

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE NORTH EAST TEXAS  
REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 14-25**

WHEREAS, the North East Regional Mobility Authority (the "Issuer") was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the Issuer has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Van Zandt, Wood, Titus, and Kaufman joined the Authority and are represented on the Board of Directors; and

WHEREAS, the Issuer is currently pursuing the development of Toll 49, Segment 4 (the "Project"); and

WHEREAS, in Resolution 14-19, adopted July 15, 2014, the Board of Directors of the Issuer authorized the Issuer's Financial Advisor, on behalf of the Issuer, to seek proposals from potential lenders to fund pre-development costs for the Project; and

WHEREAS, the Issuer anticipates entering into an agreement with the selected lender to fund pre-development costs for the Project and the Issuer anticipates future agreements of the same nature (hereinafter, collectively referred to as the "Loan"); and

WHEREAS, the Issuer anticipates that under the terms of the Loan, the funds borrowed will be repaid in total from the proceeds of certain available revenues received by the Issuer, including a portion of the proceeds from any bonds or other obligations issued by the Issuer, its successor, or assigns; and

WHEREAS, Chapter 1201, Texas Government Code, as amended ("Chapter 1201"), permits the Issuer to use the proceeds of obligations to reimburse the Issuer for costs attributable to the Project paid or incurred before the date of issuance of the obligations for the purpose of financing public works projects, which include pre-development costs for the Project; and

WHEREAS, none of the proceeds from the Loan will be used for any capital expenditures, or if such proceeds are used for capital expenditures, the Issuer will separately adopt and execute a valid reimbursement resolution in compliance with Section 1.150-2 of the Treasury Regulations; and

WHEREAS, the Issuer finds, considers, and declares that the reimbursement of the Issuer for the payment of such expenditures under the Loan will be appropriate and consistent with the objectives of the Issuer's programs and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2(3) of the Treasury Regulations, to reimburse itself for such payments and repay the Loan at such time as it issues obligations to finance the Project.

NOW THEREFORE, BE IT RESOLVED, that this Resolution declares the intention of the Issuer to reimburse the expenditures made under the Loan for pre-development costs for Project with the proceeds of a borrowing. The Issuer presently intends to reimburse such expenditures by incurring debt the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1986, as amended; and

BE IT FURTHER RESOLVED, that the Issuer reasonably expects to incur debt with an initial aggregate maximum principal amount currently estimated to not exceed \$120,000,00 for the purpose of paying the costs of the Project. A portion of the proceeds received by the Issuer from such borrowing are reasonably expected to be used to reimburse the Loan; and

BE IT FURTHER RESOLVED, that the Issuer intends that this Resolution satisfy the official intent requirement in Section 1.150-2(e) of the Treasury Regulations and evidences its intentions under Chapter 1201. The Issuer has no funds or sources of funds, other than the proceeds of the debt to be incurred, which the issuer has, or reasonably expects to be, reserved, allocated on a long-term basis, or otherwise set aside in the Issuer's budget or other financial policies with respect to the expenditures to be reimbursed; and

BE IT FURTHER RESOLVED, that none of the expenditures to be reimbursed pursuant to this Resolution have been allocated to expenditures entered on the books and records of the Issuer earlier than the date on which such expenditures are paid; and


BE IT FURTHER RESOLVED, that the expenditures discussed herein related to pre-development costs for the Project are preliminary expenditures under Section 1.150-2(f) of the Treasury Regulations. The amount of expenditures under the Loan will not exceed 20% of the aggregate issue price of the issue that is reasonably expected by the Issuer to finance the Project for which the preliminary expenditures were incurred; and

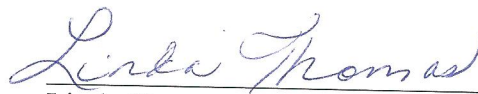
BE IT FURTHER RESOLVED, that this Resolution shall be liberally construed to evidence the intent of the Issuer to comply with state and federal income tax law in the issuance of tax exempt obligations for the Project.

Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 12th day of August, 2014.

Submitted and reviewed by:

Approved:

  
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C. Brian Cassidy  
General Counsel for the North East  
Texas Regional Mobility Authority

  
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Linda Thomas  
Chair, Board of Directors  
Resolution Number 14-25  
Date Passed: 08/12/14