

THE STATE OF TEXAS §

COUNTY OF CAMERON §

BE IT REMEMBERED on the 14th day of August, 2014, there was conducted a Regular Meeting of the Cameron County Regional Mobility Authority, at the Joe G. Rivera and Aurora de la Garza County Annex thereof, in San Benito, Texas, for the purpose of transacting any and all business that may lawfully be brought before the same.

THE BOARD MET AT:

12:03 PM

PRESENT:

HORACIO BARRERA

VICE CHAIRPERSON

MARK ESPARZA
DIRECTOR

DAVID N. GARZA
DIRECTOR

NAT LOPEZ
DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

Secretary

RUBEN GALLEGOS, JR.
ABSENT

DAVID E. ALLEX
ABSENT

MICHAEL SCAIEF

ABSENT

The Meeting was called to order by Vice Chairman Horacio Barrera, at 12:03 PM. At this time, the Board considered the following matters as per RMA Agenda posted and filed for Record in the Office of the County Clerk on this 11th day of August 2014 at 9:07 A.M.



AGENDA

**Regular Meeting of the Board of Directors
of the
Cameron County Regional Mobility Authority**

**Joe G. Rivera and Aurora de la Garza County Annex
1390 West I69E
San Benito, Texas 78586**

Thursday, August 14, 2014

12:00 Noon

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Aug 11, 2014 at 09:07A

PUBLIC COMMENTS:

- 1. Public Comments**

Joe G Rivera
County Clerk
By
Alejandro Cuellar, Deputy
Cameron County

PRESENTATIONS, RESOLUTIONS AND/OR PROCLAMATION ITEMS:

- 2. Presentations/Resolutions/Proclamations**

- A. Presentation and Acknowledgement of the GEC Report for July 2014**
- B. Presentation of the Status of the SH 550 Direct Connector for July 2014**
- C. Presentation of the Marketing Efforts**

CONSENT ITEMS:

- 3. All Item(s) under the Consent RMA Agenda are heard collectively unless opposition is presented, in which case the contested Item will be considered, discussed, and appropriate action taken separately**

- A. Consideration and Approval of the Minutes for:**

July 10, 2014 – Regular Meeting

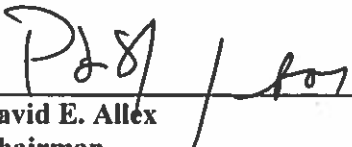
ITEMS FOR DISCUSSION AND ACTION:

4. Action Items

- A. Approval of Claims**
- B. Consideration and Approval of Financial Statements for July 2014**
- C. Consideration and Approval of Resolution Authorizing the Issuance of Cameron County Regional Mobility Authority Vehicle Registration Fee Revenue Refunding Bonds in an Amount Not to Exceed \$7,000,000; Approving and Designating the Pricing Committee; Approving the Transaction Documents And Making Other Findings and Provisions Relating to the Subject And Matters Incident Thereto**
- D. Discussion and Possible Action Regarding the SH 32 Value Engineering Recommendations**
- E. Consideration and Approval of Work Authorization No. 69 with HNTB for the West Rail Relocation Project**
- F. Consideration and Approval of Supplemental Work Authorization No. 2 for Work Authorization 40 With HNTB for the West Rail Relocation Project**
- G. Consideration and Authorization for the Cameron County Regional Mobility Authority Executive Director to request assistance from TxDOT for the CDA process for the SPI 2nd Access project and the Outer Parkway Project**
- H. Consideration and Approval of Change Order No. 18 for the SH 550 Port Spur Project**

ADJOURNMENT:

Signed this 11th day of August 2014



David E. Alex
Chairman

NOTE:

Participation by Telephone Conference Call – One or more members of the CCRMA Board of Directors may participate in this meeting through a telephone conference call, as authorized by Sec. 370.262, Texas Transportation Code. Each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the meeting location and will be recorded. On conclusion of the meeting, the recording will be made available to the public.

PUBLIC COMMENTS

1 PUBLIC COMMENTS

None were presented.

PRESENTATIONS, RESOLUTIONS AND/OR PROCLAMATION ITEMS

2-A Presentation and Acknowledgement of the GEC Report for July 2014

Mr. Richard Ridings with HNTB presented the GEC Report for the month of July 2014 and provided a detailed report on the status of Cameron County Regional Mobility Authority Projects.

Director Garza moved to acknowledge the GEC Report for July 2014. The motion was seconded by Director Esparza and carried unanimously.

The Report is as follows:

2-B Presentation of the Status of the SH 550 Direct Connector Project for July 2014

Mr. Agustin Ramirez with S&B Infrastructure went over a power point presentation on the status of the SH 550 Direct Connector project.

Director Esparza moved to acknowledge the status of the SH 550 Direct Connector project. The motion was seconded by Director Lopez and carried unanimously.

The Report is as follows:

2-C Presentation of Marketing Efforts

Mrs. Michelle Lopez, RMA Marketing and Communications Director went over a Report on Marketing Efforts. The Report is attached to the minutes. Mr. Pete Sepulveda, Jr., RMA Executive Director advised the Board about a visit from Lt. General Joe Weber, TxDOT Executive Director.

Director Esparza moved to acknowledge the Status Report for the Marketing Efforts for July 2014. The motion was seconded by Director Garza and carried unanimously.

The Report is as follows:

CONSENT ITEMS

ALL ITEM(S) UNDER THE CONSENT RMA AGENDA ARE HEARD COLLECTIVELY UNLESS OPPOSITION IS PRESENTED, IN WHICH CASE THE CONTESTED ITEM WILL BE CONSIDERED, DISCUSSED AND APPROPRIATE ACTION TAKEN SEPARATELY

3-A Consideration and Approval of the Minutes for:

July 10, 2014 – Regular Meeting

Director Garza moved to approve the Minutes for July 10, 2014 Regular Meeting. The motion was seconded by Director Esparza and carried unanimously.

ACTION ITEMS

4-A Approval of Claims

The attached claims were presented to the Board of Directors for approval.

Mr. Pete Sepulveda, Jr., RMA Executive Director introduced the Claims into the record.

Director Esparza based on Staff's recommendation moved to approve the Claims. The motion was seconded by Director Garza and carried unanimously.

The Claims are as follows:

4-B Consideration and Approval of Financial Statements for July 2014

Mr. Adrian Rincones, RMA Controller and Financial Officer went over the attached Financial Statements for the month of July 2014.

Director Lopez moved to approve the Financial Statement for the month of July 2014. The motion was seconded by Director Garza and carried unanimously.

The Financials are as follows:

4-C Consideration and Approval of Resolution Authorizing the Issuance of Cameron County Regional Mobility Authority Vehicle Registration Fee Revenue Refunding Bonds in an Amount Not to Exceed \$7,000,000; Approving and Designing the pricing Committee; Approving the Transaction Documents and Making Other Findings and Provisions Relating to the Subject and Matters Incident Thereto

Mr. Pete Sepulveda, Jr., RMA Executive Director introduced the item and introduced Dave Gordon with Estrada Hinojosa, CCRMA's Financial Advisors. Mr. Gordon went through the attached presentation and explained the refunding process to the Board of Directors. Mr. Gordon went through the process that will be required to refund the bonds. Mr. Gordon advised the Board that the resolution was prepared by the CCRMA's bond counsel. Mr. Gordon went through the schedule of the entire transaction. Mr. Gordon recommended the refunding to the Board since it will result in savings to the CCRMA.

Director Esparza moved to approve the resolution subject to changes made by the CCRMA's Bond Counsel. The motion was seconded by Director Garza and carried unanimously.

The Resolution is as follows:

4-D Discussion and Possible Action Regarding the SH 32 Value Engineering Recommendation

Mr. Pete Sepulveda, Jr., RMA Executive Director gave a report on the final recommendations for value engineering services. Mr. Sepulveda provided a Memorandum with recommendations. Mr. Sepulveda went over the recommendations with the Board. Mr. Sepulveda stated that TxDOT was in concurrence with the recommendations on the value engineering recommendations. The Memorandum with recommendations are attached to the minutes.

Director Esparza moved to approve the SH 32 Value Engineering recommendations as presented in the Memorandum by the Executive Director, Pete Sepulveda, Jr. The motion was seconded by Director Lopez and carried unanimously.

The Memorandum with Recommendations is as follows:

4-E Consideration and Approval of Work Authorization No. 69 with HNTB for the West Rail Relocation Project

Mr. Pete Sepulveda, Jr., RMA Executive Director went over the need for the Work Authorization and stated that the Board had previously authorized him to negotiate the work authorization. Mr. Sepulveda stated that the work covered under this work authorization was related to the fence, gate and lighting on the international rail bridge. Mr. Sepulveda stated that TxDOT had approved the scope and fee for this work authorization and it was his recommendation to the Board that the work authorization be approved as presented.

Director Garza moved to approve Work Authorization No. 69 with HNTB for the West Rail Relocation Project. The motion was seconded by Director Esparza and carried unanimously.

The Work Authorization is as follows:

4-F Consideration and Approval of Supplemental Work Authorization No. 2 to Work Authorization No. 40 with HNTB for the West Rail Relocation Project

Mr. Richard Ridings with HNTB introduced the item and explained the reason for this supplemental work authorization. Mr. Ridings stated that this supplemental had to do in part with the issues associated with Bent #41 by the Rio Grande River. A discussion ensued with the Board on the specifics of the issues associated with the additional work required for Bent #41 including testing, design and construction management. Mr. Ridings gave a history of the events that occurred and the discussions held with the Texas Department of Transportation (TxDOT). Mr. Sepulveda stated that TxDOT is still reviewing the supplemental work authorization but that they were fully aware of the situation and cognizant of the facts and events surrounding the issue with Bent #41. Mr. Sepulveda stated that the recommendation from staff was for the Board to approve the supplemental work authorization subject to TxDOT's final review and approval.

Director Garza move to approve the supplemental work authorization subject to TxDOT's final review and approval. The motion was seconded by Director Lopez and carried unanimously.

The Supplemental Work Authorization is as follows:

4-G Consideration and Authorization for the Cameron County Regional Mobility Authority Executive Director to request assistance from TxDOT for the CDA process for the SPI 2nd Access project and the Outer Parkway Project

Mr. Pete Sepulveda, Jr., RMA Executive Director advised the Board that he would like to receive authority from the Board to start discussions with TxDOT to see if they are interested in assisting the CCRMA with the CDA process for SPI 2nd Access and Outer Parkway projects. Mr. Sepulveda stated that TxDOT had the expertise and financial capability to assist the CCRMA through the CDA process.

Director Garza moved to authorize the Executive Director to start discussions with TxDOT for CDA assistance. The motion was seconded by Director Esparza and carried unanimously.

4-H Consideration and Approval of Change Order No. 18 for the SH 550 Port Spur Project

Mr. Pete Sepulveda, Jr., RMA Executive Director advised the Board that this change order was to close out the project. The CCRMA is not required to provide any financial assistance as it relates to this change order.

Director Esparza moved to approve Change Order No. 18 for the SH 550 Port Spur project. The motion was seconded by Director Garza and carried unanimously.


The Change Order is as follows:

ADJOURNMENT

There being no further business to come before the Board and upon motion by Director Esparza seconded by Director Lopez and carried unanimously the meeting was **ADJOURNED** at 1:22 P.M.

APPROVED this 11th day of September 2014.

ATTESTED: 
SECRETARY RUBEN GALLEGOS, JR.


CHAIRMAN DAVID E. ALLEX

**2-A. PRESENTATION AND ACKNOWLEDGEMENT OF GEC REPORT FOR
JULY 2014**



Pete Sepulveda, Jr.
Executive Director
Cameron County Regional Mobility Authority
1100 East Monroe Street
Brownsville, Texas 78520

August 8, 2014

Dear Mr. Sepulveda,

The following is a summary of our progress on the subject projects for the month of July 2014.

Project Management:

General GEC

- Prepared & submitted CCRMA GEC Invoice for work performed on various Work Authorizations. Updated and submitted June 2014 GEC report.
- On July 1st, Richard Ridings, Jimmy Berry and Greg Garcia attended the Special Meeting of the CCRMA Board of Directors.
- On July 10th, Richard Ridings and Jimmy Berry attended the Regular Meeting of the CCRMA Board of Directors.
- Assisted CCRMA Controller on activities involving reporting and documentation of invoicing, progress reports and other accounting/billing matters.
- HNTB hosted and attended the CCRMA/TxDOT coordination meetings on July 7th and 21st.

West Rail Relocation International Coordination (Work Authorization No. 8):

This Work Authorization provides appropriate subconsultant(s) for staff coordination with the Mexican agencies to monitor and determine project schedules, permit requirements, funding technical agreements and design for the West Rail Relocation around Brownsville, Texas. The project plans will require approval by Secretaría de Comunicaciones y Transportes (SCT), Comisión Internacional de Límites Y Aguas (CILA) and Kansas City Southern Mexico (KCSM).

- Construction progress on the Mexican side:
 - Bridge, 100%
 - Patios and Roadway, 100%
- Regarding the eight minimum railworks to begin operation, it was reported that work began. A visit to the courts on July 10 confirmed the following:
 - Structure for reinstallation of Gamma Rays. Two meetings were held for this purpose, as agreed at the 72nd workshop.

On June 9th, at 10:30 a.m. a meeting was held with Mr. Oscar Peguero Medina, Manager of Facilities and Infrastructure Team of the General Administration of Customs in the Ministry of Finance and company officials from Caxcan and Carter

General Development Steering, during which revisions and corrections for final design were made and agreed to be one in which the SCT Center, Science Applications Company, LTD, the Carter Development Board of Directors and Caxcan were present in order to establish the critical path for the installation of Gamma Rays.

Therefore, on July 3, a meeting was held during which the plans to which the corresponding changes were to be made by the company Science Applications, LTD were reviewed with Caxcan as final plans.

The SCT Tamaulipas Centre will carry out a signing of the agreement with the company Science Applications, LTD. The tender will be issued for the structure at the same time.

Once construction of the structure begins, photographs will be taken to the General Administration of Customs for approval of the relocation of the team.

Once the structure is completed, authorization for the company's six weeks previous activities, removal, relocation of equipment, installation, adjustment, testing and delivery will be received.

If there are no delays in implementation, the Gamma Rays project will be completed in November.

- Platforms and Customs Senasica review. Work is at the 30% progress point. The remaining work is expected to be completed by the end of August.
- The perimeter fence required by Customs is being built and will be ready by mid-August.
- The telecommunications tower. The base is finished, while the structure is being assembled in a workshop in the city of Matamoros. It consists of 8 modules, of which there are already six ready and two missing. Installation will be finalized in late August.
- The PIV. The final design was completed and construction resources were requested. It is expected to be completed next year.
- The arrangement of roads. Work began and is expected to be finished in mid-August.
- The five guard houses. Two have already been built, compared to the other three:
- The concept for the booth is ready and will be at point 6 +650 in the PIV of the Matamoros-Reynosa highway. Final design will be created to begin construction.

- The concept for the booth is ready and will be at point 8 +750 in the PIV of the Matamoros-Reynosa highway. The final design will be created to begin construction.
 - The concept for the house that is in section 10 +360 in the PIV of the Reynosa-Matamoros highway is ready and the final design will be created to begin construction.
 - The location of the five houses was agreed upon at the meeting held on May 14 in Monterrey.
 - Construction to prevent flooding in the driveway. At its Tuesday, July 8 meeting, Mr. Isidro A. Balderas Vite, Federal Highway general resident of the SCT Center in Ciudad Victoria, Tamaulipas, stated the project would be completed in mid-August.
- Regarding the delivery-reception tables, the first Technical Working Committee was held with the Secretary of Communications and Transportation of Kansas City Southern de Mexico, SA de CV to review the Legal section of the divestiture of the KMF-328 +-17.60 to km 330 +570.00 F-line "F" and Matamoros Delivery-Desk Rail Bypass, the New Rail Yard and the New International Bridge. The meeting was held on Tuesday, July 8, 2014 at 11:00 a.m. at the offices of the General Administration of Railways and Multimodal. It was stated that the steps for final delivery to KCSM are:
 - Signing of KCSM/DGTFM.
 - Verification of Total Liberation of DGTFM Right-of-Way/DC/CSCTT.
 - Verification of Bypass Works Contracts, DGTFM/DC/CSCTT.
 - Verification of the status of the Bypass KCSM/DGTFM/DC/CSCTT.
 - Checking on existing facilities that keep KCSM/DGTFM/CSCTT.
 - Application to KCSM DGTFM to modify its Concession Agreement.
 - Modify the Concession.
 - Physical delivery of Bypass KCSM.
 - Delivery of current assets to INDAABIN.
 - Agreement by destination INDAABIN to Road Development.

Furthermore, it was agreed that a meeting should be held in Monterrey on Tuesday, July 15 at 9 a.m. including officers of the infrastructure and operation team. It was requested that the process be carried out with the rigor it deserves and noted that the entry of the company Kansas City Southern de Mexico was carried out without delay and federal agencies have facilities that will operate for safety reasons.

- On June 9 at 10:30 a.m. a meeting with Mr. Oscar Peguero Medina, Manager of Equipment and Infrastructure of the General Administration of Customs of the Ministry of Finance was held at the Directorate General of Customs. During the meeting, corrections were made and the commitment was set that final plans will be sent on Wednesday, June 11.
- Regarding the issue of security, a meeting was held with Minister Ana Luisa Fajer Flores, Executive Director for the North of the Ministry of Foreign Affairs and Mr. Roman Alberto Fernandez Lopez, Assistant Director of Frontier Affairs of the Ministry of Foreign Affairs in their offices. It was agreed upon to hold a meeting with the interdepartmental group on international bridges and crossings to address the issue, which was given at this table. Currently waiting for a date. For this

purpose, he has asked the Ambassador of Mexico in Brownsville, Ambassador Rodolfo Quilantan Arenas, to communicate to the Executive Director for North America, Councilor Ana Luisa Fajer Flores, who is awaiting the date of the meeting, to determine the inter-secretarial International Crossings and Bridges Group that will address this issue.

- The date for the 74th Technical Reunion will be Friday, August 15 at 10:30 a.m.

South Padre Island Second Access Phase 3A & 3B (Work Authorization No. 17):

This Work Authorization provides engineering and environmental services associated with the development and advancement of the NEPA process for the proposed South Padre Island (SPI) 2nd Access Project in Cameron County, Texas. The proposed Project will provide an alternate route to the Queen Isabella Memorial Causeway; thus, enhancing local and regional mobility, and facilitating effective evacuation of the island in times of disaster, hurricanes, and other emergencies. This Work Authorization continues the environmental and corridor alternatives assessment tasks necessary to advance the project to a selection of a Recommended Preferred Alternative and ultimately to a Record of Decision (ROD). After the selection of a Preferred Alternative a supplement for schematic design and the FEIS will be required.

- HNTB continues to provide assistance and information to CCRMA Board and staff, members of the general public and stakeholders.
- Coordinated Supplemental Work Authorization with S&B, RODS and Belaire Environmental.
- Coordination, including weekly meetings, with TxDOT Pharr District, TxDOT ENV and FHWA has been on-going regarding the FEIS tasks.
- HNTB and PSI continued to develop the Draft Financial Plan.
- Continued data collection and ROW research and mapping.
- Continued coordination with subconsultant to address TxDOT's 60% schematic review comments.
- Continued coordination with subconsultants on route and design studies for preparation of 90% submittal (i.e. typical sections, geometric design, preliminary cross sections, preliminary traffic control, 3D modeling, and schematic plan preparation, preliminary construction cost estimate, hydrology, hydraulic studies, drainage design and preliminary bridge layouts).
- Revised master design schedule and submitted to subconsultants for review.
- Continued coordination with TxDOT Transportation Planning & Programming (TPP) and subconsultants on traffic forecasting and operational analysis.
- Continued coordination with subconsultants on geotechnical services.
- Continued coordination with subconsultants on socio-economic services.
- Plans for Context Sensitive Solutions (CSS) advanced, meeting materials were finalized and meetings were scheduled for August 5th and 6th.
- Continued preparation of FEIS and associated tasks.
- Coordinated with subconsultants on FEIS tasks.
- Continued coordination with regulatory agencies on MMPA, ESA, EFH compliance, including mitigation. Meetings were scheduled in August with the USACE and NMFS in Galveston – preparation of meeting agenda and coordination with TxDOT on attendees was completed.
- Completed Survey cross sections for the Laguna Madre.
- Met with CDM Smith to discuss the Economic Development growth projections for the T&R Studies.

General Brant Road/FM 106 Extension (Work Authorization No. 26)

This work authorization provides professional services and deliverables associated with the preparation of a categorical exclusion (to be reviewed by the Federal Highway Administration in anticipation of possible federal funding) and the completion of the Section 404 permitting process (including the development of a conceptual mitigation plan) for the project.

- No activity this billing period.

Olmito Switch Yard & Repair-In-Place Facility (Work Authorization No. 31)

This work authorization provides engineering services throughout the construction duration of the Olmito Switch Yard and Repair-In-Place (RIP) Facility by providing responses to the contractor's Requests for Information, Shop Drawing Review and As-Built construction plans.

- HNTB is assisting with the completion and close out of this project.
- On July 31, 2014 Brownsville PUB attempted to turn on the water to the RIP facility. There was a broken nut on the control wheel, they will fix the problem and try again.

West Rail Bypass, CI (Work Authorization No. 33)

This work authorization provides professional services associated with construction inspection phase work for the West Rail Bypass.

- HNTB started on Supplemental Work Authorization for the plans, procurement, and construction of the Border Fencing on the UPRR Bridge. Items remaining to be completed are Gate at bent 41, fence on the bridge, lighting on the bridge, security equipment in building, communications wiring in the building, crossing for CCID #6, and VACIS system.
- The tamping of all rail has been completed, the UP maintenance and public crossings are now installed, and inside guard rail has been completed.
- The contractor has achieved substantial completion with only minor corrections and cleanup required.
- Mitigation coordination with USACE and CCRMA.
- HNTB is assisting with the completion and close out of this project.

Outer Parkway Study (Work Authorization No. 36)

This work authorization provides professional services and deliverables associated with a study for the Outer Parkway. The study is to be performed in a three phase effort to deliver a schematic design for the Outer Parkway project. The phases are:

- HNTB started on Supplemental Work Authorization for the Environmental Assessment and Route Studies.
- Draft Classification Letter was revised per TxDOT ENV comments and resubmitted to the Pharr District for review.

West Rail RFIs, As-Built (Work Authorization No. 40)

This work authorization provides construction phase services throughout the construction of the West Rail Relocation Project by providing responses to Requests for Information from the contractor and providing As-Built construction drawings. Also, records keeping will be provided through the use of DashPort.

- No tasks performed for this month.

SH 32 GEC (Work Authorization No. 49 - Preliminary Schematic and Environmental Approval)

This work authorization provides professional services for oversight, guidance, agency coordination, and issue resolution, necessary to expedite the preliminary development phases of these two SH 32 projects only. The two projects, which each have logical termini and independent utility, extend from US 77/83 to FM 3068 (herein referred to as SH 32-West) and from FM 3068 to SH 4 (herein referred to SH 32-East). The proposed projects are being developed by two prime subconsultants, (S&B Infrastructure, Ltd. and Traffic Engineers, Inc.) under the oversight of HNTB (GEC).

SH 32 West (Consultant – Traffic Engineers, Inc., or TEI):

- Continued project coordination with TEI.
- Archeological field work was completed and report writing is underway.

SH 32 East (Consultant - S&B Infrastructure, Ltd., or S&B):

- Continued project coordination with S&B.
- Biological Assessment was revised per TxDOT comments, reviewed by the GEC and resubmitted to the TxDOT Pharr District for back check.

International Advisor Services (Work Authorization No. 73):

This Work Authorization provides appropriate subconsultant(s) for staff coordination with the Mexican agencies to develop and promote the Cameron County as an International Multimodal Logistics Hub (IMLH), to service the international industry, developing plans to promote and improve the infrastructure, services and systems, to offer a highly competitive and flexible logistics services.

- Attended 4th meeting with CBP and Mexican trucking Companies at Los Tomates Bridge, more than five trucking companies' representatives attended the meeting with Officer Rafael Gonzalez and three CBP officials. The new procedure to be used for the eManifest in order to speed up the commercial traffic flow was discussed. The comments from the trucking Companies are that they have been reducing the time of crossing at Los Tomates Bridge.
- Various meetings with Matamoros's Officials and Commissioners to work on Los Indios Bridge projects were held. They are helping to research all the land next to Los Indios Bridge on the Mexican side, and are sending to the Tamaulipas Government records from several lots around the bridge.
- Meeting with Harlingen EDC and the Industrial Development Foundation, plan of action from the CC Logistics Alliance was presented.
- Coordinated a meeting with Judge Carlos Cascos, Ralph Cowen and Eduardo Campirano from the Port of Brownsville to start the planning process for a future visit to the Cameron County region from officials and businessman from Mazatlan and the State of Sinaloa, which is scheduled for next September.
- Weekly meetings and conference calls with Cameron County, Port of Brownsville and Harlingen EDC were conducted to follow up on different projects.
- Continue working with Tamaulipas Economic Development and Public Works officials to follow up on the Projects at Los Indios Bridge. Searching a State and Private partnership that was formed when the bridge was built, they own some of the land around the bridge. A meeting will be set in Cd. Victoria for the second week of August.

- Coordinate various meetings with the Port of Brownsville, Harlingen EDC and Cameron County officials to prepare the plan for the first International Trade Session to be host by the CC Logistics Alliance during the month of September.
- The second Training session with DPS and the Mexican Trucking Companies Association (Canacar) was held on July 16 at the DPS Los Tomates station; more than 25 participants attend the session. The comments from the trucking companies are very positive on the DPS inspection process.
- A meeting was coordinated with the Maquila Association and Canacar (Mex. Trucking Companies). We are trying to work together in our effort to reduce the Commercial traffic crossing time.
- Continue working with Harlingen EDC to coordinate promotional trips to Guanajuato, Mexico to visit produce companies. Several meetings have been set with Cold Storage Companies, Trucking Companies and custom brokers.
- Together with Tony Rodriguez (POB), attended the Pharr Bridge trade session in Pharr TX. They publish a magazine called "Pharr Trade Numbers" with all the Port International trade information and statistics.
- Attended a meeting with the Brownsville Customs Broker Association. We present the CC logistics Alliance plan of action and our efforts to reduce the commercial traffic crossing time with CBP and DPS. They are ready to participate with us in our effort to promote the International Trade and Logistics business in the Region.
- Attended the monthly meeting with the International Trade Committee at the Brownsville Chamber of Commerce.

Consultant Management:

- Continued coordination with subconsultants and S&B Infrastructure as prime consultant on SH 550 Construction management including discussions with USACE officials on wetland mitigation that was performed as part of this project.

Agency Coordination:

- Conducted ongoing discussions with CCRMA staff, TxDOT staff and subconsultants for preparation of SPI 2nd Access project, SH 550, Olmito Switch Yard Repair-In-Place Facility construction project, West Rail construction project, SH 32 East Loop EAs and other miscellaneous items.

Best regards,



Richard L. Ridings, P.E.

Vice President

cc: Carlos Lopez, P.E.

July Status Report

HNTB

Project	West Rail Relocation		
Work Authorization	8	International Advisor Services	WA Cost: \$ 186,579.00
Supplemental	1	International Advisor Services	SA Cost: \$ 67,264.00
Supplemental	2	International Advisor Services	SA Cost: \$ 67,163.00
Supplemental	3	International Advisor Services	SA Cost: \$ 67,225.00
Supplemental	4	International Advisor Services	SA Cost: \$ 67,939.00
Supplemental	5	International Advisor Services	SA Cost: \$ 67,939.00
Supplemental	6	International Advisor Services	SA Cost: \$ 67,939.00
Supplemental	7	International Advisor Services	SA Cost: \$ 67,939.00
Supplemental	8	International Advisor Services	SA Cost: \$ 67,939.00
Supplemental	9	International Advisor Services	SA Cost: \$ 69,054.00
Supplemental	10	International Advisor Services	SA Cost: \$ 69,054.00
Supplemental	11	International Advisor Services	SA Cost: \$ 69,924.00
Supplemental	12	International Advisor Services	SA Cost: \$ 69,924.00
Supplemental	13	International Advisor Services	SA Cost: \$ 69,924.00
Total Cost:			\$ 1,075,806.00

Description: The West Rail Relocation project provides appropriate subconsultant (s) for staff coordination with the Mexican agencies to monitor and determine project schedules, permit requirements, funding technical agreements and design for the West Rail Relocation around Brownsville, Texas. This subconsultant is Arturo de las Fuentes of Caminos Y Puentes Internacionales. The project plans will require approval by Secretaria de Comunicaciones y Transportes (SCT), Comision Internacional de Limites Y Aguas (CILA) and Kansas City Southern Mexico (KCSM).				
Scope: Provide professional services and deliverables required for project administration and coordination for the Cameron County Regional Mobility Authority				
Deliverable: Monthly Project Progress Reports and meeting minutes that details activities performed by task (Spanish and English versions will be provided). Monthly invoice/billings with list of tasks performed and products delivered per invoice billing cycle (English version will be provided).				
Project Activity				
International Advisory Services				
Status: Ongoing				
Recent Activity:	Detailed report available			
Upcoming Activity:	Attend coordination meetings			
Outstanding Issues:	None			
Design				
Status:				
Recent Activity:				
Upcoming Activity:				
Outstanding Issues:				
Other: Project Administration				
Status:				
Recent Activity:				
Upcoming Activity:				
Outstanding Issues:				
Task		Status	Date Anticipated Completion	% Complete
International Services		Ongoing	6/30/2014	100%
WA Amount:	\$ 1,075,806.00	Outstanding Invoice Number	Days Old	Invoice Amount
Billed To Date:	\$ 1,075,806.00			
Paid To Date:	\$ 1,075,806.00			
Unpaid Balance:	\$			
Funding Source:	Cameron County			
		Total:	\$	

Project	South Padre Island Phase 3A & 3B		
Work Authorization	<u>17</u>		WA Cost: \$ 2,965,831.00
Supplemental	<u>2</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 165,885.00
Supplemental	<u>3</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 415,622.00
Supplemental	<u>4</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 109,870.00
Supplemental	<u>6</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 166,668.00
Supplemental	<u>7</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 40,290.00
Supplemental	<u>8</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 59,094.00
Supplemental	<u>9</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 37,334.00
Supplemental	<u>10</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 4,488,102.00
Supplemental	<u>11</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 116,256.00
Supplemental	<u>12</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 15,827.00
Supplemental	<u>13</u>	<u>Affected Env & Env Consequences</u>	SA Cost: \$ 244,621.00
			Total Cost: \$ 8,827,400.00

Description: This Work Authorization provides engineering and environmental services associated with the development and advancement of the NEPA process for the proposed South Padre Island (SPI) 2nd Access Project in Cameron County, Texas. The proposed Project will provide an alternate route to the Queen Isabella Memorial Causeway; thus, enhancing local and regional mobility and facilitating effective evacuation of the island in times of disaster, hurricanes, and other emergencies. This Work Authorization continues the engineering and environmental tasks necessary to advance the project to a schematic design of the Recommended Preferred Alternative, FEIS and ultimately to a Record of Decision (ROD).

Scope: Prepare schematic, FEIS and Surveying

Deliverable: Project administration and coordination, schematic design of the Recommended Preferred Alternative, VE study, toll facility study, interim financial and project management plan, base and soil testing and core drilling, traffic forecasting, traffic operational study, PI, CSS, FEIS, Record of Decision (ROD) and surveying

Project Activity

Route and Design Studies	
Status:	Ongoing
Recent Activity:	Attended USFWS Mitigation Meeting with CCRMA, TxDOT, USFWS and FHWA at the Laguna Atascosa Wildlife Refuge on 3/24/2014. Continued to coordinate with subconsultants on schematic, financial plan, traffic analysis and geotechnical surveys.
Upcoming Activity:	Coordination with subconsultant on development of 60% submittal, financial plan and traffic analysis. 60% internal submittal due on 4/16/2014 and 60% TxDOT submittal due on 4/30/2014. Complete geotechnical surveys.
Outstanding Issues:	None.
Social, Environmental and Economic Studies	
Status:	Ongoing
Recent Activity:	Continued work on SWA #10 activities, including weekly meetings with TxDOT and FHWA. Meeting with TxDOT and FHWA on Indirect and Cumulative Impacts analysis. Coordination with sub-consultants.
Upcoming Activity:	Continue work on SWA #10 activities.
Outstanding Issues:	None.
Field Surveying and Photogrammetry	
Status:	Ongoing
Recent Activity:	Coordination with subconsultants on field surveying. Coordination with subconsultants and affected property owners on ROE. Photogrammetry, LIDAR and bathymetry surveys are complete.
Upcoming Activity:	Perform field surveying
Outstanding Issues:	Continue to coordinate with affected property owners on ROE

Task	Status	Date of Anticipated Completion	% Complete
Route and Design Studies	Ongoing	10/14/2014	60%
Social, Environmental and Economic Studies	Ongoing	6/9/2015	50%
Field Surveying and Photogrammetry	Ongoing	4/30/2014	95%

WA Amount:	\$	8,627,400.00	Outstanding Invoice Number	Days Old	Invoice Amount
Billed To Date:	\$	6,640,562.58	103-40619-PL-017	91	\$ 420,169.91
Paid To Date:	\$	5,351,345.56	104-40619-PL-017	56	\$ 385,565.35
Unpaid Balance:	\$	1,289,217.02	105-40619-PL-017	21	\$ 483,481.78
Funding Source:					
				Total \$	1,289,217.02

July Status Report

HNTB

Project		West Rail Construction & Inspection Services
Work Authorization	33	Construction & Inspection Services
Supplemental	2	Construction & Inspection Services
Supplemental	1	Construction & Inspection Services

WA Cost: \$ 1,255,920.00

SA Cost: \$ 358,021.00

SA Cost: \$ 48,623.00

Total Cost: \$ 1,662,564.00

Description: This Work Authorization is to provide construction inspection (CI) for the Union Pacific Railroad (UPRR) West Rail Bypass. The construction of these additional tracks will allow the UPRR to abandon their current location between Mexico and Olmito eliminating several grade crossings.

Scope: Construction administration for the construction of the West Rail relocation. The construction includes track, drainage, construction sequencing, SWPPP, pay estimates, quantities, and schedule. This includes the DHS facility on the north side of US 281.

Deliverable: West Rail bypass pay estimates, ARRA paperwork, and construction schedule.

Project Activity

West Rail Bypass Construction Inspection

Status: Ongoing.

Recent Activity: Contractor has completed track construction and is performing a final cleaning up. Coordination with USACE on mitigation site non-compliance.

Upcoming Activity: Clean up.

Outstanding Issues: Awaiting resolution of DHS change order items and the associated funding. Awaiting approval of outstanding SWAs.

Task	Status	Anticipated Completion	% Complete
West Rail Construction Inspection Services (CI)			
Project Management, Administration, QA/QC	Complete	10/21/2013	100%
Process Invoices and Progress Reports	Complete	10/21/2013	100%
Construction Inspection Services			100%
Construction Management	Complete	10/21/2013	100%
Construction Observation and Inspection	Complete	10/21/2013	100%
Record Keeping and File Management	Complete	10/21/2013	100%
Schedule	Complete	10/21/2013	100%
Project Close-Out			
Construction Management	Complete	10/21/2013	100%
Record Keeping and File Management	Complete	10/21/2013	100%
Post Construction Services	Ongoing	10/21/2013	90%
WA Amount: \$	1,662,564.00	Outstanding Invoice Number	Days Old
Billed To Date: \$	1,650,298.05		Invoice Amount
Paid To Date: \$	1,650,298.05		
Unpaid Balance: \$	-		
Funding Source:			
Total: \$ -			

July Status Report

HNTB

Project Outer Parkway Planning Study
 Work Authorization ☒ Outer Parkway Planning Study
 Supplemental ☐
 Supplemental ☐

WA Cost: \$ 103,839.00
 SA Cost:
 SA Cost:
 Total Cost: \$ 103,839.00

Description: This work authorization provides professional services and deliverables associated with a study for the Outer Parkway. The study is to be performed in a three phase effort to deliver a schematic design for the Outer Parkway project.

Scope: This Work Authorization includes the development of an environmental and engineering constraints map, environmental constraints report, and corridor identification report to aid in the establishment of the alignment of the Outer Parkway.

Deliverable: Constraints map, environmental constraints/corridor identification report.

Project Activity	
Outer Parkway Planning Study	
Status:	Complete
Recent Activity:	Drafted Environmental Classification letter for FHWA concurrence on EA classification.
Upcoming Activity:	Submit Classification letter to FHWA.
Outstanding Issues:	None.

Task	Status	Date of Anticipated Completion	% Complete
Outer Parkway Planning Study			
Project Management and Coordination	Complete	3/1/2011	100%
Data Collection	Complete	3/1/2011	100%
Meetings/Management	Complete	3/1/2011	100%
WA Amount:	\$ 103,839.00	Outstanding Invoice Number	Days Old
Billed To Date:	\$ 103,839.00		Invoice Amount
Paid To Date:	\$ 103,839.00		
Unpaid Balance:	\$ -		
Funding Source:			
		Total:	\$ -

July Status Report

HNTB

Project		West Rail RFI, As-Built
Work Authorization	40	West Rail RFI, As-Built
Supplemental		
Supplemental		
Supplemental		

WA Cost:	\$	171,150.00
SA Cost:		
SA Cost:		
SA Cost:		
Total Cost:	\$	171,150.00

Description: This Work Authorization is to provide response to questions related to the plans and specifications as needed throughout the duration of the construction and review of shop drawings.

Scope: Project Manager shall be the point of contact for the AUTHORITY to address issues regarding project staff, progress, response to questions related to the plans and specifications as needed throughout the duration of the construction.

Deliverable: Responses to RFI, as-builts and record keeping.

Project Activity

West Rail RFI, Shop Drawings

Status:	Respond to RFIs on an as-needed basis.
Recent Activity:	Project management (see GEC Progress Report).
Upcoming Activity:	Respond to RFIs on an as-needed basis.
Outstanding Issues:	Awaiting approval for SWAs (additional RFIs/shop drawing review/DHS coordination).

Task	Status	Anticipated Completion	% Complete
West Rail RFI, Shop Drawings			
Project Management	Complete	10/21/2013	100%
Respond to Requests for Information	Complete	10/21/2013	100%
WA Amount:	\$	171,150.00	Outstanding Invoice Number
Billed To Date:	\$	171,150.00	Days Old
Paid To Date:	\$	171,150.00	Invoice Amount
Unpaid Balance:	\$	-	
Funding Source:			
		Total:	\$ -

July Status Report

HNTB

Project	<u>Olmito RIP CI Services</u>
Work Authorization	<input checked="" type="checkbox"/> 47 <u>Construction & Inspection Services</u>
Supplemental	<input type="checkbox"/> _____
Supplemental	<input type="checkbox"/> _____
Supplemental	<input type="checkbox"/> _____

WA Cost: \$ 134,538.00

SA Cost: \$ -

SA Cost: _____

SA Cost: _____

Total Cost: \$ 134,538.00

Description: This Work Authorization is to provide construction inspection (CI) for the Union Pacific Railroad (UPRR) Olmito Yard Repair in Place (RIP) Facility. The construction of this facility allow the UPRR to relocate their current repair in place operations from Harlingen to Olmito and expand their capabilities.

Scope: Construction administration for the Olmito Yard repair-in-place (RIP) facility and lighting. This includes building, equipment, track, drainage, construction sequencing, SWPPP, pay estimates, quantities, and schedule.

Deliverable: Olmito RIP Facility pay estimates, ARRA paperwork, and construction schedule.

Project Activity

Olmito RIP Facility Construction Inspection Services (CI)

Status: Construction at 99% complete.

Recent Activity: None

Upcoming Activity: BPUB to energize water line. Schedule final walk through with UPRR for facility acceptance.

Outstanding Issues: Awaiting resolution on outstanding SWA. The County had been sent a request to provide warranty deed or metes and bounds for water/sewer line and submit payment on impact fees for both to BPUB.

Task	Status	Anticipated Completion	% Complete
Olmito RIP Facility Construction Inspection Services (CI)			
Project Management, Administration, QA/QC	Ongoing	1/31/2013	95%
Process Invoices and Progress Reports	Ongoing	1/31/2013	95%
Construction Inspection Services	Ongoing	1/31/2013	95%
Construction Management	Ongoing	1/31/2013	95%
Construction Observation and Inspection	Ongoing	1/31/2013	95%
Record Keeping and File Management	Ongoing	1/31/2013	95%
Schedule	Ongoing	1/31/2013	95%
Project Close-Out			
Construction Management	Ongoing	1/31/2013	20%
Record Keeping and File Management	Ongoing	1/31/2013	20%
WA Amount:	\$	134,538.00	Outstanding Invoice Number
Billed To Date:	\$	134,538.00	Days Old
Paid To Date:	\$	134,538.00	Invoice Amount
Unpaid Balance:	\$	-	
Funding Source:			
Total: \$ -			

July Status Report

HNTB

Project		SH 32 GEC
Work Authorization	49	SH 32 GEC
Supplemental	1	SH 32 GEC
Supplemental	2	SH 32 GEC

WA Cost:	\$	1,961,997.00
SA Cost:	\$	18,277.00
SA Cost:	\$	243,639.00
Total Cost:	\$	2,223,913.00

Description: This work authorization provides professional services for oversight, guidance, agency coordination, and issue resolution, necessary to expedite the preliminary development phases of these two SH 32 projects only. The two projects, which each have logical termini and independent utility, extend from US 77/83 to FM 3068 (herein referred to as SH 32-West) and from FM 3068 to SH 4 (herein referred to SH 32-East). The proposed projects are being developed by two prime subconsultants, (S&B Infrastructure, Ltd. and Traffic Engineers, Inc.) under the oversight of HNTB (GEC).

Scope: This Work Authorization allows the GEC to oversee/manage the development of two environmental assessments being prepared for SH 32. The environmental assessments are being prepared by other firms.

Deliverable: Meeting notes, schedules, document reviews, permitting strategies.

Project Activity

East Loop EA

Status: On-going. SH 32-West EA prepared. SH 32-East EA prepared.

Recent Activity:

Submittal of SH 32 East Biological Assessment and Antiquities Permit application to TxDOT. Submittal of Antiquities Permit application for SH 32 West to TxDOT. Value Engineering study occurred between 4/15/14 to 4/17/14.

Upcoming Activity:

Submittals of EA, BA and archeology results.

Outstanding Issues: None

Task		Status	Date of Anticipated Completion	% Complete
East Loop EA				
Project Management and Coordination				88%
WA Amount:	\$ 2,223,913.00	Outstanding Invoice Number	Days Old	Invoice Amount
Billed To Date:	\$ 2,099,033.87	104-40619-PL-049	56	\$ 24,363.90
Paid To Date:	\$ 2,013,760.22	105-40619-PL-049	21	\$ 60,909.75
Unpaid Balance:	\$ 85,273.65			
Funding Source:				
			Total:	\$ 85,273.65

July Status Report

HNTB

Project International Advisor Services - Multimodal Logistic HUB
 Work Authorization ☒ 73 Cameron County International HUB
 Supplemental ☐
 Supplemental ☐

WA Cost: \$ 86,393.00
 SA Cost: \$ -
 SA Cost: \$ -
 Total Cost: \$ 86,393.00

Description: This work authorization provides appropriate subconsultant(s) for staff coordination with the Mexican agencies to develop and promote the Cameron County as an International Multimodal Logistics Hub (IMLH), to service the international industry, developing plans to promote and improve the infrastructure, services and systems, to offer a highly competitive and flexible logistics services.

Scope: This work authorization will develop and consult with the Cameron County International Multimodal Logistic HUB (IMLH) to service the International Industry and to develop marketing plans to promote and improve the infrastructure, as well as services and systems to offer highly competitive and flexible logistics services.

Deliverable: Meeting notes, schedules, document reviews, permitting strategies.

Project Activity

International Advisory Services

Status: On-going

Recent Activity:

Stakeholder meetings

Upcoming Activity:

Continue stakeholder meetings and workshops

Outstanding Issues:

Task		Status	Date of Anticipated Completion	% Complete
International Advisory Services				
Project Management and Coordination				44%
WA Amount:	\$ 86,393.00	Outstanding Invoice Number	Days Old	Invoice Amount
Billed To Date:	\$ 38,388.00			
Paid To Date:	\$ 38,388.00			
Unpaid Balance:	\$ -			
Funding Source:				
		Total: \$ -		

**2-B. PRESENTATION OF THE STATUS OF THE SH 550 DIRECT
CONNECTOR FOR JULY 2014**



SH 550 CONSTRUCTION UPDATE

August 14, 2014



L & G Engineering Laboratory
Geotechnical • Construction Material Testing



HNTB Corporation
The HNTB Companies
Engineers Architects Planners
TYPE F FIRM REGISTRATION NO.: 420

SH 550 Key Dates



-PRE-CONSTRUCTION MEETING

2-20-2013

-NTP ISSUED

2-23-2013

-ACTUAL CONST. START DATE

3-4-2013

-FEDERAL AUDIT IN FIELD

5-20-13

-75.0 % COMPLETE AS OF

07-25-14

-MILESTONE START DATE (IH 69 LANE CLOSURE)

11-1-13

-LOCAL LET GOV. PROCEDURES AUDIT

8-1-13

-TxDOT AUDIT

9-10-13 to 9-12-13

-TxDOT ENVIRONMENTAL INSPECTION

2-18-2014

**-IH 69 LANE CLOSURE FOR DIRECT CONNECTOR BENT
CONSTRUCTION (BETWEEN MAINLANES)**

7-8-14

-PROJECTED CONST. END DATE

9-22-2014



Major Items of Work in Progress



ITEM	UNIT	PROJECT TOTAL	QUANTITY COMPLETED TO DATE	% COMPLETE TO DATE	PREVIOUS UPDATE (MAY 2014) COMPLETE TO DATE
EMBANKMENT	CY	305,077.00	301,822.75	98.9%	98.9%
DRILLED SHAFTS	EA	16.00	14.00	87.5%	75.0%
REINFORCED CONC SLAB	SF	245,188.00	204,137.00	83.3%	65.9%
CONC PAVEMENT CRCP 12"	SY	75,246.00	44,819.03	59.6%	52.0%
HOT MIX	TON	24,678.00	9,065.13	36.7%	31.4%
RETAINING WALLS (MSE)	SF	33,549.00	32,878.02	98.0%	87.1%



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Engineers Architects Planners
TBPE FIRM REGISTRATION NO.: 420

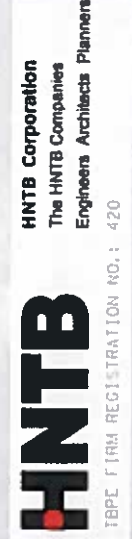
Major Items of Work Completed



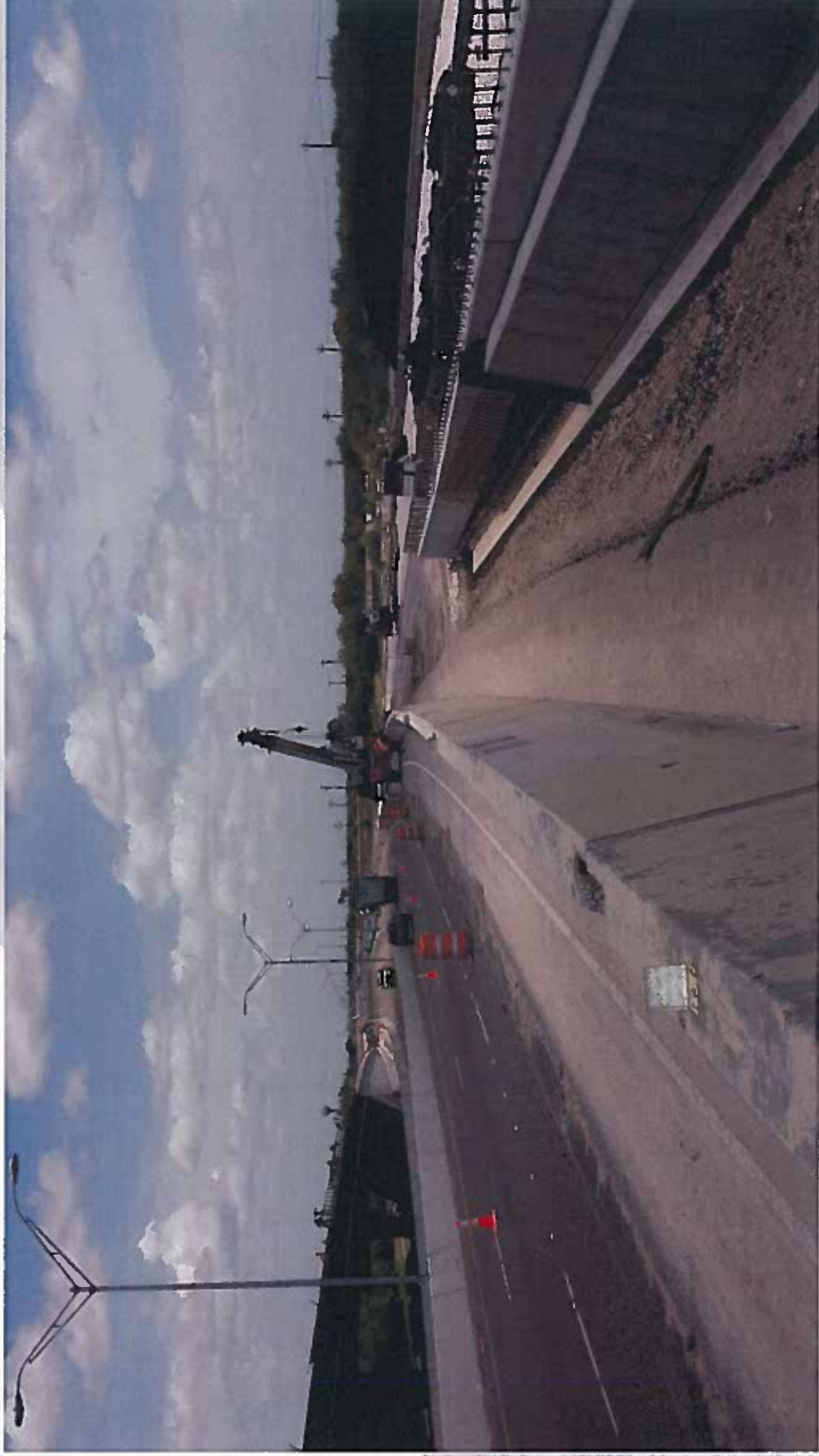
ITEM	UNIT	PROJECT TOTAL	QUANTITY COMPLETED TO DATE	% COMPLETE TO DATE
CONCRETE PILES	EA	598.00	598.00	100.0%
BRIDGE FOOTINGS	EA	58.00	58.00	100.0%
BRIDGE COLUMNS	EA	58.00	58.00	100.0%
CAPS FORMED AND POURED	EA	38.00	38.00	100.0%
CONCRETE BEAMS	LF	28,433.31	28,433.31	100.0%



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Major Items of Work in Progress



TRAFFIC CONTROL-I69E LANE SHIFT



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TBPE FIRM REGISTRATION NO. : 420

Major Items of Work in Progress



REINFORCED CONCRETE SLAB POUR



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TYPE FIRM REGISTRATION NO. : 420

Major Items of Work in Progress



DRILLED SHAFTS (48")



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TYPE FIRM REGISTRATION NO. : 420

Major Items of Work in Progress



DRILLED SHAFTS (48")



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TBPC FIRM REGISTRATION NO. : 420

Major Items of Work in Progress



MSE RETAINING WALL



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TBPE FIRM REGISTRATION NO. : 420

Submittal of Pay Estimate # 17 – JULY 2014



Quantities for July are Preliminary and Subject to Change upon Final Estimate Review.

Estimate No. 17	
Original Contract Days	565
Days Added by Change Order	0
Total Contract Time	565
Contract Days Previously Billed	507
Contract Days this Period	30
Days Remaining	58
% Contract Time Used	89.7%
Contract Amount	\$ 43,963,291.32
Previous Payments	\$ 32,120,327.20
Balance Due this Estimate	\$ 957,503.81
Net Amount Earned to Date	\$ 33,077,831.01
Percentage of Contract Billed to Date	75.2%
Balance of Contract	\$ 10,885,460.31



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FPEC FIRM REGISTRATION NO. : 420

Local Project Staffing



BASED ON JUNE ESTIMATE

Local (RGV) Contractor Personnel – 68 Daily FTE's

Non-Local (RGV) Contractor Personnel – 1 FTE

Local (RGV) CM Personnel – 3 Daily FTE's

Total Personnel – 72 Daily FTE's



L & G Engineering Laboratory
Geotechnical • Construction Material Testing



HNTB Corporation
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Engineers Architects Planners
TBPE FIRM REGISTRATION NO. : 420

Local Project Staffing



BASED ON JULY ESTIMATE #17

Total Paid to Date (JULY 2014 Estimate) – \$33,077,831.01

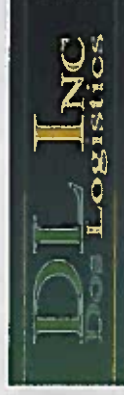
Local (RGV) Contractor Payments – \$28,347,701.18 (85.7%)

Non-Local (RGV) Contractor Payments – \$4,730,129.83 (14.3%)

Quantities for July are Preliminary and Subject to Change upon Final Estimate Review.



L & G Engineering Laboratory
Geotechnical • Construction Material Testing



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TYPE FIRM REGISTRATION NO. : 420

2-C. PRESENTATION OF THE MARKETING REPORT

August 2014 Marketing Report
Michelle A. Lopez
Marketing & Communications Director



1. Disabled Veterans Program:

United *for* Veterans

Better Mobility for the Heroes of our Nation



- **Purpose:**

- United for Veterans is a program designed to provide veterans with the chance to be exempt from paying our toll road. At the moment, the State of Texas does not offer accommodations for veterans concerning better travel through safer roads. CCRMA has taken the initiative to assist our community with this program.
- We will look at our data, select those with disabled tags and cover their fees.

- **Contribution:**

- Through United for Veterans, contributions will be open for anyone who'd like to donate in the community. Any contribution is welcome, from \$100 to \$1,000. Your business will be recognized in our social networking sites as well as in a dedicated page in our website. Any public presentation performed by CCRMA will have a mention to the special businesses who have assisted in bettering our communities with programs such as this one.
- When a business donates, as a token of appreciation, we'll give them a decal or sticker to put on their windows. (small logo)

- Initiated dialogue between the Cameron County Regional Mobility Authority and dealerships established in Cameron County. I'm setting up appointments to meet with General Managers as they're the decision makers.
- United for Veterans: Better Mobility for the Heroes of our Nation Logo has been created. Branding has begun and program page has been integrated to www.ccrma.org. Packet has been developed – pending Pete Sepulveda's letter to begin circulation. Facebook marketing has been initiated.

2. TxTag/Dealerships:

- As we visit each dealership for United for Veterans campaign, we'll also discuss the possibility of working together to offer new car customers a TxTag.

3. TxTag/Rental companies:

- We'll be visiting different car rental locations throughout the Valley for TxTag purchases.

4. Facebook Marketing:

The screenshot shows the Facebook profile of the Cameron County Regional Mobility Authority. The cover photo prominently displays 'SH550 CAMERON COUNTY NOW PART OF TEXAS TOLLWAY SYSTEM' and the CCRMA logo. The page statistics on the right indicate 4 page likes, 140 post reaches, and 0 unread notifications or messages. The timeline shows a post from August 6, 2014, about a community workshop. The 'People' section lists 46 friends, and the 'About' section provides information about the CCRMA's role in implementing transportation projects.

- We've reached 100 likes! We're up to 111. Consistent social networking presence has been maintained. We have a weekly total reach of 964 active members from July 7, 2014 - August 3, 2014.

5. Website:

- CCRMA website is scheduled for completion on August 18th. On the new website, CCRMA is linked with every post made through its social networking footprint (e.g. Facebook, LinkedIn). Continuity and brand exposure has been evident - please see Facebook Analytics Report & Google Analytics for details.

6. Mass Email Campaign

- A design has been produced for a potential mass email campaign targeted for Cameron County. Estimated potential reach is 19,310 based on an email list last updated on July 26, 2014. Initial fees and cost per email have not been discussed yet - pending direction and final approval.



SH 550

Connecting you from I-69 to the Port of Brownsville, hassle free! Here are some quick benefits

- 1 Fast, Safe, Easy non-stop route from I69E to the Port of Brownsville.
2. Cashless Toll System, no need to slow down for toll booths.
- 3 Using a TxTag can save you time and money, up to 25% on all Texas Toll Roads

[Obtain your TxTag](#)

Message from our Chairman:

"Together we share a common vision of sustainable infrastructure network that will advance the economic vitality and future of our region for generations to come."

David Allex, CCRMA Chairman

7. Billboards

- Billboards found on HWY 100 and Merryman Road have been kept in immaculate condition since day one of its installation. No maintenance required.
- New marketing report has not been provided by Lamar yet, but it is expected to have the same impressions per week. An increase may be found as we approach the end of summer.



- I. I-69W; near Merryman exit sign, across Brownsville Sportspark
- II. Total weekly impressions: **200,880**



- I. Hwy. 100 in Los Fresnos, headed towards South Padre Island
- II. Total weekly impressions: **49,120**

4-A. APPROVAL OF CLAIMS



MEMORANDUM

TO: Chairman and Board Members

FROM: Pete Sepulveda, Jr. *PSJ*

RE: Claims Item 4-A

DATE: August 14, 2014

Attached are the Claims being presented for consideration and payment:

The Claims include:

- Controller and Marketing Director – July Mileage and phone reimbursement and office supplies
- Anderson Columbia – SH 550 Direct Connector for June 2014
- CAN Surety – Surety payments
- Cameron County – CAF for 2012 Bonds
- Executive Director – Travel Reimbursement
- Fagan Consulting, LLC – Consulting on Toll Operations and DC ILA
- HNTB – SPI, West Rail & East Loop
- Rentfro Law Firm – West Rail
- S&B Infrastructure – FM 803 Mitigation Services and SH 550 Construction Management for July 2014
- Sullivan Public Affairs – Government Relations Consulting Services for July 2014
- The Brownsville Herald – Advertising SPI CSS Meetings
- Xerox – Copier Lease
- Ziegner – Software hosting

I recommend approval of the invoices.

(8.14)

7.11.14

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Invoices Selected for Payment - Claims to be Paid

Vendor ID	Vendor Name	Invoice Number	Cash Required	Invoice/Credit Description
Abila	Abila	QU0012406	1,714.00	Maintenance & Support for Acct Software
Cameron County CTRMA	Cameron County Central Texas Regional Mobility Authority	April 2014 53-46837-OM	6.48 746.01	Cameron County Mail Room Services Support for Closeout of Port Spur ILA
Estrada & Hinojosa	Estrada Hinojosa & Company Inc	1637	5,000.00	Continuing Disclosure Fee FYE 2013
GES	Gonzalez Engineering & Surveying, Inc.	204801	5,664.00	Survey and map work on West Rail Parcels
GES	Gonzalez Engineering & Surveying, Inc.	204823	3,972.00	Survey and map work on West Rail Parcels
HNTB	HNTB CORPORATION	104-40619-PL-008	10,473.30	International Advisory Services on West Rail
HNTB	HNTB CORPORATION	104-40619-PL-073	8,797.25	International Advisory Services for May 2014
HNTB	HNTB CORPORATION	105-40619-PL-073	7,997.50	International Advisory Services on Multi Modal Hub
HNTB	HNTB CORPORATION	40619	1,050.00	Office Sharing agreement for CCRMA staff Jul-Sep 2014
PEDRO SEPULVE...	PEDRO SEPULVEDA JR.	PSJ - 7-15-14	789.92	ED Travel to Austin for Border Trade Alliance
RGV Spotlight	RGV Spotlight	INV-OA12922B	625.00	Website development services
RGV Spotlight	RGV Spotlight	REIM-CCRMA-001B	69.85	Reimbursement for Advertising Services
The Herald	AIM Media Texas	40016751-0614	3,137.70	RFQ Services for 550 and SPI value engineering
Xerox	Xerox	074722807	457.89	Monthly lease for copy/print machine
Report Total			50,500.90	

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Invoices Selected for Payment - Claims to be Paid

Vendor ID	Vendor Name	Invoice Number	Cash Required	Invoice/Credit Description
Adrian	Adrian Rincones	AR - 7-29-14	524.85	Reimbursement for Office Supplies, Webhosting, etc...
Angel T Perez	Angel Timoteo Perez	AP - 7-29-14	140.00	Sherriff Deputy Services on road closure for maintenance
Blanca C. Betanco...	Blanca C. Betancourt	9	2,950.00	Administrative support for month of July
Daniel Huerta	Daniel Huerta	DH - 7-29-14	140.00	Sherriff Deputy Services on road closure for maintenance
PEDRO SEPULVE...	PEDRO SEPULVEDA JR.	PSJ 7-22-14	2,284.82	Travel for ED to IBTTA Conference
PUB	Public Utilities Board	PUB July 2014	279.53	Utilities on SH 550
TML Emp Health	TML Intergovernmental Employee Benefits Pool	2014-08	2,315.82	Health Insurance Expense for Employees August 2014
TXU	TXU Energy	055801239423	651.30	Utilities on SH 550
United Rentals	United Rentals	121236313-001	279.15	Rental Equipment for Toll Maintenance
Report Total			9,565.47	

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Invoices Selected for Payment - Claims to be Paid

Vendor ID	Vendor Name	Invoice Number	Cash Required	Invoice/Credit Description
Adrian	Adrian Rincones	AR 7-31-14	162.49	Mileage Reimbursement July - Controller
Adrian	Adrian Rincones	AR 8-14-14	117.22	Reimbursement for Marketing and Web hosting
Adrian	Adrian Rincones	AR Cell July	100.00	Cell phone reimbursement for July 2014
Anderson Columbia	Anderson Columbia Co., Inc	3622-01-003-17	957,503.81	Direct Connector Construction July 2014
Cameron County	Cameron County	CAF 2012 Bonds	16,666.66	CAF for 2012 Bonds
CNA Surety	CNA Surety	71344654	161.88	Bond Insurance for BOD member Mark Esparza
dBac Software	Roberto Salazar DBA dBaC Software	DBAC - 2	750.00	Final Payment for Web/Email setup
DYLBIA L. VEGA	DYLBIA L JEFFERIES VEGA	DV - July 2014	1,100.00	Legal services for month of July
✓ Fagan Consulting	Fagan Consulting LLC	192	4,916.00	Toll ILA oversight for Direct Connector month of July 2014
Franco San Miguel	FRANCISCO J SANMIGUEL	FS - July 2014	1,750.00	Toll Maintenance Support for July
HNTB	HNTB CORPORATION	103-40619-PL-01...	420,169.91	Environmental Services and Project Oversight SPI 2nd access
HNTB	HNTB CORPORATION	104-40619-PL-017	385,565.35	Environmental services performed on SPI for May 2014
HNTB	HNTB CORPORATION	104-40619-PL-049	24,363.90	GEC Oversight on SH 32 for May
HNTB	HNTB CORPORATION	105-40619-PL-049	60,909.75	GEC Oversight on SH32 for June 2014
HNTB	HNTB CORPORATION	106-40619-PL-008	12,610.80	International Advisor Service West Rail Project
HNTB	HNTB CORPORATION	106-40619-PL-049	24,363.90	GEC Oversight SH32 project
HNTB	HNTB CORPORATION	106-40619-PL-073	7,997.50	International Advisor Services MultiModal HUB
Michelle Lopez	Michelle Lopez	ML 8-11-14	49.79	Reimbursement for Marketing material
Michelle Lopez	Michelle Lopez	ML Cell July	100.00	Cell phone reimbursement for July 2014
Michelle Lopez	Michelle Lopez	ML July	118.54	Mileage Reimbursement July Marketing Director
PEDRO SEPULVE...	PEDRO SEPULVEDA JR.	PSJ 7-31-14	798.24	ED Travel to Austin Txdot Meeting
PEDRO SEPULVE...	PEDRO SEPULVEDA JR.	PSJ 8-12-14	561.18	ED Travel to San Antonio for TxDot meeting
S&B	S&B Infrastructure, LTD	U1818-20	8,080.71	Environmental Services FM803 Project
S&B	S&B Infrastructure, LTD	U1965-18	96,493.18	Construction Management Services SH550 July
Sullivan Public Affa	Sullivan Public Affairs	CC072014	7,500.00	Government Relations Consulting July 2014
TEDSI	TEDSI Infrastructure Group, Inc.	20142016	46,767.20	Environmental services performed on Port Isabel Access Rd Pr
The Herald	AIM Media Texas	40016751-0714	1,568.85	AIM Media - SPI Advertisement for CSS
The Rentfro Law ...	The Rentfro Law Firm, PLLC.	017769-017770	1,198.60	Legal services on West Rail project
Xerox	Xerox	075253719	457.89	Monthly Copier Lease
ZIEGNER	ZIEGNER TECHNOLOGIES	102731	402.00	Monthly Acct Software Hosting Sep 2014
Report Total			2,083,305.35	

**4-B. CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS FOR
JULY 2014**

CCRMA

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

July 2014 Monthly Financial Report

Pete Sepulveda, Jr.
Executive Director

Jesus Adrian Rincones, CPA, CFE
Controller

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Balance Sheet

As of 7/31/2014

(In Whole Numbers)

	Current Year
ASSETS	
Current Assets:	
Cash and cash equivalents	
CCRMA Claims Account	18,864
CCRMA Operating Fund	5,521,267
TxTag - Replenishment Account	1,254
CCRMA Bond/Debt Funds	793,388
Total Cash and cash equivalents	6,334,772
Restricted cash accounts - debt service	
CCRMA Toll Revenue Funds	37,511
2010 A & B Pledged Revenue Funds	1
2010 A Debt Reserve	1,038,587
2010 A Debt Service	663,343
2010 B Debt Reserve	1,218,154
2010 B Debt Service	508,926
2012 Bond CAPI funds	2,251,558
2012 Bond Operating Fund	123,022
2012 Bond Project Funds	13,766,960
2012 Bonds Rate Stabilization Fund	843,469
2012 Bond Pledged Revenue	51,558
Total Restricted cash accounts - debt service	20,503,088
Accounts receivable	
Accounts Receivable - Customers	252,679
Vehicle Registration Fees - Receivable	487,400
Total Accounts receivable	740,079
Accounts receivable - other agencies	
Accounts Receivable - Other Agencies	1,159,889
Due from Other Agencies	145,415
Total Accounts receivable - other agencies	1,305,304
Prepaid expenses	
Prepaid Other Expense	7,798
Total Prepaid expenses	7,798
Total Current Assets:	28,891,042
Non Current Assets:	
Capital assets, net	
Furnishings & Equipment	4,040,588
Accumulated Depreciation-Furnishings & Equipment	(319,322)
Infrastructure & Utilities	12,958,232
Accumulated Depreciation-Infrastructure	(323,956)
Total Capital assets, net	16,355,542
Capital projects in progress	
CIP - Planning & Coordination	280,875
CIP - Preliminary Engineering & Design	3,165,422
CIP - Environmental Studies	12,220,252
CIP - Mitigation	93,373
CIP - Right of Way	357,237
CIP - Utilities	171,015
CIP - Construction	34,738,468
CIP - Construction Engineering	17,481
CIP - Construction Management	2,087,849
CIP - Direct Legal Costs	438,811
CIP - Capitalized Interest	1,403,620

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Balance Sheet
As of 7/31/2014
(In Whole Numbers)

	<u>Current Year</u>
CIP - Indirect Administration and Overhead	<u>71,100</u>
Total Capital projects in progress	55,045,504
Other assets	
Other Assets	<u>39,392,799</u>
Total Other assets	39,392,799
Unamortized bond issue costs	
2012 Unamortized Discount	<u>120,545</u>
Total Unamortized bond issue costs	<u>120,545</u>
Total Non Current Assets:	<u>110,914,389</u>
Total ASSETS	<u><u>139,805,431</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	
Accounts Payable	<u>3,030,644</u>
Total Accounts payable	3,030,644
Accrued expenses	
TxTag Customer Deposits	310
Toll Refunds from MSB	<u>377</u>
Total Accrued expenses	687
Payroll liabilities	
Federal Tax Withholding	1,790
Payroll Tax Payable	2,225
Retirement Contribution Payable	<u>976</u>
Total Payroll liabilities	4,990
Deferred revenue	
Deferred Revenue	<u>1,528</u>
Total Deferred revenue	<u>1,528</u>
Total Current Liabilities	3,037,849
Non Current Liabilities	
Due to other agencies	
Cameron County	250,000
Due to other Govts	<u>2,014,428</u>
Total Due to other agencies	2,264,428
Due to TxDot	
Union Pacific - West Rail Project	25,178,814
Union Pacific - Olmito Switchyard	9,844,058
TxDot FAA - South Padre Island	7,893,870
TxDot FAA - West Parkway	<u>2,244,589</u>
Total Due to TxDot	45,161,331
Long term bond payable	
2010A Bonds Payable	12,245,000
2010A Unamortized Premium	70,327
2010B Bonds Payable	15,535,000
2012 Bonds Payable	40,000,000
2012 Unamortized Premium	4,309,435
2014 Bonds Payable	5,000,000
2014 Bond Premium	155,424
2014 Bond Prepaid Insurance	<u>(12,303)</u>
Total Long term bond payable	<u>77,302,884</u>
Total Non Current Liabilities	<u>124,728,642</u>
Total LIABILITIES	<u><u>127,766,491</u></u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Balance Sheet

As of 7/31/2014

(In Whole Numbers)

	<u>Current Year</u>
NET POSITION	
Beginning net position	
	<u>7,812,522</u>
Total Beginning net position	<u>7,812,522</u>
Changes in net position	
	<u>4,226,418</u>
Total Changes in net position	<u>4,226,418</u>
Total NET POSITION	<u>12,038,940</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>139,805,431</u></u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Statement of Revenues, Expenditures And Changes in Net Assets - Unposted Transactions Included In Report
From 7/1/2014 Through 7/31/2014
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget - Original</u>	<u>Total Budget Variance - Original</u>
Operating Revenues				
Vehicle registration fees	253,830	2,477,253	2,800,000	(322,747)
Toll revenues	29,848	225,439	200,000	25,439
TRZ revenue	0	304,276	300,000	4,276
Other revenue	165,299	4,177,830	0	4,177,830
Total Operating Revenues	<u>448,977</u>	<u>7,184,798</u>	<u>3,300,000</u>	<u>3,884,798</u>
Operating Expenses				
Personnel costs	19,880	344,845	571,800	226,955
Professional services	0	22,500	25,000	2,500
Contractual services	18,448	214,126	267,200	53,074
Debt interest	(7,462)	2,203,344	4,061,700	1,858,356
Project expenses	0	0	75,000	75,000
Advertising & marketing	2,799	16,927	40,000	23,073
Data processing	1,744	6,190	10,000	3,810
Dues & memberships	0	6,490	9,500	3,010
Education & training	0	2,578	11,000	8,422
Fiscal agent fees	5,000	9,016	15,000	5,984
Insurance	162	22,078	31,800	9,722
Office supplies	111	8,019	10,000	1,981
Road maintenance	559	17,202	150,000	132,798
Rent	1,966	7,863	11,000	3,137
Toll services	4,581	46,543	50,000	3,457
Travel	4,384	29,787	40,000	10,213
Utilities	1,131	7,858	15,000	7,142
Total Operating Expenses	<u>53,302</u>	<u>2,965,367</u>	<u>5,394,000</u>	<u>2,428,633</u>
Non Operating Revenue				
Interest income	636	6,986	0	6,986
Total Non Operating Revenue	<u>636</u>	<u>6,986</u>	<u>0</u>	<u>6,986</u>
Changes in Net Assets	<u>396,311</u>	<u>4,226,418</u>	<u>(2,094,000)</u>	<u>6,320,418</u>
Net Assets Beginning of Year	<u>11,642,628</u>	<u>7,812,522</u>	<u>0</u>	<u>7,812,522</u>
Net Assets End of Year	<u>12,038,940</u>	<u>12,038,860</u>	<u>(2,094,000)</u>	<u>14,132,860</u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
Statement of Cash Flows
As of 7/31/2014

	<u>Current Period</u>
Cash Flows from Operating Activities	
Receipts from Vehicle Registration Fees	140,056.74
Receipts from Toll Revenues	29,847.98
Receipts from TRZ Revenue	0.00
Receipts from Grants and other Income	165,807.25
Payments to Vendors	106,808.19
Payments to Employees	<u>(19,841.76)</u>
Total Cash Flows from Operating Activities	<u>422,678.40</u>
Cash Flows from Capital and related Financing Activities	
Acquisitions of Property and Equipment	(4,916.00)
Payments on Interest	7,461.86
Acquisitions of Construction in Progress	(1,595,374.51)
Principal Payments on Bonds	0.00
Proceeds from TxDot FAA	805,735.26
Proceeds from Other Governments	<u>144,773.26</u>
Total Cash Flows from Capital and related Financing Activities	<u>(642,320.13)</u>
Net Increase (Decrease) in Cash & Cash Equivalents	<u>(219,641.73)</u>
Beginning Cash & Cash Equivalents	27,057,502.03
Ending Cash & Cash Equivalents	<u><u>26,837,860.30</u></u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
Capital Projects in Progress - Unposted Transactions Included In Report
From 7/1/2014 Through 7/31/2014
(In Whole Numbers)

	Current Period Actual	Current Year Actual	Total Budget - Original	Total Budget Variance - Original
Capital Projects				
South Padre Island 2nd Access	444,384	3,028,422	5,200,000	2,171,578
West Parkway Project	0	980	0	(980)
Outer Parkway	0	26,542	2,500,000	2,473,458
West Rail Relocation	17,781	2,221,535	5,000,000	2,778,465
Olmito Switchyard	0	144,773	0	(144,773)
SH 550	1,053,997	20,847,094	34,450,000	13,602,906
SH 32 (East Loop)	24,364	230,012	225,000	(5,012)
FM 803	8,081	79,566	35,000	(44,566)
General Brant	0	1,976	50,000	48,024
Port Isabel Access Rd	46,767	46,767	300,000	253,233
Total Capital Projects	1,595,375	26,627,668	47,760,000	21,132,332

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Capital Projects In Progress - Unposted Transactions Included In Report
From 7/1/2014 Through 7/31/2014
(In Whole Numbers)

		Current Period Actual	Current Year Actual	Total Budget - Original	Total Budget Variance - Original
Capital Projects					
South Padre Island 2nd Access	2000				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Planning & Coordination	15100	0	122,311	0	(122,311)
CIP - Preliminary Engineering & Design	15110	3,512	72,310	1,500,000	1,427,690
CIP - Environmental Studies	15120	440,872	2,823,335	3,500,000	676,665
CIP - Direct Legal Costs	15300	0	10,436	50,000	39,564
CIP - Direct Administration	15320	0	0	75,000	75,000
CIP - Indirect Administration and Overhead	15330	0	30	75,000	74,970
Total South Padre Island 2nd Access		444,384	3,028,422	5,200,000	2,171,578
West Parkway Project	2025				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Direct Legal Costs	15300	0	980	0	(980)
Total West Parkway Project		0	980	0	(980)
Outer Parkway	2050				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Planning & Coordination	15100	0	24,700	0	(24,700)
CIP - Preliminary Engineering & Design	15110	0	0	1,000,000	1,000,000
CIP - Environmental Studies	15120	0	0	1,400,000	1,400,000
CIP - Direct Legal Costs	15300	0	1,842	20,000	18,158
CIP - Direct Administration	15320	0	0	40,000	40,000
CIP - Indirect Administration and Overhead	15330	0	0	40,000	40,000
Total Outer Parkway		0	26,542	2,500,000	2,473,458
West Rail Relocation	2100				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Planning & Coordination	15100	0	12,500	0	(12,500)
CIP - Mitigation	15130	0	1,564	250,000	248,436
CIP - Right of Way	15200	3,972	356,581	250,000	(106,581)
CIP - Utilities	15210	0	0	350,000	350,000
CIP - Construction	15220	0	1,651,883	3,500,000	1,848,117
CIP - Construction Engineering	15230	0	17,481	0	(17,481)
CIP - Construction Management	15240	12,611	173,823	500,000	326,177
CIP - Direct Legal Costs	15300	1,199	7,704	50,000	42,296
CIP - Direct Administration	15320	0	0	50,000	50,000
CIP - Indirect Administration and Overhead	15330	0	0	50,000	50,000
Total West Rail Relocation		17,781	2,221,535	5,000,000	2,778,465
Olmito Switchyard	2150				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Utilities	15210	0	144,773	0	(144,773)
Total Olmito Switchyard		0	144,773	0	(144,773)
SH 550	2200				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Planning & Coordination	15100	0	12,500	0	(12,500)
CIP - Mitigation	15130	0	33,975	0	(33,975)
CIP - Utilities	15210	0	0	500,000	500,000
CIP - Construction	15220	957,504	19,668,337	32,500,000	12,831,663
CIP - Construction Management	15240	96,493	1,095,620	1,300,000	204,380
CIP - Direct Legal Costs	15300	0	36,662	75,000	38,338
CIP - Direct Administration	15320	0	0	50,000	50,000
CIP - Indirect Administration and Overhead	15330	0	0	25,000	25,000

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Capital Projects in Progress - Unposted Transactions Included In Report
From 7/1/2014 Through 7/31/2014
(In Whole Numbers)

		Current Period Actual	Current Year Actual	Total Budget - Original	Total Budget Variance - Original
Total SH 550		<u>1,053,997</u>	<u>20,847,094</u>	<u>34,450,000</u>	<u>13,602,906</u>
SH 32 (East Loop)	2250				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Planning & Coordination	15100	12,182	108,865	0	(108,865)
CIP - Preliminary Engineering & Design	15110	0	29,782	75,000	45,218
CIP - Environmental Studies	15120	12,182	91,365	100,000	8,635
CIP - Direct Legal Costs	15300	0	0	15,000	15,000
CIP - Direct Administration	15320	0	0	17,500	17,500
CIP - Indirect Administration and Overhead	15330	0	0	17,500	17,500
Total SH 32 (East Loop)		<u>24,364</u>	<u>230,012</u>	<u>225,000</u>	<u>(5,012)</u>
FM 803	2300				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Preliminary Engineering & Design	15110	0	21,732	10,000	(11,732)
CIP - Mitigation	15130	8,081	57,834	0	(57,834)
CIP - Direct Legal Costs	15300	0	0	5,000	5,000
CIP - Direct Administration	15320	0	0	10,000	10,000
CIP - Indirect Administration and Overhead	15330	0	0	10,000	10,000
Total FM 803		<u>8,081</u>	<u>79,566</u>	<u>35,000</u>	<u>(44,566)</u>
General Brant	2350				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Preliminary Engineering & Design	15110	0	1,976	12,500	10,524
CIP - Environmental Studies	15120	0	0	12,500	12,500
CIP - Direct Legal Costs	15300	0	0	5,000	5,000
CIP - Direct Administration	15320	0	0	10,000	10,000
CIP - Indirect Administration and Overhead	15330	0	0	10,000	10,000
Total General Brant		<u>0</u>	<u>1,976</u>	<u>50,000</u>	<u>48,024</u>
Port Isabel Access Rd	2400				
CAPITALIZED PROJECT COSTS	01CAP				
CIP - Preliminary Engineering & Design	15110	0	0	100,000	100,000
CIP - Environmental Studies	15120	46,767	46,767	150,000	103,233
CIP - Direct Legal Costs	15300	0	0	10,000	10,000
CIP - Direct Administration	15320	0	0	20,000	20,000
CIP - Indirect Administration and Overhead	15330	0	0	20,000	20,000
Total Port Isabel Access Rd		<u>46,767</u>	<u>46,767</u>	<u>300,000</u>	<u>253,233</u>
Total Capital Projects		<u>1,595,375</u>	<u>26,627,668</u>	<u>47,760,000</u>	<u>21,132,332</u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

Toll Revenues and Expenditures
From 7/1/2014 Through 7/31/2014

	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>YTD Budget - Original</u>	<u>YTD Budget Variance - Original</u>
Toll Revenues				
Toll Revenue	<u>29,847.98</u>	<u>225,439.27</u>	<u>200,000.00</u>	<u>25,439.27</u>
Total Toll Revenues	<u>29,847.98</u>	<u>225,439.27</u>	<u>200,000.00</u>	<u>25,439.27</u>
Toll Expenditures				
Toll services				
Toll Services	<u>4,580.82</u>	<u>46,543.16</u>	<u>50,000.00</u>	<u>3,456.84</u>
Total Toll services	<u>4,580.82</u>	<u>46,543.16</u>	<u>50,000.00</u>	<u>3,456.84</u>
Toll maintenance				
Maintenance - SH 550	<u>559.15</u>	<u>17,201.60</u>	<u>150,000.00</u>	<u>132,798.40</u>
Total Toll maintenance	<u>559.15</u>	<u>17,201.60</u>	<u>150,000.00</u>	<u>132,798.40</u>
Total Toll Expenditures	<u>5,139.97</u>	<u>63,744.76</u>	<u>200,000.00</u>	<u>136,255.24</u>
Net Change in Toll Services	<u>24,708.01</u>	<u>161,694.51</u>	<u>0.00</u>	<u>161,694.51</u>

**4-C. CONSIDERATION AND APPROVAL OF RESOLUTION AUTHORIZING THE
ISSUANCE OF CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
VEHICLE REGISTRATION FEE REVENUE REFUNDING BONDS IN AN
AMOUNT NOT TO EXCEED \$7,000,000; APPROVING AND DESIGNATING THE
PRICING COMMITTEE; APPROVING THE TRANSACTION DOCUMENTS
AND MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE
SUBJECT AND MATTERS INCIDENT THERETO**

OFFICIAL STATEMENT DATED SEPTEMBER 11, 2014

NEW ISSUE - Book-Entry-Only

RATING:
S&P: "AA-"
(See "OTHER
INFORMATION - Rating"
herein.)

In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the alternative minimum tax. See "TAX MATTERS - The Bonds - Tax Exemption" herein for a discussion of the opinion of Co-Bond Counsel.

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

\$6,325,000

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
VEHICLE REGISTRATION FEE REVENUE REFUNDING BONDS,
SERIES 2014

Interest Accrues: Issuance Date

Due: February 15, as shown on inside cover

AUTHORITY FOR ISSUANCE . . . The \$6,325,000 Cameron County Regional Mobility Authority (the "Authority" or "Issuer") Vehicle Registration Fee Revenue Refunding Bonds, Series 2014 (the "Bonds") are being issued pursuant to Chapters 370 and 502, Texas Transportation Code, as amended; Chapter 1207, Texas Government Code, as amended, an Indenture of Trust dated as of April 1, 2010, as amended (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"); a resolution adopted by the Board of Directors of the Authority on August 14, 2014 authorizing the issuance and delivery of the Bonds (the "Resolution"); and a pricing certificate executed by certain officers of the Authority on September 11, 2014. See "THE BONDS- Authority for Issuance" herein. The Resolution authorizes the issuance of the Bonds payable solely from a first lien on certain revenue, consisting of (i) all Pledged Vehicle Fees (as defined in the Indenture and subject to the requirements for certain transfers set forth in the Indenture); (ii) all money, including investment earnings, deposited into accounts or funds held by the Trustee and available for payment of debt service on the Bonds pursuant to the Indenture; and (iii) any proceeds and other money required to be deposited in such accounts and funds by the Indenture or the provisions of a supplemental indenture (collectively, the "Pledged Revenue"). Pursuant to Chapter 1207, Texas Government Code, as amended, the Board delegated the authority to certain officers of the Authority to complete the sale of the Bonds.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES DESCRIBED IN THE INDENTURE. NO ASSURANCE CAN BE GIVEN THAT THE PLEDGED REVENUES WILL REMAIN SUFFICIENT FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, AND TEXAS LAW LIMITS ANY ABILITY TO INCREASE THE RATE OF PLEDGED REVENUES. SEE "RISK FACTORS" HEREIN. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF INDEBTEDNESS NOR A PLEDGE OF THE AD VALOREM TAXING POWER OR THE FULL FAITH AND CREDIT OF CAMERON COUNTY, TEXAS, THE STATE OF TEXAS, OR ANY OTHER POLITICAL SUBDIVISION, AGENCY OR GOVERNMENTAL ENTITY OF THE STATE OF TEXAS. THE AUTHORITY WILL NOT MORTGAGE OR GRANT ANY SECURITY INTEREST IN THE PROJECTS FINANCED WITH THE PROCEEDS OF THE BONDS OR ANY PORTION THEREOF TO SECURE PAYMENT OF THE BONDS. SEE "SECURITY FOR THE BONDS" HEREIN. THE COUNTY IS LIMITED BY LAW IN ITS ABILITY TO INCREASE THE RATE OF PLEDGED REVENUES.

PAYMENT TERMS . . . Interest on the Bonds will accrue from their date of initial delivery (the "Issuance Date") and will be payable on February 15 and August 15 of each year, commencing February 15, 2015, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Principal of and interest on the Bonds will be payable by the Trustee, acting as the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System" herein).

PURPOSE . . . Proceeds from sale of the Bonds will be used to (i) advance refund a portion of the Authority's vehicle registration fee revenue bonds for debt service savings and (ii) pay costs of issuance of the Bonds (see "PLAN OF FINANCE").

STATED MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS
(On Inside Cover)

LEGALITY . . . The Bonds are offered for delivery when, as, and if issued and received by the original purchasers named below (the "Underwriters"), and subject to the approving opinion of the Attorney General of the State of Texas and the legal opinion of Bracewell & Giuliani LLP, Houston, Texas, and The Lucio Group PLLC, Brownsville, Texas, (collectively, "Co-Bond Counsel"). See Appendix D - "Form of Co-Bond Counsel Opinions" herein. Certain legal matters will be passed upon for the underwriters by their counsel, Winstead PC, San Antonio, Texas.

DELIVERY . . . It is expected that the Bonds will be available for delivery through the services of DTC on or about October 9, 2014 (the "Issuance Date").

COMERICA SECURITIES

STEPHENS INC.

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS AND CUSIP NUMBERS ⁽¹⁾

CUSIP⁽²⁾ Prefix: 133353

\$6,325,000 CAMERON COUNTY REGIONAL MOBILITY AUTHORITY VEHICLE REGISTRATION FEE REVENUE REFUNDING BONDS, SERIES 2014

Maturity (February 15)	Principal Amount	Interest Rate	Initial Yield ⁽¹⁾	CUSIP ⁽²⁾ Suffix
2016	\$ 850,000	2.000%	0.450%	AP7
2017	865,000	2.000%	0.720%	AQ5
2018	885,000	2.000%	1.060%	AR3
2019	905,000	2.000%	1.320%	AS1
2020	920,000	2.000%	1.630%	AT9
2021	940,000	2.250%	1.930%	AU6
2022	960,000	2.250%	2.170%	AV4

(Interest to accrue from Issuance Date)

NO OPTIONAL REDEMPTION. . . The Bonds are not subject to optional redemption prior to their stated maturity.

⁽¹⁾ Yield represents the initial offering yield to the public which has been established by the Underwriters for offers to the public and which may be subsequently changed by the Underwriters and is the sole responsibility of the Underwriters.

⁽²⁾ CUSIP numbers have been assigned to this issue by CUSIP Global Sources, managed by Standard & Poor's Services LLC on behalf of The American Bankers Association, and are included solely for the convenience of the owners of the Bonds. Neither the Authority nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP numbers for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

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This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's undertaking to provide certain information on a continuing basis.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

None of the Authority, the Financial Advisor, nor the Underwriters make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company (DTC) or its Book-Entry-Only System.

The information set forth herein has been obtained from the Authority and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The agreements of the Authority and others related to the Bonds are contained solely in the documents described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as an agreement with the Underwriters of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The information contained in this Official Statement has been furnished by the Authority, DTC and other sources that are believed to be reliable. No dealer, broker, salesperson, or other person has been authorized by the Authority or the underwriter to give any information or to make any representations other than those made herein. Any such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this document nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this document. Any representation to the contrary is unlawful.

The yields at which the Bonds are offered to the public may vary from the initial reoffering yields on the inside cover page of this Official Statement. In addition, the Underwriters may allow concessions of discounts from the initial offering prices of the Bonds to dealers and others. In connection with the offering of the Bonds, the Underwriters may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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The cover page hereof, this page, the appendices included herein, the Financial Statements and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE AUTHORITY.....	The Cameron County Regional Mobility Authority (the "Authority") is a political subdivision of the State of Texas located in Cameron County (the "County"). The Authority was created in 2004 under Chapter 370 of the Texas Transportation Code to finance, acquire, design, construct, operate, maintain, expand, or extend toll or non-toll transportation projects.
THE COUNTY.....	The County was created in 1848, and is the southernmost county in Texas. The U.S. Census Bureau's 2010 population estimate for the County was 406,220, an increase of 21.2% over the 2000 population estimate of 335,227. The area of the County is approximately 1,276 square miles, comprising the Brownsville-Harlingen-San Benito Metropolitan Area. The largest city in the County is Brownsville, which serves as the county seat.
THE BONDS.....	The Bonds are being issued in the principal amount of \$6,325,000 Vehicle Registration Fee Revenue Refunding Bonds, Series 2014 pursuant to the general laws of the State of Texas, including Chapters 370 and 502, Texas Transportation Code, as amended; Chapter 1207, Texas Government Code, as amended; an Indenture of Trust dated as of April 1, 2010, as amended, (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"); a resolution adopted by the Board of Directors of the Authority on August 14, 2014 authorizing the issuance and delivery of the Bonds (the "Resolution"); and a pricing certificate executed by certain officers of the Authority (see "THE BONDS – Authority for Issuance of the Bonds"). THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE STATE OF TEXAS, CAMERON COUNTY, TEXAS OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, CAMERON COUNTY, TEXAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS (see "SECURITY FOR THE BONDS" and "INVESTMENT CONSIDERATIONS" herein). Pursuant to Chapter 1207, Texas Government Code, as amended, the Board delegated the authority to certain officers of the Authority to complete the sale of the Bonds.
PAYMENT OF INTEREST	Interest on the Bonds will accrue from the Issuance Date, and is initially payable February 15, 2015, and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds").
SECURITY FOR THE BONDS	The Bonds, together with any Parity Bonds or Additional Parity Bonds, are payable from the "Pledged Revenues", which consist of 100% of the remitted revenues received by the Authority from the Pledged Vehicle Fee imposed and collected by the County and the Texas Department of Motor Vehicles on behalf of the Authority pursuant to Section 502.402, Texas Transportation Code, and that certain Transportation Project and Pledge Agreement dated as of March 4, 2010 between the Authority and the County, and certain other funds described in the Indenture (see "SECURITY FOR THE BONDS – Pledged Revenues").
NO OPTIONAL REDEMPTION OF THE BONDS.....	The Bonds are not subject to optional redemption prior to their stated maturity.
USE OF PROCEEDS OF THE BONDS	Proceeds from sale of the Bonds will be used to (i) advance refund a portion of the Authority's vehicle registration fee revenue bonds for debt service savings and (ii) pay costs of issuance of the Bonds (see "PLAN OF FINANCE").
TAX EXEMPTION	In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the alternative minimum tax ("TAX MATTERS – Tax Exemption").
RATING.....	The Bonds have been rated "AA-" by Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial ("S&P"). The presently outstanding Parity Bonds are also rated "AA-" by S&P. See "OTHER INFORMATION-Rating".

BOOK-ENTRY-ONLY**SYSTEM.....**

The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

DELIVERY.....

Delivery of the Bonds is anticipated on or about October 9, 2014.

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AUTHORITY ADMINISTRATION

BOARD OF DIRECTORS

	Occupation	Length of Service	Term Expires
David E. Allex Chairman	Industrial Developer	10 years	2016
Mark Esparza	Advertising Business	3 years	2016
David N. Garza	Aviation Fixed Based Operator	10 years	2015
Michael Scaief	Financial Consultant	10 years	2015
Ruben Gallegos, Jr.	Education Agency Owner	8 years	2015
Nat Lopez	Retired Insurance Agent	2 years	2016
Horacio Barrera	Attorney	2 years	2016

CONSULTANTS AND ADVISORS

Co-Bond Counsel.....	Bracewell & Giuliani LLP Houston, Texas
	The Lucio Group, PLLC Brownsville, Texas
Certified Public Accountants	Long Chilton, LLP Brownsville, Texas
Financial Advisor	Estrada Hinojosa & Company, Inc. Dallas, Texas

For additional information regarding the County, please contact:

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**OFFICIAL STATEMENT
RELATING TO**

**\$6,325,000
CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
VEHICLE REGISTRATION FEE REVENUE REFUNDING BONDS,
SERIES 2014**

INTRODUCTION

This Official Statement of the Cameron County Regional Mobility Authority (the "Authority") is provided to furnish certain information in connection with the sale of its Vehicle Registration Fee Revenue Refunding Bonds, Series 2014 (the "Bonds"), in the principal amount of \$6,325,000. The Bonds are being issued pursuant to Chapters 370 and 502, Texas Transportation Code, as amended; Chapter 1207, Texas Government Code, as amended; an Indenture of Trust dated as of April 1, 2010, as amended, (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"); a resolution adopted by the Board of Directors of the Authority on August 14, 2014 authorizing the issuance and delivery of the Bonds (the "Resolution"); and a pricing certificate executed by certain officers of the Authority. The Resolution authorizes the issuance of obligations payable from payments to be received by the Authority pursuant to Chapters 502, Texas Transportation Code, as amended (see "THE BONDS - Authority for Issuance of the Bonds" herein). Pursuant to Chapter 1207, Texas Government Code, as amended, the Board delegated the authority to certain officers of the Authority to complete the sale of the Bonds.

This Official Statement contains descriptions of the Bonds and certain other information about the Authority and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Authority's Financial Advisor, Estrada Hinojosa & Company, Inc., 1717 Main Street, Suite 4700, Dallas, Texas 75201, upon payment of reasonable copying, mailing, and handling charges.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. Copies of this Official Statement will be deposited with the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

PLAN OF FINANCE

PURPOSE . . . The Bonds are being issued to: (i) advance refund certain outstanding obligations of the County (the "Refunded Obligations"), as more particularly described in "SCHEDULE I - Schedule of Refunded Obligations" and (ii) pay the costs of issuance related to the Bonds. The refunding is being undertaken to realize debt service savings for the Authority.

REFUNDED OBLIGATIONS . . . The Refunded Obligations, and interest due thereon, are to be paid on the scheduled redemption date from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas as escrow agent (the "Escrow Agent") pursuant to an Escrow Agreement dated as of September 1, 2014 (the "Escrow Agreement") between the Authority and the Escrow Agent. The Resolution provides that the Authority will deposit certain proceeds of the sale of the Bonds along with other lawfully available funds of the Authority with the Escrow Agent in the amount necessary to accomplish the redemption, discharge and final payment of the Refunded Obligations. Such funds will be held by the Escrow Agent in an escrow fund (the "Escrow Fund") irrevocably pledged to the payment of principal of and interest on the Refunded Obligations and will be used to purchase certain obligations defined as "Escrowed Securities" in the Escrow Agreement. Simultaneously with the issuance of the Bonds, the Authority will give irrevocable instructions to the paying agent for the Refunded Obligations and provide notice, if any, to the owners of the Refunded Obligations that the Refunded Obligations will be redeemed prior to stated maturity on which date money will be made available to redeem the Refunded Obligations from money held under the Escrow Agreement. The Indenture provides that "Escrowed Securities" means (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Authority authorizes the defeasance by deposit of any or all of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (c) 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 the Authority authorizes the defeasance by deposit of any or all of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

Grant Thornton LLP, Minneapolis, Minnesota, will verify at the time of the delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate that the Escrowed Securities to be acquired and held in the Escrow Fund under the Escrow Agreement will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations. The Escrow Fund and the maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds.

By the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have effected the redemption and defeasance of the Refunded Obligations in accordance with law. In the opinion of Co-Bond Counsel, in reliance upon the report of Grant Thornton LLP, firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Obligations pursuant to the Escrow Agreement, and, therefore, the Refunded Obligations will be deemed to be fully paid and no longer outstanding except for the purpose of being paid from the Escrowed Securities and funds provided in the Escrow Agreement (see "APPENDIX C - Form of Co-Bond Counsel's Opinion").

The Authority has covenanted in the Escrow Agreement to make timely deposits to the Escrow Fund of any additional amounts required to pay the principal of and interest on the Refunded Obligations if, for any reason, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund are insufficient to make such payment.

SOURCES AND USES OF FUNDS. . . The proceeds of the Bonds and the issuer contribution will be applied as follows:

	The Bonds
Sources of Funds:	
Principal Amount	\$ 6,325,000.00
Net Premium	137,091.60
Issuer Contribution	33,581.25
Total Sources of Funds	<u>\$ 6,495,672.85</u>
Uses of Funds:	
Deposit to Escrow Fund	\$ 6,331,267.21
Costs of Issuance Including Underwriters' Discount	164,405.64
Total Uses of Funds	<u>\$ 6,495,672.85</u>

THE BONDS

DESCRIPTION OF THE BONDS. . . The Bonds mature on February 15 in each of the years and in the amounts shown on the inside cover page hereof. Interest will accrue from the date of initial delivery (the "Issuance Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15, commencing February 15, 2015. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and series and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

AUTHORITY FOR ISSUANCE OF THE BONDS. . . The Bonds are being issued pursuant to Chapters 370 and 502, Texas Transportation Code, as amended; Chapter 1207, Texas Government Code, as amended; an Indenture of Trust dated as of April 1, 2010, as amended, (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"); a resolution adopted by the Board of Directors of the Authority on August 14, 2014 authorizing the issuance and delivery of the Bonds (the "Resolution"); and a pricing certificate executed by certain officers of the Authority. THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE STATE OF TEXAS, CAMERON COUNTY, TEXAS OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, CAMERON COUNTY, TEXAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS. See "SECURITY FOR THE BONDS" herein.

DEFEASANCE. . . The Indenture provides for the defeasance of the Bonds when the payment of the principal of the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar (1) money sufficient to make such payment or cash in an amount equal to the principal amount plus interest on such Bonds to the date of maturity or redemption, or money sufficient to make such payment or (2) pursuant to an escrow or trust agreement, cash and / or investments in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount plus interest thereon to the date of maturity or redemption. The Indenture provides that "Investments" means (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Authority authorizes the defeasance by deposit of any or all of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (c) 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 the Authority authorizes the defeasance by deposit of any or all of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

Upon such deposit as described above, such Bonds will no longer be regarded to be outstanding or unpaid; provided, however, the Authority has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the Authority: (1) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be available only in book-entry form. Consequently, purchasers of ownership interests in the Bonds will not receive certificates representing their respective interests in the Bonds. This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in the name of Cede & Co., its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority, the Authority's Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Authority cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants (hereinafter defined), (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners (hereinafter defined), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of United States and non-United States equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both United States and non-United States securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both United States and non-United States securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("Beneficial Owner") is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct and Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent/Registrar or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority and the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

Subject to DTC's policies and guidelines, the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (1) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (2) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

PAYING AGENT/REGISTRAR. . . Pursuant to the Paying Agent/Registrar Agreement, dated September 1, 2014, the initial Paying Agent/Registrar for the Bonds is The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the "Paying Agent/Registrar"). In the Resolution, the Authority retains the right to replace the Paying Agent/Registrar. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

In the event the Book-Entry-Only System should be discontinued, interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar. Principal of the Bonds will be paid to the registered owners at their stated maturity or prior redemption upon presentation at the designated payment/transfer office of the Paying Agent/Registrar. If a date for the payment of principal and/or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at the designated corporate trust office. A Bond also may be exchanged for a Bond of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may be, upon presentation and surrender at the designated corporate trust office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent/Registrar. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond or Bonds being transferred or exchanged, will be delivered by the Paying Agent/Registrar to the registered owner, at the designated corporate trust office of the Paying Agent/Registrar or by United States mail, first class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be canceled in the exchange or transfer and the denominations of \$5,000 or any integral multiple thereof.

REPLACEMENT OF BONDS . . . If a Bond is mutilated, the Paying Agent/Registrar will provide a replacement Bond in exchange. If a Bond is destroyed, lost or stolen, the Paying Agent/Registrar will provide a replacement Bond upon (1) filing by the registered owner with the Paying Agent/Registrar and the Authority of evidence satisfactory to the Paying Agent/Registrar and the Authority of the circumstances of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (2) the furnishing to the Paying Agent/Registrar security or indemnity as may be required to hold the Paying Agent/Registrar and the Authority harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond may be required to be borne by the registered owner. The provisions of the Resolution relating to the replacement Bond are exclusive and, to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

AMENDMENTS . . . The Authority may amend the Indenture without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Authority may, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Indenture; except that, without the consent of the registered owners of all of the Bonds affected, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of, maturity, or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, maturity, or the rate of interest thereon, or the coin or currency in which any Bond or interest thereon is payable, or in any other way modify the terms of payment of the principal of, maturity value, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any amendment, addition, or waiver. See Appendix C – Summary of Certain Provisions of Indenture of Trust.

RECORD DATE . . . The date for determining the person to whom the interest is payable on the Bonds on any interest payment date means the first calendar day of the month next preceding the date that each interest payment is due (the "Record Date").

SPECIAL RECORD DATE FOR INTEREST PAYMENT . . . In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which must be 15 days after the Special Record Date) will be sent no later than five business days prior to the Special Payment Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

DEFAULTS AND REMEDIES . . . The Indenture establishes specific events of default with respect to the Bonds. If the Authority defaults in the payment of the principal of or interest on the Bonds when due; fails to deposit to the Debt Service Fund (defined herein) money sufficient for the payment of any principal and interest payment on the Bonds by no later than the date when such payment becomes due and payable; or defaults in the performance of any covenant contracted in the Indenture (and continues after the applicable cure period), the Indenture provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the Authority to make such payment or deposit such funds or compel performance of such covenant or obligation. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance in accordance with the Bonds or the Indenture and the Authority's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Indenture provides for the appointment of a receiver of the Pledged Revenues and the income, rents, profits and use thereof pending such proceeds with such powers as the court making such appointment shall confer. Any judgment against the Authority could not be enforced by direct levy and execution against the Authority's property. Furthermore, the Authority is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Chapter 9 includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Authority avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Co-Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

SECURITY FOR THE BONDS

PLEDGE UNDER THE INDENTURE . . . The Bonds, together with any outstanding Parity Bonds or Additional Parity Bonds, are special limited obligations of the Authority, payable solely from and secured solely by, a first lien on the Pledged Vehicle Fees and other monies, securities, and certain other funds described in the Indenture (the "Pledged Revenues"). The Pledged Revenues consist of 100% of the revenues received by the Authority from the Pledged Vehicle Fee, imposed by the County on behalf of the Authority pursuant to Section 502.402, Texas Transportation Code (the "Act"). No assurance can be given that the Pledged Revenues will remain sufficient for the payment of the principal or interest on the Bonds. The Bonds do not constitute general obligation indebtedness, a pledge of the ad valorem taxing power or the full faith and credit of the State of Texas or the County, and are not obligations of the State of Texas, the County, or any other agency or other political subdivision or entity of the State of Texas. The Authority will not mortgage or grant any security interest in the improvements financed with the proceeds of the Bonds or any portion thereof to secure payment of the Bonds. (See "RISK FACTORS" herein).

NONE OF THE STATE OF TEXAS, THE COUNTY, OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE AUTHORITY DOES NOT HAVE TAXING POWER. THE INDENTURE DOES NOT CREATE A MORTGAGE ON THE PROJECT.

NO RECOURSE UNDER THE BONDS SHALL BE HAD AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER OF THE AUTHORITY. THE BONDS MAY NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS OUT OF ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES PLEDGED BY THE INDENTURE.

Other than the pledge of the Pledged Revenues, the Authority has not mortgaged, assigned, or pledged any interest in any real or personal property or improvements, including any interest on the project or any expansions or extensions thereto, as security for payment of the Bonds.

PLEDGED REVENUES . . . The Act authorizes certain counties to impose additional vehicle registration fees to fund transportation projects. The Commissioners Court of the County by order imposed such additional fee, initially in the amount of \$5.00 subsequently increased to \$10.00, effective January 1, 2009, for registering a vehicle in the County (the "Vehicle Registration Fees"). Revenues of the Pledged Vehicle Fees (the "Pledged Vehicle Fees") are remitted by the County to the Authority to fund long-term transportation projects pursuant to the Act and the Transportation Project and Pledge Agreement (the "Project Agreement"). The Project Agreement was entered into by the Authority and the County effective as of March 4, 2010. Such fees are subject to maximum amounts as authorized by the Act, which currently is \$10.00. In addition to the Pledged Vehicle Fees, State law authorizes the imposition of other vehicle registration fees, which are not included in the Pledged Vehicle Fees or Pledged Revenues.

The Pledged Vehicle Fees are collected primarily by the County's Assessor-Collector along with other state motor vehicle fees. Pledged Vehicle Fees are remitted directly to the Authority. However, Pledged Vehicle Fees for vehicles registered directly with the Texas Department of Motor Vehicles ("TDMV") are collected by TDMV and remitted to the County for the benefit of the Authority pursuant to the Act. See "THE VEHICLE REGISTRATION FEE - Vehicle Registration Fee" for additional information regarding such fees and collection procedures. Although the County is authorized to rescind the Vehicle Registration Fees pursuant to the Act, the Authority and the County have entered into the Project Agreement in order for the Authority to pledge the Pledged Vehicle Fees pursuant to Chapter 370, Texas Transportation Code, until any Parity Bonds mature, are paid or are defeased.

For purposes of this Official Statement, the Authority estimates that the Pledged Revenues for fiscal year 2014 will be approximately \$2,900,000 (the "Estimated 2014 Pledged Revenues"). See "TABLE 3 - PRO FORMA DEBT SERVICE COVERAGE" for an illustration of debt service coverage under different growth scenarios.

PERFECTION OF SECURITY . . . Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Bonds and the pledge of the proceeds of the Pledged Vehicle Fees thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds or any Parity Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Vehicle Fees is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds and any Parity Bonds a security interest in such pledge, the Authority agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

TRANSPORTATION PROJECT AND PLEDGE AGREEMENT . . . The Project Agreement provides that in consideration of the construction of certain projects by the Authority, the County covenants and agrees to take all steps necessary and authorized under the Act and other applicable laws to continuously impose, collect and remit the Pledged Vehicle Fees as long as the Bonds and any Parity Bonds remain outstanding in the manner and to the maximum extent permitted. The County further agrees that during the term of the Project Agreement, it will pay to the Authority 100% of the Pledged Vehicle Fees the County collects.

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FLOW OF FUNDS . . . All Pledged Revenues received by the Trustee are to be deposited to the credit of a Pledged Revenue Fund maintained by the Trustee for the benefit of the Bondholders. Amounts deposited to the Pledged Revenue Fund are to be pledged and appropriated to the following uses, in order of the priority shown:

First: To the payment of fees and expenses which are due or payable to the Trustee and Paying Agent/Registrar;

Second: To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of Debt Service on the Bonds and any Parity Bonds as the same becomes due and payable (see "SECURITY FOR BONDS- Monthly Deposits");

Third: To the payment of the amounts required to be deposited in the Debt Service Reserve Fund to establish and maintain the Reserve Requirement in accordance with the provisions of the Resolution and the Indenture; and

Fourth: To the extent required, to the Rebate Fund any amounts required to be deposited therein; and

Fifth: To the Project Fund or the Surplus Fund for use by the Authority for any lawful purpose. Money can be transferred from the Pledged Revenue Fund to either the Project Fund or the Surplus Revenue Fund, at the discretion of the Authority, provided that the deposits detailed above have been provided for or made.

For more detailed discussion of the application of monies deposited in the various funds and accounts, and the purposes thereof, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE OF TRUST".

MONTHLY DEPOSITS . . . On no less than a monthly basis, the Trustee will deposit funds from the Revenue Fund into the Debt Service Fund in an amount equal to the sum of the following:

- (i) approximately one-sixth (1/6) of the interest coming due on the Parity Bonds on the next succeeding Interest Payment Date established for the Parity Bonds (or, if the first Interest Payment Date is less than six (6) months away, the Trustee will allocate a pro rata amount from the Pledged Revenue Fund in an amount sufficient to total the interest payable on the Parity Bonds in equal monthly installments);
- (ii) approximately one-twelfth (1/12) of the principal coming due on the Parity Bonds on the next succeeding Principal Installment Payment Date established for the Parity Bonds that is within twelve (12) months (or, if the first principal payable on the Parity Bonds is less than twelve (12) months away, the Trustee will allocate a pro rata amount from the Revenue Fund in an amount sufficient to total the principal payable on the Parity Bonds in equal monthly installments);
- (iii) if a Mandatory Redemption Installment is due on the Parity Bonds within the next succeeding twelve (12) months, approximately one-twelfth (1/12) of the Mandatory Redemption Installment coming due on the next succeeding Sinking Fund Installment payment date (or, if the first Sinking Fund Installment is less than twelve (12) months away, the Trustee shall allocate a pro rata amount from the Revenue Fund in an amount sufficient to total the first Sinking Fund Installment on the Parity Bonds in equal monthly installments); and
- (iv) such other amounts as may be necessary to pay Debt Service due on the Parity Bonds on the next Interest Payment Date or Principal Installment Payment Date.

In calculating such deposit to the Debt Service Fund, the Trustee must take into account any other funds previously deposited into the Debt Service Fund including (a) any accrued interest from the proceeds of the Parity Bonds, (b) any Direct Payments received, (c) any investment income realized by the Authority from the investment of amounts on deposit in the Debt Service Fund and (d) any other amounts on deposit.

DEBT SERVICE RESERVE FUND REQUIREMENTS . . . The Indenture provides that the Authority establish and maintain a Debt Service Reserve Fund including one or more accounts or subaccounts for the accumulation and maintenance of an amount to pay the Debt Service on the Parity Bonds and Additional Parity Bonds, if issued, when other Pledged Revenues are insufficient. Such amounts may also be applied toward the payment of Debt Service in connection with a refunding or redemption of Parity Bonds and Additional Parity Bonds. The Indenture provides that the Reserve Requirement may be satisfied by cash or Reserve Fund Surety Policies as set forth in the applicable Bond Resolutions.

Upon the issuance of the Bonds, and as and when Additional Parity Bonds are delivered or incurred, the Reserve Requirement will be increased, if required, to an amount equal to the lesser of either (i) 1.25 times the Average Annual Debt Service for all Parity Bonds then outstanding (after giving effect to the issuance of the Additional Parity Bonds), or (ii) the Maximum Annual Debt Service (calculated on a fiscal year basis) for all Parity Bonds then outstanding (after giving effect to the issuance of the Additional Parity Bonds), provided that the issuance of Additional Parity Bonds will not cause the Reserve Requirement to increase by more than 10% of the stated principal amount of such series of bonds or 10% of the issue price of such series of bonds if the series of bonds are issued with more than a de minimis amount of original issue discount or premium. As of July 1, 2014, the amount deposited in the Series 2010A Bonds account of the Debt Service Reserve Fund (the "2010A Debt Service Reserve Account") is \$1,038,587 and the amount deposited in the Series 2010B Bonds account of the Debt Service Reserve Fund (the "2010B Debt Service Reserve Account") is \$1,218,154, such amounts being greater than the Reserve Requirement for all Parity Bonds including the Bonds. No additional deposit into the Debt Service Reserve Fund is required with

the issuance of the Bonds. Concurrently with the issuance of the Bonds, the Trustee will designate the 2010A Debt Service Reserve Account as the "2010A/2014 Debt Service Reserve Account". (See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE OF TRUST").

ADDITIONAL PARITY BONDS . . . The Authority will have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Parity Bonds, in accordance with law, in any amounts, for any lawful purpose including the refunding of any previously issued Parity Bonds of the Authority incurred in connection with the financing of projects of the Authority. Such Additional Parity Bonds, if and when authorized, issued and delivered in accordance with the Resolution, shall be secured by and made payable equally and ratably on a parity with all then outstanding Parity Bonds, from a first lien on and pledge of the Pledged Revenues. No Additional Parity Bonds may be issued unless (i) the Additional Parity Bonds mature on, and interest is payable on, the Principal Installment Dates and Interest Payment Dates; (ii) after the issuance of such Additional Parity Bonds an amount equal to the Reserve Requirement on all Bonds then Outstanding is on deposit in the Debt Service Reserve Fund; (iii) the Authority is not in material default of a bond resolution, the Indenture or the Project Agreement; and (iv) the Authority has received a certificate of its financial advisor or accountant which provides that Vehicle Registration Fees over the preceding fiscal year or for a consecutive 12-month period out of the 15-month period immediately preceding the month in which the bond resolution authorizing Additional Parity Bonds is adopted, were at least 150 percent of Maximum Annual Debt Service. However, clause (iv) shall not apply to the issuance of Additional Parity Bonds for refunding purposes that will result in reducing the Maximum Annual Debt Service requirements on the Parity Bonds. The Bonds will reduce the Maximum Annual Debt Service requirements on the Parity Bonds.

Under the Resolution, the Authority has authorized an amendment to certain provisions of the Indenture relating to "Additional Parity Bonds" to allow Additional Parity Bonds to be issued without satisfying clause (iv) above if a net present value savings in each year of the refunding is demonstrated. Such amendment, while effective against the Bonds (and the holders thereof), will take effect once the Series 2010A Bonds and the Series 2010B Bonds are no longer Outstanding or once consent from a majority of the Owners of the Series 2010A Bonds and the Series 2010B Bonds is obtained, and will be binding to the Bonds (and Owners thereof), as well as future Additional Parity Bonds (and Owners thereof) issued after the effective date of the amendment. (See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE OF TRUST").

SUBORDINATE OR INFERIOR LIEN OBLIGATIONS . . . The Authority has the right to issue debt obligations on a subordinate or inferior lien basis to the Bonds and any Parity Bonds or to pledge the Pledged Revenues on a subordinate or inferior lien through an agreement. The Authority has entered into such an agreement with the County (the "550 Agreement"). Pursuant to the 550 Agreement, the County issued its Revenue and Tax Bonds, Series 2012 (SH 550 Project) and Revenue and Tax Bonds, Series 2014 (SH 550 Project) (collectively, the "SH 550 Bonds") in the combined principal amount of \$45,000,000, all of which remain outstanding. The SH 550 Bonds were issued to finance State Highway 550 which is a toll road developed, owned and operated by the Authority. The SH550 Bonds are secured by net toll revenues of State Highway 550, pass-through financing payments from TxDOT, monies in various reserve funds pledged by the Authority, and by the Vehicle Registration Fee revenue on a lien that is subordinate to the Bonds and any Parity Bonds (the "Subordinated Vehicle Fee Revenues"). Under the 550 Agreement, the Authority is obligated to deposit the Subordinated Vehicle Fee Revenues into the SH 550 revenue fund; however, such obligation will cease on the date certain conditions are certified to have been met (but in any event, no sooner than at two years after the completion of State Highway 550) including fully funding certain funds required therein (the "550 Fund Requirements"), satisfying all administrative payment obligations to the County to such date, and certification from an Authority representative and a County representative that the State Highway 550 net toll revenues and the pass-through financing payments described above are sufficient to pay the debt service on the SH 550 Bonds, satisfy the 550 Fund Requirements, and pay the administrative payments due to the County pursuant to the 550 Agreement.

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THE VEHICLE REGISTRATION FEE

VEHICLE REGISTRATION FEE . . . Chapter 502, Texas Transportation Code (the "Motor Vehicle Act"), governs the registration of motor vehicles in the State of Texas and establishes the amount and procedures for collection of fees associated with registration. Namely, all non-exempt vehicles must be registered. The Motor Vehicle Act permits four groups of exempt vehicles: (i) ambulances, law enforcement vehicles, and fire engines and passenger cars and trucks owned by the United States Government, the State, or any of the State's political subdivisions; (ii) horseless carriages registered in the State prior to July 1, 1992; (iii) certain commercial vehicles qualifying for an apportioned registration (based on miles traveled in two or more jurisdictions); and (iv) motor vehicles qualifying for a Purple Heart special interest group license plate. Registration of motor vehicles is administered between the TDMV and each county assessor-collector office. Each county assessor-collector retains a certain portion of fees collected and remits the remaining amounts to the TDMV pursuant to the provisions of the Motor Vehicle Act.

In addition to the standard motor vehicle registration fees, the Motor Vehicle Act provides certain additional fees, including an additional fee not to exceed \$10.00 for a road and bridge fund within any county opting to impose such fee. Additionally, the Act, specifically provides for a separate and additional fee for counties (which includes the County) that (i) border the United Mexican States, have a population of more than 300,000, and in which the largest municipality has a population of less than 300,000 or (ii) have a population of more than 1.5 million and are coterminous with a regional mobility authority. The County authorized the imposition of the Pledged Vehicle Fee, which is authorized by the Act and represents a portion of the Pledged Revenues for the Bonds, and the County pledged in the Agreement to continue to impose such fee until the maturity of the Bonds and any Parity Bonds. The County's Assessor-Collector is required to collect the Pledged Vehicle Fees when other registration fees are collected and remits Pledged Vehicle Fees directly to the Authority. Pledged Vehicle Fees are remitted monthly to the Authority after verification by the TDMV and processing by the County. One hundred percent of the Pledged Vehicle Fees are remitted although allowances are made for bad checks and duplicate registrations.

TABLE 1- VEHICLE REGISTRATION AND VEHICLE REGISTRATION FEE HISTORY

Calendar Year	Population ⁽¹⁾	Total # of Vehicles Registered ⁽²⁾	Fee ⁽²⁾	VRF Revenue ⁽²⁾⁽³⁾⁽⁴⁾
2004	365,815	216,378	\$ -	\$ -
2005	372,703	227,603	-	-
2006	379,708	241,968	-	-
2007	387,210	253,695	-	-
2008	392,736	257,648	5.00	1,167,545
2009	400,000	259,967	10.00	2,434,801
2010	396,371	268,988	10.00	2,572,803
2011	434,130	273,364	10.00	2,725,505
2012	406,220	282,092	10.00	2,800,570
2013	423,868	285,099	10.00	2,843,510

Average annual growth rate of registered vehicles 2004-2013: 3.13%

Compound annual growth rate ("CAGR") of registered vehicles 2004-2013: 3.11%

⁽¹⁾ U.S. Census and Cameron County estimates

⁽²⁾ Source: Cameron County and TxDOT.

⁽³⁾ Pledged Vehicle Fees are remitted monthly after approximately 6-8 weeks.

⁽⁴⁾ From January through July, 2014, the Authority's VRF revenue is approximately \$1,866,250 versus \$1,809,130 for the same period in 2013.

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DEBT INFORMATION

TABLE 2 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Existing Debt Service ⁽¹⁾			The Bonds			Total Debt Service	Less: Expected Federal Subsidy ⁽²⁾	Total Net Debt Service ⁽³⁾	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total				
2014	\$ 765,000	\$ 1,488,978	\$ 2,253,978	\$ -	\$ -	\$ -	\$ 2,253,978	\$ (330,599)	\$ 1,923,379	
2015	780,000	1,249,653	2,029,653	-	111,563	111,563	2,141,216	(330,599)	1,810,617	
2016	-	1,241,853	1,241,853	850,000	122,750	972,750	2,214,603	(330,599)	1,884,004	
2017	-	1,241,853	1,241,853	865,000	103,600	970,600	2,212,453	(330,599)	1,881,854	
2018	-	1,241,853	1,241,853	885,000	88,100	973,100	2,214,953	(330,599)	1,884,354	14.86%
2019	-	1,241,853	1,241,853	905,000	70,200	975,200	2,217,053	(330,599)	1,886,454	
2020	-	1,241,853	1,241,853	920,000	51,950	971,950	2,213,803	(330,599)	1,883,204	
2021	-	1,241,853	1,241,853	940,000	32,175	972,175	2,214,028	(330,599)	1,883,429	
2022	-	1,241,853	1,241,853	960,000	10,800	970,800	2,212,653	(330,599)	1,882,054	
2023	1,040,000	1,215,853	2,255,853	-	-	-	2,255,853	(330,599)	1,925,254	31.95%
2024	1,090,000	1,162,603	2,252,603	-	-	-	2,252,603	(330,599)	1,922,004	
2025	1,145,000	1,106,728	2,251,728	-	-	-	2,251,728	(356,249)	1,895,480	
2026	1,205,000	1,047,978	2,252,978	-	-	-	2,252,978	(356,249)	1,896,730	
2027	1,270,000	976,248	2,246,248	-	-	-	2,246,248	(341,687)	1,904,561	
2028	1,330,000	891,072	2,221,072	-	-	-	2,221,072	(311,875)	1,909,197	53.61%
2029	1,385,000	802,129	2,187,129	-	-	-	2,187,129	(280,745)	1,906,384	
2030	1,445,000	709,418	2,154,418	-	-	-	2,154,418	(248,296)	1,906,122	
2031	1,510,000	612,612	2,122,612	-	-	-	2,122,612	(214,414)	1,908,198	
2032	1,575,000	511,547	2,086,547	-	-	-	2,086,547	(179,042)	1,907,506	
2033	1,645,000	406,060	2,051,060	-	-	-	2,051,060	(142,121)	1,908,939	80.72%
2034	1,715,000	295,987	2,010,987	-	-	-	2,010,987	(103,595)	1,907,391	
2035	1,790,000	181,163	1,971,163	-	-	-	1,971,163	(63,407)	1,907,756	
2036	1,870,000	61,261	1,931,261	-	-	-	1,931,261	(21,441)	1,909,820	100.00%
	\$ 21,560,000	\$ 21,412,263	\$ 42,972,263	\$ 6,325,000	\$ 593,138	\$ 6,918,138	\$ 49,890,401	\$ (6,255,707)	\$ 43,634,694	

⁽¹⁾ Excludes the Refunded Obligations

⁽²⁾ Federal subsidy of 35% used for benefit of the Debt Service for the 2010B Bonds and is reflected here The subsidy has been reduced by 7.2% from 2014-2024 due to sequestration Subject to change

TABLE 3 – PRO FORMA DEBT SERVICE COVERAGE

The following table shows pro forma debt service coverage calculations under three vehicle registration growth scenarios: no growth, moderate growth, and growth at the historical CAGR for the last ten years (from 2004 through 2013). This information is provided for ease of use of the reader. There is no guarantee that Pledged Vehicle Fees growth will continue to rise at historical or any other rates. An independent study has not been conducted. These scenarios assume that the Pledged Vehicle Fee remains at \$10.00 for the life of the Bonds.

Fiscal Year Ended 09/30	Net Debt Service of the Parity Bonds	No Pledged Vehicle Fee Revenue Growth			Moderate Pledged Vehicle Fee Revenue Growth			Pledged Vehicle Fee Revenue Growth at Historical CAGR (2)		
		Calculated Pledged VRF Revenue	Assumed Growth Rate	Calculated Coverage	Calculated Pledged VRF Revenue	Assumed Growth Rate	Calculated Coverage	Calculated Pledged VRF Revenue	Assumed Growth Rate	Calculated Coverage
2014	\$ 1,923,379	2,900,000		1.51 X	2,900,000		1.51 X	2,900,000		1.51 X
2015	1,810,617	2,900,000	0.00%	1.60 X	2,943,500	1.50%	1.63 X	2,990,248	3.11%	1.65 X
2016	1,884,004	2,900,000	0.00%	1.54 X	2,987,653	1.50%	1.59 X	3,083,304	3.11%	1.64 X
2017	1,881,854	2,900,000	0.00%	1.54 X	3,032,467	1.50%	1.61 X	3,179,256	3.11%	1.69 X
2018	1,884,354	2,900,000	0.00%	1.54 X	3,077,954	1.50%	1.63 X	3,278,194	3.11%	1.74 X
2019	1,886,454	2,900,000	0.00%	1.54 X	3,124,124	1.50%	1.66 X	3,380,212	3.11%	1.79 X
2020	1,883,204	2,900,000	0.00%	1.54 X	3,170,985	1.50%	1.68 X	3,485,403	3.11%	1.85 X
2021	1,883,429	2,900,000	0.00%	1.54 X	3,218,550	1.50%	1.71 X	3,593,869	3.11%	1.91 X
2022	1,882,054	2,900,000	0.00%	1.54 X	3,266,829	1.50%	1.74 X	3,705,710	3.11%	1.97 X
2023	1,925,254	2,900,000	0.00%	1.51 X	3,315,831	1.50%	1.72 X	3,821,031	3.11%	1.98 X
2024	1,922,004	2,900,000	0.00%	1.51 X	3,365,568	1.50%	1.75 X	3,939,941	3.11%	2.05 X
2025	1,895,480	2,900,000	0.00%	1.53 X	3,416,052	1.50%	1.80 X	4,062,552	3.11%	2.14 X
2026	1,896,730	2,900,000	0.00%	1.53 X	3,467,293	1.50%	1.83 X	4,188,978	3.11%	2.21 X
2027	1,904,561	2,900,000	0.00%	1.52 X	3,519,302	1.50%	1.85 X	4,319,339	3.11%	2.27 X
2028	1,909,197	2,900,000	0.00%	1.52 X	3,572,092	1.50%	1.87 X	4,453,757	3.11%	2.33 X
2029	1,906,384	2,900,000	0.00%	1.52 X	3,625,673	1.50%	1.90 X	4,592,357	3.11%	2.41 X
2030	1,906,122	2,900,000	0.00%	1.52 X	3,680,058	1.50%	1.93 X	4,735,271	3.11%	2.48 X
2031	1,908,198	2,900,000	0.00%	1.52 X	3,735,259	1.50%	1.96 X	4,882,632	3.11%	2.56 X
2032	1,907,506	2,900,000	0.00%	1.52 X	3,791,288	1.50%	1.99 X	5,034,579	3.11%	2.64 X
2033	1,908,939	2,900,000	0.00%	1.52 X	3,848,157	1.50%	2.02 X	5,191,255	3.11%	2.72 X
2034	1,907,391	2,900,000	0.00%	1.52 X	3,905,880	1.50%	2.05 X	5,352,806	3.11%	2.81 X
2035	1,907,756	2,900,000	0.00%	1.52 X	3,964,468	1.50%	2.08 X	5,519,385	3.11%	2.89 X
2036	1,909,820	2,900,000	0.00%	1.52 X	4,023,935	1.50%	2.11 X	5,691,148	3.11%	2.98 X
	<u>\$ 43,634,694</u>	<u>\$ 66,700,000</u>			<u>\$ 78,952,917</u>			<u>\$ 95,381,229</u>		

⁽¹⁾ Net of expected federal subsidy on the Series 2010B Bonds. Includes the Bonds and excludes the Refunded Obligations.

⁽²⁾ CAGR = Compounded Annual Growth Rate = (Ending Value / Beginning Value)^{1 / # of yrs} - 1. CAGR = 3.11% from 2004 to 2013.

THE AUTHORITY

Regional Mobility Authorities

In 2001, the 77th Texas Legislature authorized the creation of regional mobility authorities ("RMAs") for the purpose of constructing, operating, and maintaining transportation projects in the State. In 2003, the 78th Texas Legislature amended the enabling legislation for RMAs which created Chapter 370 of the Texas Transportation Code (the "Act") and significantly expanded the scope and breadth of RMA powers and authorized activities to develop and finance a variety of multi-modal transportation projects. Since then, the Act has periodically been amended by the Texas Legislature to expand, modify, or clarify the law regarding powers, duties and operations of RMAs. RMAs are political subdivisions of the State created by one or more counties or by certain cities in the State to finance, acquire, design, construct, operate, maintain, expand, or extend toll or non-toll transportation projects. Permitted projects include roadways, passenger or freight rail, ferries, airports, pedestrian and bicycle facilities, intermodal hubs, certain border crossing inspection stations, air quality improvement initiatives, public utility facilities, mass transit, parking structures and related facilities, automated conveyor belts for the movement of freight, improvements located in a transportation reinvestment zone, and projects listed in the State Implementation Plan (air quality plan), the Unified Transportation Program, or the applicable metropolitan planning organization long-range plan.

Creation of the Cameron County Regional Mobility Authority

On June 22, 2004, the Cameron County Commissioners Court authorized the County Judge to file a petition to the Texas Transportation Commission to create an RMA for the Cameron County area. The petition was approved by the Texas Transportation Commission on September 30, 2004. The Commissioners Court formally approved the conditions set forth by the Texas Transportation Commission for the Authority and subsequently appointed the Directors of the Authority. Shortly afterwards, Governor Rick Perry appointed David E. Allex of Harlingen as the Chairman of the Authority.

The Authority held their first official meeting on February 25, 2005. The purpose of the Authority is to provide the area with an opportunity to significantly accelerate needed transportation projects and have a local entity in place that will make mobility decisions that will benefit the community, while enhancing the economic vitality and quality of life for the residents in the County and surrounding the Lower Rio Grande Valley. It is important that transportation infrastructure improvements continue to keep up with the population growth that this portion of the State of Texas is experiencing.

The Authority assists the citizens of the County and surrounding Lower Rio Grande Valley area by providing congestion relief, traffic safety, enhanced mobility and viable alternative routes in this era of time conservation. The Authority works with the numerous cities in the County and the State of Tamaulipas, Mexico, to construct projects at a much more rapid pace. The Authority is working very closely with the Texas Department of Transportation ("TxDOT") on several on-going projects in the County. The initial projects that were submitted with the Authority application to the Texas Transportation Commission were the West Parkway project in Brownsville and the second causeway in the Port Isabel/South Padre Island area. Additional projects have now been added including the West Rail Relocation project which was recently completed and the SH 550 project which is nearly complete and will open in the fall of 2014. The Authority issued bonds in 2010 secured by Pledged Revenues, which financed portions of Authority projects, including improvements relating to Interstate 69, US Highway 77, US Highway 281, S. Padre Island 2nd Access, East Loop, N. Rail/Olmito Switchyard/OuterParkway, Gen. Brandt Rd and the Port of Brownsville entrance.

Board of Directors

The Authority is governed by a seven member Board of Directors (the "Board"), with six members appointed by the County, and the presiding officer appointed by the Governor. Governor Rick Perry appointed David E. Allex as the presiding Chairman of the Board. The Board has the ultimate decision-making authority and responsibility for directing and controlling the affairs of the Authority. The Board is also responsible for the establishment of policies that direct operational management. The Board represents a spectrum of business and civic leaders in the County. The Board meets regularly to review, discuss, and determine policies affecting the operation and maintenance of the Authority. The names of each director and their occupations are described on Page vii.

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TABLE 4 – CONDENSED OPERATING STATEMENTS OF THE AUTHORITY

Revenues	For Fiscal Year Ended September 30,				
	2014 ⁽¹⁾	2013	2012	2011	2010
Interlocal Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Pledged Vehicle Fees	2,477,253	2,843,510	2,800,570	2,725,505	2,567,459
Toll Income	225,439	170,749	207,478	68,787	-
Interest Income	6,987	-	-	-	-
Other Operating Income	482,106	120,000	-	-	-
Total Revenues	<u>\$ 3,191,785</u>	<u>\$ 3,134,259</u>	<u>\$ 3,008,048</u>	<u>\$ 2,794,292</u>	<u>\$ 2,567,459</u>
Expenditures					
Professional Services	\$ 22,500	\$ 103,618	\$ 146,311	\$ 451,525	\$ 577,380
Engineering Expense	-	-	-	-	228,690
Contractual Services	214,126	447,350	794,164	364,813	439,740
Advertising	16,927	8,921	23,971	14,669	12,715
Education and Training	2,578	-	-	-	-
Miscellaneous	421,543	534,397	137,676	61,218	83
Office Supplies	8,019	7,882	14,040	5,330	788
Travel	29,787	52,178	35,095	62,166	39,646
Toll Services	46,543	103,468	32,093	38,602	-
Land Acquisition	-	-	-	-	25,506
Debt Interest	-	-	-	569,634	379,289
Project Expensed	-	3,445,201	-	-	-
Total Expenditures	<u>\$ 762,023</u>	<u>\$ 4,703,015</u>	<u>\$ 1,183,350</u>	<u>\$ 1,567,957</u>	<u>\$ 1,703,837</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,429,762</u>	<u>\$ (1,568,756)</u>	<u>\$ 1,824,698</u>	<u>\$ 1,226,335</u>	<u>\$ 863,622</u>
Non-Operating Income (Loss)	<u>\$ 1,796,656</u>	<u>\$ 5,061,736</u>	<u>\$ (1,243,249)</u>	<u>\$ 21,253</u>	<u>\$ 6,821</u>
Changes in Net Assets	\$ 4,226,418	\$ 3,492,980	\$ 581,449	\$ 1,247,588	\$ 870,443
Net Assets - beginning	7,812,523	4,319,543	4,017,118	2,769,530	1,557,224
Prior Period Adjustment	-	-	(279,024)	-	215,975
Total net assets - ending	<u>\$ 12,038,941</u>	<u>\$ 7,812,523</u>	<u>\$ 4,319,543</u>	<u>\$ 4,017,118</u>	<u>\$ 2,643,642</u>

Source: Authority's Comprehensive Annual Financial Reports and the Authority

⁽¹⁾Through July, 2014 Unaudited*[The remainder of this page intentionally left blank]*

INVESTMENT POLICIES

The Authority invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Board of Directors of the Authority. Both state law and the Authority's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, particularly Chapter 2256, Texas Government Code, as amended, the Authority is authorized to invest its funds and funds held by the Trustee in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit or share certificates that are issued by a depository institution that has its main branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their successors, or are secured by obligations described in clauses (1) through (6) above or in any other manner and amount provided by law for Authority deposits, (8) fully collateralized repurchase agreements that: (a) have a defined termination date, (b) are secured by a combination of cash and obligations described in clause (1) above, (c) require the securities being purchased by the Authority or cash held by the Authority to be pledged to the Authority, held in the Authority's name, and deposited at the time the investment is made with the Authority or with a third party selected and approved by the Authority, and (d) are placed through a primary government securities dealer or a financial institution doing business in the State, (9) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally-recognized credit rating agency, (10) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally-recognized credit rating agencies or (b) one nationally-recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank, (11) no-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission (the "SEC") that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, and (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally-recognized investment rating firm of not less than "AAA" or its equivalent. In addition to the authority to invest funds in certificates of deposit as described in clause (7) above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under State law: (a) the funds are invested by the Authority through a broker that has its main office or a branch office in the State and is selected from a list adopted by the investing entity as required by State law or a depository institution that has its main office or a branch office in the State and that is selected by the Authority, (b) the selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the Authority appoints the selected depository institution as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority. In addition, bond proceeds may be invested under State law in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph. Additionally, the State law provides that a securities lending program is an authorized investment for the Authority if (a) the value of the securities loaned under the program is fully collateralized (including accrued income), (b) a loan made under the program provides that it may be terminated at any time, and (c) certain other requirements of State law are satisfied, including, but not limited to, that the loan made under the program is secured by obligations described in clauses (1) through (6) above, certain letters of credit or certain other obligations pursuant to State law.

The Authority may invest in such obligations directly or through government investment pools that invest solely in such obligations (and money market mutual funds, to the extent permitted by and consistent with State law) provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally-recognized rating service. Under State law, the Authority may also contract with an investment management firm that is registered under either the Investment Advisers Act of 1940 (15 U.S.C. Sections 80b-1 et seq.) or the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Authority retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Authority must do so by order, ordinance, or resolution. State law specifically prohibits the Authority from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . The Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; that include a list of authorized investments for Authority funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups; methods to monitor the market price of investments acquired with public funds; a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery

versus payment basis; and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with State law. All Authority funds must be invested consistent with a formally adopted investment strategy that specifically addresses each fund's investment. Each investment strategy will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

The Authority's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the Authority's investment officers must submit an investment report to the Board detailing: (1) the investment position of the Authority, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value, the ending value of each pooled fund group and fully accrued interest for the reporting period, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest Authority funds without express written authorization from the Authority.

The Authority is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the Authority to disclose the relationship and file a statement with the Texas Ethics Commission and the Authority; (3) require the registered principal of firms seeking to sell securities to the Authority to: (a) receive and review the Authority's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the Authority's investment policy; (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (6) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the Authority's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; and (7) provide specific investment training for the investment officer.

The Authority has adopted an investment policy that is generally consistent with the foregoing requirements of State law; however, such investment policy currently contains certain additional restrictions that are not currently required by State law, such as, it does not allow for the investment in bonds issued, assumed or guaranteed by the State of Israel. The Authority's investment policy is subject to change at any time. Copies of the Authority's investment policy are available for examination at the offices of the Authority.

TABLE 5 - CURRENT INVESTMENTS

At July 31, 2014, the carrying amount of the Authority's cash and cash equivalents was \$26,837,860, of which \$3,429,010 was held at BNY Mellon for the Series 2010 Bonds, \$17,036,567 was held in trust accounts at BNY Mellon for the Series 2012 SH 550 Bonds issued by the County on behalf of the Authority, and the remainder was in business interest checking accounts.

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TAX MATTERS

TAX EXEMPTION . . . In the opinion of Co-Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Bonds is not (A) a specific preference item subject to the alternative minimum tax on individuals and corporations or (B) included in a corporation's adjusted current earnings for purposes of the alternative minimum tax.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The Authority has covenanted in the Resolution that it will comply with these requirements.

Co-Bond Counsel's opinion will assume continuing compliance with the covenants of the Resolution pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Authority, the Authority's Financial Advisor and the Underwriters with respect to matters solely within the knowledge of the Authority, the Authority's Financial Advisor and the Underwriters, respectively, which Co-Bond Counsel has not independently verified. If the Authority fails to comply with the covenants in the Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Co-Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Co-Bond Counsel's knowledge of facts as of the date thereof. Co-Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Co-Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Authority as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

PURCHASE OF TAX-EXEMPT OBLIGATIONS BY FINANCIAL INSTITUTIONS . . . Section 265(a) of the Code provides, in general, that a deduction for interest on indebtedness incurred to acquire or carry tax-exempt obligations is disallowed. Section 265(b) of the Code provides a specific complete disallowance of any deduction by a financial institution of its pro rata interest expense to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. In addition, Section 265(b) also provides an exception for financial institutions for tax-exempt obligations that are properly designated by an issuer as "qualified tax-exempt obligations."

The Bonds have been designated as "qualified tax-exempt obligations" based, in part, on the Authority's representation that the amount of the Bonds, when added to the amount of all other tax-exempt obligations (not including private activity bonds other than "qualified 501(c)(3) bonds" or any obligations issued to currently refund any obligation to the extent the amount of the refunding obligation did not exceed the outstanding amount of the refunded obligation) issued or reasonably anticipated to be issued by or on behalf of the Authority during 2014 is not expected to exceed \$10,000,000. Further, the Authority and entities aggregated with the Authority under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during 2014.

Notwithstanding the designation of the Bonds as "qualified tax-exempt obligations" under this exception, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

The issue price of all of the Bonds exceeds the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

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RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described herein; however, it is not intended to be a complete representation of all the possible risks involved.

FORWARD-LOOKING STATEMENTS . . . This Official Statement, including the Appendices hereto, contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices hereto, that any person expects or anticipates will, should or may occur in the future, are forward-looking statements. These statements are based on assumptions and analysis made by the Authority, in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors that it believes are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "RISK FACTORS" caption of this Official Statement as well as additional factors beyond the Authority's control. The important risk factors and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Authority or the Pledged Revenues. All subsequent forward-looking statements attributable to the Authority or persons acting on their behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority does not assume any obligation to update any such forward-looking statements.

UNCERTAINTY OF REVENUES . . . The amount of Pledged Revenues to be collected by the Authority is dependent on a number of factors beyond the control of either the Authority, the County or the State of Texas, including, but not limited to, the state of the U.S. economy and the economy of the State of Texas and the County. Any one or more of these factors could result in the Authority receiving less Pledged Revenues than anticipated. During periods in which economic activity declines, Pledged Revenues, which are primarily based on the Vehicle Registration Fees, may decline as compared to an earlier year.

FEDERAL BUILD AMERICA BONDS SUBSIDY . . . The Authority issued its Vehicle Registration Fee Revenue Bonds, Series 2010B as Build America Bonds ("BABs"). BABs are taxable bonds that were issued in 2009 and 2010 and were to receive a direct subsidy payment from the federal government equal to 35% of the interest payments on the bonds. The federal government has since announced that the 35% subsidy payment will be reduced by 7.2% through 2024. The federal government could further reduce or eliminate the subsidy in the future.

THE BONDS ARE LIMITED OBLIGATIONS . . . THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION INDEBTEDNESS NOR A PLEDGE OF AD VALOREM TAXING POWER OR THE FULL FAITH AND CREDIT OF THE COUNTY OR STATE OF TEXAS AND ARE NOT OBLIGATIONS OF THE STATE OF TEXAS OR ANY OTHER AGENCY OR OTHER POLITICAL SUBDIVISION OR ENTITY OF THE STATE OF TEXAS. THE AUTHORITY HAS NO AD VALOREM TAXING AUTHORITY. THE AUTHORITY WILL NOT MORTGAGE OR GRANT ANY SECURITY INTEREST IN THE IMPROVEMENTS FINANCED WITH THE PROCEEDS OF THE BONDS OR ANY PORTION THEREOF TO SECURE PAYMENT OF THE BONDS.

COUNTY PLEDGE OF NON-IMPAIRMENT . . . In accordance with the Project Agreement, the County pledges and agrees with the owners of the Bonds that it will not alter, impair or limit the Pledged Vehicle Fees in a manner that reduces the amount of Pledged Vehicle Fees to be remitted to the Authority until the Bonds, together with applicable interest, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision have been made by law for the protection of the owners of the Bonds.

The Authority notes that this provision has not been interpreted by a court of law and, therefore, the extent that such provision would (i) be upheld under constitutional or other legal challenge, (ii) protect the current rates and total collection of all Pledged Vehicle Fees, or (iii) impact any other aspect of Pledged Vehicle Fees, cannot be predicted by the Authority.

FUTURE AND PROPOSED TAX LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such legislation, action or decision could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such legislation, action or decision being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters. See "TAX MATTERS" herein.

LIMITED OBLIGATIONS

The Bonds are special, limited obligations of the Authority payable solely from, and secured solely by, a first lien on and pledge of the Pledged Revenues consisting primarily of Vehicle Registration Fee Revenues.

NONE OF THE STATE OF TEXAS, THE AUTHORITY, THE COUNTY, OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON

THE BONDS. THE BONDS ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE AUTHORITY, THE COUNTY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THE INDENTURE DOES NOT CREATE A MORTGAGE ON THE PROJECTS.

NO RECOURSE UNDER THE BONDS SHALL BE HAD AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER OF THE AUTHORITY. THE BONDS MAY NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY ANY OTHER REVENUES OF THE AUTHORITY EXCEPT THOSE REVENUES PLEDGED BY THE INDENTURE.

Other than the pledge of the Pledged Revenues, the Authority has not mortgaged, assigned, or pledged any interest in any real or personal property or improvements, including any interest in the Project or any expansions or extensions thereto, as security for payment of the Bonds. (See "SECURITY FOR THE BONDS.")

LIMITATION AND ENFORCEABILITY OF REMEDIES UNDER THE INDENTURE

The remedies available to Owners of the Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action, or proceeding compelling and requiring the Authority and its officers to observe and perform any covenant, condition, or obligation prescribed in the Indenture. In general, Texas courts have held that a writ of mandamus may be issued to require a public official to perform legally imposed ministerial duties necessary for the performance of a valid contract, and Texas law provides that, following approval by the Texas Attorney General and issuance, the Bonds are valid and binding obligations for all purposes according to their terms. However, the enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to pursue such remedy or to request that the Trustee pursue such remedy on a periodic basis. NO ACCELERATION REMEDY IS AVAILABLE TO HOLDERS OF THE BONDS. (See "THE BONDS – Defaults and Remedies" and "Defaults and Remedies" in the Indenture).

FORWARD LOOKING STATEMENTS . . . The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the Authority has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Authority is required to observe such agreement for so long as it remains obligated to advance funds to pay the Bonds. Under such agreement, the Authority is obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system, which makes such information available free of charge to the public at its internet website, www.emma.msrb.org.

ANNUAL REPORTS . . . The Authority will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Authority of the general type included in tables 1-5 of the Official Statement and in Appendix B. Any financial statements required to be provided shall be (1) prepared in accordance with the accounting principles described in the Official Statement or the financial statements included in the Official Statement and (2) 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 audited financial statements are not so provided, then the Authority shall provide unaudited financial statements for the applicable Fiscal Year to the MSRB. Thereafter, when and if audited financial statements become available, the Authority will provide such financial statements on an audited basis. The Authority's current Fiscal Year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the Authority changes its fiscal year. If the Authority changes its fiscal year, it will notify the MSRB of the change.

EVENT NOTICES . . . 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 Bonds, or other material events adversely affecting the tax status of the Bonds;
- (7) modifications to rights of 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;
- (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; and
- (14) the appointment of a successor or additional trustee or the change in the name of the trustee, if material.

For the purposes of the event identified in paragraph 12, 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.

The Authority shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of any failure by the Authority to provide the required annual financial information in accordance with its agreement described in "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports." All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

LIMITATIONS, DISCLAIMERS, AND AMENDMENTS . . . The Authority shall be obligated to observe and perform its obligation as described in "CONTINUING DISCLOSURE OF INFORMATION" herein so long as, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule. The Authority has agreed to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to the Resolution and does not 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, except as expressly provided in the Resolution. 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 ITS OBLIGATIONS DESCRIBED IN "CONTINUING DISCLOSURE OF INFORMATION" HEREIN, 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.

The Authority's continuing disclosure agreement 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 continuing disclosure agreement, 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 its continuing disclosure undertaking, it shall include with any amended financial information or operating data next provided 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 its continuing disclosure agreement 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.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the Authority has complied in all material respects with all of its continuing disclosure agreements pursuant to the Rule.

OTHER INFORMATION

RATING . . . The Bonds have been rated "AA-" by Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial ("S&P"). The presently outstanding Parity Bonds are also rated "AA-" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing such ratings. Any rating reflects only the view of the rating organization and the Authority makes no representation as to the appropriateness of any rating. There is no assurance that such rating will continue for any given period of time or they will not be revised downward or withdrawn entirely by such rating organizations, if in the judgment of such organizations, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

NO LITIGATION . . . In the opinion of various officials of the Authority, there is no litigation of any nature which has been filed or is pending to enjoin the issuance and delivery of the Bonds or which would affect the provisions made for the payment or security or in any manner questioning the validity of the Bonds, and that the Authority is not a party to any litigation or other proceeding pending or to his knowledge, threatened, in any court, agency or other administrative body (either State or federal) which, if decided adversely to the Authority, would have a material adverse effect on the financial condition of the Authority.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Authority assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds must not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Texas Local Government Code, as amended, provides that obligations, such as the Bonds, are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and for the sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State of Texas. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act, the Bonds may have to be assigned an investment quality of not less than "A" or its equivalent by a nationally recognized rating agency, before they are eligible to secure deposits of any public fund of the State or any political subdivision or public agency of the State, and are lawful and sufficient security for the deposits to the extent of their face value. See "Rating" above.

The Authority has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Authority has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE . . . The Authority will furnish the Underwriters a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Initial Bonds are valid and legally binding obligations of the Authority, and based upon examination of such transcript of proceedings, the opinion of Co-Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Resolution, are valid and legally binding obligations of the Authority and, subject to the qualifications set forth herein under "TAX EXEMPTION", the interest on the Bonds is exempt from federal income taxation under existing statutes, published rulings, regulations, and court decisions. In their capacity as Co-Bond Counsel, Bracewell & Giuliani LLP, Houston, Texas and The Lucio Group PLLC, Brownsville, Texas, have reviewed the information under the captions "PLAN OF FINANCE", "THE BONDS" (except for the subheading "Book-Entry-Only System"), "SECURITY FOR THE BONDS", "TAX EXEMPTION", "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Undertakings" as to which no opinion is expressed), "OTHER INFORMATION-Registration and Qualification of Bonds For Sale", "OTHER INFORMATION - Legal Investments and Eligibility to Secure Public Funds in Texas", "OTHER INFORMATION-Legal Opinions and No-Litigation Certificate" and in Appendix C and D in the Official Statement and such firms are of the opinion that the information relating to the Bonds and the Resolution contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law. The customary closing papers, including a certificate to the effect that no

litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Bonds will also be furnished. The legal fees to be paid Co-Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. The legal opinion of Co-Bond Counsel will accompany the Bonds deposited with DTC or will be printed on definitive Bonds in the event of discontinuance of the Book-Entry-Only System.

Certain legal matters will be passed upon for the Underwriters by Winstead PC, San Antonio, Texas, the counsel to the Underwriters. Winstead PC represents, from time to time, the County in transactions unrelated to the Bonds, including as bond counsel for the SH 550 bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL INFORMATION . . . The financial data and other information contained herein have been obtained from the Authority's records, audited financial statements and other sources which are believed to be reliable. All of the summaries of the statutes, documents and the Resolution contained in this Official Statement are made subject to all of the provisions of such statutes, documents and Resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates, and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

FINANCIAL STATEMENTS . . . Appendix B to this Official Statement contains excerpts from the Authority's annual financial report for the fiscal year ended September 30, 2013. These financial statements and supplemental schedules have been audited by Long Chilton, L.L.P., Brownsville, Texas, independent certified public accountant, as stated in the reports included with such financial statements in Appendix B. Since the publication of the audit, there have been no material changes to the Authority's financial position which would negatively impact the Authority's ability to repay the Bonds.

CERTIFICATION OF THE OFFICIAL STATEMENT . . . At the time of payment for and delivery of the Bonds, the Underwriters will be furnished a certificate, executed by proper officers of the Authority, acting in their official capacity, to the effect that to the best of their knowledge and belief: (1) the descriptions and statements of or pertaining to the Authority contained in its Official Statement, and any addenda, supplement or amendment thereto, for the Bonds, on the date of such Official Statement, and on the date of initial delivery of the Bonds, were and are true and correct in all material respects; (2) insofar as the Authority and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) insofar as the descriptions and statements including financial data, of or pertaining to entities, other than the Authority, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the Authority believes to be reliable and the Authority has no reason to believe that they are untrue in any material respect; and (4) there has been no material adverse change in the financial condition of the Authority, since the date of the last financial statements of the Authority appearing in the Official Statement. The Official Statement will be approved as to form and content and the use thereof in the offering of the Bonds will be authorized, ratified and approved by the Board on the date of sale, and the Underwriters will be furnished, upon request, at the time of payment for and the delivery of the Bonds, a certified copy of such approval, duly executed by the proper officials of the Authority.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS . . . The arithmetical accuracy of certain computations included in the schedules provided by Estrada Hinojosa & Company, Inc. on behalf of the Authority relating to (a) computation of forecasted receipts of principal and interest on the Escrowed Securities and the forecasted payments of principal and interest to redeem the Refunded Obligations and (b) computation of the yields of the Bonds and the restricted Escrowed Securities were verified by Grant Thornton LLP, Minneapolis, Minnesota, certified public accountants. Such computations were based solely on assumptions and information supplied by Estrada Hinojosa & Company, Inc. on behalf of the Authority. Grant Thornton LLP has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

FINANCIAL ADVISOR . . . Estrada Hinojosa & Company, Inc. (the "Financial Advisor") is employed as the Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has relied on the opinions of Co-Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the documentation with respect to the federal income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

UNDERWRITERS . . . The Underwriters named on the cover page hereof have agreed, subject to certain conditions, to purchase the Bonds from the Authority, at a discount of \$24,668.85 from the respective initial offering prices of the Bonds. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

USE OF INFORMATION IN OFFICIAL STATEMENT . . . No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**CAMERON COUNTY REGIONAL
MOBILITY AUTHORITY**

/s/ **David E. Alex**
Chairman

ATTEST:

/s/ Ruben Gallegos, Jr.
Secretary

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SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

Issue	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Vehicle Registration Fee Revenue Bonds, Series 2010A	2/15/2016	3.000%	\$ 800,000	2/15/2015	100.00
	2/15/2017	3.000%	825,000	2/15/2015	100.00
	2/15/2018	3.500%	850,000	2/15/2015	100.00
	2/15/2019	3.500%	885,000	2/15/2015	100.00
	2/15/2020	4.000%	915,000	2/15/2015	100.00
	2/15/2021	4.000%	955,000	2/15/2015	100.00
	2/15/2022	4.000%	990,000	2/15/2015	100.00
			<u>\$ 6,220,000</u>		

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY

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The County

Cameron County (the "County") was created in 1848, and is the southernmost county in Texas. The County's 2014 population is estimated to be 423,868. According to the 2010 U.S. Census, the population of the County was 406,220, an increase of 21.18% since 2000. The area of the County is approximately 883 square miles, comprising the Brownsville-Harlingen-San Benito Metropolitan Area. The largest city in the County is Brownsville, which serves as the county seat. The economy is well diversified, based on agricultural production, fishing industries, manufacturing plants and tourism. Major agricultural crops include oranges, grapefruit, cotton, grains and sugar cane. Principal manufacturing products include offshore drilling platforms, fiberglass products, dairy products, clothing, electric equipment and frozen foods. The County is the only port of entry from Mexico that provides all four methods of transportation - sea, air, highway and rail. Tourist attractions include South Padre Island, Laguna-Atascosa Wildlife Refuge, Confederate Air Force Flying Museum and the Gladys Porter Zoo. The Port of Brownsville is one of the world's largest shrimp loading points and a very important link between the United States and Mexico.

The County is traversed by U.S. Highways 77, 83 and 281; State Highways 4, 48, 100, 107, 245, and 550; and nine farm-to-market roads. Fifteen motor freight trucking firms provide service to and from Brownsville. Rail transportation is provided by Union Pacific and National Railways of Mexico. Commercial air service is provided to Brownsville by Continental Airlines; and to Harlingen by Southwest, American, and Continental Airlines. Air freight service is provided by Emery, UPS, Kitty Hawk, Casino Express, and Burlington. The Brownsville International Airport also includes an industrial park. The Port of Brownsville is the main shipping port for the Rio Grande Valley and South Texas. Port facilities include a man-made basin connected by 17 miles of channel to the Gulf of Mexico, various docking and terminal facilities, turning basin and approach, fishing harbor, warehousing and railway switching operations, worldwide shipping lines and barge transportation services.

POPULATION STATISTICS

Year	Cameron County
1960 ⁽¹⁾	151,098
1970 ⁽¹⁾	140,368
1980 ⁽¹⁾	209,680
1990 ⁽¹⁾	266,600
2000 ⁽¹⁾	335,227
2010 ⁽¹⁾	406,220
2011 ⁽²⁾	434,130
2012 ⁽²⁾	406,220
2013 ⁽²⁾	415,557
2014 ⁽²⁾	423,868

⁽¹⁾ U.S. Census figures.

⁽²⁾ Estimate.

EMPLOYMENT STATISTICS

	Cameron County			Texas		
	June 2014	June 2013	June 2012	June 2014	June 2013	June 2012
Civilian Labor Force	166,163	167,028	164,172	13,032,583	12,905,852	12,703,458
Total Employment	151,523	148,850	145,865	12,321,373	12,013,699	11,753,163
Total Unemployment	14,640	18,178	18,307	711,210	892,153	950,295
Percentage Unemployment ⁽¹⁾	8.8%	10.9%	11.2%	5.5%	6.9%	7.5%

⁽¹⁾ The County's unemployment figures are influenced by its location on the Mexican border and the many workers who are migrants or are newly on the workforce.

Source: Texas Workforce Commission.

THE CITY OF BROWNSVILLE, TEXAS

The City of Brownsville, Texas (the "City") is not obligated in any way on the Bonds. Information concerning the City is included to provide general information concerning the area surrounding the County. The City is a home-rule city and is the county seat of the County. It is the southernmost city in Texas and the largest city in the lower Rio Grande Valley. The City is located about 25 miles inland from the Gulf of Mexico on the north bank of the Rio Grande directly across from Matamoros, Mexico, which it joins by three international bridges. The City serves as a trade center for much of the lower Rio Grande Valley.

BUILDING PERMITS (CITY OF BROWNSVILLE)

Fiscal Year	New Residential	Total Value	New Commercial	Total Value
2004	1,628	\$ 133,049,158	196	\$ 102,229,196
2005	1,587	141,535,609	191	78,441,343
2006	1,381	126,923,360	134	63,012,634
2007	931	89,187,241	113	76,883,594
2008	526	55,893,638	165	244,910,457
2009	410	42,412,263	85	44,005,150
2010	567	55,784,437	79	76,781,200
2011	532	53,077,997	121	93,437,698
2012	603	55,622,795	54	27,161,791
2013	601	60,629,626	67	63,992,349

Source: Brownsville Economic Development Council.

TOURISM

Tourism is one of the area's biggest industries. Brownsville ranks among the top five cities in Texas for long and short term stays, with the Rio Grande Valley as the number one area in the State of Texas as a destination point for automobile tourist traffic entering Texas. The Brownsville-Harlingen-San Benito area has 29 hotels and motels with 1,740 rooms and two country clubs, 38 apartment projects and 41 mobile home and trailer parks. Ten parks totaling 292 acres and at least 10 regulation golf courses and a number of par three golf courses serve the area.

Vacationers are attracted by subtropical climate, proximity to Mexico and access to South Padre Island. In addition to a rich historical past, Brownsville has one of the finest zoos in the nation, the Gladys Porter Zoo, donated by the Sam's Foundation. Also the Laguna-Atascosa Wildlife Refuge, Confederate Air Force Flying Museum, and the Port Isabel Lighthouse are open for tourists.

The Cameron County Park System owns and operates Isla Blanca Park, Andy Bowie Park, Adolph Thomae Park, E.K. Atwood Park, public beach access and four community parks. The County Park System's mission is to provide quality recreation opportunities to the citizens of Cameron County at an affordable price. The Park System provides beach access for day-use enjoyment, offering parking, stores, restaurants, beach equipment rental and covered areas. Fishing, surfing, and volleyball are available along South Padre Island. Thomae Park is located on the Arroyo Colorado River, three miles from the Laguna Madre Bay. This facility offers boat launches, fish cleaning facilities, vehicle and trailer parking, picnic areas and campsites. The Park System also provides controlled access to public beaches north of Andy Bowie Park. The Park System also provides commissioned officer park ranger patrol to the parks and the unincorporated public areas.

The International Toll Bridge System

The International Toll Bridge System is composed of the "Gateway Bridge", "Veteran's Bridge" and the "Free Trade Bridge". The Gateway Bridge connects the City of Brownsville ("Brownsville") with the City of Matamoros, Tamaulipas, Mexico ("Matamoros"), and the Free Trade Bridge Connects the cities of Harlingen and San Benito with the village of Lucio Blanco.

Gateway Bridge

The Gateway Bridge has been operated under a joint agreement with the Government of Mexico since 1961. County ownership of the Bridge extends to a point over the river representing the international boundary between the United States and Mexico. Repair and maintenance of specific portion of the structure are made by the respective owner governments; other generalized maintenance is paid for on a pro rata basis. Tolls for southbound traffic are set independently by Cameron County.

Free Trade Bridge

On June 3, 1991, Cameron County entered into an agreement with the cities of San Benito, Texas and Harlingen, Texas whereby the County would finance, construct and operate an international toll bridge located at Los Indios, Texas (the "Free Trade Bridge"), approximately eight miles south of both communities. Each of the cities has agreed to pay the lesser of \$200,000 annually, or 25% of any deficiency in annual debt service requirements, net operating losses not including depreciation, and any capital equipment not paid for with bond proceeds.

Any surplus remaining after payment of operations, debt service, or capital equipment purchases, in excess of 140% of the average annual debt service requirements of outstanding Los Indios Toll Bridge Bonds, will be distributed 25% to each city and 50% to the County. The Free Trade Bridge opened November 1, 1992. The following is a summary of the interlocal transactions between the County and the Cities of Harlingen, Texas and San Benito, Texas:

Year Ended 9/30	Cameron County (50%)	City of Harlingen (25%)	City of San Benito (25%)	Total Surplus (Deficiency)
2004	\$ 306,183	\$ 153,091	\$ 153,091	\$ 612,365
2005	410,815	205,407	205,407	821,629
2006	544,938	272,469	272,469	1,089,876
2007	704,358	352,179	352,179	1,408,716
2008	507,547	253,773	253,773	1,015,093
2009	303,484	151,742	151,742	606,968
2010	357,920	178,960	178,960	715,840
2011	393,128	196,564	196,564	786,256
2012	287,151	143,576	143,576	574,303
2013	260,984	130,492	130,492	521,968

Veteran's Bridge

On January 12, 1990, Cameron County executed an interlocal agreement with Brownsville whereby the County would finance, construct and operate an international toll bridge located in Southeast Brownsville, Texas, approximately two miles east of Gateway International Toll Bridge, herein referred to as "Veteran's International Toll Bridge at Los Tomates" ("VITB"), located between Brownsville and Matamoros. The revenue bonds were issued on a parity with any then outstanding International Toll Bridge Bonds, and are outstanding from the revenues of the County's Toll Bridge System.

Cameron County, Texas is the legal owner and operator of this bridge; however, Brownsville has obligated itself to pay 50%, not to exceed the sum of \$400,000 annually, of any deficiencies in the annual debt service requirements for the proposed revenue bonds issued to finance the VITB.

Any surplus revenues remaining after payment of the debt service requirements, maintenance and operation costs, and an amount equal to 140% of the average annual debt service requirements of all outstanding bonds will be shared equally between the City and the County. The City of Brownsville does not retain an equity interest in the project, which is considered a cooperative arrangement between the governments rather than a joint venture. The following is a summary of the interlocal transactions between Brownsville and the County:

Year Ended 9/30	Cameron County (50%)	City of Brownsville (50%)	Total Surplus (Deficiency)
2004	\$ 2,457,949	\$ 2,457,949	\$ 4,915,898
2005	2,496,070	2,496,070	4,992,140
2006	2,930,652	2,930,652	5,861,304
2007	2,716,304	2,716,304	5,432,608
2008	2,004,538	2,004,538	4,009,076
2009	1,243,110	1,243,111	2,486,221
2010	1,468,452	1,468,452	2,936,904
2011	1,528,935	1,528,935	3,057,870
2012	1,554,861	1,554,861	3,109,722
2013	1,288,520	1,288,520	2,577,040

The Debt Reserve Funds set aside to provide for the VITB is funded at the 140% of the highest annual debt service level. Unless additional debt is incurred, further allocation of bridge proceeds to fund the VITB Debt Reserve is unnecessary.

System Crossings

A detail of historical crossing is listed below for each bridge within the International Toll Bridge System.

Gateway International Toll Bridge Border Traffic at Brownsville, TX*			Veteran's International Toll Bridge at Los Tomates Border Traffic at Brownsville, TX*		
Fiscal Year Ended	Vehicles	Pedestrians	Fiscal Year Ended	Vehicles	Pedestrians
2004	2,505,882	2,374,573	2004	2,554,209	1,270
2005	2,451,081	2,159,212	2005	2,376,486	1,213
2006	2,349,380	2,242,475	2006	2,379,113	1,430
2007	2,219,360	2,077,625	2007	2,135,586	1,722
2008	2,046,939	1,928,762	2008	1,813,284	2,123
2009	1,755,783	1,869,333	2009	1,523,091	445
2010	1,514,838	1,878,851	2010	1,409,200	1,504
2011	1,315,806	1,822,373	2011	1,296,069	1,115
2012	1,371,493	1,750,139	2012	1,212,284	579
2013	1,454,083	1,793,623	2013	1,041,917	325

Free Trade Bridge at Los Indios South of Harlingen/San Benito, TX*			Total		
Fiscal Year Ended	Vehicles	Pedestrians	Fiscal Year Ended	Vehicles	Pedestrians
2004	732,515	1,081	2004	5,792,606	2,376,924
2005	658,523	1,040	2005	5,486,090	2,161,465
2006	645,367	915	2006	5,373,860	2,244,820
2007	611,651	709	2007	4,966,597	2,080,056
2008	574,394	317	2008	4,434,617	1,931,202
2009	546,988	331	2009	3,825,862	1,870,109
2010	446,212	285	2010	3,370,250	1,880,640
2011	355,043	227	2011	2,966,918	1,823,715
2012	322,950	149	2012	2,906,727	1,750,867
2013	320,848	122	2013	2,816,848	1,794,070

* The County owns three of the four international toll bridges located within the County. Crossing numbers are not included in these tables for the privately-owned B&M Bridge.

Source: Cameron County International Toll Bridge System.

"IN-BOND" INDUSTRIALIZATION PROGRAM

The two cities, Brownsville and Matamoros have established over the past 25 years the "In-Bond" Industrialization or "Maquiladora" program. This program allows the assembly of labor intensive products at advantageous costs; thus, allowing North American products to be more competitive on a world-wide basis. Since its inception in 1966, the "In-Bond" program has grown to an estimated 108 companies, expanding to a total of 4,300,000 square feet of manufacturing space, and employing approximately 52,000 people.

Brownsville gains greatly from these operations since all of the Mexican plants have offices, warehouses, or twin plants on the U.S. side; U.S. management and technical personnel live in Brownsville; goods and services are purchased in Brownsville for use in the Matamoros facilities.

Higher Education

Since 1991, the University of Texas at Brownsville and Texas Southmost College have shared campuses, faculties, and operations under one administration. Effective June 14, 2013, the University of Texas Rio Grande Valley was established within the University of Texas System, which will eventually consolidate the University of Texas-Brownsville and the University of Texas-Pan American. However, Texas Southmost College will continue to serve the community and issue two-year Associate Degrees as a separate institution with its own administration. Texas State Technical College, located in Harlingen, offers associate degrees, and provides customized technical training to fit the needs of those industries seeking to locate in the County.

THE PORT OF BROWNSVILLE

The Brownsville Navigation District (the "District") is located at the southernmost tip of Texas on the Gulf of Mexico and information concerning the District is included for general informational purposes only. The District is one of the deep-water ports along the Gulf of Mexico coast, having completed a project to deepen the channel to 42 feet in May of 1995. The channel is 17 miles long and terminates in a turning basin that is 1,200 feet wide.

Terminal facilities provided by the District include eight reinforced concrete wharves with closed corrugated iron and sprinklered steel cargo transfer sheds; two reinforced concrete open barge docks; a 600 ft. by 280 ft. reinforced concrete open deep-sea dock and a 120 ft. by 520 ft. concrete open deep-sea dock for ores, metals and other bulk cargoes; a privately owned 3,750,000 bu. capacity grain elevator; four liquid cargo docks, open surfaced storage yards; 33 miles of railroad trackage; and mechanical freight handling equipment. A multi-purpose, deep draft cargo dock went into service in February 1999.

All docks are equipped with electric lights, light and power lines and fresh water. All docks are served by rail. Wastewater and ballast facilities are available. All of the facilities are operated for hire on a first-come, first-served basis.

The dry dock Los Alamos has been signed over to the District by the Navy. It is presently leased to AMFELS for operation as a dry dock to repair drilling rigs, one of the few in existence. It was placed into service by AMFELS in May, 1996.

A complete shrimp and fishing harbor, separate and apart from the main harbor, was completed and placed in service in mid-summer 1953. A second phase was finished in December, 1968. All docks were completely rebuilt in a project that was completed in 1993. Located four miles east of the main Turning Basin, the Fishing Harbor measures 1,600 ft. wide by 2,100 ft. long, and has a depth of 14 ft. It provides 12,000 linear feet of docking space, and is equipped with all necessary facilities for handling and processing fish and shrimp as well as maintaining and servicing shrimp vessels. More than 200 shrimp trawlers are home-ported at the Fishing Harbor; more than double that number of foreign trawlers call regularly for repairs, fuel, and stores.

On October 20, 1980, U.S. Customs created Foreign Trade Zone Number 62 ("FTZ") with the District as the grantee. There is a total area of 2,680 acres available for FTZ status at the Port of Brownsville, the Brownsville/South Padre Island Airport, and at the Harlingen Airport. There are currently nine companies operating within the zone with general purpose warehousing and liquid bulk storage available.

The District derives its operating revenues from charges for lease rentals, wharfage, storage, vessel dockage, and the sale of various port services such as utilities.

CARGO TONNAGE OF THE PORT OF BROWNSVILLE

<u>Calendar Year⁽¹⁾</u>	<u>Inbound Tonnage</u>	<u>Outbound Tonnage</u>	<u>Total Tonnage</u>	<u>Number of Vessels</u>
2004	2,843,044	920,369	3,763,413	1,185
2005	3,593,519	899,527	4,493,046	1,069
2006	4,071,622	687,603	4,759,225	794
2007	3,236,255	1,045,754	4,282,009	1,120
2008	4,435,942	870,369	5,306,311	1,099
2009	3,649,766	756,991	4,406,757	783
2010	3,593,633	831,273	4,424,906	877
2011	4,148,497	1,217,673	5,366,170	1,238
2012	4,440,890	1,095,800	5,536,690	1,083

⁽¹⁾ December 31st year ending.

Source: Brownsville Navigation District

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APPENDIX B

EXCERPTS FROM THE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2013

The information contained in this Appendix consists of excerpts from the Cameron County Regional Mobility Annual Financial Report for the Year Ended September 30, 2013, and is not intended to be a complete statement of the Authority's financial condition. Reference is made to the complete Report for further information.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cameron County Regional Mobility Authority
Brownsville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Cameron County Regional Mobility Authority (RMA), a component unit of Cameron County, Texas, as of and for the year ended September 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the RMA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the RMA as of September 30, 2013 and 2012, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2013 the RMA adopted new accounting guidance, GASB statement Nos. 63 and 65. These include, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Items Previously Reported as Assets and Liabilities*. As a result of the implementation of Statement No. 65, the RMA reported a change in accounting principle to report the effect of no longer deferring and amortizing bond issuance costs. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the RMA's basic financial statements. The schedule of expenditures of federal/state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *State of Texas Single Audit Circular*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal/state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal/state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014, on our consideration of the RMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RMA's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Long Chilton LLP".

LONG CHILTON, LLP
Certified Public Accountants

Brownsville, Texas
March 27, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis of the financial performance and activity of the Cameron County Regional Mobility Authority (the RMA), and is designed to provide an overview that users may use to interpret the basic financial statements for the year ended September 30, 2013. This discussion and analysis has been prepared by management and should be used in conjunction with the basic financial statements and notes thereafter.

The RMA is governed by a board of directors consisting of seven members with operations overseen by an Executive Director. The RMA operates with a small handful of staff members and contracts many of its services with local area professionals.

2013 Financial Highlights

- Vehicle Registration Fees increased 1.5% from 2012 to 2013 increasing from \$2.80 million to \$2.84 million, respectively. Vehicle Registration Fees also increased 2.8% from 2011 to 2012, increasing from \$2.72 million in 2011 to \$2.80 million in 2012.
- Toll revenues experienced a decrease of 18% from 2012 to 2013 decreasing from \$207,478 to \$170,749, respectively. Toll revenues did experience a significant increase from 2011 to 2012 increasing from \$68,707 in 2011 to \$207,478 in 2012.
- Funding for the SH550 Direct Connector project provided grant funds in the amount of \$5,671,590 in 2013, and other ARRA funding in the amount of \$624,943, for a total of \$6.3 million in grant funds for 2013. No grant revenues were received in the years 2012 and 2011.
- Operating expenses in 2013 were approximately \$4.7 million, an increase from \$1.2 million in 2012. This increase was primarily caused by the expensing of project development work capitalized in prior years. Operating expenses decreased \$384,607 from 2011 to 2012, decreasing from \$1.6 million to \$1.1 million, respectively.
- Capital assets net of related depreciation increased a total of \$13.8 million from 2012 to 2013. This increase was attributed to the completion of construction on the second phase of the SH550 and additional toll equipment placed in service during the year. Construction in process increased a net total of \$1.4 million from the prior year largely due to the commencement of construction on the third and final phase of the SH550. This total was offset with the amounts transferred from Construction in Process to Capital Assets. For the years 2011 to 2012 Construction in process increased a net total of \$3.8 million.

Overview of Basic Financial Statements

The RMA reports its business-type activities in a single enterprise fund, in which its operations and activities are reported similar to a private-sector business. The financial statements include comparative Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. These basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board also known as GASB.

The Statements of Net Position represent the net position of the RMA as of the end of each fiscal year presented. Net position signifies the difference of all other elements of the statement of net position for all years presented in three component categories; net investment in capital assets, restricted, and unrestricted.

The Statements of Revenues, Expenses, and Changes in Net Position present the results of the business activities of the RMA over the course of the fiscal years presented and how ultimately those results affected the change in net position. As an enterprise fund, the RMA reports its operations using the economic resource measurement focus in which all revenues and expenditures are recognized in the period which incurred with the difference reported as net change in net position.

The Statements of Cash Flows unlike the Statement of Revenues, Expenses and Changes in Net Position, reflect only the results of business activities as they affect cash over the course of the fiscal years presented. The results are reported in three categories of operating, financing, and investing activities with the net change in cash as the residual.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of the data found in these financial statements, and should be read in conjunction with the MD&A and the basic financial statements.

FINANCIAL ANALYSIS OF CCRMA

Summary of Net Position

The analysis of the RMA's net position includes the total assets minus the total liabilities with the residual difference of net position. The RMA's net position for the years ending September 30, 2013, 2012, and 2011 were approximately \$7.8 million, \$4.3 million, and \$4.0 million, respectively. The largest component of total assets for all three years was the non-current assets. Non-current assets accounts for approximately 82%, 94%, and 76% for the years 2013, 2012, and 2011, respectively. These assets consist of unexpended bond funds and development projects in which the RMA will not retain ownership at completion.

Total liabilities as of September 30, 2013, 2012, and 2011 were approximately \$120.3 million, \$111.9 million, and \$66.9 million, respectively. Non-current liabilities account for the majority of the total liabilities and consist of Financial Assistance Agreements with TxDot, amounts due to other agencies, and long term bond payables. A more detailed description is provided in the notes to the financial statements.

Summary of Net Position

	2013	2012	2011
Assets:			
Current assets	\$ 6,409,116	\$ 4,477,042	\$ 14,424,744
Capital assets, net	16,223,404	2,378,478	2,424,025
Construction in Process	28,409,045	26,973,755	23,167,096
Other non-current	77,164,353	82,379,179	30,942,677
Total Assets	\$ 128,205,918	\$ 116,208,454	\$ 70,958,542

Liabilities:

Current liabilities	\$ 6,017,391	\$ 2,260,395	\$ 6,496,906
Non-Current liabilities	114,376,005	109,628,518	60,444,518
Total liabilities	<u>\$ 120,393,396</u>	<u>\$ 111,888,913</u>	<u>\$ 66,941,424</u>

Net position:

Net investments in capital assets	8,761,616	547,674	2,084,156
Restricted	1,661,207	2,816,031	1,536,533
Unrestricted	(2,610,302)	955,836	396,429
Total net position	<u>\$ 7,812,521</u>	<u>\$ 4,319,541</u>	<u>\$ 4,017,118</u>

Capital & Other Non-Current Assets

Capital assets of the RMA include the infrastructure portion of the SH550 toll road placed in service along with toll equipment net of accumulated depreciation. The projects undergoing construction, traffic studies, environmental and preliminary engineering studies are recorded as construction in process. As of September 30, 2013, 2012, and 2011 the RMA had approximately \$28.4 million, \$26.9 million, and \$23.2 million in construction in process. The RMA will at times provide resources and develop transportation projects that meet the overall strategic goals of the RMA, however will not retain direct ownership at completion of the project. These projects are recorded as redevelopment assets on the Statements of Net Position.

Capital & Other Non-Current Assets

	2013	2012	2011
Capital Assets:			
Capital Assets, net	\$ 16,223,404	\$ 2,378,478	\$ 2,424,025
Non-Current Assets			
Restricted Assets	37,651,010	46,549,902	2,256,741
Construction in Pocess	28,409,045	26,973,755	23,167,096
Redevelopment and other non-current assets	<u>39,513,343</u>	<u>35,829,277</u>	<u>28,685,936</u>
Totals	<u>\$ 121,796,802</u>	<u>\$ 111,731,412</u>	<u>\$ 56,533,798</u>

Non-Current Liabilities

Due to other agencies as of September 30, 2013, 2012, and 2011 were approximately \$42.9 million, \$37.3 million, and \$31.6 million, respectively. These amounts include funds provided to the RMA for the development of other projects mentioned above in which the RMA will not retain direct ownership of. In the totals for long term bonds payable, the RMA has both tax exempt and non-tax exempt issuances, a more detailed description to these bond issuances can be found in the notes to the financial statements.

Non-Current Liabilities

	2013	2012	2011
Non-Current Liabilities:			
Due to Other Agencies	\$ 42,981,244	\$ 37,305,362	\$ 31,581,960
Long Term Bond Payable	71,394,762	72,323,156	28,862,558
Totals	\$ 114,376,006	\$ 109,628,518	\$ 60,444,518

Changes in Net Position

The RMA's total revenues and capital contributions for the year ending September 30, 2013, 2012, and 2011 were approximately \$9.8 million, \$3.0 million, and \$2.8 million, respectively. Total revenues and capital contributions experienced a significant increase in 2013 from 2012, largely due to grant funds received for the Construction of the SH550 Direct Connector. These capital contributions were used entirely in the construction of that project. Total operating expenses for the year ending September 30, 2013, 2012, and 2011 were approximately \$4.7 million, \$1.2 million, and \$1.6 million, respectively. In 2013 a total of \$3.4 million of operating expense was attributed to the completion of work provided by the RMA for the US 77/I-69 Project which had been capitalized in the prior years as the services were provided.

Changes in Net Position

	2013	2012	2011
Revenues:			
Vehicle Registration Fees	\$ 2,843,510	\$ 2,800,570	\$ 2,725,505
Toll Revenue	170,749	207,478	68,787
Other Operating Revenue	120,000	-	-
Non Operating Revenue	393,842	53,915	21,253
Total Revenues	3,528,101	3,061,963	2,815,545
Expenses:			
Operating	4,703,015	1,183,350	1,567,957
Non Operating	1,628,640	1,297,164	-
Total Expenses	6,331,655	2,480,514	1,567,957
Capital Contributions:	6,296,534	-	-
Change in Net Position	\$ 3,492,980	\$ 581,449	\$ 1,247,588

Contacting the RMA's Financial Management

The financial report is designed to provide customers, investors, and creditors with a general overview of the RMA's finances and to demonstrate the RMA's accountability for all inflows and outflows of resources. If you have any questions about this report or need additional financial information, contact the Cameron County Regional Mobility Authority, 1100 E. Monroe Ste. 256 Brownsville, Texas 78520.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Statements of Net Position
September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,111,181	\$ 3,667,787
Accounts Receivable	549,424	809,255
Due from other agencies	3,740,092	-
Prepaid Expenses	8,419	-
Total Current Assets	<u>6,409,116</u>	<u>4,477,042</u>
Non-current Assets:		
Restricted Assets:		
Cash - Trustee Funds	34,634,832	43,641,724
Cash - Debt reserve	2,256,740	2,256,740
Cash - Debt service	759,438	651,438
Total Restricted Assets	<u>37,651,010</u>	<u>46,549,902</u>
Capital assets, net	16,223,404	2,378,478
Redevelopment assets	39,392,798	35,704,549
Construction in process	28,409,045	26,973,755
Unamortized bond insurance	120,545	124,728
Total Assets	<u>\$ 128,205,918</u>	<u>\$ 116,208,454</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 4,577,306	\$ 993,560
Accrued interest payable	425,085	416,835
Due to other governments	250,000	250,000
Current maturities of bonds	765,000	600,000
Total current liabilities:	<u>6,017,391</u>	<u>2,260,395</u>
Non-current Liabilities:		
Due to other agencies	42,981,244	37,305,362
Long-term bond payable	71,394,762	72,323,156
Total non-current liabilities	<u>114,376,006</u>	<u>109,628,518</u>
Total Liabilities	<u>120,393,397</u>	<u>111,888,913</u>
NET POSITION		
Net investment in capital assets	8,761,616	547,674
Restricted	1,661,207	2,816,031
Unrestricted	(2,610,302)	955,836
Total net position	<u>7,812,521</u>	<u>4,319,541</u>
Total Liabilities and Net Position	<u>\$ 128,205,918</u>	<u>\$ 116,208,454</u>

The accompanying notes are an integral part of these statements.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Statements of Revenues, Expenditures
And Changes in Net Position
Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Vehicle registration fee	\$ 2,843,510	\$ 2,800,570
Toll revenue	170,749	207,478
Other operating revenue	120,000	-
Total operating revenues	<u>3,134,259</u>	<u>3,008,048</u>
Operating Expenses		
Advertising	8,921	23,971
Contractual services	447,350	794,164
Insurance	4,039	-
Miscellaneous	53,403	12,691
Office supplies	7,882	14,040
Professional services	103,618	146,311
Travel	52,178	35,095
Toll services	103,468	32,093
Utilities	5,024	-
Depreciation	471,931	124,985
Project expensed	3,445,201	-
Total operating expenses	<u>4,703,015</u>	<u>1,183,350</u>
Operating income (loss)	<u>(1,568,756)</u>	<u>1,824,698</u>
Non-Operating Revenues (Expenses)		
Bond issuance costs	-	(722,209)
Debt interest	(1,628,640)	(574,955)
Interest income	5,818	7,767
Other revenue	388,024	46,148
Total non-operating revenue (expenses)	<u>(1,234,798)</u>	<u>(1,243,249)</u>
Income (loss) before capital contributions	<u>(2,803,554)</u>	<u>581,449</u>
Capital Contributions	<u>6,296,534</u>	<u>-</u>
Change in net position	<u>3,492,980</u>	<u>581,449</u>
Net Position - beginning of year	<u>4,319,541</u>	<u>4,017,116</u>
Prior period adjustment	-	(279,024)
Net Position - beginning of year restated	<u>4,319,541</u>	<u>3,738,092</u>
Net Position - end of year	<u>\$ 7,812,521</u>	<u>\$ 4,319,541</u>

The accompanying notes are an integral part of these statements.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Statements of Cash Flows
Years Ended September 30, 2013 and 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from vehicle registration fees	\$ 3,026,130	\$ 2,800,570
Receipts from toll revenues	156,778	207,478
Receipts from other income	361,877	233,128
Payments to Vendors	(1,132,063)	(2,918,932)
Net cash provided by (used in) operating activities	<u>2,412,722</u>	<u>322,244</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisitions of property and equipment	(774,815)	(3,760,018)
Payments on interest	(1,628,640)	(599,772)
Acquisitions of construction in progress	(13,491,609)	(7,465,862)
Payments on bond principal	(600,000)	(600,000)
Bond proceeds	-	45,070,882
Capital contributions	6,296,534	-
Other financing sources	(2,027,690)	4,973,074
Net cash (used) by capital and related financing activities	<u>(12,226,220)</u>	<u>37,618,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from interest income	<u>5,818</u>	<u>7,767</u>
Net increase in cash and cash equivalents	(9,807,680)	37,948,315
Cash and Cash equivalents at beginning of year	50,217,689	11,621,556
Prior period adjustment affecting cash	(647,818)	647,818
Cash and cash equivalents at end of year	<u>\$ 39,762,191</u>	<u>\$ 50,217,689</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,568,756)	\$ 1,824,698
Adjustments to reconcile operating income to net cash provided by operating activities:		
Net prior period adjustment affecting operations	290,444	(290,444)
Depreciation expense	471,931	124,985
Amortization of premium/discount	155,143	-
Issuance cost expense	-	(722,209)
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses and other assets	(8,419)	266,667
(Increase) decrease in due from other agencies	(3,480,261)	4,009,046
(Increase) decrease in accounts payable	3,583,746	(5,112,586)
(Increase) decrease in Due to other agencies	3,080,644	-
(Decrease) increase in accrued interest payable	8,250	416,835
(Decrease) increase in deferred revenue	(120,000)	(194,748)
Net cash flows provided by operating activities	<u>\$ 2,412,722</u>	<u>\$ 322,244</u>

(continued)

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Statements of Cash Flows - Continued
Years Ended September 30, 2013 and 2012**

**RECONCILIATION OF ENDING CASH AND CASH EQUIVALENTS TO THE
STATEMENT OF NET POSITION**

Ending cash - Statement of Cash Flows	\$ 39,762,191	\$ 50,217,689
Less: amount reported in		
Restricted Assets	37,651,010	46,549,902
Ending cash - Statement of Net Position	<u>\$ 2,111,181</u>	<u>\$ 3,667,787</u>

Supplemental Disclosures of Cash Flow Information

Cash Payments for:

Interest	\$ 1,620,390	\$ 158,120
Taxes	\$ -	\$ -

The accompanying notes are an integral part of these statements.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 1 – Organization and Summary of Significant Accounting Policies

The Cameron County Regional Mobility Authority (RMA) was authorized for creation in September 30, 2004 by the Texas Transportation Commission to promote and improve regional mobility within Cameron County. Since its creation, the RMA has committed itself to an ambitious series of economically sustainable projects to improve the quality of life for area residents and enable quality economic development. The RMA receives funds from Vehicle Registration Fees in Cameron County as well as toll revenues and grant funds for projects. The RMA is governed by a board of directors consisting of seven members with operations overseen by an Executive Director. The RMA operates with a small handful of staff members and contracts many of its services with local area professionals.

The financial statements of the RMA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The RMA applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the RMA's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the RMA, for financial reporting purposes, management has determined that there are no entities over which the RMA exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the RMA. Since the RMA does not exercise significant influence or accountability over other entities, it has no component units.

B. Basis of Accounting

The operations of the RMA are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized and all assets and liabilities associated with the operation of the RMA are included in the Statement of Net Position. Operating expenses for the RMA include the costs of administrative expenses, indirect administrative costs and costs for contractual

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

B. Basis of Accounting – Continued

services associated with operations or project studies. Expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal deposit insurance. Investments are reported at fair value. The net change in fair value of investments is recorded on the Statements of Revenue, Expenses and Changes in Net Position and includes the unrealized and realized gains and losses on investments.

D. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported at cost. Depreciation is computed on the straight-line method over the following estimated useful lives:

Road and bridges, 40 years
Improvements, 5-20 years
Buildings, 20-30 years
Equipment, 3-20 years

A full month's depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, depreciation is removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations. Depreciation expense for 2013 and 2012 was \$471,931 and \$124,985, respectively.

E. Capital Contributions

Capital Contributions are comprised of federal, state, and local grants. The portion of the grants and reimbursements used for capital purposes are reflected as capital contributions in the Statements of Revenue, Expenses and Changes in Net Position. The funds are reimbursable contributions, whereas the RMA first pays for the project and then the granting agency reimburses the RMA for its eligible expenditures.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

F. Income Taxes

The RMA is a political subdivision of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes. Bond obligations issued by state and local governments are tax-exempt only if the issuers pay rebate to the federal government of the earnings on the investment of the proceeds of a tax-exempt issue in excess of the yield on such obligations and any income earned on such excess.

G. Classification of Operating and Non-operating Revenues and Expenses

The RMA defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with GASB Statement No. 9 which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities.

H. Net Position

In June 2011, GASB issued its Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which became effective for periods beginning after December 15, 2011, consequently implemented with these basic financial statements and retroactively applied to all reporting periods. This statement provides guidance to financial reporting of deferred outflows and inflows of resources, and identifies net position as the residual of all other elements presented in a statement of financial position. Based on the implementation of GASB Statement No. 63, the RMA's net position comprises the following components:

- *Net investment in capital assets* – consists of capital assets net of accumulated depreciation, outstanding balances on borrowings attributable to the acquisition of capital assets, and deferred outflows and inflows of resources attributable to the acquisition of capital assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- *Unrestricted* – net amount of assets, deferred outflows, liabilities, and deferred inflows not included in the determination of net investment in capital assets, or the restricted component of net position.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)

Notes to Financial Statements
September 30, 2013

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

H. Net Position – Continued

Net Position as of September 30, 2013

Net investment in capital assets	\$ 8,761,616
Restricted	1,661,207
Unrestricted	<u>(2,610,302)</u>
Net Position	<u>\$ 7,812,521</u>

Net Position as of September 30, 2012 (Restated)

Net investment in capital assets	\$ 547,674
Restricted	2,816,031
Unrestricted	<u>955,836</u>
Net Position	<u>\$ 4,319,541</u>

I. Comparative Data/Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

J. Subsequent Events

Management has evaluated subsequent events through March 27, 2014 which is the date the financial statements were available to be issued.

K. Early Implementation of Accounting Standards

In March 2012, GASB issued its statement No. 65 *Items Previously Reported as Assets and Liabilities*, which becomes effective for periods beginning after December 15, 2012; however early implementation is encouraged. The RMA adopted and implemented in these financial statements GASB 65. The statement establishes accounting and financial reporting standards to reclassify, as deferred outflows or inflows of resources, certain items that were previously reported as assets or liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. The changes adopted were applied retroactively to all periods presented. This statement impacted the RMA's financial statements by reclassifying certain debt issuance costs from an asset, to an outflow of resources in the

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 1 – Organization and Summary of Significant Accounting Policies – Continued

period incurred causing a restatement in the total assets as well as the change in net position. A summary of the net effect of early implementation of GASB 65 on the RMA's financial statements follows:

	September 30, 2012 As previously reported	September 30, 2012 Restated
Total Assets	\$ 117,030,731	\$ 116,208,454
Beginning Net Position	\$ 4,017,116	\$ 3,738,092
Ending Net Position	\$ 5,295,956	\$ 4,319,541

Note 2 – Deposits and Investments

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the RMA will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. The RMA complies with its investment policy for all its cash and cash equivalent accounts which calls for safety of principal as the first priority in its deposit accounts.

At September 30, 2013, the carrying amount of the RMA's cash, cash equivalents and restricted cash was \$39,762,191 of which \$3,016,178 was held in debt reserve at BNY Mellon for the 2010 bond series, \$34,634,832 was held in trust accounts at BNY Mellon for the 2012 bond series, and the remainder was in business interest checking accounts.

There is no limit on the amount the RMA may deposit in any one institution. However, the Federal Deposit Insurance Corporation only insures up to \$250,000 per institution. The RMA is fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended September 30, 2013.

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 3 – Capital Assets

The following schedules summarize the capital assets and Construction in Process of the RMA as of September 30, 2013 and 2012:

Capital Assets	October 1, 2012	Additions	Deletions	September 30, 2013
Depreciable	\$ 2,549,825	\$ 14,370,658	\$ (53,801)	\$ 16,866,682
Accumulated Depreciation	(171,347)	(471,931)		(643,278)
Net Capital Assets	<u>2,378,478</u>	<u>13,898,727</u>	<u>(53,801)</u>	<u>16,223,404</u>
Non-Depreciable CIP	<u>\$ 26,973,755</u>	<u>\$ 17,877,209</u>	<u>\$ (16,441,919)</u>	<u>\$ 28,409,045</u>

The additions related to construction in process are as follows:

Project	Amount
SH 550 (Direct Connector)	\$ 16,119,122
East Loop	810,124
SPI 2nd Access	685,483
General Brant	96,796
281 Connector	79,567
West Parkway	31,212
FM 803	24,459
Outer Parkway	17,216
Port Isabel	<u>13,230</u>
Total	<u>\$ 17,877,209</u>

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 3 – Capital Assets – Continued

	October 1, 2011	Additions	Deletions	September 30, 2012
Depreciable	\$ 2,470,387	\$ 79,438	\$ -	\$ 2,549,825
Accumulated Depreciation	(46,362)	(124,985)	-	(171,347)
Net Capital Assets	<u>2,424,025</u>	<u>(45,547)</u>	<u>-</u>	<u>2,378,478</u>
Non-Depreciable CIP	<u>\$ 23,167,096</u>	<u>\$ 3,875,207</u>	<u>\$ (68,548)</u>	<u>\$ 26,973,755</u>

Note 4 – Redevelopment Assets

The RMA has authorization by the State to participate, develop, and construct projects on behalf of other entities. The RMA has begun work on several projects in which the RMA will not retain ownership when work is completed. These projects are recorded as Redevelopment assets on the Statement of Net Position. At completion these assets, along with any associated liabilities will be removed from the RMA's financial statements and any difference will be adjusted through current operations. The following schedule summarizes the redevelopment assets shown on the Statement of Net Position:

Redevelopment Assets	October 1, 2012	Additions	Deletions	September 30, 2013
Brownsville/Matamoros				
West Rail Relocation	\$ 23,291,172	\$ 3,639,267	\$ -	\$ 26,930,439
Olmito Switchyard	<u>12,413,377</u>	<u>48,982</u>	<u>-</u>	<u>12,462,359</u>
Total Redevelopment Assets	<u>\$ 35,704,549</u>	<u>\$ 3,688,249</u>	<u>\$ -</u>	<u>\$ 39,392,798</u>

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 4 – Redevelopment Assets – Continued

Redevelopment Assets	October 1, 2011	Additions	Deletions	September 30, 2012
Brownsville/Matamoros	\$ 15,932,058	\$ 7,359,114	\$ -	\$ 23,291,172
Olmito Switchyard	<u>12,214,730</u>	<u>198,647</u>	<u>-</u>	<u>12,413,377</u>
Total Redevelopment Assets	<u>\$ 28,146,788</u>	<u>\$ 7,557,761</u>	<u>\$ -</u>	<u>\$ 35,704,549</u>

Note 5 – Disaggregation of Receivable and Payable Balances

Of the current receivables, 89% are due from the Cameron County Tax Assessor's Office for Vehicle Registration Fees outstanding at September 30, 2013. The Due from other agencies consists of amounts pending reimbursement for construction project expenditures. Accounts payable balances are comprised 32% from operations, contractors, and professional services at September 30, 2013. The remaining 68% of accounts payable represents the construction obligations for construction in process outstanding at September 30, 2013.

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**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 6 – Non-Current Liabilities

Due to other agencies is comprised of the following projects:

Due to Other Agencies	October 1, 2012	Additions	Reductions	September 30, 2013
Due to other governments - West Rail Project	\$ 20,817,005	\$ 5,250,005	\$ -	\$ 26,067,010
Due to other governments - Olmito Switch Yard Project	9,028,321	-	-	9,028,321
TxDot FAA - South Padre Island 2nd Access	5,215,447	425,877	-	5,641,324
TxDot FAA - West Parkway	2,244,589	-	-	2,244,589
Total	\$ 37,305,362	\$ 5,675,882	\$ -	\$ 42,981,244

Due to Other Agencies	October 1, 2011	Additions	Reductions	September 30, 2012
Due to other governments - West Rail Project	\$ 15,745,615	\$ 5,383,675	\$ (312,285)	\$ 20,817,005
Due to other governments - Olmito Switch Yard Project	9,028,321	-	-	9,028,321
TxDot FAA - South Padre Island 2nd Access	4,768,809	446,638	-	5,215,447
TxDot FAA - West Parkway	2,234,612	9,977	-	2,244,589
Total	\$ 31,777,357	\$ 5,840,290	\$ (312,285)	\$ 37,305,362

(Funds provided for the Brownsville/Matamoros West Rail project and the Olmito Switchyard projects vary between from Federal, State, and Local funds.)

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 7 – Long-Term Bonds Payable

On April 1, 2010, RMA issued \$28.7 million of special revenue bonds, consisting of two series of bonds, 2010A and 2010B both secured by vehicle registration fees of Cameron County. The \$13.2 million and \$15.5 million of the 2010A and 2010B bonds were issued as term bonds. The 2010A bonds carry interest rates of 2.0% to 5.0% and mature between February 2012 and February 2026. The 2010B bonds carry an interest rate of 6.5%, maturing on February 2036. All term bonds are subject to mandatory redemption in prescribed amounts before the maturity dates. At September 30, 2013, \$27,780,000 remains outstanding.

In June 2012 the RMA and Cameron County entered into SH550 Funding and Development Agreement, a project titled "SH550 Director Connector Transportation Project." This project will be a component of the total configuration of the SH 550 tolled facility and upon completion, traffic using SH550 will have a route free of at-grade intersections from I-69E (formally known as US77) to SH48 at the Port of Brownsville. Cameron County issued Revenue and Tax bonds, Series 2012 (State Highway 550 Project) \$40,000,000 dated August 8, 2012 providing funding for this project as per "Funding Agreement." As a condition of funding, the Authority is obligated to repay the funding together with interest the County will pay on the Bonds as well as an administrative fee also known as a "CAF Fee" annually. The bonds carry interest rates of 2.125% to 5.0% and mature between February 2017 and February 2032. At September 30, 2013 \$40,000,000 remain outstanding.

The bond issues are summarized as follows:

Bonds Payable	Balance as of October 1, 2012	Additions	Reductions	Balance as of September 30, 2013	Due within one year
2010 Revenue Bonds	\$ 28,380,000	\$ -	\$ (600,000)	\$ 27,780,000	\$ (765,000)
Plus: Premium	76,442	-	(6,115)	70,327	-
				-	
2012 Revenue & Tax Bonds	40,000,000	-	-	40,000,000	-
Plus: Premium	4,458,463	-	(149,028)	4,309,435	-
	<u>\$ 72,914,905</u>	<u>\$ -</u>	<u>\$ (755,143)</u>	<u>\$ 72,159,762</u>	<u>\$ (765,000)</u>

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 7 – Long-Term Bonds Payable – Continued

The bond issues are summarized as follows: Continued

Bonds Payable	Balance as of October 1, 2011	Additions	Reductions	Balance as of September 30, 2012	Due within one year
2010 Revenue Bonds	\$ 28,780,000	\$ -	\$ (400,000)	\$ 28,380,000	\$ (600,000)
Plus: Premium	82,558	-	(6,115)	76,443	-
2012 Revenue & Tax Bonds	-	40,000,000	-	40,000,000	-
Plus: Premium	-	4,470,882	(12,420)	4,458,462	-
	<u>\$ 28,862,558</u>	<u>\$ 44,470,882</u>	<u>\$ (418,535)</u>	<u>\$ 72,914,905</u>	<u>\$ (600,000)</u>

The annual requirements to retire revenue bonds outstanding at September 30, 2013 are as follows:

	2010A Bonds			2010B Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 765,000	\$ 471,125	\$ 1,236,125	\$ -	\$ 1,017,853	\$ 1,017,853
2015	780,000	455,675	1,235,675	-	1,017,853	1,017,853
2016	800,000	435,875	1,235,875	-	1,017,853	1,017,853
2017	825,000	411,500	1,236,500	-	1,017,853	1,017,853
2018	850,000	384,250	1,234,250	-	1,017,853	1,017,853
2019-2028	8,225,000	1,662,238	9,887,238	1,270,000	976,248	2,246,248
2029-2036	-	-	-	14,265,000	4,471,249	18,736,249
	<u>\$ 12,245,000</u>	<u>\$ 3,820,663</u>	<u>\$ 16,065,663</u>	<u>\$ 15,535,000</u>	<u>\$ 10,536,762</u>	<u>\$ 26,071,762</u>

2012 Revenue & Tax Bonds		
Principal	Interest	Total
2014	\$ -	\$ 1,911,700
2015	-	1,911,700
2016	-	1,911,700
2017	840,000	1,899,100
2018	860,000	1,876,288
2019-2028	10,740,000	16,626,413
2029-2038	17,635,000	9,733,375
2039-2048	9,925,000	1,023,375
	<u>\$ 40,000,000</u>	<u>\$ 36,893,651</u>

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
(A COMPONENT UNIT OF CAMERON COUNTY, TEXAS)**

**Notes to Financial Statements
September 30, 2013**

Note 8- Interest Capitalization/Expenditure

The RMA had capitalized interest regarding projects funded by the 2010A & 2010B revenue and 2012 Revenue and Tax bonds in the total amount of \$151,452 and \$1,403,620, respectively. The remaining interest was expensed in the amount of \$1,628,640 for the year ending September 30, 2013.

Note 9 – Interlocal Agreements

Cameron County

On April 11, 2006 Cameron County (County) entered into an agreement with the RMA whereby the County would provide a loan of \$250,000 for the purpose of assisting the RMA in its organizational efforts. As of September 30, 2013, there have been no payments on this loan and both parties have agreed that payments will be made in the subsequent year. The RMA and Cameron County entered into an administrative agreement executed on September 21, 2011. The agreement stipulated that Cameron County would provide administrative services for RMA, and the County would be reimbursed \$70,000 per year by RMA. This agreement was terminated as of September 30, 2013. The RMA had also utilized several County employees on a contractual basis for administrative and accounting services. Effective September 30, 2013 many of these contracted services ceased and did not continue into the subsequent year. The RMA has hired its own staff to fulfill these duties.

Note 10 – Advertising

The RMA incurs advertising expenditures for the promotion of itself and its projects. These expenditures are not capitalized to the individual projects and are expensed in the period occurred.

Note 11 – Prior Period Adjustment

Below is a summary of the accumulated adjustments affecting the prior period.

<u>Summary of Prior Period Adjustment to Net Position</u>	<u>Amount</u>
Net amount of capital expenditures misclassified in prior year	\$ 92,993
Net affect of adjustment to accounts payable in the prior year	(229,707)
Net affect of adjustment for misclassified debt reserve balances	427,157
Net affect of GASB 65 adjustment for years not presented	<u>(569,467)</u>
Total Prior Period adjustment to net position	<u>\$ (279,024)</u>

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APPENDIX C

**SUMMARY OF CERTAIN PROVISIONS
OF INDENTURE OF TRUST**

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF INDENTURE OF TRUST, AS AMENDED

The following are (i) definitions contained in Indenture of Trust, as amended, between the Authority and the Trustee and the Resolution approved by the Authority on August 14, 2014 (the "Resolution") and (ii) summaries of certain provisions of the Indenture, as amended, which are not discussed in detail in the Official Statement and are hereby provided. Such summaries do not purport to be complete and are qualified in their entirety by reference to the Indenture, as amended. Capitalized terms not otherwise defined in the Official Statement or under this caption have the meanings ascribed to them in the Indenture, as amended, and Resolution.

DEFINITIONS CONTAINED IN THE INDENTURE, AS AMENDED, AND RESOLUTION

"2010A/2014 Debt Service Reserve Account" shall mean the 2010A Debt Service Reserve Account as redesignated in connection with the issuance of the Bonds.

"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 mean Chapter 370, Texas Transportation Code, as amended.

"Additional Parity Bonds" shall mean the additional parity Vehicle Registration Fee Revenue Bonds permitted to be issued by the Authority pursuant to Section 3.02 of the Indenture.

"Agreement" or *"Project Agreement"* shall mean that certain Transportation Project and Pledge Agreement by and between the County and the Authority, dated as of March 4, 2010, as amended.

"Amendment to the Indenture" shall mean the amendment to Section 3.2 of the Indenture as set forth in the Supplemental Indenture.

"Annual Debt Service" means for any annual period (any fiscal year or any other twelve (12) consecutive calendar month period), an amount equal to the sum of (i) all interest on the Parity Bonds which is due during such period, plus (ii) that portion of the Principal Installment or Installments of the Parity Bonds which is due during such period, as limited and calculated in the following manner:

(a) Except as modified below, (i) for any twelve (12) consecutive calendar month period other than the calendar year, whether or not such period constitutes the Authority's current fiscal year or any future Authority fiscal year, the aggregate amount of interest on and Principal Installment of the Parity Bonds which was paid or mandatorily redeemed or is scheduled to accrue and be paid or mandatorily redeemed during such twelve (12) consecutive month period; and (ii) for any fiscal year while the Authority's fiscal year is the same as the calendar year, the aggregate amount of interest on and Principal Installment of the Parity Bonds which was paid or mandatorily redeemed or is scheduled to accrue and be paid or mandatorily redeemed after January 1 of such fiscal year and on or before the next following January 1; and

(b) As to any annual period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Parity Bonds which were Outstanding as of the first (1st) day of such period; and as to any future year such requirements shall be calculated solely on the basis of Parity Bonds Outstanding as of the date of calculation; and

(c) Notwithstanding the foregoing, all (i) amounts which are deposited to the credit of the Debt Service Reserve Fund from original proceeds from the sale of any Parity Bonds and (ii) amounts which have been or are expected to be realized as interest and investment earnings on amounts on deposit in the Debt Service Fund (other than those amounts which are to be deposited into the Rebate Fund pursuant to Section 4.06 of the Indenture) and which are used or scheduled to be used to pay interest on or Principal Installments of Parity Bonds during any annual period and (iii) any amounts received as Taxable Bond Credit Revenues and deposited in the Debt Service Fund, shall be deemed to reduce Annual Debt Service for any such annual period to the extent of such interest and investment earnings; and the amount of such deposits shall be excluded from and shall not constitute Annual Debt Service for any such annual period.

"Authority" shall mean the Cameron County Regional Mobility Authority, or its legal successors.

"Authorizing Law" shall mean Chapters 370 and 502, Texas Transportation Code, and the corresponding Commission regulations, policies and procedures, as amended from time to time.

"Authorized Representative" shall mean shall mean the Chairman or the Vice Chairman of the Authority designated to perform a specified act, to sign a specified document or to act generally on behalf of the Authority by a written instrument furnished to the Trustee.

"Average Annual Debt Service" shall mean the total Annual Debt Service (as of the date of the calculation) divided by the remaining number of years until the final maturity of the Parity Bonds. The Average Annual Debt Service calculated under the Indenture shall remain in effect until the next date when such calculation is required under the Indenture. For the purposes of calculating the Average Annual Debt Service, any fractional year shall be included in the calculation as a full year.

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

"Board" shall mean the Board of Directors of the Authority.

"Bond Counsel" shall mean Bracewell & Giuliani LLP, Houston, Texas and The Lucio Group, PLLC, Brownsville, Texas or such other nationally recognized bond counsel firm engaged by the Authority.

"Bond Resolutions" shall mean the resolutions from time to time adopted by the Authority authorizing the Vehicle Registration Fee Revenue Bonds.

"Bonds" or *"Series 2014 Bonds"* shall mean the Authority's Vehicle Registration Fee Revenue Refunding Bonds, Series 2014, authorized by the Resolution and the Pricing Certificate.

"Business Day" shall mean any day which is not a Saturday, Sunday, a day on which banking institutions in the city where the corporate trust office of the Trustee or the Paying Agent/Registrar is located, which is initially Houston, Texas, are authorized by law or executive order to close, or a legal holiday.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations thereunder.

"Commission" shall mean the Texas Transportation Commission.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

"Construction Period" shall mean the period commencing on the date construction begins and ending on the date construction is completed.

"Costs of Issuance" shall mean all costs to the extent incurred in connection with, and allocable to, the issuance of an issue of the Bonds within the meaning of Section 147(g) of the Code including, but not limited to, legal fees, financial advisory fees, bond insurance premiums, fiscal or escrow agent fees, printing fees, accounting fees, consultant fees, verification fees, travel expenses, rating agency fees, fees of the Trustee and its counsel and Attorney General fees.

"Counsel's Opinion" shall mean an opinion of nationally recognized bond counsel.

"County" shall mean Cameron County.

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

"Debt Service" shall mean the Principal Installments and interest on the Parity Bonds.

"Debt Service Accounts" shall mean, within the Debt Service Fund, one or more accounts or subaccounts that may be created pursuant to the Bond Resolutions for any Series of Parity Bonds.

"Debt Service Fund" shall mean the fund and accounts so designated and created pursuant to Article IV of the Indenture.

"Debt Service Reserve Fund" shall mean the fund and accounts so designated and created pursuant to Article IV of the Indenture.

"Depository" shall mean BBVA Compass or any successor designated as such by the Authority.

"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 DTC Participants.

"Effective Date" shall mean the date the Amendment to the Indenture shall take effect.

"Eligible Investments" shall mean any investments which the Authority is permitted to make under the laws of the State of Texas, including the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

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

"Escrow Agent" shall mean The Bank of New York Mellon Trust Company, N.A., and its successors in that capacity.

"Escrow Agreement" shall mean that certain escrow agreement between the Authority and the Escrow Agent in connection with the Bonds.

"Event of Default" shall mean any Event of Default described in Section 6.01 of the Indenture.

"Exempt Securities" shall mean bonds or other evidences of obligations, the interest on which is exempt from federal income taxation under Section 103(a) of the Code.

"Fair Market Value" shall mean as of any particular time:

(a) as to Eligible Investments the bid and asked prices of which are published on a regular basis in a financial journal or publication of general circulation in the United States of America, the bid price for such Eligible Investments so published on or most recently prior to the date of valuation by the Trustee, or

(b) as to Eligible Investments the bid and asked prices of which are not published on a regular basis in a financial journal or publication of general circulation in the United States of America, the average bid price on such Eligible Investments at the date of valuation by the Trustee, as reported to the Trustee by any two nationally recognized dealers (in the opinion of the Trustee) in such Eligible Investments.

"Federal Payments" shall mean cash payments from the United States Treasury equal to 35% (or such other percentage as may be determined under the Code) of the interest payable on any Bonds designated as and determined to meet the requirements of section 54AA of the Code.

"Financial Advisor" shall mean Estrada Hinojosa & Company, Inc. and any successor firm thereto engaged by the Authority.

"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 October 1 and ending the following September 30.

"Fund" shall mean any one or more, as the case may be, of the separate special funds created and established or required to be maintained pursuant to the Indenture.

"Indenture" shall mean the Indenture of Trust by and between the Authority and the Trustee, dated as of April 1, 2010, as amended from time to time.

"Initial Bond" shall mean the Initial Bond authorized by Section 3.3 of the Resolution and as approved in final form by the Pricing Certificate.

"Interest Payment Date" shall mean, when used in connection with respect to the Bonds, February 15, 2015 and each August 15 and February 15 thereafter until maturity.

"Investments" shall mean, for purpose of Section 7.02 of the Indenture:

(a) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States;

(b) 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 the Authority authorizes the discharge by deposit of any or all of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and

(c) 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 the Authority authorizes the discharge by deposit of any or all of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than AAA or its equivalent.

"Issuance Date" shall mean the date on which each such Bond is authenticated by the Paying Agent/Registrar and delivered to and paid for by the Underwriters.

"Mandatory Redemption Installment" shall mean, as of any particular date of calculation and with respect to any Series of Parity Bonds, the amount of money to be applied to the mandatory redemption (including any

mandatory redemption premium, if any) of Parity Bonds in any fiscal year prior to maturity pursuant to the Indenture or any Bond Resolution, as such Mandatory Redemption Installment shall have been previously reduced by the principal amount of any Parity Bonds of such Series of the maturity with respect to which such Mandatory Redemption Installment is payable which are purchased or redeemed by the Trustee in accordance with the provisions of the Indenture or of any Bond Resolution, other than a Mandatory Redemption Installment redemption or purchase.

"Maximum Annual Debt Service" shall mean, as of the calculation date, the greatest amount of the Annual Debt Service calculated for any future fiscal year.

"MSRB" shall mean 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.

"Outstanding" shall mean, when used with reference to Parity Bonds, as of a particular date, all Parity Bonds theretofore and thereupon delivered except: (a) any Bond canceled by or on behalf of the Authority at or before said date, (b) any Bond defeased or no longer considered Outstanding pursuant to the provisions of the Resolution or otherwise defeased as permitted by applicable law, and (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the Resolution.

"Owner" or *"Registered Owner"* shall mean, when used with respect to any Bond, the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners shall mean the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under the Resolution.

"Parity Bonds" shall mean Vehicle Registration Fee Revenue Bonds comprised of the Prior Bonds, the Bonds and each series of Additional Parity Bonds from time to time hereafter issued, but only to the extent such bonds remain Outstanding.

"Paying Agent/Registrar" shall mean The Bank of New York Mellon Trust Company, N.A., and its successors in that capacity.

"Pledged Revenue Fund" shall mean the fund so designated and created pursuant to Article IV of the Indenture.

"Pledged Revenues" shall have the meaning assigned to that term in Article II of the Indenture.

"Pledged Vehicle Fees" shall mean the Vehicle Registration Fees derived from the imposition of the additional vehicle registration fee pursuant to the Act and payable to the Authority by the County pursuant to the Agreement.

"Pricing Certificate" shall mean the certificate executed by the Pricing Committee, which sets forth the final terms of the Bonds, in the form attached hereto as Exhibit C.

"Pricing Committee" shall mean Pete Sepulveda, Jr. and David Alex who are authorized to act on behalf of the Authority in selling and delivering the Bonds, with the Vice Chair of the Board designated as an alternate.

"Principal Installment" means, as of any particular date of computation and with respect to Parity Bonds of a particular Series, an amount of money equal to the aggregate of (a) the principal amount of Outstanding Parity Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Parity Bonds of such Series which would at or before said future date be retired as a result of Mandatory Redemption Installments applied in accordance with the Indenture plus (b) the amount of any Mandatory Redemption Installment payable on said future date for the retirement of any Outstanding Parity Bonds of said Series.

"Principal Installment Payment Date" shall mean, when used in connection with any Bond, February 15 of each year in which principal is scheduled to be paid.

"Prior Bonds" means the Outstanding \$13,245,000 Cameron County Regional Mobility Authority Vehicle Registration Fee Revenue Bonds, Series 2010A and \$15,535,000 Cameron County Regional Mobility Authority Vehicle Registration Fee Revenue Bonds, Series 2010B (Build America Bonds – Direct Payment).

"Project Agreement" shall mean that certain Transportation Project and Pledge Agreement by and between the County and the Authority, dated as of March 4, 2010, as amended.

"Projects" shall mean long-term transportation projects in the County as set forth in the Indenture.

"Record Date" shall mean, for any Interest Payment Date, the first calendar day of the month of each Interest Payment Date.

"Refunded Bonds" means a portion of the Cameron County Regional Mobility Authority Vehicle Registration Fee Revenue Bonds, Series 2010A to be refunded with the proceeds of the Bonds.

"Register" or *"Bond Register"* shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

"Regulations" shall mean the Treasury Regulations promulgated under the Code.

"Reserve Accounts" shall mean, within the Debt Service Reserve Fund, one or more accounts or subaccounts that may be created pursuant to the Bond Resolutions for any Series of Parity Bonds.

"Reserve Fund Surety Policy" shall mean an insurance policy or other credit agreement, as such term is defined by Section 1371.001, Texas Government Code, in a principal amount equal to the portion of the Reserve Requirement to be satisfied and issued by a financial institution or insurance company with a rating, at the time of issuance of the Parity Bonds and deposit into the Debt Service Reserve Fund, for its long term unsecured debt or claims paying ability in the highest letter category by at least one major municipal securities evaluation sources.

"Reserve Requirement" shall be computed upon the issuance of any Series of Parity Bonds and shall be the lesser of: (i) 1.25 times the Average Annual Debt Service of the Parity Bonds, or (ii) the Maximum Annual Debt Service, provided that the issuance of any Series of Bonds shall not cause the Reserve Requirement to increase by more than 10% of the stated principal amount of such Series of Parity Bonds or 10% of the issue price of such Series of Parity Bonds if the Series of Bonds are issued with more than a de minimis amount of original issue discount or premium.

"Resolution" shall mean the resolution of the Authority authorizing the issuance of the Series 2014 Bonds pursuant to the Indenture.

"Rule" shall mean SEC Rule 15c2-12, as amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Series" shall mean all of the Parity Bonds authenticated and delivered on issuance and pursuant to the Indenture or any Bond Resolution authorizing the issuance of such Parity Bonds as a separate series of Parity Bonds or any Parity Bonds thereafter authenticated and delivered in lieu of or in substitution for such Parity Bonds.

"Special Payment Date" shall mean the date for payment for past due interest.

"Special Record Date" shall mean the new record date for the payment of interest established by the Paying Agent/Registrar if interest on any Bond is not paid on the Interest Payment Date and continues to go unpaid for thirty days thereafter.

"State" or *"State of Texas"* shall mean the State of Texas.

"Surplus Fund" shall mean the Authority's Surplus Fund so designated and created pursuant to Article IV of the Indenture.

"Supplemental Indenture" shall mean the first supplemental indenture between the Authority and the Trustee, dated September 1, 2014, as originally executed or as it may from time to time be supplemented or amended by one or more indenture supplemental thereto or amendments entered into pursuant to the applicable provisions of the Indenture.

"Taxable Bond Credit Revenues" shall mean payments made to the Authority from the federal government or any agency or department thereof with respect to the return to the Authority of a portion of the interest paid by the Authority on any taxable bonds, including but not limited to the Federal Payments.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N. A., and its successors in that capacity.

"Underwriters" shall mean those underwriters designated in the Pricing Certificate and in the Bond Purchase Agreement relating to the Bonds.

"Vehicle Registration Fees" shall mean, pursuant to the Authorizing Law, the Optional Vehicle Registration Fee initially in the amount of \$5.00, subsequently increased to \$10.00 effective January 1, 2009.

"Vehicle Registration Fee Revenue Bonds" shall mean one or more series of bonds issued by the Authority pursuant to the Indenture and the Bond Resolutions.

"Verification Agent" shall mean Grant Thornton, LLP (or its successors or assigns).

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CERTAIN PROVISIONS OF THE INDENTURE

****References to the term "Bonds" contained within the "CERTAIN PROVISIONS OF THE INDENTURE" section shall mean "Parity Bonds" for purposes of this "CERTAIN PROVISIONS OF THE INDENTURE" section.****

ARTICLE II

GRANTING CLAUSES

In order to secure the payment of the principal of, redemption premium, if any, and interest on all Vehicle Registration Fee Revenue Bonds as the same are issued and become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Vehicle Registration Fee Revenue Bonds by the Owners thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority does hereby GRANT, BARGAIN, CONVEY, ASSIGN and PLEDGE to the Trustee and its successors in trust hereunder, subject to the provisions of the Indenture, all of the Authority's right, title and interest in and to the following described properties and interests, direct or indirect, whether now owned or hereafter acquired (collectively, the "Pledged Revenues"):

The Vehicle Registration Fee Revenue Bonds and all of the Authority's right, title and interest thereto under the Agreement.

All moneys deposited or required to be deposited in the Pledged Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund held by the Trustee pursuant to the provisions of the Indenture and all interest earnings and investment income therefrom.

Any and all property of every kind and nature (including without limitation, cash, obligations or securities) which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted, or delivered to or deposited with, the Trustee as additional security hereunder by the Authority, or anyone on behalf of the Authority, or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee as security hereunder, or of a receiver lawfully appointed hereunder, all of which property the Trustee is authorized to receive, hold and apply according to the terms hereof.

TO HAVE AND TO HOLD all the same, with all rights and privileges appurtenant thereto, unto the Trustee and its successors in trust forever.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of the Owners from time to time of the Vehicle Registration Fee Revenue Bonds secured and to be secured hereunder, or any of them, without preference, priority or distinction as to lien or otherwise of any Vehicle Registration Fee Revenue Bond over any other Vehicle Registration Fee Revenue Bond, except as otherwise expressly provided in the Indenture.

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Vehicle Registration Fee Revenue Bonds and the interest and redemption premium, if any, due or to become due thereon, at the times and in the manner provided in the Vehicle Registration Fee Revenue Bonds, and in the Bond Resolutions according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds maintained hereunder in the amounts required by the Indenture and the Bond Resolutions, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee or Paying Agent/Registrar the entire amount due or to become due thereon, or an amount sufficient to provide for the payment thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then the Indenture and the rights and liens hereby granted shall cease, terminate and be void; otherwise the Indenture is to be and shall remain in full force and effect.

ARTICLE III

AUTHORIZATION OF VEHICLE REGISTRATION FEE REVENUE BONDS; GENERAL TERMS AND PROVISIONS OF VEHICLE REGISTRATION FEE REVENUE BONDS; ADDITIONAL PARITY BONDS AND SUBORDINATE LIEN OBLIGATIONS

Section 3.01 Authorization of Bonds. a) The Bonds may be authorized from time to time by the Authority pursuant to Bond Resolutions duly adopted by the Board, which Bond Resolutions shall specify the dates, denominations, principal amounts, interest rates, maturities, redemption provisions, forms of bonds, manner of payment, provision for execution and authentication, application of proceeds and all other terms and provisions of the Bonds not otherwise provided herein.

(b) At or prior to the issuance of each series of Bonds pursuant to any Bond Resolution, the Authority shall provide to the Trustee the following:

(i) a certified copy of the Bond Resolution;

(ii) the approving opinion of the Authority's Bond Counsel with respect to such Series of Bonds to the effect (i) that the Bonds are valid and binding obligations of the Authority except to the extent that their enforceability may be limited by applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and except that such enforceability is subject to general principles of equity and the exercise of judicial discretion (regardless of whether such enforceability is considered in a proceeding in law or at equity), and (ii) that the Bonds are issued pursuant to the terms of the Indenture;

(iii) if such Series of Bonds are being issued to refund any previously issued Bonds, the identity, redemption date and redemption price of the Bonds to be refunded;

(iv) a debt service schedule with regard to such Series of Bonds and all Bonds that will then be Outstanding after the issuance of such Series of Bonds and refunding of any Bonds being refunded thereby; and

(v) the amount of the Reserve Requirement, as such amount may have been modified based upon the issuance of such Series of Bonds.

3.02 Additional Parity Bonds. The Authority reserves the right to issue, for any lawful purpose (including the refunding of any previously issued Parity Bonds), one or more series of Additional Parity Bonds payable from and secured by a lien on the Pledged Revenues, on a parity with the Bonds, and any previously issued Additional Parity Bonds; provided, however, that no Additional Parity Bonds may be issued unless:

(a) The Additional Parity Bonds mature on, and interest is payable on, the Principal Installment Payment Dates and Interest Payment Dates, respectively;

(b) There shall be on deposit in the Debt Service Reserve Fund, after the issuance of the Additional Parity Bonds, an amount equal to the Reserve Requirement on all Bonds that will be Outstanding after the issuance of such Additional Parity Bonds;

(c) The Authority certifies that it is not in material default with the terms of the Indenture, any Bond Resolution, or the Agreement; and

(d) The Authority has received a certificate of its financial advisor or accountant meeting the requirements set forth below which provides that Vehicle Registration Fees over the preceding fiscal year or for a consecutive 12-month period out the 15-month period immediately preceding the month in which the Bond

Resolutions authorizing Additional Parity Bonds is adopted, were at least 150 percent of the Maximum Annual Debt Service, taking into account the outstanding Bonds and the Additional Parity Bonds to be issued, provided however, such requirement shall not apply to the issuance of any Series of Additional Parity Bonds for refunding purposes that will have the result of reducing the Maximum Annual Debt Service requirements on Parity Bonds; and

Section 3.03 Subordinate Lien Obligations. The Authority reserves the right to issue, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by liens on all or part of the Pledged Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Parity Bonds. Such subordinate lien obligations may be further secured by any other source of payment lawfully available for such purposes. Such subordinate lien obligations will provide that they are payable from all or part of the Pledged Revenues only if and to the extent such amounts could otherwise be deposited to the Debt Service Reserve Fund (for Reserve Fund Surety Policy obligations) or to the Surplus Fund.

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.01 Creation of Funds.

There are hereby created the following Funds:

- (A) Pledged Revenue Fund;
- (B) Debt Service Fund;
- (C) Debt Service Reserve Fund, inclusive of any accounts created under the Bond Resolutions;
- (D) Project Fund;
- (E) Rebate Fund; and
- (F) Surplus Fund.

Each Fund, other than the Project Fund and Surplus Fund, shall be maintained by the Trustee separate and apart from all other funds of the Authority. The Authority shall maintain its Project Fund and Surplus Fund at a depository of the Authority's selection and in accordance with the Bond Resolutions. The Pledged Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund shall constitute trust funds which shall be held in trust by the Trustee solely for the benefit of the Owners of the Bonds.

Section 4.02 Pledged Revenue Fund.

Immediately upon receipt of the Vehicle Registration Fees, the Authority shall identify, segregate and deposit into the Pledged Revenue Fund all Pledged Vehicle Fees. Money in the Pledged Revenue Fund shall be held in trust by the Trustee and applied in the following manner and order of priority:

- (A) First, to the payment of fees and expenses of the Trustee and Paying Agent/Registrar;
- (B) Second, to the Debt Service Fund, taking into account any money already on deposit in the Debt Service Fund for the Bonds, to make the following deposits on or before the fifth Business Day prior to the first day of each calendar month:

(i) approximately one-sixth (1/6) of the interest coming due on the Bonds (or, if the first Interest Payment Date is less than six months away, the Trustee shall allocate a pro rata amount from the Pledged Revenue Fund an amount sufficient to total the interest payable on the Bonds in equal monthly installments) on the next succeeding Interest Payment Date established for the Bonds;

(ii) approximately one-twelfth (1/12) of the principal due on the next Principal Installment Payment Date that is within 12 months (or, if the first Principal Installment Payment Date is less than twelve months away, the Trustee shall allocate a pro rata amount from the Pledged Revenue Fund sufficient to total the principal payable on the Bonds in equal monthly installments); and

(iii) if a Mandatory Redemption Installment is due on the Bonds within the next succeeding 12 months, approximately one-twelfth (1/12) of the Mandatory Redemption Installment falling due on the next succeeding Sinking Fund Installment payment date; and

(C) Third, to the Debt Service Reserve Fund all amounts required by the Indenture and the Bond Resolutions to attain the Reserve Requirement with respect to each account created therein;

(D) Fourth, to the extent required, to the Rebate Fund any amounts required to be deposited therein; and

(E) Fifth, to the Project Fund Surplus Fund for use by the Authority for any lawful purpose. Moneys can be transferred from the Pledged Revenue Fund to either the Project Fund or the Surplus Fund, at the discretion and written direction of the Authority, at any time provided that immediately prior to any such transfers the deposits required by Sections 4.02(A) through (A) of the Indenture have been made or provided for.

Section 4.03 Debt Service Fund. Money in the Debt Service Fund shall be held in trust by the Trustee. Within the Debt Service Fund, one or more accounts for subaccounts may be created pursuant to the Bond Resolutions for any Series of Bonds ("Debt Service Accounts" or such term as further designated in the Bond Resolutions). To the extent applicable, the Authority shall deposit or cause to be deposited into the Debt Service Fund amounts paid to the Authority as pre-issuance accrued interest on the Bonds, Bond proceeds used to pay capitalized interest on the Bonds, transfers from the Pledged Revenue Fund as provided in Section 4.02(A) of the Indenture, transfers from the Debt Service Reserve Fund as provided in Section 4.02(B) of the Indenture, and, to the extent necessary, additional Pledged Revenues in such amounts and at such times to provide that amounts necessary to pay interest and Principal Installments, due on the Bonds. Taxable Bond Credit Revenues may also be deposited to the Debt Service Fund, at the discretion of the Authority. The Trustee shall transfer on each Interest Payment Date and each Principal Installment Payment Date to the Paying Agent/Registrar such amounts in the Debt Service Fund to pay Principal Installments and interest on the Bonds as the same becomes due. The Trustee shall make all such transfers as directed in writing by the Authority such that the Authority shall be in compliance with the guidelines of the Depository Trust Company, as amended from time to time.

Section 4.04 Debt Service Reserve Fund. Within the Debt Service Reserve Fund, one or more accounts or subaccounts may be created pursuant to the Bond Resolutions for any Series of Bonds (the "Reserve Accounts"). The Reserve Accounts shall constitute trust funds which shall be held in trust for the Owners of such Series of Bonds to which they are pledged. The amounts in the Reserve Accounts (other than the interest income thereon, which shall be transferred either to (i) the Debt Service Fund or in the case of Bonds issued under section of 54AA of the Code, (ii) the Project Fund during the Construction Period) shall be pledged to the payment of the Bonds. The Authority reserves the right to issue Additional Parity Bonds which are not secured by the Reserve Accounts; provided that the Authority may create a separate account within the Debt Service Reserve Fund for the benefit of any such Series of Bonds, the proceeds of which account (other than the interest income thereon, which may be transferred to the Pledged Revenue Fund) shall be pledged to the payment of such Series.

Money in the Debt Service Reserve Fund shall be held in trust by the Trustee. The Debt Service Reserve Fund shall initially be funded as provided in the Bond Resolutions.

(A) If, on any Interest Payment Date or Principal Installment Payment Date, after transferring funds to the Debt Service Fund as provided in Section 4.02 of the Indenture, the Debt Service Reserve Fund contains amounts less than the Reserve Requirement, the Trustee shall withdraw from the Pledged Revenue Fund and deposit on a pro rata basis into each account of the Debt Service Reserve Fund the amount required to attain the Reserve Requirement. If there are not sufficient funds in the Pledged Revenue Fund to fund the Reserve Requirement, the Trustee shall deposit into the Debt Service Reserve Fund all interest and income earned from the investment of amounts credited to the Debt Service Reserve Fund until the Reserve Requirement is again attained; provided, however, that interest earnings from the Debt Service Reserve Account for Bonds issued under section 54AA of the Code shall be transferred to the Project Fund during the Construction Period as provided in Section 4.04 of the Indenture.

(B) So long as the Debt Service Reserve Fund contains amounts at least equal to the Reserve Requirement, all earnings on the Debt Service Reserve Fund shall be transferred and deposited, as collected, into the Debt Service Fund.

(C) Amounts deposited into the Debt Service Reserve Fund (i) shall be used to pay interest on or Principal Installments of the Bonds when insufficient funds are available for such purpose in the Debt Service Fund or (ii) may be applied toward the payment of interest on or Principal Installments of Bonds in connection with the refunding or redemption of such Bonds.

(D) The Authority expressly reserves the right at any time to satisfy all or part of the Reserve Requirement by obtaining for the benefit of the Debt Service Reserve Fund one or more Reserve Fund Surety Policies. In the event the Authority elects to substitute at any time a Reserve Fund Surety Policy for any funded amounts in the Debt Service Reserve Fund, it may direct the Trustee in writing to apply any bond proceeds thereby released, to the greatest extent permitted by law, to any purposes for which the Bonds were issued and any other funds thereby released to any purposes for which such funds may lawfully be used, including the payment of debt service on the Bonds. The premium for any Reserve Fund Surety Policy shall be paid from bond proceeds or other funds of the Authority lawfully available for such purpose. Any Reserve Fund Surety Policy shall be authorized by resolution. All amounts deposited in or required to be deposited in the Debt Service Reserve Fund may be used to pay obligations incurred to providers of Reserve Fund Surety Policies, including amounts advanced thereunder, interest on such advances and related costs and expenses.

Section 4.05 Project Fund and Surplus Fund. Subject to the provisions of the Indenture described under Pledged Revenue Fund herein, there shall be deposited into either the Project Fund or the Surplus Fund, at the discretion and written direction of the Authority, any amounts remaining in the Pledged Revenue Fund. After transfer to either the Project Fund or the Surplus Fund, such amounts may be used by the Authority for any lawful purpose free from the lien and pledge of the Indenture, and as further prescribed in the Bond Resolutions.

Section 4.06 Rebate Fund.

(A) Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien created by the Indenture. The Trustee shall transfer from the Pledged Revenue Fund to the credit of the Rebate Fund each amount directed in writing by the Authority to be transferred thereto. Amounts on deposit in the Rebate Fund shall be used solely to make payments to the United States under Section 148 of the Code and to pay costs related to the calculation of the amount due.

(B) Within five days after each transfer of funds to the Rebate Fund necessary to meet the requirements of the Bond Resolutions or Section 4.06 of the Indenture, the Trustee shall withdraw from the Rebate Fund and pay to the United States the balance of the Rebate Fund. All payments to the United States pursuant to Section 4.06 of the Indenture shall be (i) made by the Trustee for the account and in the name of the Authority, (ii) paid by check mailed by registered mail (return receipt requested), addressed to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 (or such other Service Center as may be designated by the Internal Revenue Service from time to time), and (iii) accompanied by the relevant Internal Revenue Service Form 8038-T provided by the Authority.

(C) The Trustee shall preserve copies (either in original form or by image) of all statements and forms received from the Authority pursuant to the Indenture and all records maintained by it of transactions in the Rebate Fund and shall deliver such materials to the Authority within 60 days following the discharge of the last of the Bonds.

(D) The Trustee may in good faith conclusively rely on the instructions of the Authority with regard to any actions to be taken by it pursuant to Section 4.06 of the Indenture and shall have no liability for any consequences of any failure of the Authority to supply accurate or sufficient instructions.

(E) If at any time during the term of the Indenture the Trustee or the Authority desires to take any action that would otherwise be prohibited by the terms of Section 4.06 of the Indenture, such person will be permitted to take such action only if it shall first obtain and provide to the other person named herein an opinion of Bond Counsel (acceptable to both the Trustee and the Authority) to the effect that such action will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes and shall be in compliance with the laws of the State of Texas and the terms of the Indenture.

Section 4.07 Investments; Earnings. Monies deposited into the Pledged Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund shall be invested and reinvested in Eligible Investments as directed in writing to the Trustee by the Authority; provided that all such Eligible Investments shall be directed by the Authority in such manner that the money required to be expended from any Fund will be available at the proper time or times.

(A) All investments and any profits realized from or interest accruing on such investments shall belong to the Fund from which the monies for such investments were taken (except as otherwise expressly provided in the Indenture). All losses on investments shall be charged against the Fund to which such investments are credited. The Trustee shall have the right to have sold in the open market a sufficient amount of any such investments at any time that a Fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such Fund. The Trustee shall not be liable or responsible for any loss resulting from any such investment or resulting from the sale of any such investment as herein authorized.

(B) At the written direction of the Authority, a portion of the investment income from any Fund may be paid directly to the Rebate Fund, free and clear of the lien and pledge of the Indenture, for payment to the United States pursuant to provisions of the Indenture as described in Rebate Fund herein, in order to maintain the tax-exempt status of the Bonds.

(C) The Trustee may make any investment through its or an affiliate's investment department, and the Trustee or such affiliate may receive compensation in connection with such investments. As amounts invested are needed for disbursement from any Funds, the Trustee shall cause a sufficient amount of the investments credited to that Fund to be redeemed or sold and converted into cash to the credit of that Fund. Securities transaction charges incident to any purchase, sale, or redemption of Eligible Investments shall be charged to the Authority.

(D) The Authority by its execution of the Indenture covenants to restrict the investment of money in the Funds created under the Indenture in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are delivered to their original purchaser, so that the Bonds will not constitute arbitrage bonds under the Code and the Regulations, and the Trustee hereby agrees to comply with the Authority's written instructions with respect to the investment of money in the Funds created under the Indenture; provided however, in the absence of written investment instructions from the Authority, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested.

(E) The Authority has covenanted to provide the Trustee with written instructions to assure that any amounts that, in accordance with the Code and applicable regulations, are required to be invested at a restricted yield will be invested either (i) in Exempt Securities or (ii) at a yield that is not materially higher than the yield on the Bonds, determined in accordance with the Code and applicable Regulations,

unless in the opinion of Bond Counsel, investment of such at a higher rate will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. For the purpose of applying Section 4.07 of the Indenture, amounts on deposit in each Fund shall be accounted for on a first in, first out basis. The Trustee, at the Authority's direction, is authorized to yield restrict any investment in accordance with Article VIII of the Bond Resolutions.

(F) For the purpose of determining the amount on deposit to the credit of any such Fund, obligations in which money in such Fund shall have been invested shall be valued at the Fair Market Value. The Trustee shall provide a valuation of the Eligible Investments in the Funds established under the Indenture as of the last Business Day of each month.

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.01 Payment of Bonds and Performance of Obligations. The Authority covenants to promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and the Bond Resolutions; to pay when due all fees, charges and other amounts due to the Trustee and the Paying Agent/Registrar for the discharge of their duties hereunder; and to faithfully keep and perform all of its covenants, undertakings and agreements contained in the Indenture, the Agreement, the Bond Resolutions and the Bonds.

Section 5.02 Recordation and Execution of Security Instruments. The Authority covenants to cause the Indenture, any supplemental indentures, and all other security instruments, financing statements and supplements thereto that may be necessary, to be filed, recorded, and refiled, in such manner, at such times and in such places as may be required by law in order to fully preserve and protect the rights and security of the Owners of the Bonds and to perfect and preserve the lien of the Indenture. Without limiting the generality of the foregoing, the Authority shall execute and deliver such additional instruments and perform such additional acts as may be necessary and proper after the execution of the Indenture and to transfer to any successor Trustee or Trustees the assets, powers, instruments and funds held in trust hereunder and to confirm the lien of the Indenture with respect to any Bond or Bonds, and shall take all action that may at any time be necessary, including those in the opinion of the Trustee, to secure the interests of the Owners of the Bonds.

Section 5.03 Title; Encumbrances of Pledged Revenues. The Authority covenants that it has good and indefeasible title to the Pledged Vehicle Fees, subject to the assignments and pledges contained herein. So long as any Bonds remain Outstanding, except as permitted by provisions of the Indenture as described in Additional Parity Bonds and Subordinate Lien Obligations herein, the Authority covenants not to sell, transfer, assign, pledge, encumber, mortgage or otherwise dispose of, directly or indirectly, by merger or otherwise, or cause or suffer same, or create or allow to accrue or exist any lien upon, all or any part of its interest in the Pledged Revenues or any portion thereof, except for the lien of the Indenture.

Section 5.04 Pledged Revenues Not Encumbered. The Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the Authority other than the Bonds. The Authority covenants that it will not in any manner pledge or further encumber the Pledged Revenues unless such pledge or encumbrance is junior and subordinate to the lien and pledge hereunder securing the Bonds.

Section 5.05 Collection of Pledged Vehicle Fees. Subject to the provisions of applicable law and the Agreement, the Authority covenants and agrees to use its best efforts to cause the County to remit to the Authority, all Vehicle Registration Fees to provide for the payment of principal of and interest on the Bonds.

Section 5.06 Amendment of Agreement. The Authority covenants not to cause any amendment of the Agreement that will in any manner materially impair the rights of the Owners of the Bonds.

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.01 Events of Default. An Event of Default hereunder shall consist of any of the following acts or occurrences:

- (A) failure to pay when due Principal Installments or interest on any Bond;
- (B) failure to deposit to the Debt Service Fund money sufficient for the payment of any Principal Installments or interest payable on the Bonds by no later than the date when such Principal Installment or interest becomes due and payable; or
- (C) default in the performance, or breach, of any covenant or agreement on the part of the Authority contained in the Indenture (other than a covenant or agreement the default in the performance or observance of which is elsewhere in this Section specifically addressed) and continuance of such default or breach for a period of 30 days of a written notice is provided pursuant to Section 6.03 of the Indenture.

Section 6.02 Notices. In order to provide the Authority with information with respect to its obligations under the Indenture, the Trustee shall provide the Authority the following notices:

- (A) Notice of any draws upon the Debt Service Reserve Fund which are required to be transferred to the Debt Service Fund for the payment of Principal Installments of or interest on any Bonds, together with the description of the amount drawn; and
- (B) Notice of transfers to the Surplus Fund pursuant to Section 4.02 and Section 4.05 of the Indenture

Section 6.03 Notice of Default. The Trustee shall also be required to give prompt notice to the Authority of the occurrence of any Event of Default hereunder of which the Trustee has actual knowledge.

Section 6.04 Remedies in General. If an Event of Default hereunder shall occur and be continuing, then, in addition to all of the other rights and remedies granted to the Trustee hereunder, the Trustee in its discretion, subject to the provisions of the Indenture, may proceed to protect and enforce its rights and the rights of the Owners of Bonds by suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture, the Bond Resolutions or the Bonds or in aid of the execution of any power granted in the Indenture or for the enforcement of any other legal, equitable or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or such Owners of the Bonds, including, without limitation, the right to seek a writ of mandamus issued by a court of competent jurisdiction compelling the members or officers of the Authority to make payment of the Pledged Vehicle Fees or to observe and perform such covenant, obligations or conditions of the Indenture or the Agreement.

Section 6.05 Appointment of Receivers. If an Event of Default hereunder shall occur and be continuing, and upon filing of a bill in equity or commencement of other judicial proceedings to enforce the rights of the Trustee and the Owners hereunder, the Trustee shall be entitled as a matter of right, and to the extent permitted by law, to the appointment of a receiver or receivers of the Pledged Revenues and the income, rents, profits and use thereof pending such proceedings, with such powers as the court making such appointment shall confer.

Section 6.06 Trustee May Act Without Possession of Bonds. All rights of action under the Indenture or under any Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof on any trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name, as Trustee for the ratable benefit of the Owners of the Bonds, subject to the provisions of the Indenture.

Section 6.07 Trustee as Attorney in Fact. The Trustee is hereby appointed (and the Owners of the Bonds, by taking and owning same from time to time, shall be deemed to have so appointed the Trustee) the true and lawful attorney in fact of the Owners of the Bonds, to make or file, in the names of the Owners of the Bonds, or in behalf of all Owners of the Bonds as a class, any proof of debt, amendment to proof of debt, petition or other document, and to do and perform any and all acts and things for and in the name of the Owners of the Bonds as a class as may be necessary or advisable, in the judgment of the Trustee, in order to have the claims of the Owners of the Bonds against the Authority approved in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings to which the Authority shall be a party and to receive payment of or on account of such claims. Any such receiver, assignee, liquidator or trustee is hereby authorized by each of the Owners to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due for compensation and expenses of the Trustee, including counsel fees, costs and expenses, incurred up to the date of such distribution, and the Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 6.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.09 Limitation on Suits. All rights of action in respect of the Indenture shall be exercised only by the Trustee, and no Owner of any Bond secured hereunder shall have any right to institute any suit, action or proceeding at law or in equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof, unless and until the Trustee shall have received written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and shall have been furnished reasonable indemnity and shall have refused or neglected for ten (10) days thereafter to institute such suit, action or proceedings. The making of such request and the furnishing of such indemnity shall in each and every case be conditions precedent to the execution and enforcement by any Owner of any Bond of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such Owner of any action or cause of action for the appointment of a receiver or for any other remedy hereunder, but the Trustee may, in its discretion, and when duly requested in writing by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and when furnished indemnity satisfactory to protect it against expenses, charges and liability shall, forthwith, take such appropriate action by judicial proceedings or otherwise in respect of any existing default on the part of the Authority as the Trustee may deem expedient in the interest of the Owners of the Bonds.

Nothing contained in Article VI of the Indenture, however, shall affect or impair the right of any Owner, which shall be absolute and unconditional, to enforce the payment of the Principal Installments and interest on the Bonds of such Owner, but only out of the moneys for such payment as herein provided, or the obligation of the Authority, which shall also be absolute and unconditional, to make payment of the Principal Installments and interest on the Bonds issued hereunder, but only out of the funds provided herein for such payment, to the respective Owners thereof at the time and place stated in said Bonds.

Section 6.10 Right of Owners of the Bonds to Direct Proceedings. Notwithstanding any provision of the Indenture to the contrary, the Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee or any other proceedings hereunder; provided, however, that such

direction shall not be contrary to law or the provisions of the Indenture, and the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve it in personal liability or would be unjustly prejudicial to the Owners of the Bonds not consenting.

Section 6.11 Restoration of Rights and Remedies. If the Trustee or any Owner of a Bond has instituted any proceeding to enforce any right or remedy under the Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Owner of a Bond, then and in every such case the Authority, the Trustee and the Owners of the Bonds shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Owners of the Bonds shall continue as though no such proceeding had been instituted.

Section 6.12 Waiver of Stay or Extension Laws. To the extent that it may lawfully do so, the Authority covenants that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any stay or extension law whenever or wherever enacted, which may affect the covenants or the performance of the Indenture. The Authority also covenants that it will not otherwise hinder, delay or impede the execution of any power herein granted to the Trustee.

Section 6.13 Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon any Event of Default hereunder shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by Article VI or by law to the Trustee or to the Owners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Owners of the Bonds, as the case may be.

ARTICLE VII

DISCHARGE

Section 7.01 Discharge by Payment. When all Bonds have been paid in full as to principal and as to interest and premium, if any, or when all Bonds have become due and payable, whether at maturity or by prior redemption or otherwise, and the Authority shall have provided for the payment of the whole amount due or to become due on all Bonds then outstanding, including all interest which has accrued thereon or which may accrue to the date of maturity or redemption by depositing with the Trustee or the Paying Agent/Registrar, for payment of such outstanding Bonds and the interest thereon and any premium which may be due thereon, the entire amount due or to become due thereon, or amounts and investments sufficient to provide for such payment as provided in the Bond Resolutions, and the Authority shall also have paid or caused to be paid all sums payable hereunder by the Authority, including the compensation due or to become due the Trustee, then the Trustee shall, upon receipt of a letter of instructions from the Authority requesting the same, discharge and release the lien of the Indenture and execute and deliver to the Authority such releases or other instruments as shall be required to release the lien hereof.

Section 7.02 Discharge by Deposit. The Authority may discharge its obligation to the Owners of any or all of the Bonds to pay principal, interest and redemption premium (if any) thereon in any manner then permitted by law, including, but not limited to, by depositing with any paying agent for such Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or Investments in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount and redemption premium, if any, of such Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of the Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the Bond Resolution authorizing such Bonds. Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid.

For the purpose of Section 7.02 of the Indenture, "Investments" shall mean:

(a) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States;

(b) 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 the Authority authorizes the discharge by deposit of any or all of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and

(c) 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 the Authority authorizes the discharge by deposit of any or all of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than AAA or its equivalent.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Acceptance of Trusts. The Trustee, for itself and its successors, hereby accepts the trusts under the Indenture, but only upon the following terms and conditions set forth in this Article.

(a) Notwithstanding any provision of the Indenture to the contrary, prior to an Event of Default hereunder, and after the curing of any such Event of Default, the Trustee shall not be liable for the performance of any duties, except such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee. In case of an Event of Default which has not been cured, the Trustee shall exercise such of the rights and powers vested in it by the Indenture and shall use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon the truth, completeness and accuracy of the letters of instruction, statements, certificates, opinions, certified resolutions and other certified showings conforming to the requirements of the Indenture.

(c) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it, by or through attorneys or agents selected by it with reasonable care, and shall be entitled to, and shall be protected in relying upon, advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys and agents as may reasonably be required and employed in connection with the trusts hereof, and the Trustee shall not be responsible for the acts or negligence of such attorneys, agents or counsel, if selected with reasonable care.

(d) The Trustee shall not be responsible for any recitals herein, in the Bond Resolutions or in the Bonds. The Trustee may require of the Authority full information and advice as to the performance of the covenants, conditions and agreements contained in the Indenture. The recitals and statements of fact and warranties contained in the Indenture, the Bond Resolutions and in the Bonds shall be taken as statements by the Authority and shall not be considered as made by or as imposing any obligation or liability upon the Trustee.

(e) Except as otherwise provided in the Indenture, the Trustee shall not be bound to recognize any person as an Owner of any Bond or to take action at such person's request, unless such person's name appears as the Registered Owner of such Bond in the Register.

(f) Except as otherwise expressly provided or fairly implied by the provisions of the Indenture, the Trustee shall not be obligated and may not be required to give or furnish any notice, demand, report, request, reply,

statement, advice or opinion to any Owner of any Bond or to the Authority or any other person, and the Trustee shall not incur any liability for its failure or refusal to give or furnish same unless obligated or required to do so by express provision or by fair implication of the provisions thereof.

(g) Nothing herein contained shall relieve the Trustee from liability for its own negligent action or failure to act or its own willful misconduct, except that the Trustee shall not incur any liability (i) for any error of judgment made in good faith by a responsible officer or responsible officers thereof, unless it shall be proved that it was negligent in ascertaining the pertinent facts, or (ii) in respect of any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of the percentage of the Bonds specified herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Indenture.

(h) None of the provisions contained in the Indenture shall require the Trustee to advance, expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it by the security afforded to it by the terms of the Indenture.

(i) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with securities laws in connection with the issuance and sale of the Bonds.

(j) In the event the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Owners, each representing less than a majority of the aggregate principal amount of the Bonds then Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(k) Except as otherwise especially provided by the provisions of the Indenture, the Trustee shall not be obligated and may not be required to give or furnish any notice, demand, report, request, reply, statement, advice or opinion to any Owner of any Bond or to the Authority or any other person, and the Trustee shall not incur any liability for its failure or refusal to give or furnish same unless obligated or required to do so by express provisions hereof.

(l) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under the Indenture.

(m) Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Authority that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Trustee. The Authority shall be responsible for the reasonable costs and expenses (including reasonable attorney's fees, costs and expenses, if any) incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

(n) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

(o) Before taking any action under the Indenture relating to an Event of Default or in connection with its duties under the Indenture other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that a

satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses (including reasonable attorney's fees, costs and expenses) to which it may be put and to fully protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken.

(p) Notwithstanding the effective date of the Indenture or anything to the contrary in the Indenture, the Trustee shall have no liability or responsibility for any act or event relating to the Indenture which occurs prior to the date the Trustee formally executes the Indenture and commences acting as Trustee hereunder.

(q) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligation under the Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(r) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by the Authority by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties."

Section 8.02 Reliance by Trustee. To the extent not prohibited by this Article, the Trustee may conclusively rely, and shall be fully protected in acting upon, any letters of instruction, statements, certificates, certified resolutions, opinions, notices, consents, orders, appraisals, reports, policies, bonds or other papers or documents believed by it to be genuine and to have been signed or presented to it by the proper person or persons, and the Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith and in conformity with the opinion of such counsel. Notwithstanding the foregoing, upon receipt by the Trustee of documents furnished to it by the Authority which are specifically required to be delivered under the Indenture, the Trustee shall examine the same to determine whether they conform to the requirements of the Indenture, however, the Trustee shall have no obligation to analyze the same or evaluate their substance.

Section 8.03 Certificate of the Authority as Proof. Whenever in the administration of the trusts of the Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, then, in the absence of bad faith on the part of the Trustee, and unless other evidence in respect thereof be herein specifically prescribed, and unless an Event of Default hereunder, to the knowledge of the Trustee, shall have occurred and be continuing, such matter may be deemed to be conclusively proved and established by a certificate of the Authority, executed by the Chairman of the Authority and delivered to the Trustee, and such certificate shall be full warranty to the Trustee for any action taken or suffered by it under the provisions of the Indenture in reliance thereon.

Section 8.04 Trustee May Own Bonds. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds or other certificates or evidences of ownership or pledge thereof issued hereunder, with the same rights it would have if it were not the Trustee.

Section 8.05 Compensation of Trustee. The Authority shall pay to the Trustee all reasonable fees, charges and expenses of the Trustee (including the reasonable fees, charges and expenses of its agents and counsel) for the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, including the ordinary and extraordinary services performed by the Trustee under the Indenture. Whenever the Trustee incurs expenses or renders services in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation of such services are intended to constitute expenses of administration under any bankruptcy or insolvency law or law relating to creditors' rights generally.

Section 8.06 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the Owners of a majority in principal amount of the Bonds then Outstanding and delivered to the Trustee, with notice thereof given to the Authority.

Section 8.07 Resignation of Trustee. The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice to the Authority and by providing written notice to the Owners of its intended resignation at least sixty (60) days in advance thereof. Such notice shall specify the date on which such resignation shall take effect and shall be sent by first class mail, postage prepaid to each Registered Owner of Voter Registration Fee Revenue Bond. Resignation by the Trustee shall not take effect unless and until a successor to such Trustee shall have been appointed as hereinafter provided.

Section 8.08 Appointment of Successor Trustee. In case the Trustee hereunder shall resign, or shall be removed or dissolved, or shall be in the course of dissolution or liquidation, or shall otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Owners or their duly authorized representatives and delivered to the Trustee, with notice thereof given to the Authority; provided, however, that in any of the events above mentioned, the Authority may nevertheless appoint a temporary Trustee to fill such vacancy until a successor shall be appointed by the Owners in the manner above provided, and any such temporary Trustee so appointed by the Authority shall immediately and without further act be automatically succeeded by the successor to the Trustee appointed by the Owners. The Authority shall provide written notice to the Owners of the appointment of any successor Trustee, whether temporary or permanent, in the manner provided in the preceding Section of the Indenture for providing notice of the resignation of the Trustee. Any successor Trustee or temporary Trustee shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Texas duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$100,000,000.

In the event that no appointment of a successor Trustee is made by the Owners or by the Authority pursuant to the foregoing provisions of this Section at the time a vacancy in the office of the Trustee shall have occurred, the Owner of any Bond issued hereunder or the retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice as it shall deem proper, if any, appoint a successor Trustee.

Section 8.09 Powers of Successor Trustee. Each successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Authority, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor Trustee shall, nevertheless, on the written request of the Authority, execute and deliver an instrument acceptable to the predecessor Trustee transferring to such successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations of such predecessor hereunder. Each predecessor Trustee shall promptly deliver all properties, securities and moneys held by it to its successor; provided, however, that before any such delivery is required or made, all proper fees, advances and expenses of the predecessor Trustee shall be paid in full. Should any deed, conveyance or instrument in writing be required from the Authority by any successor Trustee for properties, rights, powers, trusts, duties and obligations hereby vested or intended to be vested in the predecessor Trustee, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee, appointing a successor Trustee hereunder, together with all deeds, conveyances and other instruments provided for in this Article shall, at the

expense of the Authority, be properly filed or recorded and a copy thereof shall be filed with such successor Trustee, together with a statement showing such filing or recordation.

Section 8.10 Merger, Conversion or Consolidation of Trustee. Notwithstanding any provision hereof to the contrary, any corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, shall be the successor Trustee under the Indenture without the execution or filing of any instrument or any other act on the part of any of the parties hereto.

Section 8.11 Funds Transfer. If any payment is to be made by the Trustee to the Authority or its designee by funds transfer, the Authority agrees to enter into an agreement concerning funds transfer instructions in a form to be provided by the Trustee. Until the Authority executes such an agreement, the Trustee shall not be required to make any payment under the Indenture to the Authority or its designee by funds transfer.

ARTICLE IX

MODIFICATION OF INDENTURE

Section 9.01 Supplemental Indentures Not Requiring Consent of Owners of the Bonds. The Authority and the Trustee may, without the consent of the Owners of any of the Bonds, enter into one or more supplemental indentures, which shall form a part hereof, for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Bonds or the Trustee or either of them;
- (c) to subject to the lien of the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture or any supplemental indenture in such manner as to provide further assurances that interest on the Bonds will, to the greatest extent legally possible, be excludable from gross income for federal income tax purposes;
- (e) to obtain bond insurance for any Bonds;
- (f) to provide for one or more Reserve Fund Surety Policies; and
- (g) to permit the assumption of the Authority's obligations hereunder by any other entity that may become the legal successor to the Authority;

provided, however, that no provision in such supplemental indenture shall be inconsistent with the Indenture or shall impair in any manner the rights of the Owners of the Bonds.

Section 9.02 Supplemental Indentures Requiring Consent of Owners of the Bonds. Except as otherwise provided in Section 9.01 of the Indenture, any modification, change or amendment of the Indenture may be made only by a supplemental indenture adopted and executed by the Authority and the Trustee with the consent of the Owners of not less than a majority of the aggregate principal amount of the Bonds then Outstanding.

Notwithstanding the preceding paragraph of Section 9.02 of the Indenture, no modification, change or amendment to the Indenture shall, without the consent of the Owner of each Bond so affected, extend the time of payment of the Principal Installments or interest thereon, or reduce the Principal Installments or premium, if any.

thereon, or the rate of interest thereon, or make the Principal Installments or interest thereon payable in any coin or currency other than that hereinbefore provided, or deprive such Owner of the lien hereof on the revenues pledged hereunder. Moreover, without the consent of the Owner of each Bond then Outstanding, no modification, change or amendment to the Indenture shall permit the creation of any lien on the revenues pledged hereunder equal or prior to the lien hereof, or reduce the aggregate principal amount of Bonds, the Owners of which are required to approve any such modification, change or amendment of the Indenture.

Section 9.03 Consents. Consents required pursuant to Article IX of the Indenture shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent, setting forth the substance of the supplemental indenture in respect of which such consent is sought and stating that copies thereof are available at the office of the Trustee for inspection, to the Owners of Bonds whose consent is required in accordance with the provisions of Article IX of the Indenture. Such notice shall be given by sending such notice by first-class mail, postage prepaid, to the registered Owners of such Bonds. Any consent or other action by an Owner of any Bond in accordance with Article IX of the Indenture shall bind every future owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof.

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FIRST SUPPLEMENTAL INDENTURE PROVISION

AMENDMENT TO THE INDENTURE

Pursuant Article IX of the Indenture, under certain circumstances, an amendment to the Indenture may be made with the consent of not less than a majority of the Owners of the Prior Bonds outstanding, while other circumstances do not require such consent. Pursuant to the Section 11.2 of the Resolution and Article IX of the Indenture, the additional bonds test contained in Section 3.2 of the Indenture is amended as detailed below (the "Amendment to the Indenture"). The Amendment to the Indenture contained in the Supplemental Indenture (i) shall not take effect until the Prior Bonds are no longer outstanding or consent has been provided by the majority of the Owners of the Prior Bonds (the "Effective Date") and (ii) shall be effective and binding to the Series 2014 Bonds (and the Owners thereof), as well as future Additional Parity Bonds (and the Owners thereof) issued pursuant to the Indenture. Section 3.2(d) of the Indenture will hereby be amended to read as follows:

3.02(d) The Authority has received a certificate of its financial advisor or accountant meeting the requirements set forth below which provides that Vehicle Registration Fees over the preceding fiscal year or for a consecutive 12-month period out of the 15-month period immediately preceding the month in which the Bond Resolutions authorizing Additional Parity Bonds is adopted, were at least 150 percent of the Maximum Annual Debt Service, taking into account the outstanding Bonds and the Additional Parity Bonds to be issued, provided however, such requirement shall not apply to the issuance of any Series of Additional Parity Bonds for refunding purposes that (i) will have the result of reducing the Maximum Annual Debt Service requirements on Parity Bonds or that (ii) will demonstrate a net present value savings in each year of the refunding.

APPENDIX D

FORM OF CO-BOND COUNSEL OPINIONS

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HOUSTON, TEXAS 77002

THE LUCIO GROUP PLLC
5136 SUGAR MILL ROAD
BROWNSVILLE, TEXAS 77826

October 9, 2014

WE HAVE ACTED as bond counsel for the Cameron County Regional Mobility Authority (the "Authority"), in connection with the issuance of bonds (the "Bonds") described as follows:

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY VEHICLE
REGISTRATION FEE REVENUE REFUNDING BONDS, SERIES 2014, issued
in the original aggregate principal amount of \$6,325,000**

The Bonds are being issued pursuant to that certain Indenture of Trust, dated April 1, 2010, as amended (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, National Association (the "Trustee"). The Bonds mature, bear interest and may be transferred and exchanged as set forth in the Bonds, the resolution adopted by the Board of Directors of the Authority authorizing the issuance of the Bonds (the "Resolution") and the Pricing Certificate. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Resolution.

WE HAVE ACTED as bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds and the security therefor and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not been requested to investigate or verify and have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capability of the Authority.

IN OUR CAPACITY AS BOND COUNSEL, we have participated in the preparation of and have examined, and rely on for purposes of this opinion, a transcript of certain proceedings pertaining to the bonds being refunded and the Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Authority; the Indenture; an escrow agreement (the "Escrow Agreement") between the Authority and The Bank of New York Mellon Trust Company (the "Escrow Agent"), a report (the "Report") of Grant Thornton LLP, Certified Public Accountants (the "Verification Agent"), verifying the sufficiency of the deposits made with the Escrow Agent for the defeasance of bonds being refunded (the "Refunded Bonds") and the mathematical accuracy of certain computations of the yield on the Bonds and obligations acquired with the proceeds of the Bonds; customary certificates, opinions and other documents executed by officers, agents and representatives of the Authority, the Trustee and others; and other certified showings relating to the authorization and issuance of the Bonds and the refunding and defeasance of the Refunded Bonds. We have examined, in addition to the documents described above, such portions of the Internal Revenue

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Code of 1986, as amended and to the extent applicable to the Bonds, court decisions, regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed necessary for the purpose of this opinion. We have also examined a specimen of the form of registered bond of this issue.

FOR PURPOSES OF THIS OPINION, we have assumed without independent verification (i) the genuineness of certificates, records and other documents, including, but not limited to, the Pledge Agreement (collectively, the "Documents") and the accuracy and completeness of the statements of fact contained therein; (ii) the due authorization, execution and delivery of the Documents described above by the parties thereto other than the Authority; (iii) that all Documents submitted to us as originals are accurate and complete; and (iv) that all Documents submitted to us as copies are true and correct copies of the originals thereof.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

1. The Authority is a body politic and corporate and a political subdivision of the State of Texas (the "State"), duly created, organized and existing under the laws of the State, particularly Chapter 370, Texas Transportation Code, as amended (the "Act"), and has the right and power under the Act to authorize, execute and deliver the Indenture.

2. The Authority has duly and lawfully authorized, executed and delivered the Indenture. The Indenture is in full force and effect, is valid and binding upon the Authority, and no other official action by the Authority for the authorization, execution and delivery of the Indenture is required. Pursuant to the Indenture, all of the Authority's right, title and interest in and to the Pledged Revenues, subject to the application thereof to the purposes and on the conditions permitted in the Indenture, have been validly and effectively assigned and, upon receipt thereof by the Trustee, pledged as security for the payment of the principal of, redemption price of and interest on the Bonds.

3. The Authority has duly and validly authorized the issuance, execution and delivery of the Bonds in accordance with the Act and the Indenture. The Bonds constitute legal, valid and binding limited obligations of the Authority as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture.

4. The Bonds are issued pursuant to the provisions of the Act and constitute limited obligations of the Authority and are payable from and secured solely by a senior lien on, pledge of and security interest in the Pledged Revenues and not from any other revenues, funds or assets of the Authority. Neither the State nor any other agency or political subdivision of the State, other than the Authority, is obligated to pay the principal of or interest on the Bonds. The Bonds are payable solely from the Pledged Revenues. The Authority has no taxing power.

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5. Firm banking and financial arrangements have been made for the discharge and final payment of the Refunded Bonds pursuant to the Escrow Agreement and the Report, and therefore such bonds are deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds provided therefore in the Escrow Agreement.

THE AUTHORITY HAS RESERVED THE RIGHT TO ISSUE ADDITIONAL PARITY BONDS subject to the restrictions set forth in the Indenture.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

IT IS OUR FURTHER OPINION THAT:

1. Interest on the Bonds is excludable from gross income for federal income tax purposes under existing law.

2. Under existing law, interest on the Bonds is not (A) a specific preference item subject to the alternative minimum tax on individuals and corporations or (B) included in a corporation's adjusted current earnings for purposes of the alternative minimum tax.

IN PROVIDING THE OPINIONS set forth above, we have relied on representations of the Authority, the Authority's financial advisors and the underwriters of the Bonds with respect to matters solely within the knowledge of the Authority, the Authority's financial advisors and the underwriters of the Bonds, respectively, which we have not independently verified, and we have assumed continuing compliance with the procedures and covenants in the Indenture, the Resolution and other documents relating to the requirements of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. We have further relied upon the Report regarding the mathematical accuracy of certain computations. In the event that any of such representations or the Report is determined to be inaccurate or incomplete or the Authority fails to comply with the foregoing procedures and covenants in the Indenture and the Resolution, interest on the Bonds could become includable in gross income for federal income tax purposes under existing law from the date of original delivery thereof, regardless of the date on which the event causing such inclusion occurs.

EXCEPT AS STATED ABOVE, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of the Bonds.

OWNERS OF THE BONDS should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with

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Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Bonds).

THE OPINIONS SET FORTH ABOVE are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted in the Resolution not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Very truly yours,

**4-D. DISCUSSION AND POSSIBLE ACTION REGARDING THE SH 32 VALUE
ENGINEERING RECOMMENDATIONS**



MEMORANDUM

TO: Chairman and Board Members

FROM: Pete Sepulveda, Jr. *PSJ*

RE: Item 4-D

DATE: August 14, 2014

Following are the items I would like for the Board to consider in moving forward with recommendations from the Value Engineering study:

1. Reduce medians
 - A. From U.S. 77 to Calle Milpa Verde – keep the 16 foot raised median
 - B. From Calle Milpa Verde to the end of the project at SH 4 and the future Port Road, replace the 16 foot raised median with a 4 foot flush median
2. Recommend to keep shoulders at 10 foot
3. Recommend to keep 4 lanes in the west side of the project
4. Recommend not to mill the existing roadway and add 11" CRCP (On existing FM 1419 from Paloma Blanca to FM 3068)
5. Recommend not to use different pavement designs for travel lanes and shoulders or to have designated truck lanes
6. Reduce the bond breaker from 2" to 1"
7. Recommend the special intersection design at major intersections on East Avenue, FM 1419, FM 3068 and SH 4. At SH32/SH4 keep the overpass for the ultimate phase of the project.
8. Reduce the right of way beginning at Paloma Blanca to the end of the project, from 150' to 120'. At SH32/SH 4, 400 foot right of way would be needed for ultimate phase to accommodate an overpass.
9. Recommend not to defer sidewalks and establish partnership with the City/MPO to fund those costs.

Effective Mobility.....From Borders To Beaches

1390 Scott Brown Boulevard • San Benito, TX 78586 • 956-548-9594 • fax 956-574-8734

**4-E. CONSIDERATION AND APPROVAL OF WORK AUTHORIZATION NO. 69
WITH HNTB FOR THE WEST RAIL RELOCATION PROJECT**

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
General Engineering Consultant Services

WORK AUTHORIZATION NO. 69

West Rail Bridge – RFI/Shop Drawing Review and CEI for Security Fencing, Gate, Illumination, and DHS Building Components (U.S. portion of bridge only)

This Work Authorization No. 69 is made pursuant to the terms and conditions of the Base Contract, effective February 16, 2006, hereinafter identified as the "Agreement", entered into by and between Cameron County Regional Mobility Authority (the "AUTHORITY"), and HNTB Corporation (the "CONSULTANT").

Part 1. The CONSULTANT will provide the following engineering services:

Changes relating to the West Rail Bridge as further outlined in Exhibits A, B, and C.

Part 2. The compensation to be paid for the performance of the Services identified in Exhibit B is based upon direct salary cost times a multiplier as defined in the Agreement. Total compensation, including subconsultant costs and direct expenses, will not exceed \$49,549.00. A fee schedule used to establish the amount payable is attached hereto as Exhibit D. The CONSULTANT may alter the compensation distribution between individual phases, tasks or work assignments to be consistent with the services actually rendered, within the total not to exceed amount.

Part 3. Payment to the CONSULTANT for the services established under this Work Authorization No. 69 shall be made in accordance with the Agreement.


Part 4. This Work Authorization No. 69 is effective as of August 14, 2014 and shall terminate December 31, 2014.

Part 5. This Work Authorization No. 69 does not waive the parties' responsibilities and obligations provided under the Agreement.

Part 6. This Work Authorization No. 69 is hereby accepted and acknowledged below.

CONSULTANT:
HNTB Corporation

AUTHORITY:
Cameron County Regional Mobility Authority

By: 
Signature

Richard L. Ridings, P.E.
Printed Name

Vice President
Title

8/14/14
Date

By: _____
Signature


David E. Alex
Printed Name

Vice - Chairman
Title

8-14-14
Date

LIST OF EXHIBITS

- Exhibit A – Services to be Provided by the AUTHORITY
- Exhibit B – Services to be Provided by the CONSULTANT
- Exhibit C – Work Schedule
- Exhibit D – Fee Schedule

**4-F. CONSIDERATION AND APPROVAL OF SUPPLEMENTAL WORK
AUTHORIZATION NO. 2 FOR WORK AUTHORIZATION 40 WITH HNTB
FOR THE WEST RAIL RELOCATION PROJECT**

**Supplemental Work Authorization No. 2
to Work Authorization No. 40**

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY
General Engineering Consultant Services**

**SUPPLEMENTAL WORK AUTHORIZATION No. 2
WORK AUTHORIZATION NO. 40**

UPRR West Rail Relocation – Bent 41 Assistance/Department of Homeland Security Items

This Supplemental Work Authorization No. 2 to Work Authorization No. 40 is made pursuant to the terms and conditions of the Base Contract, effective February 16, 2006, hereinafter identified as the "Agreement", entered into by and between Cameron County Regional Mobility Authority (the "AUTHORITY"), and HNTB Corporation (the "CONSULTANT").

Part 1. The CONSULTANT will provide the following engineering services:

The responsibilities of the CONSULTANT are detailed in Exhibits B and D.

Part 2. The compensation to be paid for the performance of the Services identified in Exhibit B is based upon direct salary cost times a multiplier as defined in the Agreement. Total compensation, including subconsultant costs and direct expenses, for Supplemental Work Authorization No. 2 is a Lump Sum amount of **\$180,901.00** increasing the total fee from **\$171,150.00** to **\$352,051.00**, unless mutually agreed to and authorized in writing by the Authority. A fee schedule used to establish the maximum amount payable is attached hereto as Exhibit D. HNTB may alter the compensation distribution between the phases, tasks and work assignments to be consistent with the Services actually rendered, within the total not to exceed amount.

Part 3. Payment to the CONSULTANT for the services established under this Supplemental Work Authorization No. 2 to Work Authorization No. 40 shall be made in accordance with the Agreement.

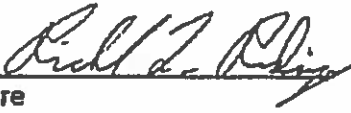
Part 4. This Supplemental Work Authorization No. 2 to Work Authorization No. 40 extends the previous termination date to August 1, 2014, unless extended by a Supplemental Work Authorization.

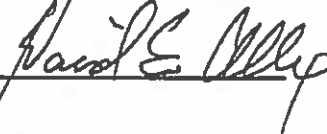
Supplemental Work Authorization No. 2
to Work Authorization No. 40

Part 5. This Supplemental Work Authorization No. 2 to Work Authorization No. 40 is hereby accepted and acknowledged below.

CONSULTANT:
HNTB Corporation

AUTHORITY:
Cameron County Regional Mobility Authority

By: 
Signature

By: 
Signature

Richard L. Ridings, P.E.
Printed Name

David E. Alex
Printed Name

Vice President
Title

Chairman
Title

12/10/14
Date

12/12/2014
Date

LIST OF EXHIBITS

Exhibit B - Services to be Provided by the Consultant

Exhibit D - Fee Schedule

**4-G. CONSIDERATION AND AUTHORIZATION FOR THE CAMERON COUNTY
REGIONAL MOBILITY AUTHORITY EXECUTIVE DIRECTOR TO REQUEST
ASSISTANCE FROM TXDOT FOR THE CDA PROCESS FOR THE SPI 2ND
ACCESS PROJECT AND THE OUTER PARKWAY PROJECT**



To: Chairman and Board Members

From: Pete Sepulveda, Jr. *PSJ*

Date: August 14, 2014

Re: Item 4G

I would like to request authority to request assistance from the Texas Department of Transportation (TxDOT) to go through the Comprehensive Development Agreement (CDA) procurement process. As you all know we plan on submitting the Final Environmental Impact Study to the Federal Highway Administration (FHWA) in late October or early November. The CDA procurement process will likely start after that submittal is made. TxDOT has the experience having done this multiple times throughout the State. I would like to discuss with TxDOT and then report back to the Board with TxDOT's recommendations. Thanks.

**4-H. CONSIDERATION AND APPROVAL OF CHANGE ORDER NO. 18 FOR THE SH
550 PORT SPUR PROJECT**



MEMORANDUM

TO: Chairman and Board Members

FROM: Pete Sepulveda, Jr. *PSS*

RE: Item 4-H

DATE: August 14, 2014

The attached change order is being recommended by TxDOT to close out the SH 550 Port Spur project. No additional funds are required from the CCRMA.

I recommend approval of the change order.

TEXAS DEPARTMENT OF TRANSPORTATION

CONSTRUCTION CONTRACT CHANGE ORDER NUMBER: 18

Third Party Funding Notification Sheet

This form is used when the subject change order involves funding by a source other than TxDOT/U.S. DOT, and involves third parties who are providing funding under an Advance Funding Agreement or Donation Agreement.

1. Outside funding provided by:

CCMA

(Outside Entity's Legal Name)

2. Type of outside funding agreement for this change:

☒ Existing ☐ Amended ☐ New
(Check one)

3. Indicate the type and amount of funding:

☐ Fixed Price (Lump Sum) (Estimated Amount \$683,216.10)
☒ Actual Cost

(a) Contract Items (Bid Items):		<u>\$683,216.10</u>
(b) E&C*:	(a) x <u>3.5</u> =	<u>\$23,912.56</u>
	enter %	
(c) Indirect Cost**:	(a + b) x <u>0</u> =	<u>\$0.00</u>
	enter %	
TOTAL		<u>\$707,128.66</u>

Use as needed:

I hereby acknowledge notification of the modifications covered by this Change Order.

Date 8.14.14

By

Typed/Printed Name Pete Sepulveda, Jr.

Typed/Printed Title Executive Director

* The percentage (%) for E&C (Engineering and Contingencies) charges varies from project to project depending on the contract amount of the project. Projects with a higher contract amount will have a lower rate of E&C charge. For a specific project, E&C rate (%) can be derived from the cost of "Engineering and Contingencies" in the "Estimated Cost" of the project.

** Use the statewide district rate as established by Finance Division each year. This line 3(c) is for Service Project only, unless otherwise specified in the Advance Funding Agreement. See Stand Alone Manual Notice 98-2 for instructions.

Funding for this Change Order has been arranged:

TxDOT Representative

Date

Typed/Printed Name:



CHANGE ORDER NBR. 18

REPORT DATE: 8/8/2014 4:35:49PM

CONTRACT ID: 362201001
PROJECT: STP 2009(662)ES
CONTRACT: 03103002
AWARD AMOUNT: \$34,161,741.40
PROJECTED AMOUNT: \$34,357,241.40
CONTRACTOR: ANDERSON COLUMBIA CO., INC

HIGHWAY: SH 550
DISTRICT: 21
COUNTY: CAMERON
AREA ENGINEER: Juan Bosquez, P.E.
AREA NUMBER: 055

Functions:

☒ Extra Work ☐ Force Account
☐ Zero Dollar ☐ Final Quantity
☒ Overrun/Undermun ☐ Change Project Limits
☐ Time Adjustment ☐ Delete/Add CSJ

CO AMOUNT: \$683,216.10
CO TYPE: FED LETTER OF AUTH - MAJOR - PART
3RD PARTY AMOUNT: \$0.00
APPRV LEVEL: OVERRIDE
DESCRIPTION: RIPRAP/ 10'X6' RCB/ WINGWALLS QTY ADJUSTMENTS
REASON: 1A - 1A-INCORRECT PS&E (TxDOT DESIGN)
SECONDARY REASON(S): 002A - 2A-DIFFER SITE CONDITION(UNFORESEEABLE)
003E - 3E-REDUCTION OF FUTURE MAINTENANCE

DESCRIBE THE REASON FOR THE CHANGE ORDER AND WHAT IS BEING CHANGED. WHEN NECESSARY, INCLUDE EXCEPTIONS TO THIS AGREEMENT:

Change order # 18 introduces concrete riprap, Reinforced Concrete Box (RCB) culvert, and concrete wingwall quantity adjustments to the current contract.

Original concrete riprap quantities at proposed bridge header banks do not reflect field measured riprap quantities due to design error calculations. Item 528-2006 COLORED TEXTURED CONC (5") was set up to be paid in "square yards" at FM 3248, Old Port Isabel Road, and SH 48 bridge header banks. However, riprap quantities shown on summary tables and Estimate & Quantity (E&Q) sheets were calculated in "cubic yards" instead of square yards. Furthermore, plans calculated "plan view" riprap quantities vs. true "slope" quantities for all proposed bridge header banks. Therefore, the plans significantly under quantified Item 528. Item 432-2001 RIPRAP (CONC)(4 IN) was correctly set up to be paid in cubic yards at Palo Alto Overpass header banks. However, these riprap quantities reflect measurements on 2:1 slope headers versus correct 2:1 to 3:1 transitions around both bridge headers. Moreover, Drainage District #1 (DD#1) bridge header riprap quantity was set up correctly, but was omitted from E&Q sheets. In conclusion, correct field measured riprap quantities are being introduced to the contract. No time for concrete riprap work is added by this change order.

TxDOT requested additional concrete riprap to be added at FM 3248, Old Port Isabel, & SH 48 overpasses due to erosion, maintenance, and safety issues. Additional riprap is being proposed at FM 3248 header banks from bottom toes to back of curb due to erosion control and maintenance issues. Furthermore, additional riprap is being proposed north of SH 550 at Old Port Isabel on several locations due to erosion control and safety issues. Similarly, additional concrete riprap is being proposed at SH 48 Underpass beyond original header riprap limits due to erosion control issues. No time for extra concrete riprap work is added by this change order.

The plans call for the contractor to remove an existing wing wall and connect to an existing 2-10'X6'X56" box culvert with 2-10'X6'X180" RCBs on existing Outfall Channel#3 at Old Port Isabel north jug-handle. Once the above mentioned RCB quantity was installed, contractor notified TxDOT that the proposed wing wall (Hw= 9'00") at the end of these RCBs would be too close to edge of pavement. Therefore, TxDOT and contractor field verified the length of existing 2-10'X6' RCB to be 6 feet less than what shown on the plans. TxDOT then instructed contractor to install 2-10'X6' RCBs to meet minimum required clear zone distance from north jug-handle to proposed headwall. No time is needed for additional RCB work.

The plans call for 1(EA) WINGWALL (PW)(HW=8 FT) & 1 (EA) WINGWALL (PW)(HW=9 FT) at NBFR STA. 2579+38.76 & SBFR STA. 3576+22.09 as shown on SH# 260 & 262. However, summary quantity tables on SH#41 incorrectly set up all wingwalls as HW = 9 FT. Furthermore, this contract has several other line numbers (Line# 1195, 1325, & 2290) for both WINGWALLS(PW)(HW= 8 & 9 FT) which were intended for other locations. Therefore, a quantity adjustment is being made accordingly to existing Line # 1240 & 1280.

Revised Sheets: 41R, 138R, 268R, 286R, 306R, 321R

ADDITIONAL TIME NOT NEEDED

"By signing this change order, the contractor agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change and that this agreement is made in accordance Item 4 and the Contract. Exceptions should be noted in explanation above."

THE CONTRACTOR

BY:

TYPED/PRINTED NAME:

TYPED/PRINTED TITLE:

AREA ENGINEER:

AREA ENGINEER'S SEAL:

DATE

DATE

DATE

DATE

DISTRICT ENGINEER:

DIRECTOR, CONSTRUCTION DIVISION:

DEPUTY EXECUTIVE DIRECTOR:

FINWA:

DATE

DATE

DATE

DATE



CONTRACT ID 382201001

CHANGE ORDER NBR. 18

Page 3 of 3

CONTRACT ITEMS

PROJECT NBR 068401066

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	1635	04322068 CO DESCR	000	RIPRAP (CONC)(CL B) EXIST ITEM# CO#18	CY	450 00000	54 000	37 350	91 350	\$16 807 50
002	2115	05282068 CO DESCR	000	COLORED TEXTURED CONC (5") EXIST ITEM# CO#18	SY	42 00000	380 000	2,337 000	2,697 000	\$98,154 00
002	2205	05282068 CO DESCR	000	COLORED TEXTURED CONC (5") EXIST ITEM# CO#18	SY	42 00000	343 000	2,486 000	2,829 000	\$104 412 00
002	2285	04622030 CO DESCR	000	CONC BOX CULV (10 FT X 6 FT) EXIST ITEM# CO#18	LF	440 00000	360 000	12 000	372 000	\$5 280 00

PROJECT NBR 382201001

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
002	1035	04322001 CO DESCR	000	RIPRAP (CONC)(4 IN)	CY	430 00000	371 000	233 000	604 000	\$100,180 00
002	1150	05282068 CO DESCR	000	COLORED TEXTURED CONC (5") NEW ITEM# CO#18	SY	42 00000	922 000	7 455 300	8 377 300	\$313,122 80
002	1240	04662052 CO DESCR	000	WINGWALL (PW)(HW=8 FT) EXIST ITEM# CO#18	EA	15,000 00000	2 000	2 000	4 000	\$30,000 00
002	1280	04662053 CO DESCR	000	WINGWALL (PW)(HW=9 FT) EXIST ITEM# CO#18	EA	16 000 00000	2 000	-2 000	0 000	-\$32 000 00
002	1373	04322068 CO DESCR	000	RIPRAP (CONC)(CL B) NEW ITEM# CO#18	CY	450 00000	0 000	105 000	105 000	\$47,250 00
				ADDTL CO DESCR 1 DD#1 ABUT#1 (5" THICK)						

CHANGE ORDER AMOUNT

\$583,216.10