISIONS RELATED THERETO

WHEREAS, pursuant to Section 222.0745, Texas Transportation Code, as amended, the Central Texas Regional Mobility Authority (the "Authority") is authorized to borrow money from the State Infrastructure Bank (the "SIB") by direct loan; and

WHEREAS, pursuant to Resolution No. 08-03 ("Resolution No. 08-03"), approved by the Board of Directors (the "Board") of the Authority on January 30, 2008, the CTRMA filed with the Texas Department of Transportation ("TxDOT") a second amended application (the "Application") for a loan from the SIB to obtain financing for right-of-way acquisition and partial final design funding for Segment 1A of the 290 East Toll Project in Travis County, which Application has been approved by TxDOT; and

WHEREAS, an agreement entitled "State Infrastructure Bank (SIB) Loan Agreement" (the "SIB Loan Agreement") has been submitted by TxDOT to the Board for approval; and

WHEREAS, the Board has determined to approve the borrowing of \$31,610,000 by the Authority from the SIB for the purposes herein specified, and to approve the form, terms and provisions of the SIB Loan Agreement and authorize the execution and delivery thereof; and

WHEREAS, pursuant to Resolutions No. 05-18 and No. 09-31, the Board of the Authority created and established the CTRMA Turnpike System (the "System") and included the 290 East Toll Project as part of the System; and

WHEREAS, the costs of right-of-way acquisition and final design for the 290 East Toll Project for which the proceeds of the Loan (as hereinafter defined) shall be expended constitute "Costs" of the System as defined in the Authority's Master Trust Indenture, dated February 1, 2005 (as supplemented, the "Indenture"), and the Loan may be repaid with the proceeds of "Obligations" issued under and pursuant to the Indenture; and

WHEREAS, it is hereby found and determined that the meeting at which this Resolution is approved was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting,

including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

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

Section 1. Findings. The findings and determinations contained in the preambles hereof are hereby incorporated herein for all purposes as if set forth herein in their entirety.

Section 2. Approval of Borrowing. The Board hereby authorizes the borrowing by the Authority of \$31,610,000 from the SIB for the purpose of providing funds for right-of-way acquisition and partial final design funding for Segment 1A of the 290 East Toll Project in Travis County, as described in the Application.

Section 3. Approval of SIB Loan Agreement. The form, terms and provisions of the SIB Loan Agreement, evidencing the obligation of the Authority to repay the loan made pursuant thereto (the "Loan"), in the substantially final form presented at this meeting, are hereby approved, with such changes as may be approved by the officer executing such SIB Loan Agreement, such approval to be evidenced by the execution thereof. The Executive Director of the Authority is hereby authorized and directed to execute and deliver the SIB Loan Agreement to TxDOT. The Executive Director's signature shall be attested by the Authority's Chief Financial Officer.

Section 4. Source of Payment. The principle of and interest on the Loan shall be payable from the Authority's "available revenues." As used herein, "available revenues" means the lawfully available general revenues of the Authority remaining from time to time after payment of all operation and maintenance expenses thereof, and the payment or provision for payment of all debt service on any and all obligations of the Authority, including maintenance of debt service or other required reserves in connection with any and all obligations of the Authority. The Authority also reserves the right to repay or prepay the Loan from the proceeds of Obligations issued under and pursuant to the Indenture.

Section 5. Terms of Loan; Binding Obligation. The Authority's obligations under the SIB Loan Agreement and for the payment of interest on the Loan, repayment of the principal on the Loan, and such other terms and provisions of the Loan, shall be as set forth in the SIB Loan Agreement. The Board hereby covenants and agrees that the Authority will comply with all terms, provisions and procedures set forth in the SIB Loan Agreement. The Board further acknowledges that the Loan and the obligations of the Authority under the SIB Loan Agreement shall, upon the execution and delivery of the SIB Loan Agreement, constitute valid, binding and enforceable obligations of the Authority in accordance with the terms thereof. The Board hereby certifies that all conditions, acts, and things required by law to exist, to have happened, and to have been performed precedent to and in the approval, execution and delivery of the SIB Loan Agreement and the borrowing thereunder have happened, and have been performed and

that the execution and delivery of the SIB Loan Agreement and the borrowing thereunder are duly authorized by the laws of the State of Texas.

Section 6. Tax Matters.

(a) General. The Authority intends that the interest on the Loan shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations promulgated thereunder (the "Regulations"). the Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Loan to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the Authority covenants and agrees to comply with each requirement of this Section 6; provided, however, that the Authority shall not be required to comply with any particular requirement of this Section 6 if the Authority has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Loan or if the Authority has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 6 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 6.

(b) No Private Use or Payment and No Private Loan Financing. The Authority covenants and agrees that it will make such use of the proceeds of the Loan including interest or other investment income derived from Loan proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Loan will not be a "private activity bond" within the meaning of section 141 of the Code and the Regulations. The Authority shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Agreement is delivered, that the proceeds of the Loan will not be used, in a manner that would cause the Loan to be a "private activity bond" within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Loan or the obligations of the Authority under the Agreement to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bond. The Authority covenants and agrees that it will not take any action, and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Loan to be a "hedge bond" within the meaning of section 149(g) of the Code and the Regulations.

(e) No Arbitrage. The Authority covenants and agrees that it will make such use of the proceeds of the Loan including interest or other investment income derived from Loan proceeds, regulate investments of proceeds of the Loan, and take such other and further action as may be required so that the Loan will not be an “arbitrage bond” within the meaning of section 148(a) of the Code and the Regulations. The Authority will certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Agreement is delivered, the Authority will reasonably expect that the proceeds of the Loan will not be used in a manner that would cause the Loan to be an “arbitrage bond” within the meaning of section 148(a) of the Code and the Regulations.

(f) Arbitrage Rebate. If the Authority does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Authority will take all necessary steps to comply with the requirement that certain amounts earned by the Authority on the investment of the “gross proceeds” of the Loan (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Authority will (i) maintain records regarding the investment of the gross proceeds of the Loan as may be required to calculate the amount earned on the investment of the gross proceeds of the Loan separately from records of amounts on deposit in the funds and accounts of the Authority allocable to other obligation issues of the Authority or moneys which do not represent gross proceeds of any obligation of the Authority, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Loan which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Loan or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Loan that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Authority covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Loan is funded, an information statement concerning the Loan, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Continuing Obligation. Notwithstanding any other provision of this Resolution, the Authority’s obligations under the covenants and provisions of this Section 6 shall survive the discharge of the Loan.

Section 7. Further Actions. The officers and staff of the Authority, and its professional consultants, are hereby authorized and directed to take any and all actions and to execute and deliver any and all instruments and documents as may be necessary or


desirable to carry out and effectuate the purposes of this Resolution and the SIB Loan Agreement.

Section 8. Continuing Disclosure. It is hereby covenanted and agreed that the Authority will provide TxDOT with copies of any financial, continuing disclosure, traffic and revenue reports or other reports or filings made to or with the financial markets or the Board relating to either the 183-A Turnpike Project or the 290 East Toll Project in East Travis County, either as individual projects or as part of a the Authority system. It is hereby certified that the Authority will comply with its obligations pursuant to any undertaking entered into pursuant to Securities and Exchange Commission Rule 15c3-12 (the "Rule") and will file with TxDOT copies of all such filings and notices given pursuant to the requirements of the Rule and each undertaking made by the Authority in connection therewith.


Adopted by the Board of Directors of Central Texas Regional Mobility Authority on the 30th day of September, 2009.

Submitted and reviewed by:

Approved:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority



Ray A. Wilkerson
Chairman, Board of Directors
Resolution No. 09- 63
Date Passed: 9/30/09