

CERTIFICATE FOR ORDER

THE STATE OF TEXAS           §  
                                           §  
 COUNTY OF FORT BEND       §

We, the undersigned officers of the Commissioners Court of Fort Bend County, Texas, hereby certify as follows:

1. The Commissioners Court of Fort Bend County, Texas, convened at a regular meeting of said Court at the Fort Bend County Courthouse in the City of Richmond, Texas, on the 9<sup>th</sup> day of November, 2021, and the roll was called of the duly constituted officers and members of said Court, to wit:

|                      |                          |
|----------------------|--------------------------|
| KP George            | County Judge             |
| Vincent Morales, Jr. | Commissioner, Precinct 1 |
| Grady Prestage       | Commissioner, Precinct 2 |
| Andy Meyers          | Commissioner, Precinct 3 |
| Ken DeMerchant       | Commissioner, Precinct 4 |

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

ORDER APPROVING ISSUANCE OF FORT BEND GRAND  
 PARKWAY TOLL ROAD AUTHORITY LIMITED CONTRACT  
 TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE  
 REFUNDING BONDS, SERIES 2021A; LEVYING AND  
 PLEDGING A TAX FOR THE PAYMENT OF THE COUNTY'S  
 OBLIGATIONS THEREUNDER; AND CONTAINING OTHER  
 PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Commissioners Court and read in full. It was then duly moved and seconded that said order be adopted; and, after due discussion, said motion, carrying with it the adoption of said order, prevailed and carried by the following vote:

AYES:       5

NOES:       0

2. A true, full and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said order has been duly recorded in the Commissioners Court's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Commissioners Court's minutes of said meeting pertaining to the adoption of said order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the

Commissioners Court as indicated therein; that each of the officers and members of the Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said order would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED this 9<sup>th</sup> day of November, 2021

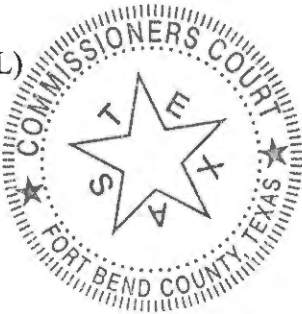
*Laura Richard*

County Clerk

*K. George*

County Judge

(SEAL)



## **FORT BEND COUNTY, TEXAS**

### **ORDER APPROVING ISSUANCE OF FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY LIMITED CONTRACT TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A; LEVYING AND PLEDGING A TAX FOR THE PAYMENT OF THE COUNTY'S OBLIGATIONS THEREUNDER; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, the Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), as the governing body of Fort Bend County, Texas, duly created, by order adopted on June 8, 2010, the Fort Bend Grand Parkway Toll Road Authority (the "Authority") to provide for the development of the Grand Parkway within Fort Bend County, Texas, pursuant to Chapter 431 of Texas Transportation Code; and

WHEREAS, in connection with the foregoing, Commissioners Court previously approved the issuance by the Authority of its Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012 (the "Series 2012 Bonds") and a Joint Project Agreement with the Authority Agreement dated as of July 24, 2012, to jointly undertake improvements to Segments C and D of the Grand Parkway System (the "Project") pursuant to Section 791.028 Texas Government Code; and

WHEREAS, in connection with the foregoing, Commissioners Court also previously approved the issuance by the Authority of its Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2021 (the "Series 2021 Bonds"); and

WHEREAS, the Authority intends to (i) issue limited contract tax and subordinate lien toll road revenue refunding bonds to refund and defease a portion of the Authority's Series 2012 Bonds; and (ii) provide for payment of the principal of and premium, if any, and interest on such refunding bonds with revenues to be derived from the Project; and

WHEREAS, the Commissioners Court has been presented with and examined a proposed form of a resolution of the Authority authorizing the issuance of the Authority's refunding bonds, and the Commissioners Court finds the form and substance of such document are satisfactory and the recitals and findings contained therein are true, correct and complete; and

WHEREAS, Texas Government Code, Section 791.028 (d) authorizes the County to levy, pursuant to Article 8, Section 9 of the Texas Constitution, and pledge a tax for the payment of its obligations under the Joint Project Agreement, as amended; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSIONERS COURT OF FORT BEND COUNTY, TEXAS, THAT:

Section 1. APPROVAL OF AUTHORITY RESOLUTION. The Commissioners Court hereby approves the Authority's Resolution Authorizing Issuance of Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A, adopted by the Authority on October 20, 2021, a copy of which

is attached hereto as Exhibit "A" (the "Authority Resolution") and made a part hereof for all purposes and approves all of the documents incorporated in the Authority Resolution, including the Supplemental Indenture and Official Statement.

Section 2. APPROVAL OF ISSUANCE OF BONDS. The Commissioners Court hereby approves the issuance of the Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the "Series 2021A Bonds").

Section 3. TAX LEVY AND PLEDGE. The Series 2021A Bonds are being issued by the Authority to finance the refunding and defeasance of the Authority's Series 2012 Bonds. The County has covenanted in the Joint Project Agreement, as amended, to make periodic payments of the principal and interest as it accrues on the Authority's bonds (the "County Cost Allocation"), less any amount of Net Revenues (as defined in the Joint Project Agreement, as amended) paid to the Authority by the County for deposit to the Tax Fund. In order to provide for the payment of the County's Contractual Obligation and consistent with Article XI, Section 7 of the Texas Constitution, the Commissioners Court hereby confirms a special fund, created by the County designated as the "Fort Bend Grand Parkway Toll Road Authority Bond Fund," (the "Bond Fund") and the proceeds from all taxes levied, assessed, and collected for and on account of the County Cost Allocation of the County contained in and authorized by this Order shall be credited to such Fund. There is hereby levied and there shall be annually assessed and collected in due time, form and manner, at the same time as other County taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax, within the limits prescribed by law upon all taxable property in the County sufficient to pay such County Cost Allocation of the County as the same becomes due and to provide and maintain a sinking fund of not less than two percent of the principal amount of the County Cost Allocation or the amount required to pay such installment of the County Cost Allocation as the same becomes due, whichever is greater, full allowance being made for delinquencies and costs of collection. Said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the County Cost Allocation and to no other purpose.

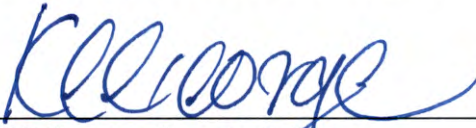
Section 4. FURTHER ACTIONS. The County Judge, County Auditor, Commissioners Court, County Clerk, and the other officials of the Commissioners Court are hereby authorized, jointly and severally, to execute and deliver such contracts, endorsements, instruments, certificates, documents or papers necessary and advisable and to take such actions as are necessary to carry out the intent and purposes of this Order.

Section 5. OPEN MEETING. Sufficient writing notice of the date, hour, place and subject of the meeting of the Corporation at which this Order was adopted was posted for the time required by law preceding this meeting and such meeting was open to the public as required by law and at all times during which the Order and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 6. EFFECTIVE DATE. This Order shall take effect and be in full force and effect upon and after its passage.

Passed and approved this 9 day of November, 2021.

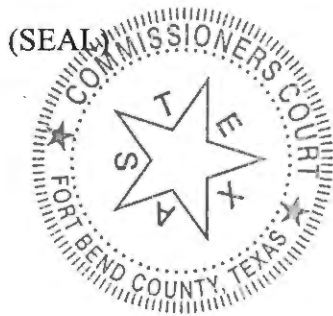
FORT BEND COUNTY, TEXAS

  
\_\_\_\_\_  
KP George, County Judge

ATTEST:

  
\_\_\_\_\_

Laura Richard  
County Clerk and Ex-Officio  
Clerk of the Commissioners  
Court of Fort Bend County, Texas



**EXHIBIT A**

**Authority Resolution**

(see attached)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS                   §  
                                                 §  
COUNTY OF FORT BEND               §

We, the undersigned officers of the Fort Bend Grand Parkway Toll Road Authority (the "Authority"), do hereby certify as follows:

1. The Authority convened at a regular meeting of said Authority at the offices of The Muller Law Group, PLLC, 202 Century Square Boulevard in the City of Sugar Land, Texas, on the 20th day of October 2021, and the roll was called of the duly constituted officers and members of said Authority, to wit:

|                  |                                    |
|------------------|------------------------------------|
| Shoukat Dhanani  | Chairman                           |
| Bobbie A. Tallas | Vice Chairman                      |
| Charles Rencher  | Secretary                          |
| Chip Thiel       | Assistant Vice Chair and Treasurer |
| Dean Hrbacek     | Assistant Secretary                |

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

RESOLUTION AUTHORIZING PARAMETER TERMS FOR LIMITED CONTRACT  
TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE REFUNDING BONDS;  
THE SALE AND DELIVERY THEREOF AND THE EXECUTION OF DOCUMENTS  
AND APPROVAL OF CERTAIN OTHER MATTERS RELATING THERETO

was duly introduced for the consideration of the Authority and read in full. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

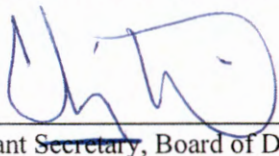
AYES:               4

NOES:              0

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

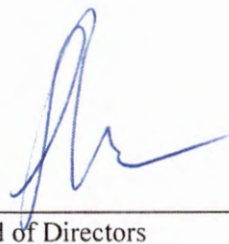
AS PER ORIGINAL

SIGNED AND SEALED the 24th day of October, 2021.



Assistant Secretary, Board of Directors

*vice chairman*



Chairman, Board of Directors

(SEAL)



RESOLUTION AUTHORIZING PARAMETER TERMS FOR LIMITED  
CONTRACT TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE  
REFUNDING BONDS, THE SALE AND DELIVERY THEREOF AND THE  
EXECUTION OF DOCUMENTS AND APPROVAL OF CERTAIN OTHER  
MATTERS RELATING THERETO

THE STATE OF TEXAS                   §  
                                                 §  
COUNTY OF FORT BEND           §

WHEREAS, the Commissioners Court of Fort Bend County, Texas, as the governing body of Fort Bend County, Texas (the "County"), duly created, by order adopted on June 8, 2010, the Fort Bend Grand Parkway Toll Road Authority (the "Authority") to provide the development of the Grand Parkway within Fort Bend County, Texas, pursuant to Chapter 431 of Texas Transportation Code;

WHEREAS, the Fort Bend Grand Parkway Toll Road Authority (the "Authority"), is authorized pursuant to and in accordance with the provisions of Chapter 284, Texas Transportation Code, as amended (the "Act"), among other things to initiate construction of the tolled overpasses on the Fort Bend Grand Parkway and the reconstruction of portions of the existing roadway from U.S. 59 to and including the intersection at FM1093/Westpark Tollway (as more particularly described in the Indenture (defined herein), the "Project");

WHEREAS, the Authority has previously issued its Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012 (the "2012 Bonds") pursuant to a Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012 (the "Master Indenture"), and a First Supplemental Trust Indenture, dated as of July 1, 2012, (the "First Supplemental Indenture") for the 2012 Bonds in order to pay costs of the Project;

WHEREAS, the Authority has previously issued its Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2021 (the "2021 Bonds") pursuant to the Master Indenture and a Second Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2021 (the "Second Supplemental Indenture") for the 2021 Bonds in order to pay costs of certain enlargements, extensions, and improvements to the Project;

WHEREAS, the Authority now desires to issue its Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the "2021A Bonds") to refund all or a portion of the Series 2012 Bonds (the "Refunded Bonds") pursuant to a supplemental indenture (the "Third Supplemental Indenture") (the First Supplemental Indenture, the Second Supplemental Indenture, Third Supplemental Indenture and the Master Indenture are referred to herein as the "Indenture");

WHEREAS, the principal and interest due on the Refunded Bonds are to be paid on the redemption date of such Refunded Bonds, from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Authority and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Escrow Agent"). From the proceeds of the sale of the Bonds received from the Underwriters, the Authority will deposit with the Escrow

Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct obligations of the United States of America (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund will be irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds. Such deposit shall constitute the making of firm banking and financial arrangements to provide for the full and timely payment of the principal of, premium, if any, and interest on the Refunded Bonds.

WHEREAS, upon the issuance of the 2021A Bonds herein authorized and the deposit referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the supplemental indenture authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased;

WHEREAS, the Authority hereby finds and determines that the issuance of the 2021A Bonds and the refunding contemplated in this Resolution will benefit the Authority by providing a present value savings in the debt service payable by the Authority, that such benefit is sufficient consideration for the refunding of the Refunded Bonds, and that the issuance of the 2021A Bonds is in the best interests of the Authority;

WHEREAS, the Authority has further determined to enter into a Bond Purchase Agreement, as of the date hereof (the "Bond Purchase Agreement"), related to the 2021A Bonds with the following syndicate of underwriting firms: Mesirow Financial, Inc., as senior book-running manager; Estrada Hinojosa & Company, Inc., as co-senior; Raymond James, Siebert Williams Shank & Co., LLC and UBS Financial Services Inc., as co-managers (the "Underwriters"), setting forth certain terms and conditions upon which the Underwriters will purchase the 2021A Bonds from the Authority and the Authority will sell the 2021A Bonds to the Underwriters;

WHEREAS, the Authority has been presented with, has considered and desires to ratify and approve the use in the public offering of the 2021A Bonds, a Preliminary Official Statement (the "Preliminary Official Statement"), and desires to authorize the preparation and use of a final Official Statement (the "Official Statement") pertaining to the 2021A Bonds;

WHEREAS, the Authority previously approved a Joint Project Agreement with the County pursuant to which the County, among other things, will levy an annual ad valorem tax, within the limits prescribed by law, for the purpose of payment of the principal of and interest on Subordinate Lien Bonds issued pursuant to the Indenture, including the 2021A Bonds, to the extent toll revenues and other available funds are insufficient to meet debt service on such bonds;

WHEREAS, the Authority desires to approve and/or ratify certain other actions heretofore taken with respect to the 2021A Bonds and the Project;

WHEREAS, the Authority has examined the form of the Award Certificate and Bond Purchase Agreement for the 2021A Bonds, the Third Supplemental Indenture and the Preliminary Official Statement, all of which are attached to and comprise a part of this Resolution, and has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to authorize the issuance of

the 2021A Bonds, the execution and delivery of such documents, and the taking of such other actions as may be necessary or convenient in connection therewith; and

WHEREAS, the Authority is a Local Government Corporation under Chapter 431, Texas Transportation Code, and has all the powers of a non-profit corporation under the Texas Non-Profit Corporation Act including the power to delegate to an Authorized Representative of the Authority to act on behalf of the Authority including the power to effect the sale of the 2021A Bonds as set forth herein;

WHEREAS, additionally, pursuant to Chapter 1207 Texas Government Code, as amended, the Authority has the power to issue refunding bonds and delegate to an Authorized Representative of the Authority the power to effect the sale of the 2021A Bonds;

THEREFORE, BE IT RESOLVED, ADJUDGED AND DECREED BY THE AUTHORITY THAT:

## ARTICLE I

### THE 2021A Bonds

Section 1.1. Delegation of Authority for the Sale, Execution, and Delivery of the 2021A Bonds. As authorized by the Act, Chapter 431, Texas Transportation Code, and Chapters 1201, 1207, 1371 and 1479 Texas Government Code, each of Shoukat Dhanani, as Chairman, and Milton “Chip” Thiel, Jr., as Assistant Vice President and Treasurer, and each as Directors (each an “Authorized Representative”), is hereby authorized to act on behalf of the Authority in selling and delivering the 2021A Bonds, in a negotiated or competitive sale, and carrying out other procedures specified herein and in the Indenture, including agreeing to and stipulating the prices at which the 2021A Bonds will be sold (including any premium or discount for the 2021A Bonds), the date or dates on which the 2021A Bonds will be sold, the dates on which the 2021A Bonds will mature, the aggregate principal amounts of the 2021A Bonds (and each subseries thereof, if any) and the principal amounts to mature in each of such years, the interest rates for the 2021A Bonds, the Interest Payment Dates for the 2021A Bonds, the dates, prices and terms, if any, upon which the 2021A Bonds will be subject to mandatory and optional redemption prior to maturity, and all other matters relating to the issuance, sale and delivery of the 2021A Bonds and the defeasance, refunding or refinancing of the Refunded Bonds, all of which shall be specified in one or more award certificates (the “Award Certificate”), substantially in the form attached as Exhibit A hereto, provided that:

1. the net effective interest rate of the 2021A Bonds shall not exceed the maximum rate allowed by Chapter 1204, Texas Government Code;
2. the aggregate principal amount of the 2021A Bonds shall not exceed \$160 million;
3. the final maturity dates of the 2021A Bonds shall not be more than is provided by applicable law;

4. the refunding shall result in a minimum present value savings of 15% to the Authority;

5. the par amount of the 2021A Bonds plus any net premium from the sale of the 2021A Bonds, plus other available funds of the Authority, shall be sufficient to provide amounts necessary to fund the costs and expenses to refund and defease the Refunded Bonds and the estimated costs of issuance of the 2021A Bonds, including underwriter's discount; and

6. any finding by an Authorized Representative relating to the sale and delivery of the 2021A Bonds shall have the same force and effect as a finding or determination made by the Authority.

The issuance of the 2021A Bonds and the defeasance, redemption or refinancing of the Refunded Bonds is hereby authorized, under and in accordance with the Award Certificate and the Indenture, such officials of the Authority named above are each hereby authorized to execute and attest to the 2021A Bonds and to deliver the 2021A Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts for registration and the Trustee or authenticating agent for authentication, and thereafter to deliver such 2021A Bonds to the Underwriters pursuant to one or more Bond Purchase Agreements in form and substance acceptable to the Authority and its counsel.

The Authorized Representative of the Authority is hereby authorized to act on behalf of the Authority in selling and delivering the 2021A Bonds through a date six months from the date of this Resolution (the "Expiration Date"). 2021A Bonds sold pursuant to a Bond Purchase Agreement executed on or before the Expiration Date may be delivered after such date. The Authorized Representative's authority to sell and deliver the 2021A Bonds is subject to the conditions and carrying out the other procedures as set forth herein.

It is hereby found and determined that the issuance of the 2021A Bonds will benefit the Authority by refinancing for savings the long-term fixed rate financing of the facilities funded with the Refunded Bonds, and the issuance of the 2021A Bonds is in the best interest of the Authority.

The principal and interest due on the Refunded Bonds are to be paid on the redemption date of such Refunded Bonds, from funds to be deposited pursuant to the Escrow Agreement between the Authority and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, as Escrow Agent. From the proceeds of the sale of the 2021A Bonds received from the Underwriters, the Authority will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in Escrow Fund and used to purchase Federal Securities. Under the Escrow Agreement, the Escrow Fund will be irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Section 1.2. Approval of the Underwriters and a Bond Purchase Agreement. That the Authority hereby approves the syndicate of Underwriters named in the recitals to this Resolution. The Authorized Representative is hereby authorized to execute and attest to one or more Bond Purchase Agreements and deliver one or more Bond Purchase Agreements to the Underwriters, in the form attached hereto as Exhibit B, but also in form and substance acceptable to the Authorized

Representative and its counsel upon completion of the terms thereof in accordance with the terms of the Award Certificate.

Section 1.3. Approval, Execution, and Delivery of Indenture. That the form and substance of Third Supplemental Indenture attached as Exhibit C are hereby approved and the proper officials of the Authority are hereby authorized to execute and attest to the Third Supplemental Indenture, and to deliver the Third Supplemental Indenture to the Trustee and the Underwriters upon completion of the terms thereof in accordance with the terms of the Award Certificate.

Section 1.4. Approval of Official Statement. The preparation of an offering document in the form of a Preliminary Official Statement, in the form attached hereto as Exhibit D, and a Final Official Statement (together, the “Official Statement”) for the marketing and sale of the 2021A Bonds is hereby approved. The use of such Official Statement by the Underwriters is hereby approved and authorized and the proper officials of the Authority are authorized to approve the form and any such offering document prior to the printing and distribution thereof.

The Authority’s financial advisor, bond counsel and other consultants are authorized to act as the finance working group and assist in the preparation and distribution of any such offering document and further assist in any other action authorized by this Resolution.

Section 1.5. Approval of Requests for Rating from Rating Agencies. The Authority, the Authorized Representative and the Authority’s consultants are hereby authorized to take such actions to obtain ratings for the 2021A Bonds from Moody’s Investors Service, Inc., S&P Global Ratings and/or Fitch Ratings.

Section 1.6. Approval of a Trustee and Paying Agent/Registrar. Wells Fargo Bank, N.A. (“Wells Fargo”), as Trustee and Paying Agent/Registrar, is undergoing an ownership sale to a different entity. For reasons unrelated to such sale, the Authority has requested that Wells Fargo resign as the Trustee and Paying Agent/Registrar under the Indenture. Wells Fargo has informed the Authority that Wells Fargo is unable to resign as Trustee and Paying Agent/Registrar while its sale to a different entity is still pending, and additionally, Wells Fargo has indicated that it will not voluntarily resign as Trustee and Paying Agent/Registrar. In any event, the Authority now desires to remove Wells Fargo as Trustee and Paying Agent/Registrar pursuant to Section 1008 of the Master Indenture and accordingly hereby designates and approves Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (“Amegy Bank”), as replacement Trustee and Paying Agent under the Indenture effective immediately following confirmation by bond counsel of the satisfaction of the requirements of the terms of the Indenture relating to such removal. In this regard, the Authority will provide in the Third Supplemental Indenture for the initial purchasers of the 2021A Bonds to consent to and approve of such removal and the designation of Amegy Bank as the replacement Trustee and Paying Agent at the time of purchase of the 2021A Bonds. The Authority further authorizes the Authorized Representative to negotiate and execute and deliver any agreements or documents necessary with Amegy Bank to carry out the purposes and intent of this Resolution, the Indenture, the Joint Project Agreement, and the Bond Purchase Agreement. Should the Authorized Representative determine that it is not in the best interest of the Authority to designate and approve Amegy Bank as replacement Trustee and Paying Agent for Wells Fargo, the Authorized Representative is hereby authorized to negotiate with another institution suitable to serve in such capacities under the Indenture and to execute any necessary documents or agreements related thereto.

Section 1.7. Approval of Verification Agent. The Authority hereby designates and approves of Public Finance Partners LLC to act as verification agent to verify at the time of delivery of the 2021A Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Federal Securities 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 Bonds.

## ARTICLE II

### MISCELLANEOUS PROVISIONS

Section 2.1. Ratifying Other Actions. That all other actions, heretofore or hereafter taken, by the Authority and the finance working group in connection with the issuance of the 2021A Bonds are hereby ratified and confirmed.

Section 2.2. Authorization for Certain Other Actions. That the members of the Board of Directors, the Authorized Representative, the Authority's bond counsel and the Authority's financial advisor are hereby authorized to take such other actions as may be necessary to meet with bond rating agencies and prospective bond purchasers so as to achieve the most favorable terms for the sale of the 2021A Bonds and to attend the closing for the 2021A Bonds, and to incur reasonable expenses for travel, meals, and lodging in connection therewith.

Section 2.3. Execution and Delivery of Other Documents. That the Authority and the Authorized Representatives are hereby authorized to execute and attest to such other agreements, including escrow agreements, verification agent agreements, advance commitment agreements, assignments, bonds, certificates and contracts, and all other documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, and to take all action and to do all things whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes and intent of this Resolution, the Indenture, the Joint Project Agreement, and the Bond Purchase Agreement.

Section 2.4. Exhibits Incorporated Herein. That all of the terms and provisions of the documents listed below as an exhibit shall be and are hereby approved, incorporated into and made a part of this Resolution, subject to any changes approved by the Authorized Representative, for all purposes.

- Exhibit "A" – Award Certificate
- Exhibit "B" – Bond Purchase Agreement
- Exhibit "C" – Third Supplemental Indenture
- Exhibit "D" – Preliminary Official Statement

Section 2.5. Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representative is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Resolution and in the form of the documents attached hereto as exhibits, in the judgment of the Authorized Representative, and in the opinion of Bond Counsel to the Authority, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, Award Certificate, the Indenture, the Joint Project Agreement, the Bond Purchase Agreements, the Official Statement, or as may be required

for approval of the 2021A Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the 2021A Bonds or such documents shall be confirmed by the Authority or the Authorized Representative, acting as the designated officer of the Authority as provided by law and herein.

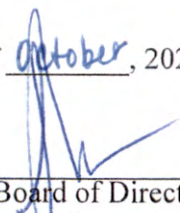
Section 2.6. Costs of Issuance. That a portion of the proceeds of the 2021A Bonds shall be applied to pay costs and expenses arising in connection with the issuance.

Section 2.7. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

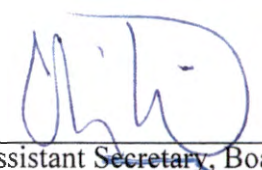
Section 2.8. Notice of Meeting. That written notice of the date, hour and place of such meeting of the Authority and of the subject of the Resolution was furnished to the Fort Bend County Clerk and posted for at least 72 hours preceding the convening of such meeting, on a bulletin board in the Fort Bend County Court House located at a place convenient to the public; that such place was readily accessible to the general public at all times from the time of such posting until the convening of such meeting, that such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof was discussed, considered and formally acted upon, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

Section 2.9. Severability. If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of the same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Resolution nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Authority in adopting this Resolution that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Resolution are declared to be severable for that purpose.

ADOPTED, PASSED, and APPROVED this 26th day of October, 2021.

  
\_\_\_\_\_  
Chairman, Board of Directors  
Fort Bend Grand Parkway  
Toll Road Authority

ATTEST:

  
\_\_\_\_\_  
Assistant Secretary, Board of Directors  
Fort Bend Grand Parkway Vice Chairman  
Toll Road Authority

AS PER ORIGINAL

EFFECTIVE DATE

THIS AGREEMENT IS EFFECTIVE ON THE DATE IT IS APPROVED BY THE FORT BEND COUNTY COMMISSIONERS COURT, AND IF NOT SO APPROVED SHALL BE NULL AND VOID.

DATE OF COMMISSIONERS COURT APPROVAL: \_\_\_\_\_

AGENDA ITEM NO.: \_\_\_\_\_

**EXHIBIT A**

**FORM OF AWARD CERTIFICATE**

## AWARD CERTIFICATE

### FORT BEND COUNTY GRAND PARKWAY TOLL ROAD AUTHORITY LIMITED CONTRACT TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A (THE "SERIES 2021A BONDS")

THIS AWARD CERTIFICATE is executed on \_\_\_\_\_, 2021 by the Authorized Representative of Fort Bend Grand Parkway Toll Road Authority (the "Authority"), pursuant to the authorization contained in the resolution of the Authority adopted on \_\_\_\_\_, 2021 (the "Resolution"), and the Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012 (the "Master Indenture"), and the Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated \_\_\_\_\_, 2021 (the "Third Supplemental Indenture") (collectively, the "Indenture"), authorizing the issuance of the Series 2021A Bonds and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein.

Capitalized terms used in this Award Certificate shall have the meanings assigned to them in the Resolution and the Indenture.

1. Principal Amount, Numbers, Interest Rates, and Other Terms. The Series 2021A Bonds are dated November 1, 2021, shall be issued in the total principal amount of \$ \_\_\_\_\_ as shown in the schedule below, with interest accruing from the date of delivery. "Interest Payment Date" shall mean March 1 and September 1 of each year as applicable, commencing on March 1, 2022. The Series 2021Af Bonds shall mature on and have "Principal Payment Dates" of March 1 in each of the years and in the amounts and bear interest at the rates set out in the following schedule:

| Principal Payment Dates<br>March 1 | Principal Amount | Interest Rate | Initial Yield |
|------------------------------------|------------------|---------------|---------------|
| 2023                               |                  |               |               |
| 2024                               |                  |               |               |
| 2025                               |                  |               |               |
| 2026                               |                  |               |               |
| 2027                               |                  |               |               |
| 2028                               |                  |               |               |
| 2029                               |                  |               |               |
| 2030                               |                  |               |               |
| 2031                               |                  |               |               |
| 2032                               |                  |               |               |
| 2033                               |                  |               |               |
| 2034                               |                  |               |               |
| 2035                               |                  |               |               |
| 2036                               |                  |               |               |
| 2037                               |                  |               |               |
| 2038                               |                  |               |               |
| 2039                               |                  |               |               |
| 2040                               |                  |               |               |
| 2041                               |                  |               |               |
| 2042                               |                  |               |               |
| 2043                               |                  |               |               |
| 2044                               |                  |               |               |
| 2045                               |                  |               |               |

|        |  |  |  |
|--------|--|--|--|
| 2046   |  |  |  |
| 20__ * |  |  |  |

\*Term Bond. Subject to mandatory sinking fund redemption as described below.

2. Mandatory Redemption. The Bond maturing in the years 20\_\_ (the “Term Bond”) will be subject to the following mandatory redemption requirements:

Term Bonds Maturity 20\_\_

| Mandatory Redemption Date<br>March 1 | Mandatory Redemption Amount |
|--------------------------------------|-----------------------------|
|                                      |                             |
|                                      |                             |
|                                      |                             |
|                                      |                             |
|                                      |                             |
|                                      |                             |
|                                      |                             |

On or before January 15 of every year in which there are mandatory redemption requirements as defined above for Term Bond, the Trustee shall (i) determine the principal amount of Term Bonds of the particular maturity that must be mandatorily redeemed on March 1 of such year, after taking into account deliveries for cancellation and optional redemptions of Term Bonds of such maturity as more fully provided below, (ii) select by lot or other customary random method the Term Bonds of such maturity (or portions thereof) to be mandatorily redeemed on January 15 of such year and (iii) give notice thereof in the manner described below. The mandatory redemption requirements stated above for the Term Bonds shall be reduced by the principal amount of any Term Bonds of such maturity purchased and delivered or tendered to the Trustee for cancellation by March 1 of such year. In addition, if in the exercise of its right of optional redemption contained in the Indenture, the Authority shall redeem less than all of the Term Bonds of a particular maturity then outstanding, the mandatory redemption requirements in any year for the Term Bonds of such maturity shall, at the option of the Authority, be reduced by the principal amount of such Term Bonds optionally redeemed and which has not previously been the basis for a credit against the mandatory redemption requirements for the Term Bonds.

3. Optional Redemption. The Bonds maturing on and after March 1, 20\_\_ are subject to optional redemption, in whole or, from time to time, in part, on any date on or after March 1, 20\_\_, at a redemption price of par plus accrued interest to the date of redemption.

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

Any Bonds subject to conditional redemption where such redemption has been rescinded shall remain outstanding.

4. Purchase Price. The sale of the Bonds is authorized pursuant to the form of Bond Purchase Agreement approved in the Resolution at the following price:

|                             |          |
|-----------------------------|----------|
| Principal Amount            | \$ _____ |
| Plus Original Issue Premium | _____    |
| Less Underwriters' Discount | _____    |
| Purchase Price              | _____    |

5. Form of Bond. Pursuant to the Third Supplemental Indenture the Form of Bond shall be updated as provided in this Award Certificate and such revised form is hereby approved and supersedes the Form of Bond set forth in the Third Supplemental Indenture.

6. Compliance with the Resolution and Indenture. The undersigned hereby finds, determines and declares that, in accordance with the requirements of the Resolution, this Award Certificate complies with and satisfies the terms and provisions of the Resolution and the Indenture in accordance with the delegation contained therein.

7. Proceeds of the Bonds. The proceeds of the Series 2021A Bonds [(including premium)] shall be used as follows:

(a) \$ \_\_\_\_\_ [(which includes \$ \_\_\_\_\_ of premium)] shall be used to refund a portion of the Outstanding Subordinate Lien Bonds (the "Refunded Bonds");

(b) \$ \_\_\_\_\_ of [premium] shall be used to pay the Underwriters' discount; and

(c) \$ \_\_\_\_\_ of [premium] shall be used to pay the Costs of Issuance.

8. Compliance with Parameters. Pursuant to Section 1.1 of the Resolution, I hereby further find and determine that:

(a) the net effective interest rate of the Series 2021A Bonds does not exceed the maximum rate allowed by Chapter 1204, Texas Government Code;

(b) the aggregate principal amount of the Series 2021A Bonds does not exceed \$160,000,000;

(c) the final maturity dates of the Series 2021A Bonds do not exceed more than what is provided by applicable law;

(d) the refunding shall result in a minimum present value savings of 15% to the Authority; and

- (e) the par amount of the 2021A Bonds plus any net premium from the sale of the 2021A Bonds, plus other available funds of the Authority, shall be sufficient to provide amounts necessary to fund the costs and expenses to refund and defease the Refunded Bonds and the estimated costs of issuance of the 2021A Bonds, including underwriter's discount.
9. Issuance Date shall mean \_\_\_\_\_, 2021.
10. The sale of the Series 2021A Bonds pursuant to the Bond Purchase Agreement is hereby approved and the terms of the sale are found to be the most advantageous to the Authority.

[Remainder of page intentionally left blank]

Executed this \_\_\_\_\_..

By: \_\_\_\_\_  
Authorized Representative

**FORM OF BOND**

(a) Form of Series 2021A Bond

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER

REGISTERED  
DENOMINATION

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND SUBORDINATE  
LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A

INTEREST RATE:

MATURITY DATE:

ISSUE DATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

Fort Bend Grand Parkway Toll Road Authority (the “Authority”), a local government corporation created by Fort Bend County, Texas, promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at Wells Fargo Bank, N.A. (the “Trustee” or the “Registrar”), at its designated office, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360 day year of twelve 30 day months, from the later of the date of delivery hereof, [Insert from Award Certificate] or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on [Insert from Award Certificate], and semiannually thereafter on each September 1 and March 1, mailed to the registered owner as shown on the books of registration kept by the Registrar as of the close of business on the 15th day of the calendar month next preceding each interest payment date.

THIS BOND IS ONE OF A SERIES OF BONDS designated “Fort Bend Grand Parkway Toll Road Authority, Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A” (herein called the “Bonds”), aggregating \$[Insert from Award Certificate], issued for the purpose of the Project (as further described in the Indenture (defined below)), and all other costs related to such facilities, under the laws enacted under the Constitution, including Chapter 1207, Texas Government Code, as amended, and Chapter 284, Texas Transportation Code, as amended (collectively, the “Act”), and pursuant to a resolution adopted by the Board of Directors of the Authority (the “Resolution”), which Resolution is of record in the official minutes of the Board of Directors of the Authority. The Bonds are further issued under and pursuant to that certain Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012

(herein called the “Original Indenture”), between the Authority and Wells Fargo Bank N.A., as original Trustee as supplemented by the Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of November 1, 2021, between the Authority and the Trustee (herein called the “Third Supplemental Indenture” and together with the Original Indenture called the “Indenture”).

THE BONDS are payable from the payments from Fort Bend County, Texas (the “County”) pursuant to a Joint Project Agreement, as amended, with the Authority, pursuant to which the County is obligated to levy, assess and collect a continuing, direct annual ad valorem tax, within the limits provided by law, upon all taxable property within Fort Bend County, Texas and are further payable from and secured by a lien on and pledge of the Trust Estate as defined in the Indenture to the extent provided in the Indenture, including a subordinate lien pledge of Net Revenues of the Project. Other than the contract tax revenues received under the Joint Project Agreement, the holders of the Bonds shall never have the right to demand payment of the Bond out of any funds raised or to be raised by taxation. As provided in the Indenture, additional bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. All bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust, and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of the Bonds to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND is transferable only upon presentation and surrender at the designated office of the Trustee in \_\_\_\_\_, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Indenture.

THE BONDS are exchangeable at the designated office of the Trustee in \_\_\_\_\_, Texas, for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Indenture.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Indenture.

THE AUTHORITY has covenanted in the Indenture that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that provision has been made for the payment of the interest on and principal of this Bond, and on all of the Bonds by the creation of the aforesaid lien on and pledge of the Trust Estate.

IT IS HEREBY FURTHER CERTIFIED, recited and covenanted that this Bond is payable from and secured by a lien on and pledge of the Trust Estate as defined in the Indenture to the extent provided in the Indenture.

IN WITNESS WHEREOF, this Bond has been signed with the manual or electronic signature of the Authority Chairman, countersigned with the manual or facsimile signature of the Authority Secretary.

Chairman: \_\_\_\_\_

COUNTERSIGNED:

Secretary: \_\_\_\_\_

(b) Form of Registration Certificate of Comptroller.

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Original Indenture in the text of this Bond.

WELLS FARGO BANK, N.A.  
As Trustee

By: \_\_\_\_\_

Authorized Signatory

Date of Authentication: \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature must be guaranteed  
by a member firm of the New York Stock

\_\_\_\_\_  
Registered Owner

NOTICE: The signature above must  
correspond to the name of the registered  
owner as shown on the face of this Bond in  
every particular, without any alteration,  
enlargement or change whatsoever.

Exchange or a commercial bank or trust company.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b), (c) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the word "CUSIP" deleted;

(ii) in the first paragraph of the Bond, the words "on the maturity date specified above" and "at the rate shown above" shall be deleted and the following shall be inserted at the end of the first sentence "..., with such principal to be paid in installments on the dates, in each of the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:"

[Information to be inserted from schedule in the Award Certificate]

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

**\$(137,160,000)**  
**FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY**  
**LIMITED CONTRACT TAX AND SUBORDINATE LIEN**  
**TOLL ROAD REVENUE REFUNDING BONDS**  
**SERIES 2021A**

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**BOND PURCHASE AGREEMENT**

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November 1, 2021

Fort Bend Grand Parkway Toll Road Authority  
Board of the Authority  
Fort Bend County  
301 Jackson Street  
Richmond, Texas 77469

Ladies and Gentlemen:

The undersigned, Mesirow Financial, Inc. (the "Representative"), acting on its own behalf and on behalf of the other underwriters listed on **Schedule I** hereto (collectively, the "Underwriters"), and not acting as a fiduciary or agent for you, offers to enter into the following agreement (the "Agreement") with the Fort Bend Grand Parkway Toll Road Authority (the "Authority") which, upon the Authority's written acceptance of this offer, will be binding upon the Authority and the Underwriters. This offer is made subject to the Authority's written acceptance hereof on or before 10:00 p.m., Houston, Texas time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein), the Indenture (as defined herein) or in the Official Statement (as defined herein), as appropriate.

(a) The Authority's Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the "2021A Bonds") are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including, particularly, Chapters 284 and 431, Texas Transportation Code, as amended, Chapters 1201, 1207, and 1371, Texas Government Code, as amended (the "Act"), a resolution adopted by the Board of the Authority on [October 20], 2021 (the "Bond Resolution"), the Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds Trust Indenture dated July 1, 2012, as supplemented ("the "Master Trust Indenture") between the Authority and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Trustee"), and the Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds Trust Indenture between the Authority and the Trustee dated [November 1], 2021. The Master Indenture and the Third Supplemental Indenture are collectively referred to

herein as the "Indenture". This Agreement, the Bond Resolution, the Joint Project Agreement (defined below) and the Indenture are hereinafter referred to as the "Authority Documents".

(b) The Authority has previously issued two series of unlimited tax and subordinate lien toll road revenue bonds (collectively, the "Outstanding Subordinate Lien Bonds"). The Bonds are the first series of unlimited tax and subordinate lien toll road revenue refunding bonds and are issued on a parity with the Outstanding Subordinate Lien Bonds. The Bonds, the Outstanding Subordinate Lien Bonds and any additional unlimited tax and subordinate lien toll road revenue bonds issued pursuant to the Master Indenture are collectively referred to herein as the "Subordinate Lien Bonds."

(c) The 2021A Bonds are being issued (i) to refund a portion of the Outstanding Subordinate Lien Bonds and (ii) to pay the costs associated with the issuance of the 2021A Bonds.

(d) The 2021A Bonds Authority are direct obligations of the Authority payable from an unconditional obligation of the County to make contract payments pursuant to the Joint Project Agreement between the County and the Authority, from a continuing ad valorem tax levied on all taxable property within the County, within the limits prescribed by law, as provided in the Indenture, together with a subordinate lien pledge of Net Revenues of the Fort Bend Grand Parkway.

2. ***Purchase and Sale of the 2021A Bonds.*** Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Authority's 2021Refunding Bonds.

The Authority acknowledges and agrees that in connection with the purchase and sale of the 2021A Bonds pursuant to this Agreement: (i) the primary role of the Underwriters, is to purchase securities for resale to investors in an arms-length commercial transaction between the Authority and the Underwriters, (ii) the Underwriters have financial and other interests that differ from those of the Authority, (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority and have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters), (iv) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Agreement, (v) the Authority has consulted its own municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein, and (vi) the Underwriters have provided to the Authority prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), which have been received by the Authority. The Representative represents and warrants to the Authority that it has been duly authorized to act on behalf of itself and the other Underwriters to enter into this Agreement and to take all actions, on behalf of the Underwriters, required or contemplated to be performed by the Underwriters under this Agreement.

The principal amount of the 2021A Bonds to be issued, maturities and the Initial Rates at which the 2021A Bonds will bear interest are set forth in **Schedule II** hereto. The Bonds will be dated, bear interest, be subject to optional and mandatory redemption, have optional and mandatory tender features, and be issued and secured under and as provided in the Bond Resolution and Indenture. In addition, Fort Bend County, Texas (the "County") has agreed to make certain payments to the Authority in connection with the 2021A Bonds and the Fort Bend Grand Parkway

pursuant to that certain Joint Project Agreement, dated as of July 24, 2012, as amended, (the "Joint Project Agreement"). As used herein, including in Section 9(i)(3) hereof, the term "Undertaking" includes the continuing disclosure undertaking of the Authority, as provided in the Third Supplemental Indenture, and of the County, as provided in the Joint Project Agreement, respectively.

The purchase price for the 2021A Bonds shall be \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ original principal amount of the 2021A Bonds , plus premium in the amount of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_, with no accrued interest.

3. **Good Faith Check.** Delivered to the Authority with this Agreement is a corporate check of the Representative payable to the order of the Authority in the amount of \$\_\_\_\_\_. In the event the Authority accepts this Agreement, such check shall be held by the Authority as security for the performance of the Underwriters of their obligation to purchase, accept delivery of and pay for the 2021A Bonds under this Agreement. Such check shall be held uncashed by the Authority until the time of the Closing, at which time such check shall be returned uncashed to the Representative upon the purchase and delivery of the 2021A Bonds. In the event that the Authority does not accept this Agreement, such check will be immediately returned to the Representative. Should the Authority fail to deliver the 2021A Bonds at the Closing, or should the Authority be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the 2021A Bonds, as set forth in this Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted under this Agreement) to purchase, accept delivery of and pay for the 2021A Bonds at the Closing as provided in this Agreement, such check shall be cashed and the amount of the check retained by the Authority as and for fully liquidated damages, and not as a penalty for such failure of the Underwriters, and for any defaults under this Agreement on the part of the Underwriters. Acceptance of such check by the Authority shall constitute a full release and discharge of all claims and damages for such failure and/or any and all such defaults, and the Authority shall have no further action for damages, specific performance or any other legal or equitable relief against the Underwriters. The Underwriters and the Authority understand that in such event the Authority's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Authority's actual damages are less than such amount, and the Authority's acceptance of this Agreement shall constitute a waiver of any right the Authority may have to additional damages from the Underwriters. The Representative agrees not to stop payment on such check, or cause payment on such check to be stopped, unless the Authority has materially breached any of the terms of this Agreement.

4. **Public Offering.** The Underwriters agree to make bona fide public offering of all the 2021A Bonds at a price not in excess of the initial offering price or prices set forth in the Official Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary in connection with the offering of the 2021A Bonds without any requirement of prior notice, and may offer and sell the 2021A Bonds to certain institutions (including dealers depositing the 2021A Bonds into investment trusts) at prices lower than those stated in the Official Statement. The Underwriters also reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the 2021A Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice; provided, however that no such actions shall affect the certification of original issue price of the 2021A Bonds as provided below.

5. **Establishment of Issue Price.** Notwithstanding any provision of this Agreement to

the contrary, the following provisions related to the establishment of the issue price of the 2021A Bonds apply:

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the 2021A Bonds and shall execute and deliver to the Authority at Closing an “issue price certificate” or similar certificate, with the supporting pricing wire(s) or equivalent communications, in a form substantially similar to the certificate attached hereto as Exhibit A with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Orrick, Herrington & Sutcliffe LLP, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2021A Bonds.

(b) Except as otherwise set forth in Schedule II attached hereto, the Authority will treat the first price at which 10% of each maturity of the 2021A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each separate CUSIP Number within a maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2021A Bonds, the Representative agrees to promptly, but no more than three business days, report to the Authority the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the 2021A Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Representative confirms that the Underwriters have offered the 2021A Bonds to the public on or before the date of this Agreement at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Agreement, the maturities, if any, of the 2021A Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2021A Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2021A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the 2021A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply

with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wire(s), (ii) in the event a selling group has been created in connection with the initial sale of the 2021A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wire(s), and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2021A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wire(s). The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2021A Bonds.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the 2021A Bonds to the public, together with the related pricing wire(s), contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the 2021A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wire(s), and

(ii) any agreement among underwriters relating to the initial sale of the 2021A Bonds to the public, together with the related pricing wire(s), contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2021A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the 2021A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wire(s).

(e) The Representative, on behalf of itself and the Underwriters, acknowledge that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2021A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to

participate in the initial sale of the 2021A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2021A Bonds to the public),

(iii) a purchaser of any of the 2021A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Agreement by all parties.

6. ***The Official Statement.*** (a) The Authority previously has delivered copies of the Preliminary Official Statement dated [October \_\_\_\_], 2021 (the "Preliminary Official Statement"), to the Underwriters in a "designated electronic format," as defined in the Municipal Securities Rulemaking Board's ("MSRB") Rule G-32 ("Rule G-32"). The Underwriters hereby confirm that the Preliminary Official Statement was delivered in such a format. The Authority will prepare or cause to be prepared a final Official Statement relating to the 2021A Bonds, which will be (1) dated the date of this Agreement, (2) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended (the "Rule"), (3) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters before the execution hereof and (4) in both a "designated electronic format" consistent with the requirements of Rule G-32 (as to which the Underwriters shall satisfy themselves prior to the printing thereof and prior to Closing) and in a printed format. Such final Official Statement, including the cover page thereto, all exhibits, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the 2021A Bonds, is herein referred to as the "Official Statement." Until the Official Statement has been prepared and is available for distribution, the Authority shall provide to the Underwriters sufficient quantities of the Preliminary Official Statement (which may be in electronic form) as the Representative deems reasonably necessary to satisfy the obligation of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared by the Authority for use by the Underwriters in connection with the public offering, sale and distribution of the 2021A Bonds. The Authority deemed the Preliminary Official Statement final in the Resolution as of its date of adoption, and the Authority deems the Preliminary Official Statement final as of the date hereof, for purposes of the Rule 15c2-12, except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(l) thereof.

(c) The Authority represents that it has reviewed and approved the information in the Preliminary Official Statement and the Authority hereby authorizes the distribution and use of the Preliminary Official Statement and the Official Statement, and the information therein contained, by the Underwriters in connection with the public offering and the sale of the 2021A Bonds. The Authority ratifies and consents to the distribution and use by the Underwriters prior to the date hereof of the

Preliminary Official Statement in connection with the public offering and sale of the 2021A Bonds. The Authority shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Authority's acceptance of this Agreement (but, in any event, not later than the earlier of within seven business days after the Authority's acceptance of this Agreement or two business days prior to the date of Closing, and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriters (i) in a "designated electronic format" consistent with the requirements of Rule G-32 (as to which the Underwriters shall satisfy themselves prior to the printing thereof and prior to Closing) and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the **MSRB**. The Authority hereby confirms that it does not object to the distribution of the Preliminary Official Statement or the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in Rule) and (ii) the time when the Official Statement is available to any person from the **MSRB**, but in no case less than 25 days after the "end of the underwriting period" for the 2021A Bonds), the Authority becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Authority will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Authority will forthwith prepare and furnish, at the Authority's own expense (in a form and manner approved by the Representative), copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any 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 not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any representation, warranty or covenant made herein, or any certificate delivered by the Authority in accordance herewith, the Authority makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("OTC"), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Authority shall furnish such legal opinions, certificates, instruments and other documents as the Representative may deem reasonably necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Authority shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 (as to which the Underwriters shall satisfy themselves prior to the printing thereof and prior to Closing) and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the **MSRB**.

(e) The Representative hereby agrees to timely file, or cause to be filed, the Official Statement (and any amendment or supplement to the Official Statement prepared in accordance with Section 4(d) above) with (i) the **MSRB** or its designee (including the **MSRB**'s Electronic Municipal Market Access System) or (ii) other repositories approved from time to time by the United States Securities and Exchange Commission (in addition to the filing referred to in clause

(i) above). Unless otherwise notified in writing by the Representative, the Authority can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

(f) In order to assist the Underwriters in complying with the Rule, the Authority will undertake, pursuant to the Undertaking (as hereinafter defined), to provide annual financial information and notices of the occurrence of specified events. A description of the Undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement.

(g) To the knowledge and belief of the Authority, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the 2021A Bonds. Except as disclosed in the Official Statement, during the last five years the Authority has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

7. ***Representations, Warranties, and Covenants of the Authority.*** The Authority hereby represents and warrants to and covenants with the Underwriters that:

(a) The Authority is a toll road authority that was created by an order of the County on June 15, 2010, to aid and assist and act on behalf of the County in the development of the portion of the Grand Parkway System located in Fort Bend County, Texas (the "Fort Bend Grand Parkway"), including the portion of the Fort Bend Grand Parkway being funded with proceeds of the 2021A Bonds (as further defined in the Indenture, the "Project").

(b) The Authority is a non-profit local government corporation established and operating under Chapters 284 and 431 of the Texas Transportation Code, as amended.

(c) The Authority has full legal right, power and authority under the Constitution and general laws of the State, including Chapters 284, Texas Transportation Code and Texas Government Code Chapter 1371 (collectively, the "Act"), and at the date of the Closing will have full legal right, power and authority under the Act and the Bond Resolution (i) to adopt, enter into, execute and deliver this Agreement, the Bond Resolution, the Indenture (which contains the Undertaking referenced in Section 9(i)(3) hereof with respect to the Authority), the Joint Project Agreement (which contains the Undertaking referenced in Section 9(i)(3) hereof with respect to the County) and all other documents required hereunder and thereunder to be executed and delivered by the Authority, (ii) to sell, issue and deliver the 2021A Bonds to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions described in the Authority Documents and the Official Statement. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Act and the Authority Documents as they pertain to such transactions.

(d) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the 2021A Bonds on the terms set forth herein, (ii) the approval, execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the 2021A Bonds and the Authority Documents, (iii) the approval, distribution and use of the Preliminary Official Statement and the Official Statement for use by the Underwriters in connection with the public offering of the 2021A Bonds and (iv) the consummation by it of all other transactions described in the Official Statement, the Authority Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(e) This Agreement constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and the exercise of judicial discretion in appropriate cases; the other Authority Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, subject to sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and the exercise of judicial discretion in appropriate cases; the 2021A Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution, the Indenture, the Joint Project Agreement and this Agreement, will constitute legal, valid and binding obligations of the Authority entitled to the benefits of such documents and agreements and enforceable in accordance with their respective terms, subject to sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the 2021A Bonds as aforesaid, the Bond Resolution, the Indenture and the Joint Project Agreement will provide, for the benefit of the holders of the 2021A Bonds, the legally valid and binding pledge of ad valorem taxes and toll road revenues and the liens they purport to create as set forth in the Bond Resolution, the Indenture and the Joint Project Agreement, being the pledge to levy, assess and collect an annual ad valorem tax, within the limits prescribed by law, upon all taxable property within the boundaries of the Authority, sufficient to pay the principal of and interest on the 2021A Bonds when due to the extent that toll revenues of the Project are not otherwise sufficient as provided in the Authority Documents.

(f) The Authority is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the 2021A Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing; and the execution and delivery of the 2021A Bonds and the Authority Documents and the adoption of the Bond Resolution and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority to be pledged to secure the 2021A Bonds or under the terms of any such law, regulation or instrument, except as provided by the 2021A Bonds and the Bond Resolution.

(g) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Authority Documents, the issuance of the 2021A Bonds or the due performance by the Authority of its obligations under the Authority Documents and the 2021A Bonds have been duly obtained, except for the approval of the 2021A Bonds by the Attorney General of the State and the registration of the 2021A Bonds by the Comptroller of Public Accounts of the State and such approvals, consents and orders as may be required under the Blue Sky or

securities laws of any jurisdiction in connection with the offering and sale of the 2021A Bonds.

(h) The Bonds and the Bond Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and Official Statement under the caption "THE BONDS-General"; the proceeds of the sale of the 2021A Bonds will be applied generally as described in the Official Statement under the caption "PLAN OF FINANCING," and the Undertakings conform to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION."

(i) Except to the extent disclosed in the Preliminary Official Statement and Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority: (i) affecting the existence of the Authority or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the 2021A Bonds or the collection of ad valorem taxes and toll revenues pledged to the payment of principal of and interest on the 2021A Bonds pursuant to the Bond Resolution, the Indenture and the Joint Project Agreement, as applicable, (iii) in any way contesting or affecting the validity or enforceability of the 2021A Bonds or the Authority Documents, (iv) contesting the exclusion from gross income of interest on the 2021A Bonds for federal income tax purposes, (v) contesting in anyway the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the Authority or any authority for the issuance of the 2021A Bonds, the adoption of the Bond Resolution, the Indenture and the Joint Project Agreement or the execution and delivery of any other Authority Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the 2021A Bonds or the Authority Documents.

(j) As of the date thereof and as of the date hereof, to the knowledge and belief of the Authority, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the 2021A Bonds, and the Preliminary Official Statement did and does not contain any 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 light of the circumstances under which they were made, not misleading.

(k) During the period beginning when the Official Statement is delivered to the Underwriters pursuant to Section 6(a) hereof up to and including the date of Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 6 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(m) The Authority has the legal authority to apply and will apply, or cause to be

applied, the proceeds from the sale of the 2021A Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution, the Indenture and the Joint Project Agreement, as applicable, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2021A Bonds.

(n) The Authority will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request (A) to (y) qualify the 2021A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the 2021A Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the 2021A Bonds (provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Authority of any notification with respect to the suspension of the qualification of the 2021A Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(o) The audited financial statements of, and other financial information regarding, the Authority and the County in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the Authority and the County as of the dates and for the periods therein set forth. The audited financial statements of the Authority and the County have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and the Official Statement, the other historical financial information set forth in the Official Statement has been presented on a basis consistent with that of the Authority's and the County's audited financial statements included in the Preliminary Official Statement and the Official Statement. Prior to the Closing, the Authority will not take any action within or under its control, or permit the County to take any such action, that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Authority and the County, respectively. Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, the Authority is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Authority, would have a materially adverse effect on the financial condition of the Authority. Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, the Authority does not have any knowledge of the County being a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the County, would have a materially adverse effect on the financial condition of the County.

(p) Prior to the Closing, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities (except in the ordinary course of business), direct or contingent, payable from or secured by any ad valorem taxes which will secure the 2021A Bonds without the prior approval of the Representative, which approval shall not be unreasonably withheld.

(q) Any certificate, signed by any official of the Authority authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(r) The Authority covenants that between the date hereof and the Closing it will take no actions which will cause the representations and warranties made in this Section to be untrue.

(s) The Authority, to the extent heretofore requested in writing by the Representative, has delivered to the Representative true, correct, complete, and legible copies of all information, applications, reports, or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the 2021A Bonds and true, correct, complete, and legible copies of all correspondence or other communications relating thereto.

(t) On or prior to the date hereof, the Authority has delivered to the Representative a certificate stating that it has received a properly completed, executed and notarized Texas Ethics Commission Form 1295 ("Form 1295") from each of the Underwriters, Trustee, Bond Counsel and Disclosure Counsel and, if the Authority has not done so as of the date hereof, covenants to timely acknowledge receipt of such Form 1295's with the Texas Ethics Commission. Additionally, the Authority will certify that it has received and timely acknowledged receipt of such Form 1295's in its General Certificate submitted to the Attorney General of Texas in connection with his approval of the 2021A Bonds.

**8. Representations and Warranties Underwriters.**

(a) To the extent this Bond Purchase Agreement represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, and solely for purposes of Chapter 2270 of the Texas Government Code, at the time of execution and delivery of this Bond Purchase Agreement and for the term of this Agreement, each Underwriters represents that it, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

(b) Section 2274.002 Texas Government Code (No Discrimination Against Fossil-Fuel Companies) Verifications: To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, each of the Each Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable federal law or the Texas Constitution. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, each of the Underwriters understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit."

(c) Section 2274.002 Texas Government Code (No Discrimination Against Firearm Entities and Firearm Trade Associations) Verifications: To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as

added by Senate Bill 19 in the 87th Texas Legislature, Regular Session ("SB 19")), Texas Government Code, as amended, each of the Underwriters hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable federal law or the Texas Constitution. As used in this Section, each of the Underwriters understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

As used in the foregoing verification and the following definitions,

'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by SB 19, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any

private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(d) Each of the Underwriters represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to enable the [Issuer] to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes [the/each] Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section [the Underwriter/each of the Underwriters] understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit."

(e) As used in this Section, each of the Underwriters understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

(f) In addition to the verifications provided in Sections 8(a) – (d), each of the Underwriters agrees to provide the Issuer with a standalone letter addressed to the Issuer and the Office of the Attorney General of the State, in a form acceptable to the Issuer, executed by its general counsel, a managing director, chief compliance officer, or other comparable officer, providing further verification and confirmation of the Underwriter's compliance with the matters set forth in Sections \_\_\_\_\_. Such letters shall be delivered to the Issuer at least ten business days prior to the Closing.

(g) Each Underwriter represents that it has either (1) submitted, prior to or on the date hereof, a completed Certificate of Interested Parties Form 1295 ("*Form 1295*") generated by the Texas Ethics Commission's (the "*TEC*") electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the applicable rules adopted by the TEC (found at 1 Tex. Admin. Code § 46.1-46.5) or (2) provided written notice that it is exempt from filing a Form 1295, which states that the Underwriter is a publicly-traded business entity (as described in Section 2252.908(c)(4), Texas Government Code, as amended) or a wholly-owned subsidiary of a publicly-traded business entity and identifies the publicly-traded business entity that allows them to utilize the exemption. The Underwriters and the Authority understand that neither the Authority nor its consultants have the ability to verify the information included in a Form 1295, and neither the Authority nor its consultants have an obligation, nor have undertaken any responsibility, for advising the Underwriters with respect to the proper completion of the Form 1295 other than, with respect to the Authority, providing the identification number required for the completion of the Form 1295.

**9. Closing.** (a) At 10:00 a.m. Houston, Texas time, on[December 2], 2021, or at such other time and date as shall have been mutually agreed upon by the Authority and the Representative, the Authority will, subject to the terms and conditions hereof, deliver to the Paying Agent/Registrar the Initial Bond registered in the name of the Representative, in temporary form, together with the other documents hereinafter mentioned, and will have available for

immediate exchange definitive Bonds duly executed and authenticated in the form and manner described below, and the Paying Agent/Registrar will accept such delivery and the Underwriters will, subject to the terms and conditions hereof, pay the purchase price of the 2021A Bonds, as set forth in Section 2 of this Agreement, in immediately available funds by federal funds wire transfer to or for the account of the Authority (such events being referred to herein as the "Closing"). Payment for the 2021A Bonds as aforesaid shall be made at the offices of the Paying Agent/Registrar, or such other place as shall have been mutually agreed upon by the Authority and the Representative.

(b) Delivery of the 2021A Bonds in definitive form shall be made through the facilities of DTC's book-entry-only system. The definitive Bonds shall be delivered in fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the 2021A Bonds and registered in the name of Cede & Co., as nominee of OTC, all as provided in the Bond Resolution, and shall be made available to the Representative at least one business day before the Closing for purposes of inspection. Unless otherwise agreed to by the Representative, the 2021A Bonds will be delivered under DTC's FAST delivery system.

**10. Closing Conditions.** The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Authority contained herein, and in reliance upon the accuracy of the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the 2021A Bonds shall be conditioned upon the performance by the Authority of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Authority of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Authority contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing.

(b) The Authority shall have performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

(c) At the time of the Closing, (i) the Authority Documents and the 2021A Bonds shall have been duly executed, delivered and authenticated, as applicable, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall have been delivered and shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Authority required to be taken by the Authority shall be performed in order for Bond Counsel and counsel to the Underwriters to deliver their respective opinions referred to hereafter.

(d) At the time of the Closing, all official action of the Authority relating to the 2021A Bonds and the Authority Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been approved by the Representative.

(e) At or prior to the Closing, the Bond Resolution, the Indenture and the Joint Project Agreement shall have been duly executed and delivered by the Authority and in the case of the Joint Project Agreement, the County, and the Authority shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the definitive Bonds.

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Authority or the County, from that set forth in the Official Statement that in the reasonable judgment of the Representative is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the 2021A Bonds on the terms and in the manner described in the Official Statement.

(g) Other than as disclosed in the Preliminary Offering Statement and Official Statement, the Authority and the County shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money.

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative, Bond Counsel and counsel to the Underwriters.

(i) At or prior to the Closing, the Representative shall have received one copy of each of the following documents:

(1) The Preliminary Official Statement and the Official Statement, and each supplement or amendment thereto, if any, in (i) a "designated electronic format" that meets the requirements of Rule G-32 (as to which the Representative shall have independently confirmed to its satisfaction in accordance with Section 4 and (ii) a printed format

(2) The Bond Resolution and the Indenture certified by the Secretary of the Board under the Authority's seal as having been duly adopted by the Authority and as being in effect, with such supplements or amendments as may have been agreed to by the Representative;

(3) The Continuing Disclosure Undertakings (collectively, the "Undertakings" and each an "Undertaking") of the Authority and the County which satisfy the requirements of section (b)(S)(i) of the Rule, which Undertakings are included in the applicable Authority Documents as specified in Section 1 hereof;

(4) Fully executed copies of each Authority Document;

(5) A copy of an opinion or certificate, dated on or prior to the date of Closing, of the Attorney General of the State approving the 2021A Bonds as required by law and a copy of the registration certificate of the Comptroller of Public Accounts of the State;

(6) The opinion of Orrick, Herrington, & Sutcliffe LLP and The Muller Law Group, PLLC ("Co-Bond Counsel") in substantially the form attached as Appendix "F" to the Official Statement;

(7) The opinion of Orrick, Herrington, & Sutcliffe, LLP ("Tax Counsel") in

substantially the form attached as Appendix "F" to the Official Statement;

(8) A supplemental opinion of Co-Bond Counsel addressed to the Underwriters dated the Closing Date, substantially in the form attached hereto as Exhibit "B".

(i) the Bond Resolution, the Indenture and the Joint Project Agreement have been duly adopted by the Authority and are in full force and effect;

(ii) the 2021A Bonds are exempted securities under section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and it is not necessary, in connection with the offering and sale of the 2021A Bonds, to register the 2021A Bonds under the 1933 Act or to qualify the Bond Resolution under the Trust Indenture Act; and

(iii) except to the extent noted therein, such firm has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and Official Statement, but that said firm has reviewed the statements and information contained under the captions and subcaptions, "THE BONDS" (except "Book-Entry-Only System," as to which no opinion is expressed), "SECURITY AND SOURCE OF PAYMENT," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaption "Compliance With Prior Undertakings," as to which no opinion is expressed) and is of the opinion that the statements and information contained therein fairly and accurately reflect the provisions of the Resolution; "TAX MATTERS," "OTHER INFORMATION-Legal Investments and Eligibility to Secure Public Funds in Texas," "Registration and Qualification of Bonds for Sale," and such firm is of the opinion that the statements and information contained therein are correct as to matters of law;

(9) An opinion, dated the date of the Closing and addressed to the Underwriters, of Bratton & Associates and Bates & Coleman, P.C., Co-counsel for the Underwriters, substantially in a form set forth in Exhibit "C" hereto;

(10) An opinion, dated the date of the Closing and addressed to the Underwriters, of the County's Attorney providing that (i) the County's obligation under the Joint Project Agreement are payable from a direct ad valorem tax, within the limits prescribed by law, upon all taxable property or the County; (ii) the Joint Project Agreement was duly authorized by the Commissioner's Court of the County and is enforceable pursuant to its terms except as limited pursuant to customary bankruptcy exceptions;

(11) A certificate, dated the date of Closing, signed by the President of the Board of the Authority or other official acceptable to the Representative to the effect that (i) the representations and warranties of the Authority contained herein or in any certificate or document delivered by the Authority pursuant to the provisions hereof are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) except to the extent disclosed in the Official Statement, no litigation, action, suit or proceeding or tax challenge against it is pending or, to such person's knowledge, threatened in any court or administrative body, nor is there a basis for litigation which would (a) contest the right of the officials of the Authority to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Authority, (c) contest the validity, due authorization and

execution of the 2021A Bonds or the Authority Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Authority from functioning and collecting taxes and revenues and other income or levying and collecting the taxes and revenues pledged or to be pledged to pay the principal of and interest on the 2021A Bonds, or the pledge thereof; (iii) the official actions of the Authority authorizing the execution, delivery and/or performance of the Official Statement, the 2021A Bonds and Authority Documents have been duly adopted by the Authority, are in full force and effect and have not been modified, amended or repealed; (iv) to such person's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (v) there has not been any materially adverse change in the financial condition of the Authority since August 31, 2011, the latest date as of which audited financial information is available;

(12) A certificate, dated the date of Closing, signed by the County Judge or other official acceptable to the Representative to the effect that (i) except to the extent disclosed in the Official Statement, no litigation, action, suit or proceeding or tax challenge against it is pending or, to such person's knowledge, threatened in any court or administrative body, nor is there a basis for litigation which would (a) contest the right of the officials of the County to hold and exercise their respective positions, (b) contest the due organization and valid existence of the County, (c) contest the validity, due authorization and execution of the 2021A Bonds or the Authority Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the County from functioning and collecting taxes and other income or levying and collecting the taxes committed to pay the principal of and interest on the 2021A Bonds, or the pledge thereof; (ii) the official actions of the County authorizing the execution, delivery and/or performance of the Official Statement, the 2021A Bonds and Authority Documents have been duly adopted by the County, are in full force and effect and have not been modified, amended or repealed; (iii) to such person's knowledge, no event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (iv) there has not been any materially adverse change in the financial condition of the County since September 30, 2020, the latest date as of which audited financial information is available;

(13) A certificate of the Authority in form and substance satisfactory to Orrick, Herrington, & Sutcliffe LLP, Houston, Texas and The Muller Law Firm, Sugar Land, Texas ("Co-Bond Counsel") and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the 2021A Bonds will be used in a manner that would cause the 2021A Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of Section 148 and 141, respectively, of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or

proposed), issued pursuant to the Code;

(14) Evidence in a form acceptable to the Representative that Moody's Investors Service, Inc. and Fitch Ratings have assigned ratings of "\_\_\_\_\_" and "\_\_\_\_\_" respectively, to the 2021A Bonds, and that such ratings are in effect as of the date of Closing;

(15) Such additional legal opinions, certificates, instruments and other documents as the Representative, Bond Counsel or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Authority;

(16) No suit, action, investigation, or legal or administrative proceeding shall be threatened or pending before any court or governmental agency which is likely to result in the restraint, prohibition, or the obtaining of damages or other relief in connection with the issuance of the 2021A Bonds or the consummation of the transactions described herein, or which, in the reasonable judgment of the Representative, would have a materially adverse effect on the transactions described herein;

(17) To the extent proceeds of the 2021A Bonds are used to refund and defease the Refunded Bonds, a copy of the special report prepared by \_\_\_\_\_, addressed to the Issuer, Co-Bond Counsel, and the Underwriters verifying the arithmetical computations of the adequacy of the maturing principal and interest on the escrowed securities and uninvested cash on hand to pay, when due, the principal of and interest on the Refunded Bonds and the computation of the yield with respect to such securities and the Bonds; and

(18) An executed copy of the escrow agreement for the Refunded Bonds between the Authority and the Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas ("Escrow Agent") for the Refunded Bonds (the "Escrow Agreement").

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

The Underwriters acknowledge receipt of copies of the Continuing Disclosure Agreement and have reviewed the Undertaking set forth therein.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2021A Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2021A Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Authority shall be under any further obligation hereunder, except that the respective obligations of the Authority and the Underwriters set forth in Sections 7, 12 and 14 hereof shall continue in full force and effect.

**11. Termination.** The Underwriters shall have the right to cancel their obligation to purchase the 2021A Bonds and terminate this Agreement if, between the date of this Agreement and the Closing, the market price or marketability of the 2021A Bonds shall be materially

adversely affected, in the judgment of the Representative, reasonably exercised, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the 2021A Bonds, or the interest on the 2021A Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein.

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the 2021A Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the 2021A Bonds, including any or all underlying arrangements, as described herein or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect.

(c) Any state blue sky or securities commission or other governmental agency or body in a state in which fifteen percent (15%) or more of the 2021A Bonds have been sold shall have withheld registration, exemption or clearance of the offering of the 2021A Bonds as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not due to the malfeasance, misfeasance or nonfeasance of the Underwriters.

(d) The occurrence of a major financial crisis, a general suspension of trading in securities on the New York Stock Exchange or any other major exchange, the establishment of minimum or maximum prices on any such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange on the trading of securities not now in force.

(e) A general banking moratorium declared by federal, State of New York, or State officials authorized to do so.

(f) The New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the 2021A Bonds or as to obligations of the general character of the 2021A Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(g) Any amendment to the federal or Texas Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Authority, its property, income, securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the 2021A Bonds.

(h) Any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any material statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Authority refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the 2021A Bonds in the judgment of the Representative, reasonably exercised.

(i) There shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Authority, except for changes which the Official Statement discloses are expected to occur.

(j) There shall have occurred any (i) new material outbreak of hostilities (including, without limitation, an act of terrorism) or (ii) new material other national or international pandemic, calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities, calamity or crisis that existed prior to the date hereof.

(k) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the 2021A Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Bond Resolution, the Authority Documents or the existence or powers of the Authority with respect to its obligations under the Authority Documents.

(l) There shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the 2021A Bonds) on any of the Authority's debt obligations that are secured in a like manner as the 2021A Bonds, which action reflects a negative change in the unenhanced ratings accorded any such obligations of the Authority (including any rating to be accorded the 2021A Bonds).

(m) A material disruption in securities settlement, payment or clearance services or a material disruption or deterioration in the fixed income or municipal securities market shall have occurred and shall be continuing on the Closing date.

(n) A non-appealable decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the 2021A Bonds, including the underlying obligations as described in this Agreement or the Official Statement, or any document relating to the issuance, offering or sale of the 2021A Bonds, is or would be in violation of any applicable law, rule or regulation, including without limitation any provision of the federal

securities laws in effect at the Closing date, including 1933 Act, the Securities Exchange Act of 1934 and the Trust Indenture Act.

(o) The purchase of and payment for the 2021A Bonds by the Underwriters, or the resale of the 2021A Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission which prohibition shall occur subsequent to the date hereof, and is not the result of the Underwriters' acts or failure to act.

With respect to the conditions described in subparagraph (o) above, the Representative is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriters to invoke their termination rights hereunder.

**12. Expenses.** (a) The Underwriters shall be under no obligation to pay, and the Authority shall pay, any expenses incident to the performance of the Authority's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the 2021A Bonds; (ii) the fees and disbursements of Co-Bond Counsel and the Co-Financial Advisors to the Authority; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Authority; (iv) the fees for bond ratings; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vi) the fees and expenses of the Paying Agent/Registrar; (vii) advertising expenses (except any advertising expenses of the Underwriters as set forth below); (viii) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and authority of the Authority; and (ix) any other expenses mutually agreed to by the Authority and the Representative to be reasonably considered expenses of the Authority which are incident to the transactions described herein.

(b) The Authority acknowledges that the Representative will pay from the underwriters' expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. An employee of the Representative serves on the Board of the Municipal Advisory Council of Texas.

(c) The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the 2021A Bonds.

(d) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement and the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the 2021A Bonds; and (iii) all other expenses incurred by it in connection with the public offering of the 2021A Bonds, including the fees and disbursements of counsel retained by the Underwriters. Certain expenses of the Underwriters may be in the form of inclusion of such expenses in the expense component of the Underwriters' discount.

**13. Notices.** Any notice or other communication to be given to the Authority under this Agreement may be given by delivering the same in writing to the Authority at the address first shown above, Attention: President of the Board, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing

to Mesirow Financial, Inc., 5850 San Felipe St., Suite 500, Houston, Texas 77057, Attention: Andy Bynam.

**14. Parties in Interest.** This Agreement as heretofore specified shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Authority. All of the Authority's representations and warranties contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the 2021A Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

**15. Effectiveness.** This Agreement shall become effective upon the acceptance hereof by the Authority and shall be valid and enforceable at the time of such acceptance.

**16. Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**17. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**18. Business Day.** For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

**19. Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

**20. Counterparts.** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

**21. No Personal Liability.** None of the members of the Board, nor any officer, agent, or employee of the Authority, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted executing, or because of any breach or attempted or alleged breach, of the Agreement.

**22. Use of Documents.** The Authority hereby authorizes the Underwriter to use, in connection with the public offering and sale of the 2021A Bonds, this Agreement, the Preliminary Official Statement, the Official Statement and the Bond Resolution, and the information contained herein and therein.

**23. Representative Capacity.** Any authority, right, discretion or other power conferred upon the Underwriters or the Representative under any provision of this Agreement may be

exercised by the Representative, and the Authority shall be entitled to rely upon any request, notice or statement if the same shall have been given or made by the Representative.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

**MESIROW FINANCIAL, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AND ACCEPTED on \_\_\_\_\_, at \_\_\_\_\_ a.m. as of the date hereof:

**FORT BEND GRAND PARKWAY TOLL  
ROAD AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Signature Page to Bond Purchase Agreement  
Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and  
Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A*

**SCHEDULE I**

**UNDERWRITERS**

Mesirow Financial, Inc.  
Estrada Hinojosa & Company, Inc.  
Raymond James  
Siebert Williams Shank & Co., LLC  
UBS Financial Services Inc.

## SCHEDULE II

\$[137,160,000]

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND SUBORDINATE LIEN  
TOLL ROAD REVENUE REFUNDING BONDS  
SERIES 2021A

| <u>Maturity</u><br><u>(March 1)</u> | <u>Principal</u><br><u>Amount*</u> | <u>Interest</u><br><u>Rate</u> | <u>Initial</u><br><u>Yield(*)</u> |
|-------------------------------------|------------------------------------|--------------------------------|-----------------------------------|
|-------------------------------------|------------------------------------|--------------------------------|-----------------------------------|

\$ \_\_\_\_\_ Term Bond due \_\_\_\_\_; Rate \_\_\_\_\_%; Yield(\*) \_\_\_\_\_%

\$ \_\_\_\_\_ Term Bond due \_\_\_\_\_; Rate \_\_\_\_\_%; Yield(\*) \_\_\_\_\_%

(\*) the 2021A Bonds Yield shown is yield to first call date, \_\_\_\_\_.

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REDEMPTION PROVISIONS

OPTIONAL REDEMPTION ... The Bonds maturing on or after \_\_\_\_\_, are subject to redemption at the option of the Authority, on \_\_\_\_\_ or any date thereafter, at the par value thereof plus accrued interest to (but not including) the date of redemption.

MANDATORY SINKING FUND REDEMPTION...The Bonds maturing on \_\_\_\_\_ in each of the years \_\_\_\_\_ and \_\_\_\_\_ (together, the "Term Bonds") are subject to mandatory redemption prior to maturity in the amounts and on the dates set out below, at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date:

| TERM BONDS MATURING IN THE YEAR _____ |                  |
|---------------------------------------|------------------|
| Redemption Date                       | Principal Amount |

| TERM BONDS MATURING IN THE YEAR _____ |                  |
|---------------------------------------|------------------|
| Redemption Date                       | Principal Amount |

## EXHIBITA

### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Mesirow Financial, Inc., which acted as the lead underwriter (the "Representative") of the underwriting group (the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the "2021A Bonds") by the Fort Bend Grand Parkway Toll Road Authority (the "Authority").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective initial offering prices (the "Initial Offering Prices") set forth in the pricing wire (or equivalent communication) attached hereto as Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective Initial Offering Prices listed in Schedule A on or before the Sale Date.

(b) As set forth in the Bond Purchase Agreement, the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the 2021A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-The-Offering-Price Rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the 2021A Bonds during the Holding Period.

3. ***[Insurance Premium.*** The present value of the interest savings expected to be realized as a result of the insurance premium (the "Insurance Premium") paid to insure the 2021A Bonds exceeds the present value of the Insurance Premium discounted at a rate equal to the yield on the 2021A Bonds which results assuming recovery of the Insurance Premium. Also, the Insurance Premium does not exceed a reasonable arms-length charge for the transfer of credit risk.]

4. ***Issue Price.*** The sum of the Initial Offering Prices is \$\_\_\_\_\_, plus pre-issuance accrued interest in the amount of \$\_\_\_\_\_. [The 2021A Bonds were issued without pre-issuance accrued interest.]

5. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the 2021A Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the 2021A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term “related party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2021A Bonds. The Sale Date of the 2021A Bonds is \_\_\_\_\_.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2021A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2021A Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2021A Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the 2021A Bonds, and by Orrick, Herrington & Sutcliffe LLP, in connection with its opinion as to the exclusion of interest on the 2021A Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038-G, and other federal income

tax advice that it may give to the Authority from time to time relating to the 2021A Bonds. The Representative is certifying only as to facts in existence on the date hereof. Nothing herein represents the Representative's interpretation of any laws; the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: \_\_\_\_\_

**MESIROW FINANCIAL, INC.**

By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE A**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

(attached)

**EXHIBIT B**

**FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL**

**EXHIBIT C**

**FORM OF OPINION OF CO-COUNSEL TO THE UNDERWRITER**

EXHIBIT C

FORM OF THIRD SUPPLEMENTAL INDENTURE

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*Draft 10/19/2021*

THIRD SUPPLEMENTAL  
LIMITED CONTRACT TAX AND SUBORDINATE LIEN  
TOLL ROAD REVENUE BOND TRUST INDENTURE

BETWEEN

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

AND

WELLS FARGO BANK, N.A., Trustee

AUTHORIZING

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND  
SUBORDINATE LIEN TOLL ROAD REVENUE REFUNDING BONDS,  
SERIES 2021A

Dated as of November 1, 2021

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THIRD SUPPLEMENTAL  
LIMITED CONTRACT TAX AND SUBORDINATE LIEN  
TOLL ROAD REVENUE BOND TRUST INDENTURE

AUTHORIZING

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND SUBORDINATE  
LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A

THIS THIRD SUPPLEMENTAL TRUST INDENTURE, dated as of November 1, 2021 (the "Third Supplemental Indenture"), is made by and between Fort Bend Grand Parkway Toll Road Authority (the "Authority"), a local government corporation created by Fort Bend County, Texas and organized and existing under the laws of the State of Texas, and Wells Fargo Bank, N.A., in its capacity as trustee (together with any successor trustee hereunder, the "Trustee"), a national banking association having a corporate trust office in the City of \_\_\_\_\_, Texas.

WHEREAS, there was executed and delivered the Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture, dated as of July 1, 2012 (the "Indenture") between the Authority and the Trustee; and

WHEREAS, the Indenture provides for the issuance of Bonds of the Authority from time to time upon the terms and conditions provided in the Indenture; and

WHEREAS, the Authority has determined to issue refunding bonds authorized by the Indenture (as further defined herein, the "Series 2021A Bonds"); and

WHEREAS, the Series 2021A Bonds are being issued to refund and defease [all] [a portion] of the Authority's Series 2012 Bonds as set forth in the Award Certificate (the "Refunded Bonds"); and

WHEREAS, when the Authority issues each Series of Bonds under the Indenture it must adopt a supplemental indenture providing for the terms and conditions of the particular Series of Bonds.

WHEREAS, pursuant to the Bond Resolution of the Authority approved on October \_\_, 2021 (the "Resolution"), the Authority has authorized an Authorized Representative to make such findings and determinations as may be required in connection with the issuance of the Series 2021A Bonds and to set forth such findings and determinations in the Award Certificate; and

WHEREAS, the execution and delivery of this Third Supplemental Indenture and the issuance of the Series 2021A Bonds have been in all respects duly and validly authorized by the Resolution;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2021A Bonds by the owners thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective owners from time to time of the Series 2021A Bonds, as follows:

## ARTICLE I

### DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01      Supplemental Indenture. This Third Supplemental Indenture is supplemental to, and is adopted in accordance with Article III and Article XI of the Indenture.

SECTION 1.02      Definitions.

1. Except as provided in subsection 2 of this Section, all defined terms contained in the Indenture shall have the same meanings in this Third Supplemental Indenture as such defined terms are given in Section 101 of the Indenture, unless the context shall otherwise require.

2. As used in this Third Supplemental Indenture, unless the context shall otherwise require, the following terms shall have the following respective meanings with respect to the Series 2021A Bonds and all other Bonds issued under the Indenture.

“Blanket Letter of Representation” means the Blanket Issuer Letter of Representations between the Authority and DTC.

“Principal Payment Date” is as specified in the Award Certificate.

“Series 2021A Bonds” shall mean the Bonds of the Authority of the Series authorized by this Third Supplemental Indenture in the aggregate principal amount noted in the Award Certificate and herein designated as the “Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A.”

“Third Supplemental Indenture” shall mean this Third Supplemental Indenture of the Authority dated as of November 1, 2021, authorizing the issuance of the Series 2021A Bonds.

3. As used in this Third Supplemental Indenture the following shall have the following respective meaning but only for the purposes of the Series 2021A Bonds and this Third Supplemental Indenture.

“Award Certificate” means Award Certificate executed and delivered by an Authorized Representative pursuant to the Resolution in connection with initial issuance and delivery of the Series 2021A Bonds authorized to be issued hereunder.

“Interest Payment Date” shall mean March 1 and September 1 of each year as applicable, commencing as provided in the Award Certificate.

“Issuance Date” shall mean the date of initial issuance and delivery of the Series 2021A Bonds to the Underwriters, or the representative thereof, against payment therefor.

“Paying Agent” and “Bond Registrar” shall mean the Trustee, Wells Fargo Bank, N.A., or such other bank or trust company or national banking institution as the Authority may designate from time to time which meets the requirements of the Indenture.

“Record Date” shall mean the close of business on the day which is the fifteenth (15th) day of the month preceding an Interest Payment Date.

“Underwriters” shall mean Mesirow Financial, Inc., as senior book-running manager; Estrada Hinojosa & Company, Inc., as co-senior; Raymond James, Siebert Williams Shank & Co., LLC and UBS Financial Services Inc., as co-managers unless otherwise set forth in the Award Certificate.

Unless the context otherwise requires, articles and sections referred to by number shall mean the articles and sections of this Third Supplemental Indenture.

SECTION 1.03      Authority for this Third Supplemental Indenture.      This Third Supplemental Indenture is adopted pursuant to the provisions of the Act and the Indenture.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF SERIES 2021A BONDS, GENERAL TERMS AND PROVISIONS OF THE SERIES 2021A BONDS

SECTION 2.01      Name, Amount, Purpose, Authorization.      The Series 2021A Bonds, to be known and designated as FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY LIMITED CONTRACT TAX AND SUBORDINATE LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A, shall be issued in fully registered form, without coupons, in the aggregate principal amount as set forth in the Award Certificate. The Series 2021A Bonds shall be issued for the purposes of refinancing the Cost of the Project by refunding or refinancing the Refunded Bonds, and paying the Costs of Issuance for the Series 2021A Bonds, all under and pursuant to the authority of the Act and all other applicable law.

SECTION 2.02      Date, Denomination, Interest Rates, And Maturities.

(a)      The Series 2021A Bonds shall be dated as provided in the Award Certificate and shall be issued in Authorized Denominations.

(b)      Each Series 2021A Bond shall be lettered and numbered separately from A-1 upward. The Series 2021A Bonds registered by the Comptroller of Public Accounts of the State of Texas shall be lettered and numbered separately from AT-1 upward.

(c)      The Series 2021A Bonds shall mature and bear interest at the per annum rates set forth in the Award Certificate.

(d)      Except as provided below, no Series 2021A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Third Supplemental Indenture unless and until there appears thereon the Trustee’s Authentication Certificate substantially in the form provided in the FORM OF BOND attached hereto as Exhibit A, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. In lieu of the executed Trustee’s Authentication Certificate described above, the Initial Bond delivered at the Closing Date shall have attached hereto the Comptroller’s Registration Certificate substantially in the form provided in the FORM OF BOND attached hereto as Exhibit A, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

(e) On the Closing Date, the Initial Bond, being a single bond representing the entire principal amount of the Series 2021A Bonds, payable in stated installments to the Underwriters or their designee, executed by manual or facsimile signature of the Chairman and Secretary of the Authority Board, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriters or their designee. Upon payment for the Initial Bond, the Registrar shall cancel the Initial Bond and deliver definitive Series 2021A Bonds to DTC.

**SECTION 2.03      Form of Bonds.**

The Initial Bond shall be in the form set forth in Exhibit A, except for the following alterations:

(a) immediately under the name of the Series 2021A Bond, the headings “Interest Rate” and Maturity Date” shall both be completed with the words: “As Shown Below” and the words “CUSIP No.” deleted; and

(b) in the first paragraph of the Series 2021A Bond, the words “on the maturity date specified above” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “, with such principal amounts to be paid in installments on March 1 in each of the years and the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

[Insert schedule from Award Certificate]

**SECTION 2.04      Application of Bond Proceeds.** The proceeds, including accrued interest, if any, of the Series 2021A Bonds, together with any other moneys provided by the Authority, shall be applied simultaneously with the delivery of such Series 2021A Bonds, as set forth in the Award Certificate.

**SECTION 2.05      Manner Of Payment, Characteristics, Execution and Authentication.** The Series 2021A Bonds shall be payable, shall have the characteristics, shall be signed, sealed, and executed, and shall be authenticated, all as provided and in the manner indicated in the FORM OF BOND attached hereto as Exhibit A and updated as provided in the Award Certificate.

**SECTION 2.06      Legends.** The Series 2021A Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Third Supplemental Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission, brokerage board, municipal securities rulemaking board or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

**SECTION 2.07      Book-Entry-Only System.** (a) Except as provided in Section 207 hereof, and unless the Authority shall otherwise direct, all Series 2021A Bonds issued hereunder shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Series 2021A Bonds, and held in the custody of DTC.

(b) With respect to Series 2021A Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority, the Bond Registrar and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Series 2021A Bonds, except as provided in this Third Supplemental Indenture. Without limiting the immediately preceding sentence, the Authority, the Bond Registrar and the Trustee shall have no

responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2021A Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Series 2021A Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Series 2021A Bonds. Notwithstanding any other provision of this Third Supplemental Indenture to the contrary, the Authority and the Trustee shall be entitled to treat and consider the person in whose name each Series 2021A Bond is registered in the Register as the absolute Owner of such Series 2021A Bond for the purpose of payment of principal of and interest on the Series 2021A Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Series 2021A Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2021A Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Third Supplemental Indenture and the Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payments of principal, premium, if any, and interest on the Series 2021A Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Series 2021A Bond certificate evidencing the obligation of the Authority to make payments of amounts due pursuant to this Third Supplemental Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Third Supplemental Indenture with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Third Supplemental Indenture shall refer to such new nominee of DTC.

**SECTION 2.08**      Successor Securities Depository: Transfer Outside Book-Entry-Only System. In the event that DTC discontinues the services described hereinabove, the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Series 2021A Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Series 2021A Bonds and transfer one or more separate Series 2021A Bonds to DTC Participants having Series 2021A Bonds credited to their DTC accounts, as identified by DTC. In such event, the Series 2021A Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Series 2021A Bonds shall designate, in accordance with the provisions of this Third Supplemental Indenture. In connection with any proposed transfer outside the book-entry only system, the Authority or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**SECTION 2.09**      Payments to Cede & Co.. Notwithstanding any other provision of this Third Supplemental Indenture to the contrary, so long as any Series 2021A Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2021A Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

**SECTION 2.10**      Optional and Mandatory Redemption Prior to Maturity. The Series 2021A Bonds are subject to optional and mandatory redemption prior to stated maturity, if any, at the dates, upon the terms and in the manner provided in the Award Certificate and the Indenture and as hereinafter further provided.

(a) All redemption notices shall be sent by the Trustee and must contain the complete official name of the Series 2021A Bond issue with series designation, CUSIP number, certificate numbers (for Series 2021A Bonds within a stated maturity redeemed in part), principal amounts called for each certificate (for partial calls), date of issue, interest rate, maturity date, redemption date, redemption price, redemption agent name and address with contact person and telephone number;

(b) Redemption notices must be sent by the Trustee to all registered Owners of the Series 2021A Bonds to be redeemed at least 30 days and not more than 60 days prior to the redemption date.

(c) The Series 2021A Bonds shall have such additional redemption provisions, if any, as set forth in the Award Certificate.

**SECTION 2.11**      Official Statement. The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, is hereby approved and is deemed final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934. The Authority hereby authorizes the preparation of a final Official Statement to add the terms of the sale and other relevant information. The use of such final Official Statement in the reoffering of the Bonds by the Underwriters is hereby approved and authorized.

**SECTION 2.12**      Consent to Removal of Existing Trustee and Paying Agent/Registrar and Appointment of Successor Trustee and Paying Agent/Registrar. By agreeing to purchase the Series 2021A Bonds, the initial purchasers thereof, together with any subsequent owners of the 2021A Bonds, hereby agree and consent to the following: (a) the removal of Wells Fargo, N.A., as Trustee and Paying Agent and Registrar and the appointment and designation by the Authority of Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, as successor Trustee and Paying Agent and Registrar to Wells Fargo, N.A., under the Indenture; (b) waiver of receipt of notice and any other procedural requirements under the Indenture for selection and appointment of a successor Trustee and Paying Agent and Registrar to Wells Fargo, N.A., thereunder; (c) to execute such other documents and to do such other things as may be necessary and appropriate to evidence their agreement and consent to the removal of Wells Fargo, N.A., as provided herein, and the appointment of Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, as successor Trustee and Paying Agent and Registrar, under the Indenture.

### ARTICLE III

#### FEDERAL INCOME TAX EXCLUSION

**SECTION 3.01**      Covenants to Maintain Tax-Exempt Status. The Authority intends that the interest on the Series 2021A Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Series 2021A Bonds, the Authority covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Series 2021A Bonds (including all property the acquisition, construction or

improvement of which is to be financed directly or indirectly with the proceeds of the Series 2021A Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Series 2021A Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Series 2021A Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the Authority shall comply with each of the following covenants:

(a) The Authority will use all of the proceeds of the Series 2021A Bonds to (i) provide funds for the purposes described in Section 201 hereof, and (ii) to pay the costs of issuing the Series 2021A Bonds and the costs of refunding the Refunded Bonds. The Authority will not use any portion of the proceeds of the Series 2021A Bonds to pay the principal of or interest or redemption premium on, any other obligation of the Authority or a related person.

(b) The Authority will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Series 2021A Bonds to constitute "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Series 2021A Bonds will be paid solely from an unconditional obligation of Fort Bend County, Texas (the "County") to make contract payments, pursuant to a Joint Project Agreement between the County and the Authority, from a continuing ad valorem tax levied on all taxable property within the County, together with a subordinate lien pledge of Net Revenues of the Fort Bend Grand Parkway.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Series 2021A Bonds are delivered, the Authority reasonably expects that the proceeds of the Series 2021A Bonds will not be used in a manner that would cause the Series 2021A Bonds or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(e) At all times while the Series 2021A Bonds are outstanding, the Authority will identify and properly account for all amounts constituting gross proceeds of the Series 2021A Bonds in accordance with the Regulations. The Authority will monitor the yield on the investments of the proceeds of the Series 2021A Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Series 2021A Bonds. To the extent necessary to prevent the Series 2021A Bonds from constituting "arbitrage bonds," the Authority will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Series 2021A Bonds to be less than the yield that is materially higher than the yield on the Series 2021A Bonds.

(f) The Authority will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Series 2021A Bonds to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

(g) The Authority represents that not more than fifty percent (50%) of the proceeds of the Refunded Bonds were invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and on the date of issue of the Refunded Bonds, the Authority reasonably expected that at least eighty-five percent (85%) of the spendable proceeds of the Refunded Bonds would be used to carry out the governmental purpose of the Refunded Bonds within the three-year period beginning on the date of issue of the Refunded Bonds.

(h) The Authority will take all necessary steps to comply with the requirement that certain amounts earned by the Authority on the investment of the gross proceeds of the Series 2021A Bonds, if any, be rebated to the federal government. Specifically, the Authority will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Series 2021A Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the Authority allocable to other obligations of the Authority or moneys which do not represent gross proceeds of any obligations of the Authority and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Series 2021A Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the Authority will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The Authority will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2021A Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Series 2021A Bonds not been relevant to either party.

(j) The Authority will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Series 2021A Bonds on such form and in such place as the Secretary may prescribe.

(k) The Authority will not issue or use the Series 2021A Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Series 2021A Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the Authority to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the Authority charged with the responsibility for issuing the Series 2021A Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Series 2021A Bonds and stating whether there are facts, estimates or circumstances that would materially change the Authority's expectations. On or after the date of issuance of the Series 2021A Bonds, the Authority will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Series 2021A Bond holders and any subsequent Series 2021A Bond holder, and may be relied upon by the Series 2021A Bond holders and any subsequent Series 2021A Bond holder and bond counsel to the Authority.

In complying with the foregoing covenants, the Authority may rely upon an unqualified opinion issued to the Authority by nationally recognized bond counsel that any action by the Authority or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Series 2021A Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Third Supplemental Indenture, the Authority's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Series 2021A Bonds for as long as such matters are relevant to the exclusion of interest on the Series 2021A Bonds from the gross income of the owners for federal income tax purposes.

## ARTICLE IV

### CONTINUING DISCLOSURE UNDERTAKING

SECTION 4.01 Definitions. For the purposes of this Article, the following terms have the meanings assigned to them below:

"Annual Financial Information and Operating Data" means the financial information and operating data with respect to the Authority of the general type included in the final official statement prepared in connection with the issuance of the Series 2021A Bonds in Appendix B and under Tables 1 through 7 and 9 through 15 in Appendix A.

"EMMA" means the MSRB via the Electronic Municipal Market Access System established by the MSRB.

"Material" shall have the meaning of such word as used under federal securities laws.

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission.

SECTION 4.02 Annual Reports. The Authority shall provide annually to the MSRB through the EMMA system, within six months after the end of each fiscal year of the Authority ending in or after 2021, the Annual Financial Information and Operating Data. Any financial statements so provided shall be (1) prepared in accordance with such accepted accounting practices as, in the opinion of a certified public accountant, conforms at the time to a body of generally accepted accounting principles 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 the audit of such financial statement is not complete within such period, then the Authority shall provide unaudited financial information and operating data which is customarily prepared by the Authority for the applicable fiscal

year to EMMA within such six-month period, and audited financial statements, when and if the audit report on such statements becomes available.

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

The financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to EMMA.

**SECTION 4.03**      Event Notices. The Authority shall notify the MSRB in an electronic format prescribed by the MSRB, including EMMA, in a timely manner (not in excess of ten days after the occurrence of the event, of any of the following events with respect to the Series 2021A Bonds:

- A.      Principal and interest payment delinquencies;
- B.      Non-payment related defaults, if Material;
- C.      Unscheduled draws on debt service reserves reflecting financial difficulties;
- D.      Unscheduled draws on credit enhancements reflecting financial difficulties;
- E.      Substitution of credit or liquidity providers, or their failure to perform;
- F.      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-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Series 2021A Bonds;
- G.      Modifications to rights of holders of the Bonds, if Material;
- H.      Bond calls, if Material, and tender offers;
- I.      Defeasances;
- J.      Release, substitution, or sale of property securing repayment of the Series 2021A Bonds, if Material;
- K.      Rating changes;
- L.      Bankruptcy, insolvency, receivership or similar event of the Authority or other obligated person within the meaning of the Rule;
- M.      Consummation of a merger, consolidation, or acquisition involving the Authority or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the Authority or other obligated person within the meaning of the Rule, 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.

- N. Appointment of a successor or additional trustee or the change of name of a trustee, if Material;
- O. Incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if Material; and
- P. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

For these purposes, any event described in (L) in the immediately preceding paragraph 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the 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. As used in the (O) and (P) above, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in 15c2-12 Rule) has been provided to the MSRB consistent with the Rule.

The Authority shall notify the MSRB in an electronic format prescribed by the MSRB, including EMMA, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with Section 402 by the time required.

**SECTION 4.04**      Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Authority remains an “obligated person” with respect to the Series 2021A Bonds within the meaning of the Rule, except that the Authority in any event will give the notice required by Section 403 of any Series 2021A Bond calls and defeasance that cause the Authority to be no longer such an “obligated person.”

The provisions of the Article are for the sole benefit of the Owners and beneficial owners of the Series 2021A Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance

with this Article or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell bonds at any future date.

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

No default by the Authority in observing or performing its obligations under this Article shall constitute a breach of or default under this Third Supplemental Indenture or the Indenture for purposes of any other provision of this Third Supplemental Indenture or the Indenture.

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

The provisions of this Article may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell bonds in the original primary offering of the bonds in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the beneficial owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Third Supplemental Indenture that authorizes such an amendment) of the Outstanding Series 2021A Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2021A Bonds. If the Authority so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 402 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 repeal or amend the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Authority also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in any case only if and to the extent that its right to do so would not have prevented an underwriter from lawfully purchasing or selling bonds in the primary offering of the Series 2021A Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

SECTION 4.05            County Continuing Disclosure Undertaking. The Authority covenants and agrees to cause the County to comply with the Continuing Disclosure Undertaking in the Joint Project Agreement.

## ARTICLE V

### COVENANTS AND MISCELLANEOUS PROVISIONS

SECTION 5.01 Notice. Any notice, demand, direction, request, or other instrument authorized or required by this Third Supplemental Indenture to be given to or filed with the Authority or the Trustee shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

If to Authority: Fort Bend Grand Parkway Toll Road Authority  
County Administration Building  
309 S. Fourth, Suite 719  
Richmond, Texas 77469  
Attn: County Judge

With a copy to: Fort Bent Grand Parkway Toll Road Authority  
c/o The Muller Law Group, PLLC  
202 Century Square Blvd.  
Sugar Land, TX 77478  
Attn: Chairman

If to Trustee: Wells Fargo Bank, N.A.  
CTSO Mail Operations  
Attn: Sandra Adrian  
MAC: N9300-070  
600 South 4<sup>th</sup> Street, 7<sup>th</sup> Floor  
Minneapolis, MN 55415  
and  
Wells Fargo Bank, N.A.  
1455 Ross Avenue, Suite 4300  
Dallas, TX 75202-2711  
Attn: Corporate Trust Services  
Email: sandra.adrian@wellsfargo.com

SECTION 5.02 No Recourse on Series 2021A Bonds. No recourse shall be had for payment of the principal of or interest on the Series 2021A Bonds or for any claim based thereon or on the Third Supplemental Indenture against the Authority Chairman or any director or officer of the Authority or any person executing the Series 2021A Bonds and neither the Authority Chairman or any director or officer of the Authority nor any person executing the Series 2021A Bonds of the Authority shall be liable personally on the Series 2021A Bonds by reason of the issuance thereof.

SECTION 5.03 Execution in Several Counterparts. This Third Supplemental Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

[Execution Page Follows]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Third Supplemental Indenture to be signed and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

FORT BEND GRAND PARKWAY TOLL ROAD  
AUTHORITY

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

WELLS FARGO BANK, N.A., Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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EXHIBIT A

TO

THIRD SUPPLEMENTAL  
LIMITED CONTRACT TAX AND SUBORDINATE LIEN TOLL ROAD  
REVENUE BOND TRUST INDENTURE

AUTHORIZING

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND SUBORDINATE  
LIEN TOLL ROAD REFUNDING BONDS, SERIES 2021A

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**FORM OF BOND**

(a) Form of Series 2021A Bond

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER

REGISTERED  
DENOMINATION

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
LIMITED CONTRACT TAX AND SUBORDINATE  
LIEN TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A

INTEREST RATE:

MATURITY DATE:

ISSUE DATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

Fort Bend Grand Parkway Toll Road Authority (the “Authority”), a local government corporation created by Fort Bend County, Texas, promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at Wells Fargo Bank, N.A. (the “Trustee” or the “Registrar”), at its designated office, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360 day year of twelve 30 day months, from the later of the date of delivery hereof, [Insert from Award Certificate] or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on [Insert from Award Certificate], and semiannually thereafter on each September 1 and March 1, mailed to the registered owner as shown on the books of registration kept by the Registrar as of the close of business on the 15th day of the calendar month next preceding each interest payment date.

THIS BOND IS ONE OF A SERIES OF BONDS designated “Fort Bend Grand Parkway Toll Road Authority, Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A” (herein called the “Bonds”), aggregating \$[Insert from Award Certificate], issued for the purpose of the Project (as further described in the Indenture (defined below)), and all other costs related to such facilities, under the laws enacted under the Constitution, including Chapter 1207, Texas Government Code, as amended, and Chapter 284, Texas Transportation Code, as amended (collectively, the “Act”), and pursuant to a resolution adopted by the Board of Directors of the Authority (the “Resolution”), which Resolution is of record in the official minutes of the Board of Directors of the Authority. The Bonds are further issued under and pursuant to that certain Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012 (herein called the “Original Indenture”), between the Authority and Wells Fargo Bank N.A., as original Trustee as supplemented by the Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of November 1, 2021, between the Authority and the Trustee (herein called the “Third Supplemental Indenture” and together with the Original Indenture called the “Indenture”).

THE BONDS are payable from the payments from Fort Bend County, Texas (the “County”) pursuant to a Joint Project Agreement, as amended, with the Authority, pursuant to which the County is obligated to levy, assess and collect a continuing, direct annual ad valorem tax, within the limits provided by law, upon all taxable property within Fort Bend County, Texas and are further payable from and secured by a lien on and pledge of the Trust Estate as defined in the Indenture to the extent provided in the Indenture, including a subordinate lien pledge of Net Revenues of the Project. Other than the contract tax revenues received under the Joint Project Agreement, the holders of the Bonds shall never have the right to demand payment of the Bond out of any funds raised or to be raised by taxation. As provided in the Indenture, additional bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. All bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust, and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of the Bonds to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem

the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND is transferable only upon presentation and surrender at the designated office of the Trustee in \_\_\_\_\_, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Indenture.

THE BONDS are exchangeable at the designated office of the Trustee in \_\_\_\_\_, Texas, for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Indenture.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Indenture.

THE AUTHORITY has covenanted in the Indenture that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that provision has been made for the payment of the interest on and principal of this Bond, and on all of the Bonds by the creation of the aforesaid lien on and pledge of the Trust Estate.

IT IS HEREBY FURTHER CERTIFIED, recited and covenanted that this Bond is payable from and secured by a lien on and pledge of the Trust Estate as defined in the Indenture to the extent provided in the Indenture.

IN WITNESS WHEREOF, this Bond has been signed with the manual or electronic signature of the Authority Chairman, countersigned with the manual or facsimile signature of the Authority Secretary.

Chairman: \_\_\_\_\_

COUNTERSIGNED:

Secretary: \_\_\_\_\_

(b) Form of Registration Certificate of Comptroller.

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Original Indenture in the text of this Bond.

WELLS FARGO BANK, N.A.  
As Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

(d) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

## PRELIMINARY OFFICIAL STATEMENT

Dated October \_\_, 2021

NEW ISSUE  
BOOK-ENTRY-ONLYRatings:  
Moody's: "\_\_\_"  
Fitch: "\_\_\_"

(See "OTHER INFORMATION—Ratings")

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Tax Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.*

\$137,160,000\*

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

(Fort Bend County, Texas)

LIMITED CONTRACT TAX AND SUBORDINATE LIEN  
TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A

CUSIP Prefix: 346832

Dated Date: November 1, 2021

Due: March 1, as shown on page ii

(Interest accrues from the Delivery Date (defined herein))

**The Bonds.** . . The \$137,160,000\* Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the "Bonds"), are being issued by the Fort Bend Grand Parkway Toll Road Authority (the "Authority") pursuant to the Constitution and general laws of the State of Texas, Chapters 1201, 1207 and 1371, Texas Government Code, as amended, Chapters 284 and 431, Texas Transportation Code, as amended, a resolution to be adopted by the Board of the Authority on October 20, 2021 (the "Bond Resolution"), a Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012, as supplemented to date (the "Master Indenture"), between the Authority and Wells Fargo Bank, National Association, Dallas, Texas, as trustee (the "Trustee"), and a Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of November 1, 2021 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), between the Authority and the Trustee. The Authority has previously issued two series of limited contract tax and subordinate lien toll road revenue bonds (collectively, the "Outstanding Subordinate Lien Bonds"). The Bonds are the first series of limited contract tax and subordinate lien toll road revenue refunding bonds and are issued on a parity with the Outstanding Subordinate Lien Bonds. The Bonds, the Outstanding Subordinate Lien Bonds and any additional limited contract tax and subordinate lien toll road revenue bonds issued pursuant to the Master Indenture are collectively referred to herein as the "Subordinate Lien Bonds."

**Payment Terms.** . . Interest on the Bonds will accrue from the Delivery Date and will be payable March 1 and September 1 of each year, commencing March 1, 2022, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered 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 beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Trustee 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."

**Source of Payment** . . . The Bonds are direct obligations of the Authority, payable from an unconditional obligation of Fort Bend County, Texas (the "County") to make contract payments, pursuant to a Joint Project Agreement (defined herein) between the County and the Authority, from a continuing ad valorem tax levied on all taxable property within the County, within the limits prescribed by law, as provided in the Indenture, together with a subordinate lien pledge of Net Revenues of the Fort Bend Grand Parkway (as defined in the Indenture). See "SECURITY AND SOURCE OF PAYMENT."

**Purpose.** . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the Outstanding Subordinate Lien Bonds, as more fully described herein, and (ii) pay the costs associated with the issuance of the Bonds. See "PLAN OF FINANCING."

See Maturity Schedule on page ii

**Redemption.** . . The Bonds are subject to optional redemption prior to maturity, as described herein. See "THE BONDS—Optional Redemption." If two or more consecutive maturities are combined to create one or more term bonds (the "Term Bonds"), such Term Bonds will additionally be subject to mandatory sinking fund redemption as described herein. See "THE BONDS—Mandatory Sinking Fund Redemption."

**Legality.** . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas, the legal opinions of Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Tax Counsel, as to the exclusion from gross income for federal income tax purpose under Section 103 of the Internal Revenue Code of 1986, Orrick, Herrington & Sutcliffe LLP, Houston, Texas and The Muller Law Group, PLLC, Sugar Land, Texas, as Co-Bond Counsel, as to the validity of the Bonds under the Constitution and the laws of the State of Texas. See "APPENDIX F—Forms of Co-Bond Counsel's Opinion and Tax Counsel's Opinion." Certain legal matters will be passed upon for the Authority by West & Associates, L.L.P., Houston, Texas, Disclosure Counsel, and for the Underwriters by Bates & Coleman, P.C., Houston, Texas and Bratton & Associates, Houston, Texas, Co-Underwriters' Counsel.

**Delivery.** . . The Bonds are expected to be available for delivery through DTC on December 2, 2021 (the "Delivery Date").

MESIROW FINANCIAL, INC.

ESTRADA HINOJOSA

RAYMOND JAMES

SIEBERT WILLIAMS SHANK &amp; CO., LLC

UBS

\* Preliminary, subject to change.

## MATURITY SCHEDULE

**\$137,160,000\***  
**FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY**  
**LIMITED CONTRACT TAX AND SUBORDINATE LIEN**  
**TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A**

CUSIP Prefix<sup>(3)</sup>: 346832

| <u>Maturity</u><br><u>(March 1)</u> <sup>(1)</sup> | <u>Principal</u><br><u>Amount</u> * | <u>Interest</u><br><u>Rate</u> | <u>Initial</u><br><u>Reoffering</u><br><u>Yield</u> <sup>(2)</sup> | <u>CUSIP</u><br><u>Suffix</u> <sup>(3)</sup> |
|----------------------------------------------------|-------------------------------------|--------------------------------|--------------------------------------------------------------------|----------------------------------------------|
| 2023                                               | \$3,525,000                         |                                |                                                                    |                                              |
| 2024                                               | 3,695,000                           |                                |                                                                    |                                              |
| 2025                                               | 3,875,000                           |                                |                                                                    |                                              |
| 2026                                               | 4,065,000                           |                                |                                                                    |                                              |
| 2027                                               | 4,265,000                           |                                |                                                                    |                                              |
| 2028                                               | 4,470,000                           |                                |                                                                    |                                              |
| 2029                                               | 4,690,000                           |                                |                                                                    |                                              |
| 2030                                               | 4,920,000                           |                                |                                                                    |                                              |
| 2031                                               | 5,160,000                           |                                |                                                                    |                                              |
| 2032                                               | 5,360,000                           |                                |                                                                    |                                              |
| 2033                                               | 5,510,000                           |                                |                                                                    |                                              |
| 2034                                               | 5,665,000                           |                                |                                                                    |                                              |
| 2035                                               | 5,825,000                           |                                |                                                                    |                                              |
| 2036                                               | 5,990,000                           |                                |                                                                    |                                              |
| 2037                                               | 6,160,000                           |                                |                                                                    |                                              |
| 2038                                               | 6,340,000                           |                                |                                                                    |                                              |
| 2039                                               | 6,515,000                           |                                |                                                                    |                                              |
| 2040                                               | 6,700,000                           |                                |                                                                    |                                              |
| 2041                                               | 6,895,000                           |                                |                                                                    |                                              |
| 2042                                               | 7,090,000                           |                                |                                                                    |                                              |
| 2043                                               | 7,295,000                           |                                |                                                                    |                                              |
| 2044                                               | 7,500,000                           |                                |                                                                    |                                              |
| 2045                                               | 7,715,000                           |                                |                                                                    |                                              |
| 2046                                               | 7,935,000                           |                                |                                                                    |                                              |

\$ \_\_\_\_\_ \* \_\_\_\_ % Term Bond Due March 1, 20\_\_ <sup>(1)(4)</sup>, Initial Reoffering Yield<sup>(2)</sup> \_\_\_\_ %, CUSIP Suffix<sup>(3)</sup> \_\_\_\_

### (Interest to accrue from the Delivery Date)

- (1) The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 20\_\_, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 20\_\_, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. See "THE BONDS—Optional Redemption."
- (2) The initial prices or yields of the Bonds are furnished by the Underwriters (as defined herein) and represent the initial offering prices or yields to the public, which may be changed by the Underwriters at any time.
- (3) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for a convenience of reference only. None of the Authority, the Co-Financial Advisors or the Underwriters take responsibility for the accuracy of such numbers.
- (4) Subject to mandatory sinking fund redemption as described in "THE BONDS—Mandatory Sinking Fund Redemption."

\* Preliminary, subject to change.

## USE OF INFORMATION IN THE OFFICIAL STATEMENT

*For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), as amended and in effect on the date hereof, this document constitutes an Official Statement of the Authority with respect to the Bonds that has been deemed "final" by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.*

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

NO REGISTRATION STATEMENT RELATING TO THE BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS PROVIDED THEREUNDER. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF TEXAS IN RELIANCE UPON VARIOUS EXEMPTIONS CONTAINED THEREIN; NOR HAVE THE BONDS BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION IN WHICH THE BONDS MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED. THIS DISCLAIMER OF RESPONSIBILITY FOR REGISTRATION OR QUALIFICATION FOR SALE OR OTHER DISPOSITION OF THE BONDS SHALL NOT BE CONSTRUED AS AN INTERPRETATION OF ANY KIND WITH REGARD TO THE AVAILABILITY OF ANY EXEMPTION FROM SECURITIES REGISTRATION OR QUALIFICATION PROVISIONS IN SUCH OTHER JURISDICTIONS.

Certain statements in this Official Statement, which may be identified by the use of such terms as "plan," "project," "expect," "estimate," "budget" or other similar words, constitute forward-looking statements. Such forward-looking statements refer to the achievement of certain results or other expectation or performance that involves known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors may cause actual results, performance or achievements to be materially different from any projected results, performance or achievements described or implied by such forward-looking statements. Neither the Authority nor the County plan to issue any other updates or revisions to any forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

No dealer, broker, salesperson or other person has been authorized by the Authority, the County, or the Underwriters to give information or to make any representation 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, the County, any Underwriter or any other person. Information set forth herein has been furnished by the Authority and the County and includes information obtained from other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. 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 the County or the other matters described herein since the date hereof.

The information set forth herein has been obtained from the Authority, the County, 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 a promise or guarantee of the Co-Financial Advisors. 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 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 shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's and the County's undertaking to provide certain information on a continuing basis.

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 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.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Authority, the County, or the Co-Financial Advisors. Any statements made in this Official Statement or the schedules or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

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

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 OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY AND IS NOT INTENDED AS A SUMMARY OF THIS OFFERING. INVESTORS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

NONE OF THE AUTHORITY, THE COUNTY, THE CO-FINANCIAL ADVISORS, THE UNDERWRITERS, CO-BOND COUNSEL, CO-UNDERWRITERS' COUNSEL, OR DISCLOSURE COUNSEL MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, OR ITS BOOK-ENTRY-ONLY SYSTEM.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

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The cover page hereof, the Official Statement Summary, this Table of Contents, the appendices included herein 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. Certain defined terms used in this summary are defined elsewhere in this Official Statement.

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Authority</b> .....                   | The Fort Bend Grand Parkway Toll Road Authority (the “Authority”) is a local government corporation established and operating pursuant to Chapters 284 and 431, Texas Transportation Code, as amended. The Authority was established by Fort Bend County, Texas (the “County”) to aid, assist and act on behalf of the County in the development of the portion of the Grand Parkway System located within the County (the “Fort Bend Grand Parkway”). See “THE AUTHORITY.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>The County</b> .....                      | The County is a political subdivision of the State of Texas (the “State”), located in southeast Texas. The County covers approximately 875 square miles and is located in the greater Houston metropolitan area. The City of Richmond, Texas is the County seat.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>The Grand Parkway System</b> .....        | A planned system of controlled access toll lanes ranging from two to six lanes wide and over 180 miles long traversing seven counties and encircling the Greater Houston Region. The system is identified by reference to 11 segments (Segments A – I-2). Segments C and D are each primarily located within the County.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>The Fort Bend Grand Parkway</b> .....     | The portion of the Grand Parkway System located in the County (referred to and defined herein as the “Project”). See “MAP OF THE PROJECT.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>The Bonds</b> .....                       | The Bonds are issued as \$137,160,000* Fort Bend Grand Parkway Toll Road Authority Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the “Bonds”). The Bonds are issued as serial bonds maturing March 1, 2023 through March 1, 2046, unless the Underwriters elect to aggregate one or more maturities into one or more Term Bonds. See “THE BONDS—Description of the Bonds.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Payment of Interest</b> .....             | Interest on the Bonds accrues from the Delivery Date and is payable March 1, 2022 and each March 1 and September 1 thereafter until maturity or prior redemption. See “THE BONDS—Description of the Bonds” and “—Optional Redemption.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Redemption</b> .....                      | The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 20__, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. See “THE BONDS—Optional Redemption.” If two or more consecutive maturities are combined to create one or more term bonds (the “Term Bonds”), such Term Bonds will additionally be subject to mandatory sinking fund redemption as described herein. See “THE BONDS—Mandatory Sinking Fund Redemption.”                                                                                                                                                                                                                                                                                                                                                 |
| <b>Authority for Issuance</b> .....          | The Bonds are authorized pursuant to the Constitution and general laws of the State, Chapters 1201, 1207 and 1371, Texas Government Code, as amended, Chapters 284 and 431, Texas Transportation Code, as amended, a resolution adopted by the Authority, a Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012, as supplemented to date (the “Master Indenture”), between the Authority and Wells Fargo Bank, National Association, Dallas, Texas, as trustee (the “Trustee”), and a Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of November 1, 2021 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), between the Authority and the Trustee. See “INTRODUCTION.”                                                                                                                                                  |
| <b>Source of Payment for the Bonds</b> ..... | The Bonds, together with the Authority’s outstanding limited contract tax and subordinate lien toll road revenue bonds and any additional limited contract tax and subordinate lien toll road revenue obligations issued or incurred pursuant to the Indenture, are direct obligations of the Authority payable from an unconditional obligation of the County to make contract payments pursuant to the Joint Project Agreement (defined herein) between the County and the Authority, from a continuing ad valorem tax levied on all taxable property within the County, within the limits prescribed by law, as provided in the Indenture, together with a subordinate lien pledge of Net Revenues of the Fort Bend Grand Parkway. See “SECURITY AND SOURCE OF PAYMENT.” The Bonds and any additional limited contract tax and subordinate lien toll road revenue bonds issued pursuant to the Master Indenture are collectively referred to herein as the “Subordinate Lien Bonds.” |

\* Preliminary, subject to change.

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Tax Matters .....</b>            | In the opinion of Orrick, Herrington & Sutcliffe LLP, Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Tax Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS." |
| <b>Use of Proceeds .....</b>        | Proceeds from the sale of the Bonds will be used to (i) refund a portion of the Outstanding Subordinate Lien Bonds, as more fully described herein, and (ii) pay the costs associated with the issuance of the Bonds. See "PLAN OF FINANCING."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Trustee .....</b>                | The Trustee is Wells Fargo Bank, National Association, Dallas, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Ratings .....</b>                | The Bonds are rated "___" by Moody's Investors Service, Inc. ("Moody's") and "___" by Fitch Ratings ("Fitch"). See "OTHER INFORMATION—Ratings."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Book-Entry-Only System .....</b> | The definitive Bonds will be initially registered and delivered 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 beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Trustee 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."                                                  |
| <b>Payment Record .....</b>         | The Authority has never defaulted in payment of its debt.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## COUNTY OFFICIALS

### Elected Officials

| Commissioners Court  | Position                  | Length of Service | Term Expires December 31 |
|----------------------|---------------------------|-------------------|--------------------------|
| KP George            | County Judge              | 2 Years           | 2022                     |
| Vincent Morales, Jr. | Commissioner – Precinct 1 | 4 Years           | 2024                     |
| Grady Prestage       | Commissioner – Precinct 2 | 30 Years          | 2022                     |
| Andy Meyers          | Commissioner – Precinct 3 | 24 Years          | 2024                     |
| Ken DeMerchant       | Commissioner – Precinct 4 | 2 Years           | 2022                     |

### Other Elected and Appointed Officials

| Name                   | Position               | Length of Service to County |
|------------------------|------------------------|-----------------------------|
| Stacy Slawinski        | County Engineer        | 2 Years                     |
| Ed Sturdivant          | County Auditor         | 20 Years                    |
| Bill Rickert           | County Treasurer       | 2 Years                     |
| Carmen Turner          | Tax Assessor/Collector | 1 Year*                     |
| Bridgette Smith-Lawson | County Attorney        | 1 Year*                     |

\* Ms. Turner and Ms. Smith-Lawson took office on January 1, 2021.

## FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY OFFICIALS

### Board of Directors

| Name            | Position                          | Length of Service | Term Expires |
|-----------------|-----------------------------------|-------------------|--------------|
| Shoukat Dhanani | Chairman                          | 1 Year            | 2024         |
| Bobbie Tallas   | Vice Chairman                     | 22 Years          | 2024         |
| Charles Rencher | Secretary                         | 22 Years          | 2024         |
| Chip Thiel      | Treasurer/Assistant Vice Chairman | 1 Year            | 2024*        |
| Dean Hrbacek    | Assistant Secretary               | 5 Years           | 2024         |

\* Mr. Thiel was appointed to the board on December 16, 2020 to fulfill the unexpired term of Mr. William Kee.

## AUTHORITY CONSULTANTS

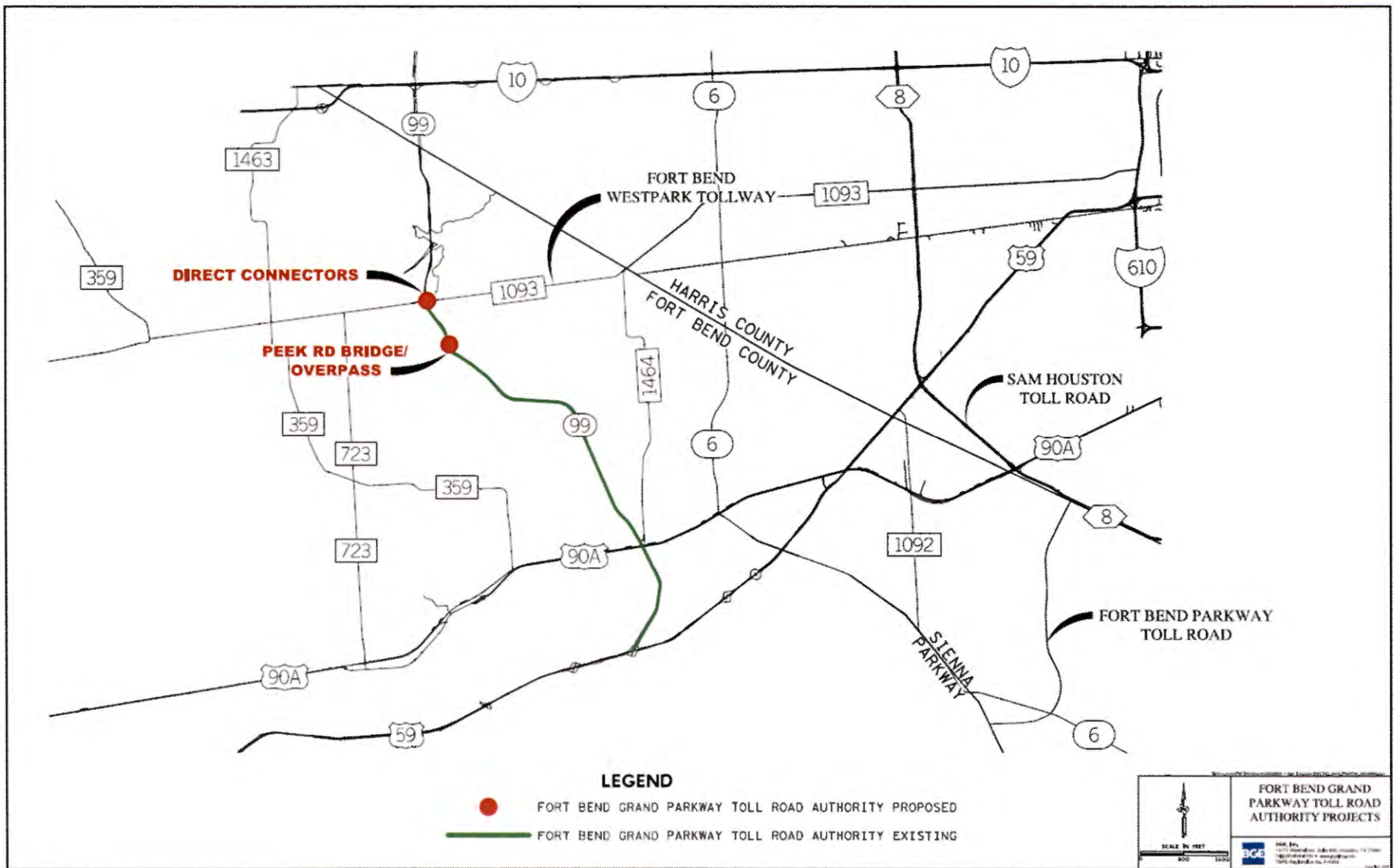
|                       |                                    |
|-----------------------|------------------------------------|
| Auditor               | Whitley Penn LLP                   |
| Co-Bond Counsel       | Orrick, Herrington & Sutcliffe LLP |
|                       | The Muller Law Group, PLLC         |
| Tax Counsel           | Orrick, Herrington & Sutcliffe LLP |
| Disclosure Counsel    | West & Associates, L.L.P.          |
| Co-Financial Advisors | Post Oak Municipal Advisors LLC    |
|                       | Hilltop Securities Inc.            |

## FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY CONSULTANTS

|                        |                             |
|------------------------|-----------------------------|
| General Counsel        | The Muller Law Group, PLLC  |
| Operations Consultant  | Mike Stone Associates, Inc. |
| Engineering Consultant | BGE, Inc.                   |
| General Manager        | James A. Thompson           |

For additional information regarding the Authority, please contact:

|                                                                                                                       |    |                                                                                                                                                          |    |                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------|
| Ed Sturdivant<br>Fort Bend County Auditor<br>301 Jackson Street, Suite 701<br>Richmond, Texas 77469<br>(281) 341-3760 | or | Francine Stefan<br>Executive Vice President<br>Post Oak Municipal Advisors LLC<br>820 Gessner Road, Suite 1350<br>Houston, Texas 77024<br>(713) 328-0992 | or | Terrell Palmer<br>President<br>Post Oak Municipal Advisors LLC<br>820 Gessner Road, Suite 1350<br>Houston, Texas 77024<br>(713) 328-0991 |
|-----------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------|



**OFFICIAL STATEMENT**  
**RELATING TO**  
**\$137,160,000\***  
**FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY**  
**LIMITED CONTRACT TAX AND SUBORDINATE LIEN**  
**TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2021A**

**INTRODUCTION**

This Official Statement, including the schedule and appendices attached hereto, provides certain information regarding the issuance by Fort Bend Grand Parkway Toll Road Authority (the “Authority”) of its \$137,160,000\* Limited Contract Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2021A (the “Bonds”). The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, Chapters 1201, 1207 and 1371, Texas Government Code, as amended, Chapters 284 and 431, Texas Transportation Code, as amended (collectively, the “Act”), a resolution to be adopted by the Authority on October 20, 2021 (the “Bond Resolution”), a Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of July 1, 2012, as supplemented to date (the “Master Indenture”), between the Authority and Wells Fargo Bank, National Association, Dallas, Texas, as trustee (the “Trustee”), and a Third Supplemental Limited Contract Tax and Subordinate Lien Toll Road Revenue Bond Trust Indenture dated as of November 1, 2021 (the “Third Supplemental Indenture”) between the Authority and the Trustee. The Master Indenture and the Third Supplemental Indenture are collectively referred to herein as the “Indenture.” All capitalized terms used herein, but not otherwise defined herein, shall have the meanings assigned to them in “APPENDIX D—Glossary of Terms” or in the Indenture. A summary of certain provisions of the Indenture is included in “APPENDIX E—Summary of the Indenture.”

Bonds authorized pursuant to the Indenture, including the Bonds, are referred to herein collectively as the “Subordinate Lien Bonds.” The Authority has previously issued two series of Subordinate Lien Bonds. See “SECURITY AND SOURCE OF PAYMENT—Outstanding Obligations” for the currently outstanding principal amount of the Subordinate Lien Bonds.

There follows in this Official Statement descriptions of the Bonds and certain information regarding 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 Co-Financial Advisor, Post Oak Municipal Advisors LLC, Houston, Texas, 820 Gessner Road, Suite 1350, Houston, Texas 77024, upon payment of reasonable copying, mailing and handling charges.

**Infectious Disease Outbreak – COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States, and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic, which disaster declaration was extended several times. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor issued a number of executive orders relating to COVID-19 preparedness and mitigation. On July 29, 2021, the Governor issued Executive Order GA-38, which took effect immediately, and superseded most of the executive orders relating to COVID-19 and provides, generally, for the continuation of the reopening of the State to 100%, ends the COVID-19 mask mandate, and superseded any conflicting order issued by local officials in response to COVID-19, among other things and subject to certain limitations. Executive Order GA-38, ends the mask requirement for governmental entities, including municipalities, and subjects a governmental entity or official to a fine of up to \$1,000 for noncompliance, subject to certain exceptions. Executive Order GA-38 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <http://gov.texas.gov/>. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

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\* Preliminary, subject to change.

The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within the County. As a result of these negative impacts, transactions for the Project fell to approximately 50% of historical volume in March 2020, but increased to approximately 75% of historical volume by June 2020, and are now above pre-Pandemic volume, as shown below:

|           | Transactions |           |           | % Change vs Prior Year |         |
|-----------|--------------|-----------|-----------|------------------------|---------|
|           | 2019         | 2020      | 2021      | 2020                   | 2021    |
| January   | 5,257,620    | 5,429,676 | 4,835,534 | 3.27%                  | -10.94% |
| February  | 4,994,858    | 5,345,948 | 4,041,701 | 7.03%                  | -24.40% |
| March     | 5,599,398    | 4,344,117 | 5,600,653 | -22.42%                | 28.93%  |
| April     | 5,562,800    | 3,051,505 | 5,604,860 | -45.14%                | 83.68%  |
| May       | 5,752,169    | 4,147,124 | 5,789,029 | -27.90%                | 39.59%  |
| June      | 5,338,536    | 4,649,661 | 5,857,026 | -12.90%                | 25.97%  |
| July      | 5,487,426    | 4,544,938 | 5,804,789 | -17.18%                | 27.72%  |
| August    | 5,743,949    | 4,810,888 | 5,748,415 | -16.24%                | 19.49%  |
| September | 5,384,910    | 4,766,988 |           | -11.48%                |         |
| October   | 5,470,936    | 5,303,582 |           | -3.06%                 |         |
| November  | 5,597,171    | 4,891,901 |           | -12.60%                |         |
| December  | 5,429,676    | 5,148,395 |           | -5.18%                 |         |

The Authority continues to monitor the spread of COVID-19 and is working with local governments, State and national agencies to address the economic impact of COVID-19. The Pandemic is ongoing and its dynamic nature leads to uncertainties, including the ultimate geographic spread of the virus, the severity of the disease, the duration of the Pandemic, and actions that may be taken by governmental authorities to treat the disease or contain the outbreak such as imposing additional restrictions due to a resurgence of COVID-19. Additionally, the Authority cannot determine the impact of the Pandemic and any travel restrictions on the demand for utilizing roads, including the Fort Bend Grand Parkway, or the future impact on the Authority's financial condition and/or operations, or the impact of the Pandemic on the local or global economy or on the toll road industry in general.

## PLAN OF FINANCING

### Purpose

The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, Chapters 1201, 1207 and 1371, Texas Government Code, as amended, Chapters 284 and 431, Texas Transportation Code, as amended, the Bond Resolution, and the Indenture for the following purposes: (i) to refund a portion of the Outstanding Subordinate Lien Bonds (the "Refunded Bonds"), as more fully described herein, and (ii) to pay the costs associated with the issuance of the Bonds. See Schedule I for a description of the Refunded Bonds.

### Refunded Bonds

The principal and interest due on the Refunded Bonds are to be paid on the redemption date of such Refunded Bonds, from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Authority and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Escrow Agent"). The Bond Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriters, the Authority will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct obligations of the United States of America (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Public Finance Partners LLC will verify at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Federal Securities 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 Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds (see "OTHER INFORMATION—Verification of Mathematical Calculations").

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have effected the defeasance of all of the Refunded Bonds in accordance with the law. It is the opinion of Co-Bond Counsel that as a result of such defeasance and in reliance upon the report of Public Finance Partners LLC, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the Authority payable from the Trust Estate.

The Authority has covenanted in the Escrow Agreement to make timely deposits to the Escrow Fund, from lawfully available funds, of any additional amounts required to pay the principal of and interest on the Refunded Bonds, 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 Proceeds

The proceeds from the sale of the Bonds will be applied approximately as follows:

| <b>Sources of Funds</b>                     |           |
|---------------------------------------------|-----------|
| Principal Amount .....                      | \$        |
| Net Original Issue Premium (Discount) ..... |           |
| <b>Total Sources</b> .....                  | <b>\$</b> |
| <b>Uses of Funds</b>                        |           |
| Deposit to Escrow Fund .....                | \$        |
| Costs of Issuance .....                     |           |
| Underwriters' Discount .....                |           |
| <b>Total Uses</b> .....                     | <b>\$</b> |

### THE BONDS

#### Description of the Bonds

The Bonds are dated November 1, 2021, and mature on March 1 in each of the years and in the amounts shown on page ii hereof. Interest will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on March 1 and September 1, commencing March 1, 2022. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered 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. No physical delivery of the Bonds will be made to the beneficial 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.

#### Optional Redemption

The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 20\_\_, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 20\_\_, or any date thereafter, at the par value thereof plus accrued interest to (but not including) the date of redemption. If less than all of the Bonds are to be redeemed, the Authority may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

#### Mandatory Sinking Fund Redemption

The Bonds maturing in the years \_\_\_\_ and \_\_\_\_ (collectively, the "Term Bonds") are subject to mandatory redemption prior to maturity on March 1 in each of the years and respective principal amounts set forth below, in each case at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption:

On or before thirty (30) days prior to each redemption date set forth above for Term Bonds, the Trustee shall (i) determine the principal amount of Term Bonds of the same maturity that must be mandatorily redeemed on such date, after taking into account deliveries for cancellation and optional redemptions of such Term Bonds as more fully provided above, (ii) select by lot or other customary random method the Term Bonds of such maturity (or portions thereof) to be mandatorily redeemed on such date and (iii) give notice thereof in the manner described below. The mandatory redemption requirements stated above for the Term Bonds

shall be reduced by the principal amount of any such Term Bond which, by the 45th day prior to such redemption date, either has been purchased in the open market and delivered or tendered to the Trustee for cancellation or redeemed at the option of the Authority as described above and which, in either case, has not previously been the basis for a credit against the mandatory redemption requirements for the Term Bonds.

#### **Notice of Redemption**

In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall contain the information required by the Indenture and shall be given by mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each registered owner of Bonds to be redeemed at its address shown on the registration books kept by the Trustee. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

In the Third Supplemental Indenture, the Authority reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys or Investment Securities, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (ii) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate of an Authorized Officer of the Authority to the Trustee instructing the Trustee to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys or Investment Securities are not so deposited or if the notice is rescinded. The Trustee shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

If on the redemption date moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall be held by the Trustee, and if notice of redemption shall have been given as required by the Indenture, then, from and after the redemption date interest on the Bonds or portions thereof so called for redemption shall cease to accrue.

#### **Book-Entry-Only System**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in 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 Co-Financial Advisors and the Underwriters believe the source of such information to be reliable, but none of the Authority, the Co-Financial Advisors or the Underwriters take any responsibility for the accuracy or completeness thereof.*

*The Authority and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (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, 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 United States Securities and Exchange Commission (the "SEC"), 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 Bonds 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 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 U.S. and non-U.S. 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 U.S. and non-U.S. 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 U.S. and non-U.S. 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 SEC. More information about DTC can be found at [www.dtcc.com](http://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 each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and 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 or 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 and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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 shall 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All 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 Authority or the Trustee, 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 Bonds 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, the Trustee, 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 the Trustee, 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 depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

*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 Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Orders will be given only to DTC.

*Effect of Termination of Book-Entry-Only System.* In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the Authority, printed Bonds will be issued to the holders and the Bonds

will be subject to transfer, exchange and registration provisions as set forth in the Orders and summarized under “THE BONDS—Transfer, Exchange and Registration” below.

### **Transfer, Exchange and Registration**

Beneficial ownership of the Bonds registered in the name of Cede & Co. will initially be transferred as described in “THE BONDS—Book-Entry-Only System.” In the event the Bonds are no longer held in book-entry form, the following provisions of the Indenture will apply.

*Exchange of Bonds.* Bonds upon surrender thereof at the principal corporate trust office of the Trustee, when surrendered with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or the registered Owner’s duly authorized attorney, may, at the option of the registered Owner thereof, and upon payment by such registered Owner of any charges which the Trustee, any Registrar, any Authenticating Agent or the Authority may make as provided below, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and in any authorized denomination.

*Transfer of Bonds.* Bonds shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee or other duly authorized Registrar for the Bonds by the registered Owner thereof in person or by the registered Owner’s attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee or Registrar duly executed by the registered Owner or the registered Owner’s duly authorized attorney.

The Trustee shall keep, or cause to be kept, on behalf of the Authority at the corporate trust office of the Trustee, a register or registers, in which, subject to such reasonable regulations as the Authority, the Trustee, and the Registrar may prescribe, the Authority shall cause Bonds to be registered and shall transfer Bonds as provided in the Indenture. Upon the transfer of any Bond and payment of any required fees, the Authority shall issue in the name of the transferee a new, fully registered Bond of the same aggregate principal amount and maturity as the surrendered bond.

The Authority, the Trustee, any Paying Agent, any Registrar, and any Authenticating Agent may deem and treat the person in whose name any Bond shall be registered in the Register as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon the registered Owner’s order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the Authority, the Trustee, any Paying Agent, any Registrar, and any Authenticating Agent shall not be affected by any notice to the contrary.

*Regulations with Respect to Exchanges and Transfers.* In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee or the duly authorized Authenticating Agent shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. All registered Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Trustee or the duly authorized Authenticating Agent. For every such transfer of Bonds, whether temporary or definitive, the Authority, the Trustee, any Registrar, or any Authenticating Agent may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Bonds (other than the exchange of temporary Bonds for definitive Bonds), the Authority, the Trustee, the Registrar, or the Authenticating Agent may make reasonable charges to cover the charges and costs of printing Bonds including any Trustee’s or Authenticating Agent’s charges in connection therewith. The payment of such sum or sums shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding the selection of Bonds for redemption or to transfer or exchange any Bonds called for redemption.

### **Record Date for Interest Payment**

The record date (“Record Date”) for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the preceding month.

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 Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (“Special Payment Date”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Trustee at the close of business on the last business day next preceding the date of mailing of such notice.

### **Trustee**

The Trustee shall be Wells Fargo Bank, National Association, Dallas, Texas. Wells Fargo Bank, National Association has entered into an agreement to sell its Corporate Trust Services business to Computershare Ltd. Upon the closing of the sale and pursuant to the terms of the asset purchase agreement, it is expected that Computershare Trust Company, N.A. will be the Trustee under the Resolution. A closing date for the sale is not certain, but the current target date is November 1, 2021. It is expected that the current

personnel supporting the transaction and interfacing with the Authority will not change upon the sale. Computershare Trust Company, N.A. is a trust company with requisite trust powers for the transaction of its business in Texas, and will be authorized by law, including the Act, to perform all the duties imposed upon it by the Indenture.

At all times while any Bonds are outstanding, the Authority will provide a legally qualified bank, trust company, financial institution or other duly qualified and legally authorized entity to act as Trustee for the Bonds. The Authority reserves the right to remove and appoint a successor Trustee for the Bonds. Promptly upon the appointment of any successor Trustee, the previous Trustee shall deliver the Register and any money or property subject to the terms and conditions set forth in the Indenture to the new Trustee.

#### **Defeasance**

The Authority reserves the right to defease the Bonds in accordance with the terms of the Indenture and in any manner now or hereafter permitted by law. See “APPENDIX E—SUMMARY OF THE INDENTURE.”

#### **Events of Default and Remedies**

The Indenture establishes various specific events of default with respect to the Bonds and permits the Trustee to take certain actions upon the occurrence of any of such events of default. The Trustee may and, upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding, shall: (a) by mandamus or other suit, action or proceeding at law or in equity require the Authority to perform its covenants, representations and duties under the Indenture; (b) bring suit upon the Bonds; (c) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Owners of the Bonds; (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds; (e) take over the possession, administration and management of all funds and accounts required to be maintained by the Authority under the Indenture; or (f) take such other steps to protect and enforce its rights and the rights of the Owners of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy. See “APPENDIX E—SUMMARY OF THE INDENTURE.”

#### **Enforceability of Remedies**

Although an Owner presumably could obtain a judgment against the Authority if a default were to occur in the payment of principal of, premium, if any, or interest on any Bond, such judgment could not be satisfied by foreclosure on the Project or by execution against any property of the Authority. The Owner’s only practical remedy, if a default were to occur, would be a mandamus or mandatory injunction proceeding seeking to compel the Authority to fix, charge, and collect tolls in accordance with the toll covenant (see “SECURITY AND SOURCE OF PAYMENT—Toll Covenant”) and to apply Revenues as required in the Indenture in order to pay principal of, premium, if any, and interest on the Bonds as they come due. The Owner could be required to enforce such remedy on a periodic basis because no provision exists for acceleration of maturity of the Bonds.

The enforcement of, or claim for, payment of principal of or interest on the Bonds, including the remedy of mandamus, and the validity of the pledge of and lien on Revenues, would be subject to the applicable provisions of the federal bankruptcy laws and to any other laws limiting or otherwise affecting the rights or remedies of creditors of counties of the State or of political subdivisions generally.

#### **Special Rights of Bond Insurers and Credit Providers**

The Indenture provides that any Supplemental Indenture may provide that issuers of Parity Credit Agreements guaranteeing the payment of principal of and interest on any Toll Road Senior Lien Revenue Bonds or Parity Notes may exercise the rights of the Owners thereof, including to direct the exercise of any remedies in the event of default or to consent to any future amendments to the Indenture, except with respect to any change in the terms of redemption, maturity of principal amount of such Toll Road Senior Lien Revenue Bonds or Parity Notes or any installment of interest thereon or any reduction in the principal amount or redemption price thereof or the rate of interest thereon.

### **THE AUTHORITY**

#### **General**

The Authority was created by order of Fort Bend County, Texas (the “County”) on June 8, 2010, to aid, assist and act on behalf of the County in the development of the County’s portion of the Grand Parkway System (the “Fort Bend Grand Parkway”). The Authority is a nonprofit local government corporation established and operating under Chapters 284 and 431, Texas Transportation Code, as amended.

The Authority is governed by a five-member Board of Directors, each of whom is appointed by the County’s Commissioners Court. The Authority may exercise, with regard to the Fort Bend Grand Parkway, the same power and authority as may be exercised by the Commissioners Court pursuant to Chapter 284, Texas Transportation Code, as amended. Such powers include eminent domain. The Authority’s Articles of Incorporation and Bylaws provide that the Commissioners Court must approve all significant decisions of the Authority. The Authority currently has no staff or employees and does not anticipate hiring any employees in the foreseeable

future. The Authority contracts with professional consultants for needed services and reimburses the County for a portion of the salaries of County employees who work on Authority matters.

### **The Project**

The Authority is responsible for the development, operations and maintenance of the Project, which consists of the Fort Bend Grand Parkway. The “Project” is defined in the Master Indenture as meaning (i) initially the construction of the tolled overpasses on the Grand Parkway System in Fort Bend County and the reconstruction of the existing roadway from U.S. 59 to and including the intersection of FM 1093 (“Westpark”) and (ii) subsequently may include any other portion of or improvement to the Fort Bend Grand Parkway pursuant to a supplemental Indenture, resolution or order duly adopted by the Board of Directors of the Authority and specified as a component of the Project for purposes of the Indenture. Under the Act, the County, or the Authority acting on behalf of the County, is authorized to “pool” the Project with other projects or project segments that the County or the Authority constructs under the Act (each of which shall be a “Pooled Project”). Under the Act, the Fort Bend Grand Parkway includes without limitation all of the following which are necessary or useful in connection therewith: causeways, bridges, tunnels, turnpikes, highways, or any combination of such facilities, and all overpasses, underpasses, interchanges, entrance plazas, toll houses, service stations, approaches, fixtures, accessories, equipment, and administration, storage and all other buildings, together with all property rights, easements and interests acquired in connection therewith, and any other improvements, extensions, and betterments as may now be permitted by the Act.

The Master Indenture permits the Authority to construct an addition to, or expansion of or improvement to the Grand Parkway System in Fort Bend County. In accordance with the Master Indenture and the Act, the Authority is using proceeds of the Series 2021 Bonds to pay the costs of certain project improvements relating to the further development of Segments C and D of the Grand Parkway System in Fort Bend County, including design, construction, equipment, right-of-way, environmental, engineering and other miscellaneous costs. Specifically such improvements are expected to include the following (the “Additional Work”): (i) the installation of dedicated fiber from U.S. 59 to and including the intersection at Westpark Tollway; (ii) the construction of direct connectors from Westpark Tollway to the Grand Parkway; (iii) the construction of West Airport U-turns, southbound exit ramp, northbound exit and entrance ramps, rehabilitation and extension of the northbound frontage road and auxiliary lanes between Harlem Rd. and Mason Rd; (iv) the construction of a Peek Rd. overpass and signalized intersection; (v) right-of-way surveys/mapping and appraisals for Segment C; (vi) the construction of northbound main lanes and the reconstruction of southbound main lanes from FM 1464 to West Airport, and (vii) any other expenditures that would constitute a Cost of the Project as defined in the Indenture.

The issuance of additional bonds to finance improvements to the Project is subject to the requirements contained in the Indenture. See “SECURITY AND SOURCE OF PAYMENT.”

## **THE COUNTY**

### **General**

The County was organized in 1838 and operates under the Constitution and statutes of the State of Texas (the “State”). The County is governed by an elected Commissioners Court (the “Commissioners Court”) consisting of the County Judge and four County Commissioners, one from each of four geographical commissioner precincts. The County Judge is elected county-wide by the voters for a term of four years. Each County Commissioner represents one of the four precincts into which the County is divided and is elected by the voters of the applicable precinct to four-year staggered terms. Other County elected officials include the County Clerk, County Attorney, County Tax Assessor/Collector and County Treasurer. The County Auditor is appointed for a term of two years by and serves at the will of the State District Judges whose courts are located in the County. The 2020 Census population for the County was 822,779, an increase of 40% over the 2010 population of 585,375. The County covers approximately 875 square miles located in the greater Houston metropolitan area. The City of Richmond, Texas is the County seat.

### **County Contract Tax Revenue Support for Bonds**

Below is a summary of certain key terms of the Indenture and Joint Project Agreement that relate to the County’s agreement to provide ad valorem tax support for the payment of debt service on the Bonds. For additional information, see “SECURITY AND SOURCE OF PAYMENT—The Indenture and the Bonds,” “SECURITY AND SOURCE OF PAYMENT—Contract with the County,” and “APPENDIX E—Summary of the Indenture.” See also “INVESTMENT CONSIDERATIONS.”

**Pledge of Contract Tax Revenues.** The Joint Project Agreement provides that while any Bonds are outstanding the County is required to levy, assess and collect ad valorem taxes, within the limits prescribed by law, sufficient to provide funds to pay debt service on the Bonds if Net Revenues of the Project are insufficient. In the Indenture, the Authority grants to the Trustee, as part of the Trust Estate, a pledge and lien on all of its right, title and interest to taxes levied by the County pursuant to the Joint Project Agreement.

**Procedures for Determining Amount of County Tax Support.** The Indenture and the Joint Project Agreement establish a two-step process for determining the amount of tax support to be provided in any given year. First, after receiving a report from the Authority on or before July 1 of current fund balances and anticipated Net Revenues, the County is required to determine the actual rate of

ad valorem taxes to be levied to provide debt service support for the Bonds by September 1 of each year. The County is required to deposit the revenues derived from the levy of such taxes into the Authority's Tax Account to be applied to the payment of debt service on the Bonds for that year. Second, if a projected shortfall exists after taxes have been levied for the year, the Authority is required to notify the County of any such shortfall, and the County is required to make an additional transfer of legally available funds to cover any shortfall at least two days prior to the applicable debt service payment date.

Under the Joint Project Agreement, if Commissioners Court reasonably determines that adequate moneys from Net Revenues of the Project or other sources are budgeted and appropriated to pay debt service on the Bonds, then it may elect to not levy a tax that year.

*Sales, Transfers and Assignments.* The Indenture generally provides that the Authority will not sell, lease or otherwise dispose of or encumber the Project or any part of the Project while Bonds are outstanding, unless the Authority makes a determination that any such action is in the best interest of the Project. Also, in the Joint Project Agreement the County agrees to assume all obligations of the Authority, including outstanding indebtedness payable from revenues of the Project, if the Authority transfers the Project to the County.

The County is prohibited from transferring or assigning the Joint Project Agreement or any of its rights or duties under the agreement, and the Authority is only permitted to transfer the Joint Project Agreement to the Trustee.

*County Obligations Absolute and Unconditional.* The obligation of the County to provide ad valorem tax support for the Bonds is absolute and unconditional. In the Joint Project Agreement, the County agrees that it will not, for any reason, suspend or discontinue the payments to support debt service on the Bonds. The County is required to provide such tax support for the Bonds irrespective of any rights of set-off, recoupment or counterclaim the County may otherwise have against the Authority or any other person or entity.

*Bondholders as Third-Party Beneficiaries.* So long as any Bonds remain outstanding, the bondholders are third-party beneficiaries under the Joint Project Agreement with rights to enforce the agreement as if they were a party.

*Amendments to Joint Project Agreement and Indenture.* While the Joint Project Agreement provides that it may be modified or amended by mutual agreement of the County and the Authority, the Authority has covenanted in the Indenture that it will not request, consider or approve any amendment to the Joint Project Agreement that would reduce or eliminate the County's obligation to provide ad valorem tax support for the Bonds, and the Authority further agrees in the Indenture that it will take all actions necessary and appropriate to insure that the Joint Project Agreement remains in full force and effect so long as Bonds remain outstanding.

The Indenture generally provides that any modification or amendment of the Indenture and of the rights and obligations of the Authority and the bondholders may be made (i) with the written consent of the owners of at least a majority in principal amount of Bonds outstanding at the time consent is given and (ii) if less than all of the several series of Bonds outstanding are affected by the modification or amendment, of the owners of at least a majority in principal amount of the Bonds of each series so affected and outstanding at the time such consent is given. If such modification or amendment, by its terms, will not take effect so long as any Bonds of any specified like series and maturity remain outstanding, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of calculating the consent requirements for such modification or amendment.

## **THE GRAND PARKWAY SYSTEM**

The Grand Parkway System is a planned system of controlled access toll lanes ranging from two to six lanes wide and over 180 plus long traversing seven counties (Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty and Montgomery) and encircling the Greater Houston Region. The primary purpose of the Grand Parkway System is to provide an outer loop around the Houston metropolitan area to improve connectivity within the existing network, reduce transportation congestion and enhance mobility and travel options, reduce unsafe "stop and go" conditions and accommodate demographic and economic growth. The system is identified by reference to 11 segments (Segments A – I-2). Segments C and D are each primarily located within Fort Bend County.

The Texas Department of Transportation ("TxDOT"), in cooperation with the County, constructed a combination of main lanes and frontage roads for Segment D of the Grand Parkway from U.S. Highway 59 South to Interstate 10 West (also known as State Highway 99 ("SH99")) in the early 1990s.

In 2007, during the 80th Texas Legislature, Senate Bill 792 was signed into law giving counties the first option to develop the Grand Parkway within their respective boundaries. Under the law, a county must begin construction of its segment of the project within a two-year period after exercising its option to develop such segment, subject to litigation challenges and environmental impact clearance, otherwise its right to develop the project reverts back to the TxDOT. In September 2009, Fort Bend County Commissioners Court exercised its option to manage the financing, designing, constructing, operating and tolling of the Fort Bend Grand Parkway.

Pursuant to state law, the County, TxDOT, the Houston-Galveston Area Council (the metropolitan planning organization for the region) and the other six counties through which the Grand Parkway is planned, established the “SH99 Grand Parkway Toll Project Market Valuation Terms and Conditions” dated September 29, 2008 (the “Terms and Conditions”). TxDOT and the seven counties entered into a Market Valuation Waiver Agreement dated as of March 25, 2009 (the “Market Valuation Waiver Agreement”). The Terms and Conditions were included as an exhibit to the Market Valuation Waiver Agreement and defined the scope and phasing of the 11 segments of the Grand Parkway, established the initial toll rates on the Grand Parkway and established a toll rate calculation methodology that includes a mechanism for periodic adjustment to toll rates. See “THE PROJECT—Toll Rate Setting Policy.” The Market Valuation Waiver Agreement requires that the Grand Parkway be developed as a single project, separate from the counties’ other toll roads or toll road projects. As a result, debt issued for the Fort Bend Grand Parkway and revenues derived from the Fort Bend Grand Parkway will be separate from debt and revenues of the Fort Bend Parkway and the Westpark Tollway. **Holders of the Bonds will have no right to revenues of the Fort Bend Parkway or the Westpark Tollway, and such revenues are not pledged to the Bonds and are not part of the Trust Estate.**

## THE PROJECT

### General

In May of 2011, the Authority executed a Right of Use Agreement with TxDOT, allowing the Authority to use state highway rights-of-way and to begin construction of nine tolled overpasses and eight miles of main-lane reconstruction from U.S. Highway 59 to the Westpark Tollway, which were the initial phases of Segment D of the Fort Bend Grand Parkway. Construction of the Project began in 2011 and opened to traffic in the spring of 2014. See “MAP OF THE PROJECT.” The remainder of Segment D of the Fort Bend Grand Parkway from the Westpark Tollway to Interstate 10 is not tolled.

### Operations and Maintenance of the Project

The operation and maintenance of the Project is the responsibility of the Authority. Tolls on the Project are collected exclusively using an electronic toll collection system. The Authority does not issue toll tags, but the toll collection system is able to read the electronic toll collection devices issued by other toll entities of the state, such as the Harris County Toll Road Authority, TxDOT and North Texas Tollway Authority. These electronic transactions are processed to the tag issuer via a state-wide system. The toll entities collect revenue from their respective customers and remit revenue attributable to the Project to the Authority after deducting a processing fee. The Authority currently contracts with TransCore, LP for processing electronic toll transactions for the Project. The Authority contracts with SWC Group, L.P. to collect tolls and fines from toll violators.

The Authority contracts with several outside vendors to provide roadside maintenance, trash collection and equipment maintenance.

**Table 1 - Traffic Count**

| <i>Components/Segments</i>  | Fiscal Year Ended September 30, |                   |                   |                   |                   | 11 Months<br>Ended<br>8/31/2021 <sup>(1)</sup> |
|-----------------------------|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------------------------------|
|                             | 2016                            | 2017              | 2018              | 2019              | 2020              |                                                |
| Bellaire - Northbound       | 5,317,818                       | 5,664,581         | 6,013,056         | 6,346,579         | 5,613,789         | 5,702,138                                      |
| Bellaire - Southbound       | 5,284,594                       | 5,639,389         | 5,996,046         | 6,182,415         | 5,510,123         | 5,534,490                                      |
| Harlem - Northbound         | 4,341,716                       | 4,502,907         | 4,658,647         | 4,760,916         | 3,987,528         | 4,049,604                                      |
| Harlem - Southbound         | 4,516,235                       | 4,699,467         | 4,828,452         | 4,899,956         | 4,095,826         | 4,091,313                                      |
| New Territory - Northbound  | 3,207,553                       | 3,405,903         | 3,214,782         | 3,725,334         | 3,449,446         | 3,493,137                                      |
| New Territory - Southbound  | 3,445,235                       | 3,607,817         | 3,870,661         | 3,810,347         | 3,367,830         | 3,395,248                                      |
| Riverpark Ramp - Northbound | 2,993,315                       | 3,167,861         | 2,981,317         | 3,434,431         | 3,247,379         | 3,352,403                                      |
| Riverpark Ramp - Southbound | 3,363,749                       | 3,502,330         | 3,280,246         | 3,581,474         | 3,159,790         | 3,137,622                                      |
| US 90A - Northbound         | 2,959,369                       | 3,244,001         | 3,214,215         | 3,570,861         | 3,234,953         | 3,319,767                                      |
| US 90A - Southbound         | 2,935,015                       | 3,205,654         | 3,077,328         | 3,423,339         | 3,026,653         | 3,047,585                                      |
| West Bellfort - Northbound  | 4,148,226                       | 4,434,564         | 4,689,681         | 4,975,545         | 4,437,107         | 4,586,624                                      |
| West Bellfort - Southbound  | 4,223,458                       | 4,543,404         | 4,688,338         | 4,916,383         | 4,340,424         | 4,391,419                                      |
| Westpark - Northbound       | 5,362,848                       | 5,918,013         | 5,925,732         | 5,968,705         | 5,315,123         | 5,322,386                                      |
| Westpark - Southbound       | 5,325,171                       | 6,028,292         | 5,915,691         | 5,940,044         | 5,215,961         | 5,202,149                                      |
| <i>Total Transactions</i>   | <u>57,424,302</u>               | <u>61,564,183</u> | <u>62,354,192</u> | <u>65,536,329</u> | <u>58,001,932</u> | <u>58,625,885</u>                              |

Source: The Authority.

<sup>(1)</sup> Unaudited.

## Toll Rate Setting Policy

The Authority has established a toll rate setting policy (the “Toll Policy”) for future toll rate adjustments on the Authority’s toll facilities consistent with the Terms and Conditions (see “THE GRAND PARKWAY SYSTEM”). The Toll Policy establishes a process for an annual adjustment of toll rates, with provisions for rounding tolls to appropriate levels. The annual adjustment factor is determined by the greater of (a) 2%, or (b) the most recently published change in the Consumer Price Index for All Urban Consumers (“CPI-U”) Houston-Galveston-Brazoria, as published by the U.S. Bureau of Labor Statistics. The policy provides that electronic tolling (“EZ-Tag”) rates will be rounded to the nearest cent. The Toll Policy does not supersede toll rate covenants in existing or future bond documents. In the event a conflict exists, the bond toll covenants will prevail in determining the toll rates used on the Authority’s toll facilities. The automatic rate adjustments take effect on January 1 of each year. The Authority or Commissioners Court can repeal, suspend or amend the Toll Policy at any time.

**Table 2 - Toll Rate Schedule**

| All Main Lane Plazas |                     |                     |                     |
|----------------------|---------------------|---------------------|---------------------|
|                      | Valid Tag           | Invalid/Fleet       | Non-Revenue         |
| <u>Vehicles</u>      | <u>Transactions</u> | <u>Transactions</u> | <u>Transactions</u> |
| 2 axle               | \$0.40              | \$0.65              | \$0.00              |
| 3 axle               | \$0.80              | \$1.05              | \$0.00              |
| 4 axle               | \$1.20              | \$1.45              | \$0.00              |
| 5 axle               | \$1.60              | \$1.85              | \$0.00              |
| 6 axle               | \$2.00              | \$2.25              | \$0.00              |

Source: The Authority.

## SECURITY AND SOURCE OF PAYMENT

### The Indenture and the Bonds

The Bonds are being issued pursuant to the Indenture. The Indenture establishes, among other things, the Flow of Funds and the conditions for issuing Additional Bonds and contains the necessary and appropriate covenants related thereto. Selected provisions of the Indenture are contained in APPENDIX E. For a complete copy of the Master Indenture or any Supplemental Indenture, contact The Muller Law Group, PLLC, 202 Century Square Boulevard, Sugar Land, Texas 77478.

In the Indenture, the Authority reserves the right, without the consent of the Trustee or the Owners of the Subordinate Lien Bonds, to issue unlimited amounts of Senior Indebtedness which may be secured by a pledge or lien on Net Revenues and other assets of the Authority prior to the pledge and lien of the Trust Estate (as defined herein) securing the Subordinate Lien Bonds.

### General

The Subordinate Lien Bonds are secured, pursuant to the Indenture, by a pledge of and lien on all of the Authority’s right, title and interest in and to the following (collectively, the “Trust Estate”): (i) the County’s unconditional contractual obligation to pay the Authority from annual ad valorem taxes levied by the County, the principal of and interest on the Subordinate Lien Bonds to the extent toll revenues and other available funds are insufficient to meet the debt service on the Subordinate Lien Bonds; (ii) the money deposited or required to be deposited pursuant to the Indenture in the Tax Fund, the Reserve Fund and the Subordinate Lien Debt Service Fund and all investments thereof, except for certain interest income which may be pledged to Senior Indebtedness; (iii) the Net Revenues of the Fort Bend Grand Parkway, subject and subordinate to any lien or pledge granted to secure Senior Indebtedness; (iv) all right, title and interest of the Authority now owned or hereafter acquired in and to moneys deposited or required to be deposited with the Trustee and to the Investment Securities held by the Trustee pursuant to the Indenture; and (v) any and all other property hereafter assigned, hypothecated, endorsed, pledged, granted, or delivered to or deposited with the Trustee to secure the Subordinate Lien Bonds, subject and subordinate to any lien or pledge heretofore or hereafter granted to secure Senior Indebtedness. Selected provisions of the Indenture are included in APPENDIX E.

The Authority reasonably anticipates that the Fort Bend Grand Parkway will generate Net Revenues in an amount sufficient to pay the debt service on the Subordinate Lien Bonds. In addition, payment of principal and interest on the Subordinate Lien Bonds is secured by a contract, as amended (the “Joint Project Agreement”) with the County pursuant to which the County has agreed to levy an annual ad valorem tax, within the limits prescribed by law, for the purpose of payment of the principal of and interest on the Bonds, to the extent toll revenues and other available funds are insufficient to meet debt service on the Subordinate Lien Bonds. From inception of the Fort Bend Grand Parkway in 2014 through today, no ad valorem taxes have been levied by the County to provide for such debt service. Concurrently with the County’s approval of the Joint Project Agreement with the Authority, the County levied a tax necessary for the payment of its contractual obligations. This ad valorem tax is constitutionally limited to \$0.80 per \$100 of assessed value in the County. The County’s tax rate for tax year 2021 is \$0.452800.

The County's audited general purpose financial statements for the fiscal year ended September 30, 2020, which are included in APPENDIX B and the Authority's audited general purpose financial statements for the fiscal year ended September 30, 2020, which are included in APPENDIX C, present information about the general financial condition of the County and the Authority, respectively, as of the date and for the period shown. As used herein, the term "Fiscal Year," unless otherwise indicated, means the County's fiscal year which currently is the twelve-month period beginning on October 1 of a calendar year and ending on September 30 of the next succeeding calendar year, and each such period may be designated with the number of the calendar year in which such period ends.

### **Contract with the County**

The County and the Authority entered into the Joint Project Agreement to provide for the construction, operation and maintenance of the Grand Parkway, Segment D, including the Project. The Joint Project Agreement is originally dated as of July 24, 2012. The Joint Project Agreement is authorized pursuant to Texas Government Code, Section 791.028(d). The Authority and the County amended the Joint Project Agreement on June 22, 2021 to, among other things, add the Additional Work to the scope of the agreement and to expressly provide for the County's sharing in the cost of such Additional Work in accordance with the terms of the agreement. See "THE AUTHORITY—The Projects."

Pursuant to the Joint Project Agreement, the Authority will develop, finance, operate and maintain the Project. The County agrees to make payments to the Authority, calculated annually, and equal to the debt service on the Bonds less the estimated amount of available Net Revenues to pay debt service on the Bonds. The County's obligation to make these annual payments is unconditional and not subject to set-off, suspension, cancellation, or counterclaim.

The Joint Project Agreement provides that the Authority will reimburse any payments made by the County, with interest, if and only to the extent the Revenues of the Fort Bend Grand Parkway exceed the costs of debt service and operating and maintenance of the Fort Bend Grand Parkway for two consecutive fiscal years. The Authority may transfer the Project to the County when such transfer is permitted under the Market Valuation Waiver Agreement. With any such transfer, the County would be required to assume the obligations of the Bonds.

The Authority has covenanted in the Indenture not to amend the Joint Project Agreement in any way that would materially impair its ability to pay the Bonds and has covenanted to keep the agreement in full force and effect so long as the Bonds remain outstanding.

### **Subordinated Pledge of Net Revenues**

The Bonds are further secured by and payable from Net Revenues of the Fort Bend Grand Parkway, subject and subordinate to any senior pledge or lien granted to secure Senior Indebtedness. The term "Net Revenues" as defined in the Indenture means all revenues derived from the ownership and operation of the Fort Bend Grand Parkway, including the Project, which constitute revenues in accordance with generally accepted accounting principles (including any amounts derived from the ownership or operation of any project or projects with which the Project may be pooled) ("Revenues") less the sum of (i) "Operation and Maintenance Expenses," which are defined in the Indenture to include the costs of maintenance, repair, tolling costs, operation and administration of the Fort Bend Grand Parkway and (ii) the aggregate of principal and interest payments made, or to be made, on Senior Indebtedness during the period for which Net Revenues are computed or such other amount as may be defined as "Net Revenues" in any Supplemental Indenture. To date, the Authority has not issued any obligations that are deemed Senior Indebtedness.

### **Toll Covenant**

In the Indenture, the Authority has covenanted to adopt and keep in effect for so long as the Bonds and any Additional Bonds are outstanding a plan for charging and imposing tolls and maintaining toll collecting facilities and a schedule of rates of tolls which will generate during each fiscal year an amount of Net Revenues which, together with all amounts in the Subordinate Lien Debt Service Fund as of the last day of the preceding fiscal year, will at least equal 100% of the amounts required to pay the principal of and interest on the Subordinate Lien Bonds (including the Bonds) in such fiscal year, subject to the limits, if any, imposed by the Grand Parkway Agreements (as defined in the Indenture). See "THE GRAND PARKWAY SYSTEM."

## Flow of Funds

The Indenture provides for the maintenance of the following funds:

| <u>Name of Fund</u>                   | <u>Held By</u> |
|---------------------------------------|----------------|
| Construction Fund                     | Authority      |
| Revenue Fund                          | Authority      |
| Tax Fund                              | Authority      |
| Subordinate Lien Debt Service Fund    | Trustee        |
| Renewal and Replacement Fund          | Authority      |
| County Reimbursement Fund             | Authority      |
| Grand Parkway System Improvement Fund | Authority      |

The Authority is required to deposit all Revenues into the Revenue Fund and apply them as follows: (i) first, to make all payments, deposits, and transfers required by the Indenture and any other instrument creating or evidencing Senior Indebtedness payable as a first charge on Revenues; (ii) second, to pay Operating and Maintenance Expenses; (iii) third, to establish and maintain an Operating and Maintenance Reserve within the Revenue Fund equal to three months' Operating and Maintenance Expenses; (iv) fourth, to pay any Senior Indebtedness not a first charge on the Revenues; (v) fifth, to make transfers to the Subordinate Lien Debt Service Fund as required by the Indenture; (vi) sixth, to establish and fund any amounts required to be deposited or paid by any indenture, resolution or order evidencing Junior Lien Bonds; (vii) seventh, to establish and fund any renewal and replacement requirement established by a Supplemental Indenture or indenture evidencing Senior Indebtedness; (viii) eighth, subject to certain limitations in the Indenture, to transfer to the County Reimbursement Fund amounts from time to time sufficient to reimburse the County in an aggregate amount equal to all funds previously paid by the County pursuant to the Joint Project Agreement; and (ix) ninth, the balance, if any, shall be transferred to the Grand Parkway System Improvement Fund.

**Subordinate Lien Debt Service Fund.** On or before the last day of each month, after making all payments in connection with Senior Indebtedness, payment of Operating and Maintenance Expenses and any payments to establish the Operating and Maintenance Reserve, remaining money in the Revenue Fund shall be transferred into the Subordinate Lien Debt Service Fund in approximately equal monthly installments sufficient to accumulate the amounts required to pay all current interest and to pay principal installments on Toll Road Tax Bonds, including the Bonds, issued under the Indenture, as the same become due and payable.

To the extent that money is not available in the Revenue Fund to make such required transfers into the Subordinate Lien Debt Service Fund, withdrawals shall be made from the Tax Fund, the Grand Parkway System Improvement Fund, the County Reimbursement Fund or the Construction Fund, at the Authority's discretion, to the extent necessary to provide for such transfer to the Subordinate Lien Debt Service Fund, in the event such transfers are insufficient.

**Tax Fund.** In determining the rate at which taxes should be levied each year, the Commissioners Court may consider amounts on deposit in the Subordinate Lien Debt Service Fund and the availability of Net Revenues or other moneys available from other sources which are available to pay the principal or Redemption Price of or interest on the Toll Road Tax Bonds, including the Bonds. If the Commissioners Court reasonably determines that adequate moneys from such Net Revenues or other sources are available or will be available to pay principal of, Redemption Price of and interest on the Toll Road Tax Bonds, including the Bonds, the Commissioners Court may elect not to assess and collect a tax that year.

If the County has made contract payments under the Joint Project Agreement to pay the principal on, Redemption Price of or interest on the Toll Road Tax Bonds, the Authority is required to transfer from amounts on deposit in the Tax Fund to the Subordinate Lien Debt Service Fund such amount as shall be required to enable all payments of interest, principal and any redemption price on the Toll Road Tax Bonds to be made from the Subordinate Lien Debt Service Fund when due and payable. Money in the Tax Fund shall be used solely to pay the principal or redemption price of and interest on the Toll Road Tax Bonds.

**County Reimbursement Fund.** On the last business day of the Fiscal Year, there shall be transferred to the County all amounts deposited in the County Reimbursement Fund.

**Grand Parkway System Improvement Fund.** Moneys held in the Grand Parkway System Improvement Fund may be used: (i) for the purpose of paying debt service on Toll Road Tax Bonds and Senior Indebtedness and the cost of repairs, enlargements, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering and other expenses relating to the Fort Bend Grand Parkway, including the powers or functions of the Authority in connection with the Fort Bend Grand Parkway (as defined in the Indenture), (ii) for capital costs of any other segments of the Grand Parkway System as required by the Grand Parkway Agreements, and (iii) thereafter to pay capital costs, including without limitation, engineering, land acquisition and construction for any project on the County's major thoroughfare plan. Funds on deposit in the Grand Parkway System Improvement Fund may not be used for any other purpose.

### Outstanding Obligations

After the issuance of the Bonds and the refunding of the Refunded Bonds, the obligations listed below will be outstanding under the Indenture in the following principal amounts:

|                                                                                | Outstanding<br>Principal<br>Amount |
|--------------------------------------------------------------------------------|------------------------------------|
| <u>Senior Lien Obligations</u>                                                 |                                    |
| none                                                                           | \$0                                |
| <u>Subordinate Lien Obligations</u>                                            |                                    |
| Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012 | \$2,460,000 *                      |
| Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2021 | 34,390,000                         |
| The Bonds                                                                      | 137,160,000 *                      |
| Total Subordinate Lien Obligations                                             | <u>\$174,010,000 *</u>             |
| <u>Junior Lien Obligations</u>                                                 |                                    |
| none                                                                           | \$0                                |

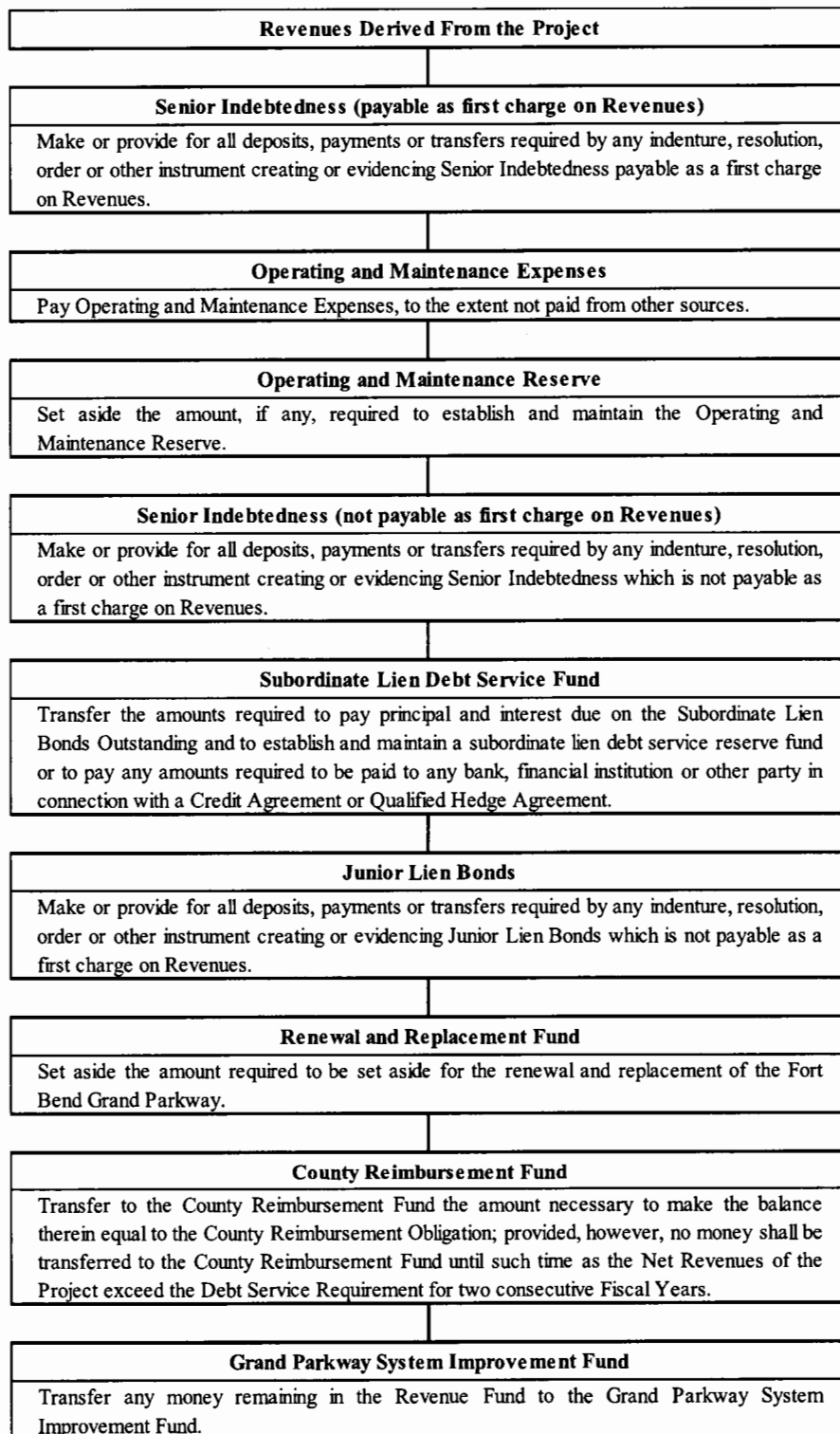
\* Preliminary, subject to change.

### Additional Bonds

The Indenture places no limitation upon the issuance of Senior Indebtedness, nor does it place any limitation upon the issuance of additional Subordinate Lien Bonds under the Indenture. All Subordinate Lien Bonds from time to time issued under the Indenture shall be entitled to an equal and ratable interest in the Trust Estate, including all funds in the accounts established pursuant to the Indenture.

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## Flow of Funds Chart



## TOLL ROAD FINANCIAL INFORMATION

**Table 3 - Selected Financial Information**

|                                                | Fiscal Year Ending September 30, |                    |                     |                     |                     |
|------------------------------------------------|----------------------------------|--------------------|---------------------|---------------------|---------------------|
|                                                | 2017                             | 2018               | 2019                | 2020                | 2021 <sup>(1)</sup> |
| <b>Operating Revenues</b>                      |                                  |                    |                     |                     |                     |
| Toll revenue                                   | \$24,499,686                     | \$21,966,357       | \$26,449,201        | \$23,756,322        | \$27,599,710        |
| <b>Total Operating Revenues</b>                | <u>24,499,686</u>                | <u>21,966,357</u>  | <u>26,449,201</u>   | <u>23,756,322</u>   | <u>27,599,710</u>   |
| <b>Operating Expenses</b>                      |                                  |                    |                     |                     |                     |
| Salaries and personnel costs                   | 136,494                          | 139,482            | 114,662             | 86,980              | 75,976              |
| Fees                                           | 7,227,543                        | 9,895,147          | 5,832,058           | 7,206,385           | 4,129,436           |
| Utilities                                      | 120,697                          | 115,724            | 116,455             | 113,917             | 118,897             |
| Depreciation                                   | 3,684,131                        | 4,021,501          | 4,221,140           | 4,229,269           | 4,244,160           |
| <b>Total Operating Expenses</b>                | <u>11,168,865</u>                | <u>14,171,854</u>  | <u>10,284,315</u>   | <u>11,636,551</u>   | <u>8,568,469</u>    |
| <b>Operating Income</b>                        | <u>13,330,821</u>                | <u>7,794,503</u>   | <u>16,164,886</u>   | <u>12,119,771</u>   | <u>19,031,241</u>   |
| <b>Non-Operating Revenues (Expenses)</b>       |                                  |                    |                     |                     |                     |
| Earnings on investments                        | 218,294                          | 336,088            | 672,761             | 421,718             | 51,987              |
| Federal reimbursements                         | -                                | 28,802             | 268,810             | -                   | -                   |
| Interest on long-term debt                     | (6,627,219)                      | (6,627,220)        | (6,627,220)         | (6,627,220)         | (7,149,450)         |
| Debt service fees                              | (5,500)                          | (5,500)            | (5,500)             | (5,500)             | (5,500)             |
| Debt issuance costs                            | -                                | -                  | -                   | -                   | (469,366)           |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>(6,414,425)</u>               | <u>(6,267,830)</u> | <u>(5,691,149)</u>  | <u>(6,211,002)</u>  | <u>(7,572,329)</u>  |
| <b>Net Income Before Contributions</b>         | 6,916,396                        | 1,526,673          | 10,473,737          | 5,908,769           | 11,458,912          |
| Capital contributions                          | 1,362,346                        | 3,236,000          | -                   | 273,688             | -                   |
| Change in Net Position                         | 8,278,742                        | 4,762,673          | 10,473,737          | 6,182,457           | 11,458,912          |
| <b>Net Position, Beginning of Year</b>         | (7,122,920)                      | 1,155,822          | 5,918,495           | 16,392,232          | 22,574,689          |
| <b>Net Position, End of Year</b>               | <u>\$1,155,822</u>               | <u>\$5,918,495</u> | <u>\$16,392,232</u> | <u>\$22,574,689</u> | <u>\$34,033,601</u> |

Source: The Authority.

<sup>(1)</sup> Unaudited. Total revenue includes an estimate of \$277,024.31 for toll collections not yet received from SWC for September 2021. The estimate is based on the 11-month average toll collections received from SWC for the period October 2020 to August 2021.

**Table 4 - Historical Toll Road Operating Results and Coverages**

| Fiscal Year | Project Revenues          | Other Earnings | Total Revenues | O&M Expenses | Revenues Available for Subordinate Lien Debt Service | Subordinate Lien Debt Service | Coverage Ratio on Subordinate Lien Debt Service |
|-------------|---------------------------|----------------|----------------|--------------|------------------------------------------------------|-------------------------------|-------------------------------------------------|
| 9/30        |                           |                |                |              |                                                      |                               |                                                 |
| 2016        | \$24,172,876              | \$113,113      | \$24,285,989   | \$7,928,960  | \$16,357,029                                         | \$7,185,700                   | 2.276 x                                         |
| 2017        | 24,499,686                | 218,294        | 24,717,980     | 7,484,734    | 17,233,246                                           | 7,185,700                     | 2.398 x                                         |
| 2018        | 21,966,357 <sup>(1)</sup> | 336,088        | 22,302,445     | 10,150,353   | 12,152,092                                           | 7,185,700                     | 1.691 x                                         |
| 2019        | 26,449,201                | 672,761        | 27,121,962     | 6,063,175    | 21,058,787                                           | 7,185,700                     | 2.931 x                                         |
| 2020        | 23,756,322                | 421,718        | 24,178,040     | 7,407,282    | 16,770,758                                           | 7,185,701                     | 2.334 x                                         |

Source: The Authority.

<sup>(1)</sup> Decrease from prior year primarily due to a change in allocation of toll violation collections between the Authority and the Fort Bend County Toll Road Authority.

**Table 5 - Debt Service Requirements**

| Fiscal Year<br>Ending<br>September 30 | Existing<br>Subordinate Lien<br>Debt Service | Less:<br>The Refunded<br>Bonds* | Plus: The Bonds*     |                     |                      | Total<br>Debt Service |
|---------------------------------------|----------------------------------------------|---------------------------------|----------------------|---------------------|----------------------|-----------------------|
|                                       |                                              |                                 | Principal            | Interest            | Total                |                       |
| 2022                                  | \$10,826,576                                 | (\$6,995,700)                   |                      | \$3,652,497         | \$3,652,497          | \$7,483,373           |
| 2023                                  | 12,290,575                                   | (10,481,325)                    | \$3,525,000          | 4,799,975           | 8,324,975            | 10,134,225            |
| 2024                                  | 12,279,200                                   | (10,473,200)                    | 3,695,000            | 4,619,475           | 8,314,475            | 10,120,475            |
| 2025                                  | 12,267,325                                   | (10,461,200)                    | 3,875,000            | 4,430,225           | 8,305,225            | 10,111,350            |
| 2026                                  | 12,264,200                                   | (10,454,825)                    | 4,065,000            | 4,231,725           | 8,296,725            | 10,106,100            |
| 2027                                  | 12,249,325                                   | (10,443,575)                    | 4,265,000            | 4,023,475           | 8,288,475            | 10,094,225            |
| 2028                                  | 12,242,200                                   | (10,432,075)                    | 4,470,000            | 3,805,100           | 8,275,100            | 10,085,225            |
| 2029                                  | 12,230,425                                   | (10,423,050)                    | 4,690,000            | 3,576,100           | 8,266,100            | 10,073,475            |
| 2030                                  | 12,217,650                                   | (10,410,150)                    | 4,920,000            | 3,335,850           | 8,255,850            | 10,063,350            |
| 2031                                  | 12,211,950                                   | (10,401,700)                    | 5,160,000            | 3,083,850           | 8,243,850            | 10,054,100            |
| 2032                                  | 12,194,550                                   | (10,388,625)                    | 5,360,000            | 2,874,450           | 8,234,450            | 10,040,375            |
| 2033                                  | 12,188,625                                   | (10,378,375)                    | 5,510,000            | 2,711,400           | 8,221,400            | 10,031,650            |
| 2034                                  | 12,173,475                                   | (10,364,875)                    | 5,665,000            | 2,543,775           | 8,208,775            | 10,017,375            |
| 2035                                  | 12,158,550                                   | (10,352,500)                    | 5,825,000            | 2,371,425           | 8,196,425            | 10,002,475            |
| 2036                                  | 12,148,025                                   | (10,340,500)                    | 5,990,000            | 2,194,200           | 8,184,200            | 9,991,725             |
| 2037                                  | 12,136,075                                   | (10,328,125)                    | 6,160,000            | 2,011,950           | 8,171,950            | 9,979,900             |
| 2038                                  | 12,126,825                                   | (10,319,500)                    | 6,340,000            | 1,824,450           | 8,164,450            | 9,971,775             |
| 2039                                  | 12,114,450                                   | (10,303,875)                    | 6,515,000            | 1,631,625           | 8,146,625            | 9,957,200             |
| 2040                                  | 12,098,200                                   | (10,290,500)                    | 6,700,000            | 1,433,400           | 8,133,400            | 9,941,100             |
| 2041                                  | 12,087,075                                   | (10,278,375)                    | 6,895,000            | 1,229,475           | 8,124,475            | 9,933,175             |
| 2042                                  | 12,075,000                                   | (10,266,500)                    | 7,090,000            | 1,019,700           | 8,109,700            | 9,918,200             |
| 2043                                  | 12,061,700                                   | (10,254,600)                    | 7,295,000            | 803,925             | 8,098,925            | 9,906,025             |
| 2044                                  | 12,045,325                                   | (10,235,900)                    | 7,500,000            | 582,000             | 8,082,000            | 9,891,425             |
| 2045                                  | 12,033,400                                   | (10,223,000)                    | 7,715,000            | 353,775             | 8,068,775            | 9,879,175             |
| 2046                                  | 12,020,225                                   | (10,210,200)                    | 7,935,000            | 119,025             | 8,054,025            | 9,864,050             |
| 2047                                  | 1,808,300                                    |                                 |                      |                     |                      | 1,808,300             |
| 2048                                  | 1,810,150                                    |                                 |                      |                     |                      | 1,810,150             |
| 2049                                  | 1,810,500                                    |                                 |                      |                     |                      | 1,810,500             |
| 2050                                  | 1,809,350                                    |                                 |                      |                     |                      | 1,809,350             |
| 2051                                  | 1,806,700                                    |                                 |                      |                     |                      | 1,806,700             |
| Total                                 | <u>\$311,785,926</u>                         | <u>(\$255,512,250)</u>          | <u>\$137,160,000</u> | <u>\$63,262,847</u> | <u>\$200,422,847</u> | <u>\$256,696,523</u>  |

\* Preliminary, subject to change.

## COUNTY TAX INFORMATION

*The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Reference is made to Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.*

### **Ad Valorem Tax Law**

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County (except certain railroad rolling stock and certain intangible property of railroads and certain common carriers, the taxable value of which is recommended by the State tax board and accepted or modified by the County) is the responsibility of the Fort Bend Central Appraisal District (the "Appraisal District"). Except as described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). The 10% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised. See Table 1 in APPENDIX A for the reduction in taxable valuation attributable to the 10% Homestead Cap.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land. See Table 1 in APPENDIX A for the reduction in taxable valuation attributable to valuation by Productivity Value.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board, whose members are appointed by the board of directors of the Appraisal District. Such appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units in establishing their tax rolls and tax rates. See "COUNTY TAX INFORMATION—County and Taxpayer Remedies."

### **State Mandated Homestead Exemptions for Veterans**

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families. See Table 1 in APPENDIX A for the reduction in taxable valuation attributable to exemptions for veterans.

### **Local Option Homestead Exemptions**

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the market value of all homesteads (but not less than \$5,000) and (2) an additional exemption of the market value of the homesteads of persons 65 years of age or older and the disabled. Each taxing unit decides if it will offer the exemption and at what percentage. See Table 1 in APPENDIX A for the reduction in taxable valuation, if any, attributable to local option homestead exemptions.

### **Local Option Freeze for the Elderly and Disabled**

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

### **Personal Property**

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as

goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

### **Railroad Rolling Stock**

Railroad rolling stock is covered under Sections 24.31 through 24.40, Texas Property Tax Code. Railroad rolling stock is subject to taxation by the County.

### **Freeport Exemptions**

Certain goods detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal. Certain goods, principally inventory, that are stored for the purposes of assembling, storing, manufacturing, processing or fabricating the goods in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days ("Goods-in-Transit"), are exempt from ad valorem taxation unless a taxing unit takes official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax Goods-in-Transit during the following tax year. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include special inventories such as motor vehicles or boats in a dealer's retail inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

The County taxes Freeport Property. The lost valuation attributable to Freeport Property is estimated to be \$625,097,325 for tax year 2020. The estimated amount for tax year 2021 is not yet available.

### **Other Exempt Property**

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

### **Issuers' Rights in the Event of Tax Delinquencies**

Taxes levied by the Issuers are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the Issuers, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes. At any time after taxes on property become delinquent, either of the Issuers may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Issuers must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

### **Public Hearing and Maintenance and Operation Tax Rate Limitations**

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such

expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

“special taxing unit” means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a county’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the rate that will produce the prior year’s maintenance and operation tax levy (adjusted) from the current year’s values (unadjusted) multiplied by 1.035, plus a rate that will produce the current year’s debt service from the prior year’s values (adjusted). The “voter-approval tax rate” may additionally include a rate equal to sum of the amounts, if any, by which a prior year’s “voter-approval tax rate” exceeded the actual tax rate levied for such year for the three tax years prior to the calculation date; provided, no such additional amount is permitted for tax years prior to the 2020 tax year. For a tax year for which the County is a “special taxing unit,” “voter-approval tax rate” may alternatively mean the rate that will produce the prior year’s maintenance and operation tax levy (adjusted) from the current year’s values (unadjusted) multiplied by 1.08, plus a rate that will produce the current year’s debt service from the prior year’s values (adjusted).

The County’s tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service. Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

The County must annually calculate and prominently post on its internet website, and submit to the County tax assessor-collector its “voter-approval tax rate” and “no-new-revenue tax rate” in accordance with forms prescribed by the State Comptroller. The Commissioners Court must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that a tax rate that exceeds the “voter-approval tax rate” must be adopted not later than the 71st day before the next occurring November uniform election date. If the County fails to adopt a tax rate by such required date will result in the tax rate for the County for the tax year to be the lower of the “no-new-revenue tax rate” calculated for that tax year or the tax rate adopted by the County for the preceding tax year.

The calculations of the “no-new-revenue tax rate” and “voter-approved tax rate” do not limit or impact the County’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County’s tax-supported debt obligations, including the Obligations.

The Commissioners Court may not adopt a tax rate that exceeds the lower of the “voter-approval tax rate” or the “no-new-revenue tax rate” until it has held a public hearing on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Commissioners Court may not hold the public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of the County Appraisal District has delivered the notice required by the Property Tax Code and otherwise complied with the Property Tax Code.

For any tax year during which the County qualifies as a special taxing unit, if the adopted tax rate for such tax year exceeds the “voter-approval tax rate”, the County must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the “voter-approval tax rate.”

For any tax year during which the County does not qualify as a special taxing unit, if the adopted tax rate for any tax year exceeds the greater of (i) the “voter-approval tax rate” or (ii) the “de minimis rate”, the County must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the “voter-approval tax rate.”

Further during any tax year during which the County does not qualify as a special taxing unit, if the adopted tax rate for such tax year is equal to or less than the “de minimis rate”, but greater than the greater of (x) the County’s “voter-approval tax rate” calculated as if the County were a special taxing unit, or (y) the County’s “voter-approval tax rate”, the qualified voters of the County, by submission not later than the 90th day after the tax rate is adopted of a valid petition signed by a number of registered voters equal to at least three percent of the registered voters in the County, may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the “voter-approval tax rate.”

If the County is located in an area declared a disaster area by the Governor of the State or the President of the United States during the current year, the County may calculate its “voter-approval tax rate” using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which the County’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides certain cities and counties in the State, including the County the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority

of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the “no-new-revenue tax rate” and “voter-approval tax rate” must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

### **County and Taxpayer Remedies**

Under certain circumstances, taxpayers and taxing units, including the County, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the County and provides for taxpayer referenda that could result in the repeal of certain tax increases. See “COUNTY TAX INFORMATION—Public Hearing and Maintenance and Operation Tax Rate Limitations.” The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

### **Property Assessment and Tax Payment**

Property within the County is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years of age or older are permitted by State law to pay taxes on homesteads in four installments, with the first due on February 1 of each year and the final installment due on August 1.

### **Penalties and Interest**

Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

| <u>Month</u> | <u>Cumulative<br/>Penalty</u> | <u>Cumulative<br/>Interest</u> | <u>Total</u> |
|--------------|-------------------------------|--------------------------------|--------------|
| February     | 6 %                           | 1 %                            | 7 %          |
| March        | 7                             | 2                              | 9            |
| April        | 8                             | 3                              | 11           |
| May          | 9                             | 4                              | 13           |
| June         | 10                            | 5                              | 15           |
| July         | 12                            | 6                              | 18           |

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 15% attorney’s collection fee is added to the total tax penalty and interest charge. Under certain circumstances, taxes that become delinquent on the homestead of a taxpayer 65 years of age or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the County’s lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

### **County Application of Tax Code**

The County grants an exemption to the market value of the residence homestead of persons over 65 years of age or disabled of \$100,000.

The County has granted an additional exemption of 20% of the market value of residence homesteads.

See Table 1 in APPENDIX A for a listing of the amounts of the exemptions described above.

The County has not adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes are not levied by the County against the exempt value of residence homesteads for the payment of debt.

The County does not tax nonbusiness personal property; and the County collects its own taxes.

The County does not permit split payments, and discounts are not allowed.

The County taxes Freeport Property.

The County taxes goods-in-transit.

The County does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

#### **Tax Abatement Agreements**

The County and certain taxing units located within the County also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a maximum period of 10 years.

The County has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet several criteria pertaining to job creation and property value enhancement. The value of property subject to abatement is shown in Table 1 in APPENDIX A.

#### **Tax Increment Reinvestment Zones**

A county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. The county will, and other overlapping taxing units may agree, to contribute taxes levied against the incremental value in the TIRZ to finance or pay for public improvements or projects within the TIRZ. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the incremental value. During the existence of the TIRZ, all or a portion of the taxes levied by each participating taxing unit against the incremental value in the TIRZ is restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

The County has not created any TIRZs, but may do so in the future. The County participates in various TIRZs created by municipalities within the County. The total amount of the County's contribution in such TIRZs for Tax Year 2018 was approximately \$5 million and for Tax Year 2019 was approximately \$6 million.

### **ADDITIONAL COUNTY DEBT INFORMATION**

#### **Fort Bend County Toll Road Bonds**

In 2003 and 2004, respectively, the County issued two series of Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds to finance the construction of the Fort Bend Parkway Toll Road and the Fort Bend Westpark Tollway (together, the "County Toll Roads"). In 2012, the County refunded portions of those bonds with the Unlimited Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2012 (the "County Subordinate Lien Toll Road Bonds"). The Fort Bend Parkway Toll Road opened to traffic in August 2004 and the Fort Bend Westpark Tollway opened to traffic in August 2005. The County has engaged the Fort Bend County Toll Road Authority, a non-profit local government corporation created by the County, to manage the construction and operation of the County Toll Roads.

The County Subordinate Lien Toll Road Bonds are secured by a subordinate lien on all net revenues from the operation of the County Toll Roads. In addition, the County Subordinate Lien Toll Road Bonds are secured by a pledge of the County's ad valorem taxes in the event that the net revenues from the operation of the County Toll Roads are insufficient to pay principal of and interest on the County Subordinate Lien Toll Road Bonds. To date, however, it has not been necessary to assess or collect such tax.

The County has reserved the right to issue senior lien toll road revenue bonds secured by a senior lien on net revenues from the operation of the County Toll Roads and additional parity bonds. The County issued senior lien toll road revenue bonds in 2012, 2014, 2016 and 2021 (collectively, the "County Senior Lien Toll Road Bonds") to finance the construction and expansion of the County Toll Roads and to purchase certain rights-of-way. Such bonds are not secured by a pledge of County ad valorem taxes. Additional County Senior Lien Toll Road Revenue Bonds are expected to be issued in the future to finance continued expansion of the County's toll road system when financially feasible.

**Holders of the Bonds will have no right to revenues of the County Toll Roads, and such revenues are not pledged to the Bonds and are not part of the Trust Estate.**

## **Anticipated Issuance of General Obligation Debt**

County voters have authorized \$475.1 million in bonds for County mobility projects and parks and recreation facilities. The County expects to issue up to \$75 million in principal amount of such bonds annually. In addition, the County is considering the lease-purchase development of a multi-purpose center for the County. While the County is in the initial stages of development, it is anticipated that the lease payments will not exceed an amount payable from \$0.01 per \$100 of the County's tax rate.

## **Pension Liability**

The County provides pension, disability and death benefits for all of its full-time employees through a non-traditional, joint contributory, defined contribution plan in the state-wide Texas County and District Retirement System ("TCDRS"). Under the State law governing TCDRS (the "TCDRS Act"), the contribution rate of the County is a fixed percent equal to twice the contribution rate payable by the employee member. Currently, the employee member is required to contribute 7% and the County contributes 14%. This rate is not actuarially determined and is one of the rates that can be adopted by the County in accordance with the TCDRS Act. The matching rate is funded by direct allocation by the County along with plan savings from the prior year, therefore the actual allocation rate is less.

The plan of benefits adopted by the employer at the time of plan inception and when benefit increases are adopted is limited by statute to what the actuary determines can be adequately financed by the commitment of the employer to contribute on behalf of the employee to achieve the match described above. The statute specifies that the actuary's determination is based on a maximum period for amortizing the unfunded pension benefit obligation of 30 years. The County's total payroll in fiscal year 2020 was \$177.2 million and the County's contributions were based on a payroll of \$175.6 million. Contributions made by employees totaled \$12.3 million, and the County made contributions of \$21.7 million during the fiscal year ended September 30, 2020. For more detailed information concerning the retirement plan, see "APPENDIX B—Excerpts from the County's Annual Comprehensive Financial Report for the Year Ended September 30, 2020 – Note 8."

Governmental Accounting Standards Board ("GASB") Statement No. 68 establishes new accounting and financial reporting requirements for governments that provide their employees with pensions, including requiring that the County's funding obligation be calculated and reported as "Net Pension Liability." The "Net Pension Liability" is the difference between the County's "Total Pension Liability" and the "Fiduciary Net Position" of each respective pension plan. The Total Pension Liability is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method.

## **Other Post-Employment Benefits ("OPEB")**

In addition to providing pension benefits through the TCDRS, the County sponsors and administers a single-employer defined benefit health care plan titled "Fort Bend County Employee Benefit Plan" (the "Plan"). The Plan was established and approved by Commissioners Court and Chapter 175, Texas Local Government Code, which provides eligible employees, retirees, and their eligible dependents with the following post-employment benefits:

- Eligible retirees have a portion of their medical and dental insurance premiums paid by the County for participation with the County's healthcare provider; and at the County's cost to cover current employees.
- Eligible dependents of retirees have a portion of their medical and dental insurance premiums paid by the County for participation with the County's healthcare provider; and at the County's cost to cover current employees.

The Plan does not issue a separate, publicly available report.

The contribution requirements of the County and plan members are established and may be amended by Commissioners Court. These contributions are neither guaranteed nor mandatory. The County has retained the right to unilaterally modify its payments toward retiree healthcare benefits. The Plan provides for the payment of a portion of the health and dental insurance premiums for eligible retired employees and their dependents. Plan members receiving benefits contribute a percentage of the monthly insurance premium. Currently, the Plan pays a portion of the retiree's premiums, as well as his or her dependent coverage. The retiree contributes the premium cost each month, less the Plan subsidy.

The County is statutorily required to permit retiree participation in the health insurance program on a pooled non-differentiated basis. The County, therefore, charges both groups an equal, blended rate premium. Although both groups are charged the same rate, Generally Accepted Accounting Principles require the actuarial figures to be calculated using age-adjusted premiums approximating claim costs for retirees separately from active employees. The use of age-adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. However, the County has elected to contribute to the Plan at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the Plan.

In addition to providing pension benefits through the Texas County and District Retirement System, the County has opted to provide eligible retired employees with the following post-employment benefits:

- Eligible retirees receive the same healthcare benefits as current eligible County employees.
- Eligible retirees may purchase healthcare coverage for eligible dependents at the same subsidized cost to current eligible County employees.

The County is statutorily required to permit retiree participation in the health insurance program on a pooled nondifferentiated basis. For budgetary purposes, the County recognizes its share of the costs of providing these benefits when paid, on a “pay-as-you-go” basis. The County has had an actuarial valuation of its post-retirement benefit liability performed as of September 30, 2020. At that date, there were 686 retirees and 315 spouses of retirees receiving benefits and 2,555 active members not yet receiving benefits.

For the fiscal years 2020, 2019 and 2018, the County’s annual OPEB cost for the Plan was \$57,258,715, \$52,404,879 and \$37,992,498, respectively. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years 2014-2017, were as follows:

|                                                      | Fiscal Year<br>Ended 9/30/2018* | Fiscal Year<br>Ended 9/30/2017 | Fiscal Year<br>Ended 9/30/2016 | Fiscal Year<br>Ended 9/30/2015 | Fiscal Year<br>Ended 9/30/2014 |
|------------------------------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Determination of Annual Required Contribution</b> | N/A                             |                                |                                |                                |                                |
| Normal Cost at Fiscal Year End                       | N/A                             | \$ 23,303,760                  | \$ 23,303,760                  | \$ 20,168,775                  | \$ 20,168,775                  |
| Amortization of Unfunded Actuarial Accrued Liability | N/A                             | 24,700,971                     | 22,720,479                     | 19,772,976                     | 18,050,360                     |
| Annual Required Contribution (ARC)                   | N/A                             | 48,004,731                     | 46,024,239                     | 39,941,751                     | 38,219,135                     |
| <b>Determination of Net OPEB Obligation</b>          |                                 |                                |                                |                                |                                |
| Annual Required Contribution                         | N/A                             | 48,004,731                     | 46,024,239                     | 39,941,751                     | 38,219,135                     |
| Interest on prior-year Net OPEB Obligation           | N/A                             | 10,275,919                     | 8,851,254                      | 7,590,374                      | 6,351,213                      |
| Adjustment to ARC                                    | N/A                             | (14,285,034)                   | (12,304,541)                   | (10,551,733)                   | (8,829,118)                    |
| Annual OPEB Cost                                     | N/A                             | 43,995,616                     | 42,570,952                     | 36,980,392                     | 35,741,230                     |
| Less Assumed Contributions Made                      | N/A                             | (7,757,673)                    | (6,954,340)                    | (5,458,390)                    | (4,762,204)                    |
| Estimated Increase in Net OPEB Obligation            | N/A                             | 36,237,943                     | 35,616,612                     | 31,522,002                     | 30,979,026                     |
| Net OPEB Obligation - Beginning of Year              | N/A                             | 256,897,972                    | 221,281,360                    | 189,759,358                    | 158,780,332                    |
| Net OPEB Obligation - End of Year                    | N/A                             | \$ 293,135,915                 | \$ 256,897,972                 | \$ 221,281,360                 | \$ 189,759,358                 |
| Percentage of OPEB Cost Contributed                  | N/A                             | 17.63%                         | 16.30%                         | 14.80%                         | 13.30%                         |

\*Reporting format no longer used.

The County is now required to report the OPEB liability and related ratios in the following format:

|                                                | Year Ended<br>September 30,<br>2020 | Year Ended<br>September 30,<br>2019 | Year Ended<br>September 30,<br>2018 |
|------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Changes in OPEB Liability:</b>              |                                     |                                     |                                     |
| Service Cost                                   | \$ 33,441,558                       | \$ 23,158,173                       | \$ 26,026,355                       |
| Interest on total OPEB liability               | 16,444,674                          | 18,450,312                          | 16,485,782                          |
| Effect of economic/demographic gains or losses | (64,136,897)                        | 0                                   | 0                                   |
| Effect of assumption changes or inputs         | 32,636,913                          | 134,781,088                         | (42,936,568)                        |
| Benefit payments                               | (11,462,029)                        | (8,223,283)                         | (8,224,386)                         |
| Net change in total OPEB liability             | 6,924,219                           | 168,166,290                         | (8,648,817)                         |
| Total OPEB Liability, beginning                | 590,472,674                         | 422,306,384                         | 430,955,201                         |
| Total OPEB Liability, ending                   | \$ 597,396,893                      | \$ 590,472,674                      | \$ 422,306,384                      |
| Covered payroll                                | \$ 169,413,556                      | \$ 159,913,179                      | \$ 152,891,842                      |
| Total OPEB liability as a % of covered payroll | 352.63%                             | 369.25%                             | 276.21%                             |

The following table shows the annual OPEB cost and net OPEB obligation for fiscal years 2016-2020 assuming the plan is not prefunded (4% discount).

| Fiscal Year Ended | Discount Rate | Annual OPEB Cost | Percentage of OPEB Cost Contributed | Total OPEB Obligation |
|-------------------|---------------|------------------|-------------------------------------|-----------------------|
| 2016              | 4.00%         | \$ 42,570,952    | 16.30%                              | \$ 256,897,972        |
| 2017              | 4.00          | 43,995,616       | 17.63                               | 430,955,201           |
| 2018              | 4.18          | 37,992,498       | 21.65                               | 422,306,384           |
| 2019              | 2.66          | 52,404,879       | 15.69                               | 590,472,674           |
| 2020              | 2.21          | 57,258,715       | 20.02                               | 597,396,893           |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

The actuarial cost method used for determining the benefit obligations is a Projected Unit Credit Cost Method. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current actives and retirees and is calculated based on certain assumptions and census data. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service to date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. Since retirees are not accruing any more service, their normal cost is zero. In determining the Annual Required Contribution, the Unfunded AAL is amortized as a level dollar over 30 years. The actuarial assumptions included a 4% per annum discount rate for valuing liabilities. Employees eligible for retiree medical benefits assumed to elect continued medical coverage in retirement for themselves and their spouses is 100% and 40% respectively. The valuation assumes the following:

|                                      |                                                                                         |
|--------------------------------------|-----------------------------------------------------------------------------------------|
| Valuation Date                       | September 30, 2020                                                                      |
| Discount Rate                        | 2.21%                                                                                   |
|                                      | Based on the Bond Buyer's 20-year AA rated General Obligation Index at measurement date |
| Actuarial cost method                | Entry Age Normal                                                                        |
| Inflation                            | 2.20%                                                                                   |
| Medical Trend Rate                   | 5.5% - 3.7% Pre-65 year                                                                 |
|                                      | 5.2% - 3.7% Post-65 year                                                                |
| Salary increases including inflation | 4.00% - 0.60%                                                                           |

## INVESTMENTS

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

### Legal Investments

Under Texas law, the Authority is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the federal Home Loan Banks; (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 are unconditionally 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) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located,

for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for Authority deposits, or (ii) where (a) the funds are invested by the Authority through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the Authority as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the Authority; (b) the broker or the depository institution selected by the Authority 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 depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Authority with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are 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 are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term 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; (12) 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 U.S. or state bank, (13) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the Authority with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (14) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested 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 below.

The Authority may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "Aaa" or an equivalent by at least one nationally recognized rating service. The Authority may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with 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. The Authority is specifically prohibited 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 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**

Under Texas law, 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; and that includes a list of authorized investments for Authority funds, maximum allowable stated maturity of any individual investment, 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 the Public Funds Investment Act. All Authority funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement 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.

Under Texas law, Authority 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 investment officers of the Authority shall submit an investment report detailing: (1) the investment position of the Authority, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (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 strategy statements and (b) state law. No person may invest Authority funds without express written authority from the Commissioners Court.

### **Additional Provisions**

Under Texas law the Authority is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (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) perform an annual audit of the management controls on investments and adherence to the Authority’s investment policy; (5) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (6) 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; (7) restrict its investment in mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; and (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

## **INVESTMENT CONSIDERATIONS**

The following is a discussion of certain matters that should be considered in evaluating an investment in the Bonds. This discussion does not purport to be either comprehensive or definitive. The order in which the investment considerations are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there are other considerations associated with an investment in the Bonds in addition to those set forth herein. Prospective investors should read the entire Official Statement, including the appendices.

### **General**

The information set forth in this Official Statement has been obtained from records, financial reports and other sources of the Authority and County that are considered to be reliable. All of the summaries of the statutes, documents and the orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and orders. These summaries do not purport to be complete statement of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

No opinion or representation is rendered as to whether any forecast will approximate actual results, and all opinions, estimates, and assumptions, whether or not expressly identified as such, should not be considered statements of fact. Inevitably, some underlying assumptions and estimates will not be realized, and unanticipated events and circumstances may occur. Therefore, actual results will vary, and such differences may be material.

Unless expressly stated to the contrary, information on internet websites referenced in this Official Statement is not incorporated into this Official Statement, and such information is dated as indicated therein. The Authority, the County, the Co-Financial Advisors and the Underwriters make no assurances that any such information will be updated in the future. The Authority, the County, the Co-Financial Advisors and the Underwriters disclaim any responsibility regarding other internet sites that may be accessed through any website referenced in this Official Statement.

### **The Grand Parkway System**

The entire Grand Parkway System is an over 180-mile project that consists of 11 segments that traverse through seven counties, including Segment C in Fort Bend and Brazoria Counties and Segment D in Fort Bend County. Segments E, F-1, F-2 and G, in Harris and Montgomery Counties, are being financed and developed by TxDOT. There are no guarantees that the additional segments and interchanges will be completed or, if completed, when. With respect to the construction of the additional segments and interchanges, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental litigation or environmental administrative matters, (iii) the unavailability or cost of acquiring right-of-way or other realty interests, (iv) archaeological, historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation, or (ix) inflation.

## **COVID-19**

For a discussion regarding the impact of COVID-19 on the Authority and the County, see “INTRODUCTION—Infectious Disease Outbreak – COVID-19” herein.

### **Costs of Construction of Toll Facilities**

In projects of the magnitude of the toll facilities developed, operated and improved by the Authority, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental litigation or environmental administrative matters, (iii) the unavailability or cost of acquiring rights-of-way, (iv) archeological, historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation or (ix) inflation. Additionally, tariffs on steel, aluminum and other imports imposed by the United States may adversely impact construction costs for the Authority's toll facilities or the ability of the Authority to accurately estimate construction costs. As a result, there can be no assurance that the costs of completion for any of the Authority's toll facilities or improvements to the Authority's toll facilities will not exceed current estimates, or that the completion of such projects or improvements to such projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.

### **Operating Risks**

The collection of toll revenues is subject to the risks inherent in the establishment and operation of any toll facility, including, among other things, the volume of traffic that utilizes the Project, the ability of the Authority to accurately process data and the ability of the Authority to manage toll evasion and implement effective toll collection and enforcement practices.

Other operating risks that could impact revenues include (i) the ability of the Authority to control expenses, (ii) the availability of adequately-trained personnel, (iii) population, employment and income trends within the region, (iv) congestion on alternative freeways, highways, and streets, (v) time savings experienced by motorists utilizing the toll facilities, (vi) the level and escalation of toll rates, (vii) the availability and price of fuel; and (viii) the construction of new or improved competitive roadways or transit facilities or alternative modes of transportation.

The continued successful operation of the Project will require timely and adequate maintenance and replacement of components of the Project. Any significant deterioration in the Project may result in increased Project Expenses and in reduced usage, including temporary lane closures.

### **Payment of Debt Service**

Under the Joint Project Agreement, the County has agreed to make contractual payments to the Authority sufficient to provide for the payment of debt service on the Bonds. See “THE GRAND PARKWAY SYSTEM—Contract with the County.”

The Bonds are secured, pursuant to the Indenture, by a pledge of and lien on all of the Authority's right, title and interest in and to the County's unconditional contractual obligation to pay the Authority from annual ad valorem taxes levied by the County, within the limits prescribed by law, the principal of and interest on the Bonds to the extent toll revenues and other available funds are insufficient to meet the debt service on the Bonds. See “SECURITY AND SOURCE OF PAYMENT—General.”

Notwithstanding the Joint Project Agreement, the long-term expectation of the Authority and the County is that the Project will generate sufficient revenues to be self-supporting. No assurance can be made that sufficient toll revenues will be available in the future to provide for payment of Debt Service on the Bonds or to maintain the Project adequately over the long term or that the County will not have to make payments under the Joint Project Agreement.

### **Toll Rates**

In the Indenture, the Authority has covenanted to charge and impose tolls and keep in effect a plan for toll collecting facilities and a schedule of rates of tolls that will generate during each fiscal year an amount of Net Revenues which, together with all amounts in the Subordinate Lien Debt Service Fund as of the last day of the preceding fiscal year, will at least equal 100% of the amounts required to pay the principal of and interest on the Subordinate Lien Bonds (including the Bonds) in such fiscal year, subject to the toll rate escalation requirements established by the Term and Conditions. See “SECURITY AND SOURCE OF PAYMENT—Toll Covenant” and “THE GRAND PARKWAY SYSTEM.”

The Authority has established the Toll Policy for future toll rate adjustments on the Authority's toll facilities. The Toll Policy establishes a process for an annual adjustment of toll rates, with provisions for rounding tolls to appropriate levels. The Authority or Commissioners Court can repeal or amend the Toll Policy at any time. See “THE PROJECT—Toll Rate Setting Policy.” The Authority's willingness and ability to raise toll rates or to implement alternative toll pricing strategies in the future may be influenced by a variety of factors, including the Terms and Conditions, toll rates charged by the owners or operators of other toll facilities in the region, local and regional economic conditions and political sensitivities.

In addition, when a toll rate increase is implemented, a portion of travelers may discontinue use of a toll facility in favor of alternative routes. Accordingly, future increases in toll rates could result in reduced usage of the Project which could result in decreased toll revenues.

#### **Alternative Routes**

There are a number of non-tolled roadways in the County that can serve as alternative routes for prospective users of the Project. In particular, drivers will have free access to the main lanes of Segment D of the Project by entering after an overpass and exiting before the next overpass. Factors that could affect use of the Project include cost, time of day, day of the week, speed and delays.

#### **Motor Fuel Prices and Taxes**

There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel pump prices could negatively impact the toll revenues on the Project. Additionally, if motor fuel prices increase, it could have an adverse effect on the economy of the region which could negatively impact toll revenues on the Project.

#### **Continuing Disclosure Obligations**

In connection with the issuance of the Bonds and other previously issued obligations, the Authority and the County have agreed to file continuing disclosure information on an ongoing basis. Any failure by the Authority or the County to comply with their respective continuing disclosure obligations may adversely affect the liquidity of the Bonds and their market prices in the secondary market. See "CONTINUING DISCLOSURE OF INFORMATION."

#### **Technological and Societal Changes**

Neither the Authority nor the Authority's Traffic Engineers can predict the technological and societal changes that may affect the use of the Authority's toll facilities during the term of the Bonds. Societal changes may include, for example, the increased use of telecommuting, which could have an adverse impact on usage of the Project. Other technologies or societal changes could have a similar detrimental effect on the Project.

#### **Market Disruptions, Reliance on Capital Markets and Market Turmoil**

The credit markets experience substantial disruption from time to time. There can be no assurance as to the timing of any disruption or the extent of any recovery that may be made by the credit markets. The Authority's capital plans include raising additional funds through bond financings for extensions and improvements to the Project. If the Authority is unable to access the credit markets as a result of any such disruption, it is likely to have to delay the completion of certain projects until such time as the capital markets rebound. The effect of such delays could result in increased costs for such projects and a delay in the receipt of revenues from such projects.

The Pandemic has had, and may continue to have, negative repercussions upon the national economy, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, fluctuations in interest rates, reduced business activity, increased unemployment, increased consumer bankruptcies and increased business failures and bankruptcies. Congress, the Federal Reserve Board and other agencies of the federal government have taken various actions that are designed to enhance liquidity, improve the performance and efficiency of the credit markets and generally stabilize the securities markets and stimulate the economy. There can be no assurance that these actions will be effective. If the economic environment remains weak or worsens further, it could negatively impact the financial condition of the Authority and the County.

#### **Limitation and Enforceability of Remedies**

The remedies available to owners of any Bonds upon an event of default under the transaction documents, including the Indenture, are limited to the seeking of specific performance in a writ of mandamus or other suit, action or proceeding compelling and requiring the Authority and officials of the Authority and the County to observe and perform any covenant, condition or obligation prescribed in the transaction documents, including the Indenture. Bondholders do not have the right to have the maturity of the Bonds accelerated as a remedy in the event of a default by Authority or the County under the transaction documents. The enforcement of the remedy of mandamus may be difficult and time consuming. No assurance can be given that a mandamus or other legal action to enforce a default under the transaction documents would be successful.

The remedies under the transaction documents, including the Indenture, may be dependent upon judicial or other actions that are subject to discretion and delay and may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

## **Changes in Law**

State and federal legislation is introduced and enacted from time to time that could have a direct impact on the financial condition of the Authority and the County or the operations of the Project. The likelihood of any such legislation being introduced or enacted cannot be predicted.

## **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 proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **INFORMATION TECHNOLOGY RISK FACTOR**

The Authority depends upon information and computing technology to conduct general business operations. These systems may be subject to disruptions or security breaches that could materially disrupt the Authority's operations, cause reputational damage and/or give rise to losses or legal liability. The Authority's information technology department continually monitors these threats and has implemented practices, policies, security systems, and design features to protect the security of its information technology systems and data. However, no assurance can be given that such measures will fully prevent potential business continuity or cybersecurity risks arising from events wholly or partially beyond the Authority's control, including electrical communication outage, natural disasters or cyber-attacks, or larger-scale political events including terrorist attacks. Any such occurrence could materially and adversely affect the Authority's operations and reputation, which could lead to decreased financial performance that insurance may not cover and may require the Authority to expend significant resources to correct the failure or disruption.

## **HURRICANE HARVEY**

Hurricane Harvey made landfall on the Gulf Coast of Texas on August 25, 2017, and deposited over 40 inches of rain during the week that followed. This resulted in record flooding across the region, including Fort Bend County. Approximately 6,800 homes and hundreds of businesses were impacted, with damage valued at well over \$1 billion. The County incurred damages totaling \$128.8 million; however, there was no material damage to toll road facilities or equipment. The County's drainage system was the most impacted at an estimated value of \$81.1 million. The County expects to recover 95% of these damages from federal sources (FEMA, USDA/NRCS, CDBG-DR) over the course of the next year. The Fort Bend County Drainage District issued bonds totaling \$25.4 million in December 2020 to begin funding its portion of various drainage projects and flood mitigation initiatives.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Tax Counsel ("Tax Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Tax Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Tax Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial

Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Tax Counsel assumes the accuracy of these representations and compliance with these covenants. Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Tax Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Tax Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Tax Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Tax Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Tax Counsel is expected to express no opinion.

The opinion of Tax Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Tax Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Tax Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Tax Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Tax Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

## **OTHER INFORMATION**

### **Ratings**

The Bonds and the outstanding bonds of the Authority are rated "\_\_\_" by Moody's Investor Services, Inc. ("Moody's") and "\_\_\_" by Fitch Ratings ("Fitch"). An explanation of the significance of such ratings may be obtained from the company furnishing the rating. A securities rating is not a recommendation to buy, sell or hold securities. The ratings reflect only the respective views of such organizations and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

### **Litigation**

It is the opinion of the Authority that there is no pending litigation against the Authority that would have a material adverse financial impact upon the Authority or its operations.

### **Registration and Qualification of Bonds for Sale**

The sale of the Bonds has not been registered under the Securities Act of 1933 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 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 shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Underwriters to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The Authority agrees to cooperate, at the Underwriters written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the Authority shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

#### **Legal Investments and Eligibility to Secure Public Funds in Texas**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. See "—Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. The Authority have made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities to purchase or invest in Bonds for such purposes. No review by the Authority has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

#### **Legal Matters**

The Authority will furnish 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 approving the initial Bond and to the effect that the Bonds are valid and legally binding obligations of the Authority, and based upon examination of such transcript of proceedings, the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Co-Bond Counsel and Tax Counsel, and The Muller Law Group, PLLC, Sugar Land, Texas, Co-Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. Included as "APPENDIX F—FORMS OF CO-BOND COUNSEL'S OPINION AND TAX COUNSEL'S OPINION" is the substantial form of opinion that Co-Bond Counsel and Tax Counsel will render in connection with the issuance of the Bonds. The legal opinion of Co-Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System.

Co-Bond Counsel have reviewed the information appearing in this Official Statement under "THE BONDS" (except for "Book-Entry-Only System"), "SECURITY AND SOURCE OF PAYMENT," "TAX MATTERS," "OTHER INFORMATION—Registration and Qualification of Bonds for Sale," "—Legal Investments and Eligibility to Secure Public Funds in Texas," and "—Legal Matters" (first two paragraphs only), "CONTINUING DISCLOSURE OF INFORMATION" (except "Compliance With Prior Undertakings"), and "APPENDIX E—Summary of the Indenture," solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Tax Counsel has reviewed the information appearing in this Official Statement under "TAX MATTERS," solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein.

Certain legal matters will be passed upon for the Authority by West & Associates, L.L.P., Houston, Texas, Disclosure Counsel. The legal fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Bates & Coleman, P.C., Houston, Texas and Bratton & Associates, Houston, Texas, Co-Underwriters' Counsel. The legal fees of such firms are contingent upon the sale and delivery of the Bonds.

Orrick, Herrington & Sutcliffe LLP, The Muller Law Group, PLLC. and West & Associates, L.L.P. represent the Underwriters from time to time in matters unrelated to the issuance of the Bonds. Bates & Coleman, P.C. and Bratton & Associates represent the County from time to time in matters unrelated to the issuance of the 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 Data and Other Information**

The financial data and other information contained herein have been obtained from Authority records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

### **Co-Financial Advisors**

Post Oak Municipal Advisors LLC and Hilltop Securities Inc. are retained as Co-Financial Advisors in connection with the issuance of the Bonds. The Co-Financial Advisors' fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Neither Post Oak Municipal Advisors LLC nor Hilltop Securities Inc., in their capacity as a Co-Financial Advisor, assumes any responsibility for the information, covenants and representations contained in any of the legal documents 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.

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

### **Verification of Mathematical Calculations**

Public Finance Partners LLC will deliver to the Authority, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of and interest on the Refunded Bonds.

The verification performed by Public Finance Partners LLC will be solely based upon data, information and documents provided to Public Finance Partners LLC by Post Oak Municipal Advisors LLC, on behalf of the Authority. Public Finance Partners LLC has restricted its procedures to recalculating the computations provided by Post Oak Municipal Advisors LLC on behalf of the Authority and has not evaluated or examined the assumptions or information used in the computations.

### **Underwriting**

The Underwriters, represented by Mesirow Financial, Inc. (the "Representative"), have agreed, subject to certain conditions precedent, to purchase the Bonds, at a price of \$\_\_\_\_\_ (representing the principal amount of the Bonds of \$137,160,000\* plus a premium of \$\_\_\_\_\_, less an underwriters' discount of \$\_\_\_\_\_). 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.

The Underwriters have reviewed the information in this official statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the issuer for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

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*\*Preliminary, subject to change.*

UBS Financial Services Inc. ("UBS FSI"), one of the Underwriters of the Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC ("UBS Securities") for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with respect to the Bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

#### **Forward-Looking Statements Disclaimer**

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, including 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. The Authority's actual results could differ materially from those discussed 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**

#### **The Authority**

In the Third Supplemental Indenture, 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 the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Authority will be 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"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

#### **Annual Reports**

The Authority will provide certain updated financial information and operating data, which is customarily prepared by the Authority and is publicly available, annually to the MSRB. The financial information and operating data which will be provided with respect to the Authority include all quantitative financial information and operating data of the general type included in this Official Statement under Tables 1 through 5 and in Appendix C. The Authority will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2021. Any financial statements so provided shall be prepared in accordance with such accepted accounting practices as, in the opinion of a certified public accountant, conforms at the time to a body of generally accepted accounting principles, and audited if the Authority commissions an audit of such statement and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not completed within such period, then the Authority shall provide unaudited financial information and operating data which is customarily prepared by the Authority for the applicable fiscal year within six months of the end of the fiscal year, and audited financial statements when and if the audit report becomes available.

The Authority's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 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.

#### **Notices of Certain Events**

The Authority will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The Authority will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) nonpayment 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 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 or other obligated person within the meaning of the Rule; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the Authority or other obligated person within the meaning of the Rule, other than in the ordinary course of

business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; (15) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties. The Authority shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with SEC Rule 15c2-12 ("Rule 15c2-12"). All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

For these purposes, any event described in (12) in the immediately preceding paragraph 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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. As used in the above clauses (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12. The Authority intends the words used in the above clauses (15) and (16) and in the definition of financial obligation above to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

#### **Availability of Information**

The Authority has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

#### **Amendments**

The Authority has agreed to update information and to provide notices of certain specified events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Authority to comply with its agreement.

The Authority may amend its continuing disclosure agreement 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, if (i) the continuing disclosure agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the beneficial holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid and the Authority also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Authority so amends the continuing disclosure agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

#### **Compliance with Prior Undertakings**

During the last five years, the Authority has complied in all material respects with all continuing disclosure agreements entered into by it in accordance with Rule 15c2-12.

#### **The County**

In the Joint Project Agreement, the County has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the County will be 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”). The MSRB has established the Electronic Municipal Market Access (“EMMA”) system.

### **Annual Reports**

The County will provide certain updated financial information and operating data, which is customarily prepared by the County and is publicly available, annually to the MSRB. The financial information and operating data which will be provided with respect to the County include all quantitative financial information and operating data of the general type included in this Official Statement in Appendix B and under Tables 1 through 7 and 9 through 15 in Appendix A. The County will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2021. Any financial statements so provided shall be prepared in accordance with such accepted accounting practices as, in the opinion of a certified public accountant, conforms at the time to a body of generally accepted accounting principles, and audited if the County commissions an audit of such statement and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not completed within such period, then the County shall provide unaudited financial information and operating data which is customarily prepared by the County for the applicable fiscal year within six months of the end of the fiscal year, and audited financial statements when and if the audit report becomes available.

The County’s current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB of the change.

### **Notices of Certain Events**

The County will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The County will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) nonpayment 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 affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Obligation 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 County; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; (15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties. The County shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with Rule 15c2-12. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer. As used in this section, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12. The County intends the words used in the above clauses (15) and (16) and in the definition of financial obligation above to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

### **Availability of Information**

The County has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

## **Amendments**

The County has agreed to update information and to provide notices of certain specified events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement 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 County, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the County (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The County may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the County so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

## **Compliance with Prior Undertakings**

The County’s scheduled payments of principal and interest due on September 1, 2017 for its general obligation bonds (but not its Toll Road Senior Lien Revenue Bonds or Subordinate Lien Bonds) were late due to an unforeseeable and major weather event (Hurricane Harvey) whose impact prevented the timely transmittal of funds. See “HURRICANE HARVEY” herein. The County had adequate funds on hand to make the scheduled principal and interest payments, and did so on the next business day, September 5, 2017. On September 7, 2017, the County filed a material event notice with regard to the late payments. The County subsequently implemented procedures to ensure that a similar situation does not occur in the future with respect to the timely payment of any of the County’s principal and interest obligations.

The County’s audited financial statements for Fiscal Year 2020 were not available for filing on EMMA by March 31, 2021, the date which is six months after the end of the County’s fiscal year end of September 30, 2020. On March 30, 2021, the County filed a report of annual financial information on EMMA that included unaudited annual financial and operating data for Fiscal Year 2020. On April 30, 2021, the County completed a draft annual report which included unaudited financial statements, however the draft report was not filed on EMMA. Subsequently, the County completed its audited financial statements for Fiscal Year 2020 for inclusion in a final report of annual financial information that was filed on EMMA on June 2, 2021.

## **MISCELLANEOUS**

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. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

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

The Order authorizing the issuance of the Bonds also approves the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorizes its further use in the offering of the Bonds by the Underwriters.

### **Certification of the Official Statement**

At the time of payment for and delivery of the Bonds, the Authority will furnish a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the Authority contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Bonds, and on the date of the delivery, were and are true and correct in all material respects; (b) 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; (c) 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 (d) there has been no material adverse change in the financial condition of the Authority since the date of the last audited financial statements of the Authority.

FORT BEND GRAND PARKWAY TOLL  
ROAD AUTHORITY

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Chairman, Board of Directors

ATTEST:

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Secretary, Board of Directors

**SCHEDULE I****SUMMARY OF REFUNDED BONDS****Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012****Dated 8/1/2012**

| <u>Original<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>CUSIP<br/>Number</u> | <u>Principal<br/>Outstanding</u> | <u>Principal to be<br/>Refunded*</u> | <u>Redemption<br/>Date / Price</u> |
|------------------------------|--------------------------|-------------------------|----------------------------------|--------------------------------------|------------------------------------|
| 3/1/2023                     | 5.000%                   | 346832 AB4              | \$3,575,000                      | \$3,575,000                          | 3/1/2022 @ 100%                    |
| 3/1/2024                     | 5.000%                   | 346832 AC2              | 3,750,000                        | 3,750,000                            | 3/1/2022 @ 100%                    |
| 3/1/2025                     | 5.000%                   | 346832 AD0              | 3,930,000                        | 3,930,000                            | 3/1/2022 @ 100%                    |
| 3/1/2026                     | 5.000%                   | 346832 AE8              | 4,125,000                        | 4,125,000                            | 3/1/2022 @ 100%                    |
| 3/1/2027                     | 5.000%                   | 346832 AF5              | 4,325,000                        | 4,325,000                            | 3/1/2022 @ 100%                    |
| 3/1/2028                     | 5.000%                   | 346832 AG3              | 4,535,000                        | 4,535,000                            | 3/1/2022 @ 100%                    |
| 3/1/2029                     | 3.000%                   | 346832 AH1              | 4,710,000                        | 4,710,000                            | 3/1/2022 @ 100%                    |
| 3/1/2030                     | 5.000%                   | 346832 AJ7              | 4,890,000                        | 4,890,000                            | 3/1/2022 @ 100%                    |
| 3/1/2031                     | 3.000%                   | 346832 AK4              | 5,080,000                        | 5,080,000                            | 3/1/2022 @ 100%                    |
| 3/1/2032                     | 5.000%                   | 346832 AL2              | 5,275,000                        | 5,275,000                            | 3/1/2022 @ 100%                    |
| 3/1/2037                     | 5.000%                   | 346832 AM0              | 30,525,000                       | 30,525,000                           | 3/1/2022 @ 100%                    |
| 3/1/2042                     | 5.000%                   | 346832 AN8              | 38,850,000                       | 38,850,000                           | 3/1/2022 @ 100%                    |
| 3/1/2046                     | 4.000%                   | 346832 AP3              | <u>37,825,000</u>                | <u>37,825,000</u>                    | 3/1/2022 @ 100%                    |
|                              |                          |                         | <u>\$151,395,000</u>             | <u>\$151,395,000</u>                 |                                    |

\* *Preliminary, subject to change.*

**APPENDIX A**

**SELECTED FINANCIAL INFORMATION  
OF THE COUNTY**

**APPENDIX B**  
**EXCERPTS FROM THE**  
**FORT BEND COUNTY, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Year Ended September 30, 2020

The information contained in this Appendix consists of excerpts from the Fort Bend County, Texas Annual Comprehensive Financial Report for the Year Ended September 30, 2020, and is not intended to be a complete statement of the County's financial condition. Reference is made to the complete report for further information.

**APPENDIX C**  
**EXCERPTS FROM THE**  
**FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY**  
**FINANCIAL REPORT**

For the Year Ended September 30, 2020

The information contained in this Appendix consists of excerpts from the Fort Bend Grand Parkway Toll Road Authority Financial Report for the Year Ended September 30, 2020, 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.

**APPENDIX D**  
**GLOSSARY OF TERMS**

## GLOSSARY OF TERMS

*The following sets forth certain definitions used in this Official Statement and in the Indenture. Reference is made to the Indenture, copies of which may be obtained from the Authority, for a full and complete statement of its provisions. A summary of certain provisions of the Master Indenture is included in APPENDIX E. The provisions of the Master Indenture may be amended or supplemented in accordance with the terms thereof.*

“Account” or “Accounts” shall mean any one or more, as the case may be, of the accounts from time to time hereafter created and established in Section 502 of the Indenture.

“Accountant” shall mean any certified public accountant or firm of certified public accountants or accounting corporation of recognized experience and qualifications, selected by the Authority and may be an accountant or firm of accountants that regularly audits the books of the Authority.

“Accountant’s Certificate” shall mean a certificate signed by the Accountant.

“Act” shall mean, collectively, Chapters 284 and 431, Texas Transportation Code, and Chapters 1201, 1207, 1371, and 1431, Texas Government Code, as amended.

“Additional Subordinate Lien Bonds” shall mean the additional subordinate lien revenue bonds, notes and obligations permitted to be issued by the Authority pursuant to Section 702 of the Indenture.

“Additional Work” shall mean (i) the installation of dedicated fiber from U.S. 59 to and including the intersection at Westpark Tollway; (ii) the construction of direct connectors from Westpark Tollway to the Grand Parkway; (iii) the construction of West Airport U-turns, southbound exit ramp, northbound exit and entrance ramps, rehabilitation and extension of the northbound frontage road and auxiliary lanes between Harlem Rd. and Mason Rd; (iv) the construction of a Peek Rd. overpass and signalized intersection; (v) right-of-way surveys/mapping and appraisals for Segment C; (vi) the construction of northbound main lanes and the reconstruction of southbound main lanes from FM 1464 to West Airport, and (vii) any other expenditures that would constitute a Cost of the Project as defined in the Indenture. The Additional Work is being financed with proceeds of the Series 2021 Bonds in connection with the further development of Segments C and D of the Grand Parkway System in Fort Bend County.

“Aggregate Debt Service” shall mean for any Fiscal Year, as of the date of calculation, the sum of the amounts of Debt Service for such Fiscal Year or other period with respect to all Bonds.

“Amortized Value” shall mean the value of an Investment Security calculated by adding the amount of the premium to the par value of the Investment Security or deducting the amount of the discount from the par value of the Investment Security, as the case may be, after such premium or discount has been amortized according to Generally Accepted Accounting Principles for the number of days since the acquisition of the Investment Security.

“Annual Budget” shall mean the annual budget of the Authority for the Project that is adopted pursuant to Section 807 of the Indenture, as amended or supplemented, adopted, or in effect for a particular year or fraction thereof.

“Authority” shall mean the Fort Bend Grand Parkway Toll Road Authority, a local government corporation organized and authorized under Chapter 431 of the Texas Transportation Code.

“Authorized Officer of the Authority” shall mean the Chairman or Vice Chairman of the Authority or any officer or employee of the Authority designated as an “Authorized Officer of the Authority” by Supplemental Indenture, resolution or order duly adopted by the Board of Directors of the Authority.

“Average Annual Debt Service Requirements” shall mean, as of any particular date of computation, the aggregate of the Debt Service Requirements on each series of Bonds divided by the number of years from the date of computation to the date the last Outstanding Bond, at the time of computation, matures. The Average Annual Debt Service Requirement is computed and recomputed upon (1) the issuance of each series of Subordinate Lien Bonds and (2) on each date on which Subordinate Lien Bonds mature or are optionally or mandatorily redeemed. For purposes of this computation a fraction of a year will be considered a full year. In the case of any series of Bonds which (i) has a final maturity date of less than ten years but more than two years from any particular date of computation or (ii) is secured by an unconditional commitment from a financial institution (which commitment as to form, substance and institution are acceptable to the Trustee) providing for the refinancing of such Bonds, the Average Annual Debt Service Requirements shall be computed as if all of such Bonds matured on a single date which is twenty-five years after the date of issuance of such Bonds.

“Bond” or “Bonds” shall mean any bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Indenture.

“Bondowner,” “Owner of Bonds” or “Owner” shall mean the registered owner of any Bond as to both principal and interest.

"Business Day" shall mean a day which is not a Saturday, Sunday or banking holiday in New York City or Houston, Texas.

"Capitalized Lease Obligation" shall mean any obligation of the Authority, as lessee, to pay rent under a lease of real or personal property, which obligation, in the judgment of the Accountant, is required to be capitalized on a balance sheet of the lessee in accordance with Generally Accepted Accounting Principles.

"Commissioners Court" shall mean the Commissioners Court of Fort Bend County, Texas which is the governing body of the County.

"Construction Fund" shall mean the "Construction Fund" created and established by Section 502 of the Indenture.

"Consulting Engineers" shall mean the Authority Engineer or the engineering firm or firms at the time employed by the Authority pursuant to the provisions of the Indenture to carry out the duties imposed by the Indenture on the Consulting Engineers.

"Cost" or "Cost of the Project" shall mean all costs of acquisition, construction, improvement, operation and maintenance of the Project that is a qualified Cost under the Act.

"Costs of Issuance" shall mean the items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale and issuance of Bonds, which items of expense shall include, without limiting the generality of the foregoing: travel expenses; printing costs; costs of reproducing documents; computer fees and expenses; filing and recording fees; initial fees and charges of the Trustee and Paying Agents; bond discounts; legal fees and charges; consulting fees and charges; auditing fees and expense; financial advisor's fees and charges; costs of credit ratings; insurance premiums; fees and charges for execution, transportation and safekeeping of Bonds; and other administrative or other costs of issuing, carrying and repaying such Bonds and investing the Bond proceeds.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Authority) selected by the Authority and satisfactory to the Trustee.

"County" shall mean Fort Bend County, Texas, a body politic and corporate and a political subdivision of the State of Texas.

"County Reimbursement Fund" shall mean the "County Reimbursement Fund" created pursuant to Section 502 of the Indenture.

"County Reimbursement Obligation" shall mean an amount required to be repaid to the County in accordance with the terms of the Joint Project Agreement.

"Credit Agreement" shall mean any agreement between the Authority and a third party financial institution, political subdivision, or the State of Texas, pursuant to which such party issues a letter of credit, municipal bond insurance policy, line of credit, standby purchase agreement, surety policy, surety bond or other guarantee or credit support document for the purpose of enhancing the creditworthiness or liquidity of any of the Authority's obligations including and pursuant to the terms of any Bonds or Qualified Hedge Agreements and in consideration for which the Authority may agree to pay, but solely from Net Revenues as provided herein, (i) periodic payments for the availability of such Credit Agreement and/or (ii) reimbursements or repayments of any amounts advanced under such Credit Agreement, together with interest and other stipulated costs and charges related to such amounts advanced. Bonds of the Authority issued pursuant to or in connection with a Credit Agreement shall be deemed to be, and shall be included within, the Debt Service Requirements for the series of Bonds to which the Credit Agreement relates. Each Credit Agreement shall be deemed to be a part of the Bonds of the series to which it relates for the purpose of securing its payment or repayment by the pledge of Net Revenues as provided in the Indenture. However, issuers of Credit Agreements shall not be treated as Owners of Bonds for purposes of any voting rights to approve amendments or to direct the exercise of any remedies under the Indenture.

"Debt Service Requirements" shall mean, as of any date of calculation, an amount equal to the sum of the following for any period and with respect to all or any portion of the Bonds:

(a) Current interest scheduled to accrue during such period on such Bonds, except to the extent that provision for the payment of such interest has been made by (i) appropriating for such purpose amounts sufficient to provide for the full and timely payment of such interest either from proceeds of Bonds, from interest earned or to be earned thereon, from other Authority funds other than Net Revenues, or from any combination of such sources and (ii) depositing such amounts (except in the case of interest to be earned, which shall be deposited as received) into a fund or account for capitalized interest, the proceeds of which are required to be transferred as needed into the Subordinate Lien Debt Service Fund, as the case may be, plus

(b) That portion of the principal amount of, or compounded interest on, such Bonds scheduled to be payable on or before the next January 1 (either at maturity or by reason of scheduled mandatory redemptions, but after taking into account all prior optional and mandatory Bond redemptions) which would accrue if such principal amount were deemed to accrue daily in equal amounts from the next preceding January 1; provided, however, that the following rules shall apply to the computation of Debt Service Requirements on certain series of Short Term/Demand Bonds and on any series of Bonds bearing interest at a floating or variable rate:

(1) For any series of Short Term/Demand Bonds issued pursuant to a commercial paper program or similar program, Debt Service Requirements shall be computed on the assumption that the principal amount shall continuously be refinanced under such program and remain outstanding until the first Fiscal Year for which interest on such Short Term/Demand Bonds has not been capitalized or otherwise funded or provided for, at which time (which shall not be beyond the term of such program) it shall be assumed that the outstanding principal amount thereof shall be refinanced with a series of Bonds which shall be assumed to be amortized over a period not to exceed 25 years and shall be assumed to be amortized in such a manner that the maximum Debt Service Requirements in any twelve month period shall not exceed 110% of the minimum Debt Service Requirements for any other 12-month period, and shall be assumed to bear interest at a fixed interest rate estimated by the Authority's financial advisor or underwriter to be the interest rate such series of Bonds would bear if issued on such terms on the date of such estimate;

(2) For any series of Bonds bearing interest at a variable or adjustable rate or a rate to be negotiated or revised from time to time such that the actual future rate of interest thereon cannot be ascertained at the time of calculation, it shall be assumed that such Bonds will bear interest at the higher of (1) a long-term interest rate estimated by the Authority's financial advisor or underwriter to be the average rate of interest such Bonds would bear if issued as long-term bonds bearing interest at fixed interest rates to be amortized over 30 years with level debt service or (2) a short-term interest rate calculated as follows: (a) for any series of Bonds then Outstanding, at the greater of (i) the average interest rate derived from the variable or adjustable interest rate formula or computation applicable to, or average interest rate borne by, such series of Bonds during a 12-month period ending within 30 days prior to the date of computation or (ii) the actual interest rate derived from such variable or adjustable interest rate formula or computation, or the actual interest rate payable on such series of Bonds, on the date of such calculation, and (b) for any series of Bonds then proposed to be issued, at an interest rate estimated by the Authority's financial advisor or underwriter to be the average rate of interest such series of Bonds will bear during the period or periods for which the Debt Service Requirements are being calculated.

Debt Service Requirements shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of scheduled principal maturities or scheduled mandatory redemptions of such Bonds, except as provided above for Short Term/Demand Bonds.

Obligations of the Authority to make payments under a Credit Agreement as reimbursements or repayments of amounts paid or advanced under such Credit Agreement for interest on or principal of any Bonds (including interest and other stipulated costs and charges related to such amounts advanced) shall be deemed to be payments of interest on or principal of such Bonds.

Qualified Hedge Agreements shall cause Debt Service Requirements to be (i) increased by the amount of any scheduled payments and charges for the availability of the Qualified Hedge Agreement, (ii) decreased by the amount of any scheduled interest payments on the related Bonds which the Authority's financial advisor certifies to be substantially hedged pursuant to the Qualified Hedge Agreement, and (iii) increased by the gross payments of the Authority under the Qualified Hedge Agreement (without regard to netting); provided, however, that any variable or adjustable payment obligation of the Authority under the Qualified Hedge Agreement shall be deemed to be a fixed rate obligation based upon the provisions contained in paragraph (ii) above of the definition of Debt Service Requirements, as certified by the Authority's financial advisor.

"Depository" shall mean any bank, trust company, national banking association, savings and loan association, savings bank or other banking institution or association selected by the Authority as a depository of moneys and securities held under the provisions of the Indenture and the Act, and may include the Trustee.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means 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.

"Event of Default" shall mean an Event of Default as such term is defined in Section 902 of the Indenture.

“Fair Market Value” shall mean, as of any particular time: (a) as to Investment Securities 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 Investment Securities so published on or most recently prior to the date of valuation by the Trustee, or (b) as to Investment Securities 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 Investment Securities at the date of valuation by the Trustee, as reported to the Trustee by any two nationally recognized dealers in such Investment Securities.

“Fiduciary” or “Fiduciaries” shall mean the Trustee, the Paying Agents or any or all of them, as may be appropriate.

“Fiscal Year” shall mean a fiscal year as established by the Authority which is currently the 12-month period ending September 30, but which may be changed from time to time.

“Fort Bend Grand Parkway” means that portion of the Grand Parkway System located in Fort Bend County and includes the Project.

“Fund” or “Funds” shall mean any one or more, as the case may be, of the separate special funds created and established in Section 502 of the Indenture.

“Generally Accepted Accounting Principles” shall mean such accounting practice as, in the opinion of the Accountant, conforms at the time to generally accepted accounting principles.

“Grand Parkway Agreements” shall mean the Terms and Conditions effective September 29, 2008, and Market Valuation Waiver Agreement effective March 25, 2009. The Grand Parkway Agreements: i) establish the “Minimum Project Scope” and the “Ultimate Project Scope” of the Grand Parkway System within Fort Bend County and other counties; ii) require the Grand Parkway be developed separate from the County’s existing toll road system; and iii) limits the use of toll revenues from the Grand Parkway to the development and maintenance of the Grand Parkway System until the Ultimate Project Scope is complete.

“Grand Parkway System” shall mean a planned system of controlled access toll lanes ranging from two to six lanes wide and approximately 180 miles long traversing seven counties and encircling the Greater Houston Region, as more fully described in the Grand Parkway Agreements.

“Grand Parkway System Improvement Fund” shall mean the “Grand Parkway System Improvement Fund” created by Section 502 of the Indenture.

“Gross Revenues” shall mean Revenues prior to payment of Operating and Maintenance Expenses and funding the Operating and Maintenance Reserve.

“Indenture” shall mean this Trust Indenture as the same may be amended or supplemented from time to time by Supplemental Indentures in accordance with the terms hereof.

“Initial Bond” shall mean the Initial Bond authorized by Section 306(d) of the Indenture.

“Interest Payment Date” shall mean March 1, 2022 and each September 1 and March 1 thereafter, or as otherwise defined by a Supplemental Indenture.

“Investment Security” or “Investment Securities” shall mean and include any one or more of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

- (a) Direct obligations of or obligations, directly or indirectly, guaranteed by the United States of America;
- (b) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed, directly or indirectly, by any of the following: Bank: for Cooperatives; Federal Intermediate Credit Banks, Federal Home Loan Bank: System, Export-Import Bank of the United States, Federal Land Banks, Federal National Mortgage Association (to the extent guaranteed by the Government National Mortgage Association), Federal Home Loan Mortgage Corporation, Farmers’ Home Administrator, Tennessee Valley Authority, Federal Farm Credit System, the Government National Mortgage Association, or other successor or similar agencies;
- (c) Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
- (d) Direct and general obligations of or obligations guaranteed by the State, the payment of the principal of and interest on which is a general obligation of the State;

(e) Demand deposits or interest-bearing time deposits, certificates of deposit or other similar banking arrangements, with the Trustee or a member of the Federal Deposit Insurance Corporation, or any savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation, or any such institution having undivided capital and surplus of at least \$50,000,000, and if such time deposits or certificates of deposit, to the extent not insured to the full amount thereof, are fully secured by obligations of the type specified in (a), (b), (c) or (d) above or (h) below which have a Fair Market Value, at least equal at all times to the amount of such deposits;

(f) Repurchase Agreements with banks which are members of the Federal Deposit Insurance Corporation, and with members of the Association of Primary Dealers in United States Government Securities. The underlying securities of which are of the type described in (a) and (b) above and which are fully secured at all times by obligations of the same type which have a Fair Market Value, including accrued interest, at least equal to the amount of such Repurchase Agreement including accrued interest;

(g) Interest-bearing time deposits or Repurchase Agreements with agencies or intermediaries of the Federal Government described in (a) and (b) above;

(h) Direct and general obligations of any state within the territorial United States of America, provided that at the time of their purchase under the Indenture, such obligations are rated in one of the two highest letter rating categories by a nationally recognized bond rating agency;

(i) Certificates of Deposit of any bank including the Trustee with undivided capital and surplus of at least \$50,000,000, the unsecured debt of which or of its parent holding company is rated in one of the two highest letter rating categories by a nationally recognized bond rating agency, with such Certificates of Deposit to be secured by any other Investment Securities or by any security then acceptable to secure deposits of public funds of the State of Texas having a Fair Market Value at least equal to the amount of the Certificate of Deposit;

(j) Investment agreements with any bank including the Trustee with undivided capital and surplus of at least \$50,000,000 or bank holding company, the unsecured debt of which (or of a bank's parent holding company in the case of a bank if the unsecured debt of the bank is not rated) is rated in one of the two highest letter rating categories by a nationally recognized bond rating agency, with such investment agreement to be secured by any other Investment Securities described herein or by any security then acceptable to secure deposits of public funds of the State of Texas having a Fair Market Value at least equal to the amount of the Investment Agreement;

(k) Investment agreements with any bank or other financial institution, the unsecured debt of which is rated in either of the two highest letter rating categories by a nationally recognized bond rating agency; and

(l) Money market funds, including those of the Trustee and its affiliates, which are rated in either of the two highest letter rating categories by a nationally recognized bond rating firm.

"Joint Project Agreement" means the Agreement between the County and the Authority dated as of July 24, 2012, as amended in connection with the issuance of the Series 2021 Bonds, relating to the construction of the Project and the issuance of Bonds to provide funding for the Project.

"Junior Lien Bonds" shall mean bonds or other indebtedness having the meaning set forth in Section 707 of the Indenture.

"Letter of Instructions" shall mean a written directive and authorization to the Trustee executed by an Authorized Officer of the Authority.

"Net Revenues" shall mean the Revenues less the sum of (i) the Operating and Maintenance Expenses and (ii) the aggregate of principal and interest payments made, or to be made, during the period for which Net Revenues are computed on Senior Indebtedness that is secured by a first charge on revenues, or such other amount as may be defined as "Net Revenues" by a Supplemental Indenture, subject to Section 1101(i) of the Indenture.

"Operating Board" shall mean the Board of Directors of the Authority acting as the operating board or any subsequent substitute operating board that may be appointed by the Commissioners Court in accordance with Chapter 284, Texas Transportation Code.

"Operating and Maintenance Expenses" shall mean the Authority's costs and expenses of maintenance, repair, operation and administration of the Project (including other portions of the Fort Bend Grand Parkway added to the definition of "Project" by the Authority) and shall include without limiting the generality of the foregoing: (i) salaries, supplies, utilities, labor, rent; (ii) fees and expenses for data processing, policing, insurance, legal, accounting, engineering, the Trustee, Depositories or Paying Agents, letters of credit and credit facilities, consulting and banking services; (iii) Costs of Issuance not paid as a Cost of the Project; and (iv) payments to pension, retirement, health and hospitalization funds.

"Operating and Maintenance Reserve" shall mean, as of any particular time of calculation, an amount of money to be retained in the Revenue Fund pursuant to Section 503 of the Indenture which is equal to three months of Operating and Maintenance Expenses, as set out in the Annual Budget.

“Outstanding” when used with reference to the Senior Indebtedness or Subordinate Lien Bonds, as the case may be, means, as of a particular date, all such bonds theretofore and thereupon delivered except: (a) any such bond cancelled by or on behalf of the Authority at or before said date; (b) any such bond defeased pursuant to the defeasance provisions of the ordinance authorizing its issuance, 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 ordinance authorizing the issuance of such bond.

“Parity Contract Obligations” shall mean any of the following obligations of the Authority issued or incurred pursuant to the Indenture:

- (a) Parity Notes;
- (b) Any and all repayment, reimbursement or other obligations arising pursuant to any Credit Agreement; and;
- (c) Any and all payment obligations arising pursuant to any Qualified Hedge Agreements which may be netted against amounts, if any, due the Authority pursuant to such Qualified Hedge Agreements.

“Parity Notes” shall mean any note or notes, as the case may be, issued pursuant to a commercial paper program and authenticated and delivered under and pursuant to the Indenture, and secured by the Trust Estate.

“Paying Agent” shall mean any bank or trust company or national banking association designated to make payment of the principal of and interest on the Bonds of any Series, and its successor or successors, which may include the Trustee, hereafter appointed in the manner provided in the Indenture and meeting the requirements of Section 1013 of the Indenture.

“Permitted Encumbrances” shall mean

- (a) easements and rights of way on, over, across, or through any part of the Project;
- (b) inchoate claims and charges incidental to construction, maintenance, and operation of the Project;
- (c) contractual and property rights granted to or reserved by a party under any contract or instrument which the Authority is not prohibited from entering into under the Indenture;
- (d) minor defects and irregularities in the title to any property which is part of the Project, which do not impair the Authority’s right to use such property for purposes of the Project; and
- (e) rights reserved to or vested in the State of Texas or any municipal corporation or political subdivision or agency within the State of Texas with regard to the property and facilities constituting the Project or with regard to the regulation of the use thereof.

“Person” shall mean any individual, public or private corporation, county, district, authority, municipality, political subdivision or other county or entity of the State or the United States of America, and any incorporated city, town or village, whether operating under general or special law or under its home rule charter, and any partnership, association, firm, trust, estate, or any other entity whatsoever.

“Principal Installment” shall mean as of any particular date of computation (a) with respect to Bonds of a particular Series, an amount of money equal to the aggregate of the principal amount of Outstanding Bonds of said Series which mature on a single future date or (b) with respect to Parity Notes, except to the extent actually paid from the Trust Estate (and not from the proceeds of other Parity Notes or Bonds issued for refunding or refinancing purposes), each Series shall be deemed to have Principal Installments in each of the 30 consecutive Fiscal Years beginning in the Fiscal Year following the depletion of any amounts provided as capitalized interest for such Series of Parity Notes, which Principal Installments shall be in such amounts as shall be calculated by the Authority’s financial advisor to achieve an approximately equal annual amortization of Debt Service on such Series of Parity Notes over such 30 year period.

“Principal Payment Date” shall mean each March 1 or other date as may be defined in a Supplemental Indenture.

“Project” initially shall mean the construction of the tolled overpasses on the Grand Parkway System in Fort Bend County and the reconstruction of the existing roadway from U.S. 59 to and including the intersection at FM1093 (“Westpark”) and subsequently may include any other portion of or improvement to the Fort Bend Grand Parkway pursuant to a Supplemental Indenture, resolution or order duly adopted by the Board of Directors of the Authority and specified as a component of the Project for purposes of the Indenture. In accordance with the Master Indenture and the Act, the Authority is using proceeds of the Series 2021 Bonds to pay the costs of certain project improvements relating to the further development of Segments C and D of the Grand Parkway System in Fort Bend County, including design, construction, equipment, right-of-way, environmental, engineering and other miscellaneous costs. Specifically such improvements are expected to include the Additional Work.

"Qualified Hedge Agreement" shall mean any agreement between the Authority and a qualifying financial institution (as described in the following sentence) for the purpose of providing an interest rate swap, exchange, cap, collar, floor, forward or other hedging mechanism, arrangement or security, however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on any portion of any Bonds and in consideration for which the Authority may agree to pay, (i) periodic payments for the availability of such Qualified Hedge Agreement and/or (ii) net amounts as a result of fluctuation in hedged interest rates or in the value of any index of payment and/or (iii) termination charges. A Qualified Hedge Agreement may only be entered into with a financial institution, which (a) for a transaction having a term of less than ten years, has long term credit ratings in one of the three highest generic rating categories by at least two nationally recognized rating services or (b) for a transaction having a term of ten years or longer, has at the time of entering into such transaction a long term credit ratings in one of the two highest generic rating categories by at least two nationally recognized rating services; provided, however, that such rating requirement may be satisfied by an affiliated entity of such financial institution or a third party with the requisite rating with whom the financial institution and/or the County have a contractual arrangement pursuant to which such affiliated entity or third party provides credit support for the Qualified Hedge Agreement. Further, obligations of the Authority to make payments under a Qualified Hedge Agreement derived from or resulting from a fluctuation in hedged interest rates or in the value of any index of payment shall be deemed to be payments of interest on the Bonds so hedged. Each Qualified Hedge Agreement shall be deemed to be a part of the Bonds of the series to which it relates for the purpose of securing its payment by the pledge of Net Revenues as provided in the Indenture. However, issuers of and counterparties to Qualified Hedge Agreements shall not be treated as Owners of Bonds for purposes of any voting rights to approve amendments or direct the exercise of any remedies under the Indenture.

"Record Date" as used with respect to any Interest Payment Date shall mean the date designated in any Supplemental Indenture with respect to any Series of Bonds as the record date for the payment of interest on such Series or if no Record Date is so designated the 15th day of the month preceding such Interest Payment Date with respect to such Series.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

"Refunding Bonds" shall mean all Bonds, whether issued in one or more series, issued for the purpose of refunding a like or different principal amount of Bonds, and thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III.

"Register" shall mean the register maintained by the Trustee which shows ownership of Bonds in accordance with Section 307 of the Indenture.

"Registered Owner" shall mean the person in whose name any Bond is registered.

"Revenue Fund" shall mean the "Revenue Fund" established in Section 502 of the Indenture.

"Revenues" shall mean all toll revenues and other amounts derived by the Authority from the ownership and operation of the Project and the Fort Bend Grand Parkway which constitute revenues in accordance with generally accepted accounting principles.

"Senior Indebtedness Debt Service Fund" shall mean the fund so designated pursuant to the orders or indentures authorizing the Senior Indebtedness.

"Senior Indebtedness" shall mean (a) the principal of, premium, if any, and interest on (i) indebtedness (other than the Subordinate Lien Bonds) of the Authority for money borrowed for Project purposes evidenced by bonds, notes, warrants or similar obligations, including any obligation to make payments with respect to money borrowed by any other person for Project purposes whether any such indebtedness is outstanding on the date of the Indenture or is hereafter created, assumed or incurred, (ii) Capitalized Lease Obligations for Project purposes, whether outstanding on the date of the Indenture or hereafter incurred, and (iii) indebtedness incurred, or assumed by the Authority (whether outstanding on the date of the Indenture or hereafter created, assumed or incurred) for Project purposes, unless, in each case referred to in clauses (i), (ii) and (iii) above, by the terms of the instrument creating or evidencing the indebtedness it is provided that such indebtedness ranks on a parity with the Bonds and is entitled to like rights of subrogation, or is subordinated to, or is otherwise not superior in right of payment to, the Bonds, and (b) any other indebtedness (including Credit Agreements and Qualified Hedge Agreements), liability or obligation, contingent or otherwise, of the Authority for Project purposes (any such indebtedness, liability or obligation being hereinafter in this definition referred to as an "Obligation"), and any endorsement or other contingent obligation in respect of an Obligation of another for Project purposes, which is assumed or incurred by the Authority after the date of the Indenture and which, when assumed or incurred, is specifically designated by the Authority as Senior Indebtedness for the purposes hereof in the instrument creating or evidencing such Obligation or in the instrument creating or evidencing the Authority's liability with respect to the Obligation of another, and (c) any refundings, renewals or extensions of any indebtedness, liability or obligation described in clauses (a) and (b) above. Senior Indebtedness shall not, however, include indebtedness incurred in connection with the purchase of materials or services in the ordinary course of business or indebtedness representing amounts recorded as accounts payable on the books of the Authority.

“Series 2021 Bonds” shall mean the Subordinate Lien Bonds issued pursuant to the Second Supplemental Indenture to finance costs of the Additional Work relating to the further development of Segments C and D of the Grand Parkway System in Fort Bend County, including design, construction, equipment, right-of-way, environmental, engineering and other miscellaneous costs.

“Short Term/Demand Bonds” shall mean each series of bonds, notes and other obligations issued pursuant to the Indenture, (a) the payment of principal of which is either (i) payable on demand by or at the option of the holder at a time sooner than a date on which such principal is deemed to be payable for purposes of computing Debt Service Requirements, or (ii) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term through the issuance of additional Short Term/Demand Bonds pursuant to a commercial paper or other similar financing program, and (b) the purchase price, payment or refinancing of which is additionally secured by a letter of credit, line of credit, standby purchase agreement, bond insurance, surety bond or other credit or liquidity facility which does not impose upon the Authority a reimbursement obligation payable over a period shorter than three years.

“State” shall mean the State of Texas.

“Subordinate Lien Bonds” shall mean the Limited Contract Tax and Subordinate Lien Revenue Bonds, Series 2012, the Series 2021 Bonds, the Bonds, and each series of Bonds which the Authority has reserved the right to issue from time to time, payable from and secured by a lien on and pledge of Net Revenues junior and subordinate to the lien and pledge securing the Senior Indebtedness.

“Subordinate Lien Debt Service Fund” shall mean the “Subordinate Lien Debt Service Fund” which is established pursuant to Section 502 of the Indenture.

“Supplemental Indenture” shall mean any Indenture supplemental to or amendatory of the Indenture, adopted by the Authority in accordance with Article XI and/or Article XII of the Indenture, as appropriate.

“Tax Fund” shall mean the “Tax Fund” created by Section 502 of the Indenture.

“Traffic Engineers” shall mean the traffic engineer employed by the Authority and “Independent Traffic Engineer” shall mean an engineering firm or corporation retained by the Authority, pursuant to the provisions of the Indenture to carry out the duties imposed by the Indenture on the Traffic Engineer or the Independent Traffic Engineer.

“Trust Estate” shall mean the Trust Estate as defined in Section 201 of the Indenture.

“Trustee” shall mean Wells Fargo Bank, National Association, Dallas, Texas, or any other commercial bank or trust company duly organized and existing under the laws of the United States of America which is authorized under such laws to exercise corporate trust powers, and is subject to examination by federal authority and shall be appointed pursuant to Article X, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Indenture.

**APPENDIX E**

**SUMMARY OF THE INDENTURE**

## SUMMARY OF THE INDENTURE

*The Indenture, which includes the Master Indenture and the Supplemental Indentures thereto, contains various covenants and security provisions, certain of which are summarized below or elsewhere in this Official Statement. Provisions included herein are in substantially final form, but may change prior to closing and may thereafter be amended in accordance with the terms of the Indenture. Reference should be made to the Indenture, a copy of which may be obtained from the Authority, for a full and complete statement of its provisions. See also the section captioned "SECURITY AND SOURCE OF PAYMENT."*

### SECURITY OF THE BONDS

#### Granting Clauses

In order to secure the payment of the principal and Redemption Price of and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the 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 to the Trustee and its successors in trust hereunder a pledge of and lien on the following (collectively, the "Trust Estate"):

(a) All right, title and interest of the Authority to taxes levied by the County pursuant to the provisions of Joint Project Agreement;

(b) All right, title and interest of the Authority now owned or hereafter acquired in and to the moneys deposited or required to be deposited in the funds established under the Indenture, including the Subordinate Lien Debt Service Fund, the Tax Fund, and, to the extent funded with Bond proceeds, the Construction Fund, the Revenue Fund, and the County Reimbursement Fund pursuant to the provisions of the Indenture and all right, title and interest in and to the Investment Securities held in the Indenture, the Subordinate Lien Debt Service Fund and the Tax Fund, pursuant to the provisions of the Indenture; provided, however, that the Authority expressly reserves the right to transfer any or all interest and investment income from Investment Securities held in the Subordinate Lien Debt Service Fund (other than amount attributable to capitalized interest on the Bonds) to other Funds or accounts and to grant a senior lien and pledge of such interest and investment income to secure Senior Indebtedness;

(c) Subject to and subordinate in all respects to any lien or pledge existing or hereafter created or granted with respect to Senior Indebtedness, all right, title and interest of the Authority in and to the Net Revenues to the extent of Revenues as collected;

(d) All right, title and interest of the Authority now owned or hereafter acquired in and to the moneys deposited or required to be deposited with the Trustee pursuant to the provisions of the Indenture and all right, title and interest in and to the Investment Securities held by the Trustee pursuant to the provisions of the Indenture;

(e) Subject to and subordinate in all respects to any lien or pledge existing or hereafter created or granted with respect to Senior Indebtedness, any and all property of every kind and nature (including, without limitation, cash, obligations or securities) which may from time to time hereafter be assigned, hypothecated, endorsed, pledged, granted, or delivered to or deposited with the Trustee as additional security hereunder by the Authority or anyone on its behalf, 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 the Trustee is authorized to receive, hold and apply according to the terms hereof; and

TO HAVE AND TO HOLD all the same, with all rights and privileges appurtenant thereto, unto the Trustee and its successors in trust forever, subject, however, to all of the terms and provisions of the Indenture;

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 Bonds issued and to be issued hereunder, or any of them, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond except as 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 or Redemption Price of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds and Accounts established hereunder and in the amounts required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee an amount sufficient to provide for payment of the entire amount due or to become due thereon as provided in the Indenture, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon such payment and performance, the Indenture and the rights and liens hereby granted shall cease, determine and be void; otherwise, the Indenture is to be and shall remain in full force and effect.

### **Time of Pledge; Delivery of Trust Estate**

The grant, assignment and pledge of the Trust Estate pursuant to the provisions of the Indenture shall be effective from and after the payment for and delivery of any Bonds hereunder. Nothing in the Indenture shall create an obligation on the part of the Authority to physically deliver the Trust Estate to the Trustee except as expressly provided in the Indenture.

### **Payment of Contract Tax Revenues**

The Bonds are secured by and payable from revenues paid to the Authority by the County pursuant to the levy of a continuing, direct annual ad valorem tax, within the limits provided by law, upon all taxable property within the County. To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of payment and registration of such Bonds and the cost of collecting such taxes, the County by order adopted on July 24, 2012, levied, and ordered to be assessed and collected in due time, form and manner, a continuing, direct annual ad valorem tax, within the limits provided by law, on all taxable property in the County for each year during the period that there are Outstanding Bonds. All of the proceeds of such collections, except expenses incurred in that collection, shall be paid by the County into the Tax Fund pursuant to the Joint Project Agreement, and the aforementioned tax and such payments into the Tax Fund shall continue until the Bonds and the interest thereon have been fully paid and discharged as required by the Joint Project Agreement, and such proceeds shall be used for such purposes and no other.

The Joint Project Agreement provides that while there are Outstanding Bonds, the County shall levy, assess and collect an ad valorem tax each year at a rate from year to year as will be sufficient to provide (together with other moneys available or anticipated to be available therefore, including available Net Revenues and amounts available from Bond proceeds) funds to pay the interest on said Bonds and to create and provide a sinking fund to pay the principal when due or of not less than 2% of the principal amount of the Bonds, full allowance being made for delinquencies and costs of collection, and the County shall deposit such taxes into the Authority's Tax Account to be applied to the payment of the principal and Redemption Price of and interest on the Bonds, as follows:

(a) On or before August 1 of each year, the Authority shall report to the County its current fund balances as well as a budget reflecting the anticipated Net Revenues of the project for the upcoming fiscal year.

(b) On or before September 1st in each year or as soon after that time as practicable, the Commissioners Court shall consider the taxable property in the County and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year for the payment of the principal due and Redemption Price of and interest on the Subordinate Lien Bonds and levy and tax against all taxable property in the County.

(c) In determining the actual rate to be levied in each year, the Commissioners Court shall consider among other things:

(1) the amount which should be levied for the payment of the principal and Redemption Price of and interest on the Bonds; and

(2) the percentage of anticipated tax collections and the cost of collecting the taxes.

(d) In determining the rate at which taxes should be levied each year, the Commissioners Court may consider whether proceeds from the sale of Bonds have been placed in the Subordinate Lien Debt Service Fund to pay interest on the Bonds and whether the Commissioners Court reasonably expects to have Net Revenues or other moneys available from other sources which are available to pay the principal or Redemption Price of or interest on the Bonds. Under the terms of the Joint Project Agreement, if the Commissioners Court reasonably determines that adequate moneys from such Net Revenue or other sources are available or will be available to pay the principal and Redemption Price of and interest on the Bonds, the Commissioners Court may elect not to levy a tax that year.

(e) The Authority agrees and covenants that it will not request, consider or approve any amendment to the Joint Project Agreement that would reduce or eliminate the County's obligation to levy, assess and collect taxes.

### **ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

#### **Establishment of Funds**

The following Funds shall be created, maintained and accounted for as hereinafter provided so long as Subordinate Lien Bonds remain Outstanding:

- (1) Construction Fund;
- (2) Tax Fund;
- (3) Revenue Fund;
- (4) Subordinate Lien Debt Service Fund;
- (5) Renewal and Replacement Fund;
- (6) County Reimbursement Fund;
- (7) Grand Parkway System Improvement Fund;

The Construction Fund, the Tax Fund, the Revenue Fund, the Renewal and Replacement Fund, the County Reimbursement Fund, and the Grand Parkway System Improvement Fund shall be maintained as separate funds or accounts on the books of the County pursuant to the Joint Project Agreement and all amounts credited to such Funds shall be maintained in an official depository bank of the Authority or in a trustee bank hereafter designated by the Authority. The Subordinate Lien Debt Service Fund shall be maintained with the Trustee. The Subordinate Lien Debt Service Fund shall constitute a trust fund which shall be held in trust for the Owners of the Subordinate Lien Bonds and the proceeds of which (other than the interest income thereon, which shall be transferred to the extent herein provided to the Revenue Fund) shall be pledged to the payment of the Subordinate Lien Bonds. All of the Funds named above shall be used solely as herein provided so long as any Bonds remain Outstanding.

Money and Investment Securities to the credit of the Funds and accounts created in the Indenture which are held by the Authority may be commingled with other money and investments of the Authority, so long as the interest of each of the Funds and accounts created in the Indenture is specifically identified in the Authority's accounting records and so long as amounts and investments to the credit of each Fund or Account are available at the time and in the manner required by the Indenture or any Supplemental Indenture.

### **Flow of Funds**

Except as otherwise specifically provided in this subsection, all Revenues shall be credited to the Revenue Fund as collected in the following priority:

(a) First to make or provide for all deposits, payments or transfers required by any indenture, resolution, order or other instrument creating or evidencing Senior Indebtedness payable as a first charge on Revenues, at the time and in the manner provided for in such instrument.

(b) After the payments, provisions for payment, deposits and transfers set out in subsection (a) above, to the extent not paid from other sources, Operating and Maintenance Expenses for such month shall be paid from the Revenue Fund.

(c) After the payments and provisions for payment set out in subsection (b) above, on or before the last day of each month there shall be set aside, out of money held in the Revenue Fund, the amount, if any, required to establish and maintain the Operating and Maintenance Reserve.

(d) After the payments and provisions for payments set out in subsection (c) above, money remaining in the Revenue Fund shall be used to make or provide for all deposits, payments or transfers required by any indenture, resolution, order or other instrument creating or evidencing Senior Indebtedness which is not payable as a first charge on Revenues, at the time and in the manner provided for in such an instrument.

(e) After the payments, provisions, for payment, deposits and transfers set out in subsections above, on or before the last day of each month and at such other times as shall be set forth in any Supplemental Indenture, there shall be transferred to the Subordinate Lien Debt Service Fund from any money remaining in the Revenue Fund, amounts which, when added to other amounts in the Subordinate Lien Debt Service Fund including amounts deposited from the Tax Fund, and available for such purposes, will provide for the accumulation, in substantially equal monthly installments or otherwise as may be provided in any Supplemental Indenture, of the amounts required to pay:

(1) any interest to become due and payable on each Series of Subordinate Lien Bonds Outstanding on the next Interest Payment Date for such series; and

(2) any Principal Installments to become due and payable on any Series of Subordinate Lien Bonds Outstanding on or before the next Principal Payment Date; and

(3) if provided in any Supplemental Indenture, to establish and maintain a subordinate lien debt service reserve fund or to pay any amounts required to be paid to any bank, financial institution or other party in connection with a Credit Agreement or Qualified Hedge Agreement.

(f) After the payments and provisions for payments set out in subsection (e) above, money remaining in the Revenue Fund shall be used to make or provide for all deposits, payments or transfers required by any indenture, resolution, order or other instrument creating or evidencing Junior Lien Bonds which is not payable as a first charge on Revenues, at the time and in the manner provided for in such an instrument.

(g) After the payments, provisions for payment, deposits and transfers set out in the subsections above, and if so provided in any Supplemental Indenture or indenture evidencing Senior Indebtedness, there shall be set aside the amount required to be set aside for the renewal and replacement of the Fort Bend Grand Parkway.

(h) After all payments, provisions for payment, deposits and transfers set out above in subsection (g), there shall be transferred from the Revenue Fund to the County Reimbursement Fund the amount necessary to make the balance therein equal to the County Reimbursement Obligation; provided, however, no money shall be transferred to the County Reimbursement Fund until such time as the Net Revenues of the Project exceed the Debt Service Requirement for two consecutive Fiscal Years.

(i) After all payments, provisions for payment, deposits and transfers set out above in the Flow of Funds described above any money remaining in the Revenue Fund shall be transferred to the Grand Parkway System Improvement Fund.

#### **Construction Fund**

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Indenture and each Supplemental Indenture, including all proceeds of the Bonds remaining after making the deposits otherwise required under the Indenture and each Supplemental Indenture. There may also be paid into the Construction Fund, at the option of the Authority, any moneys received by the Authority from any source unless otherwise required to be applied by the Indenture or any Supplemental Indenture.

Amounts in the Construction Fund and interest earnings thereon shall be used to pay: (i) the Costs of the Project including the Cost of any project or projects with which the Project is proposed to be pooled, (ii) the Costs of Issuance, and (iii) Operating and Maintenance Expenses and interest on the Bonds as permitted in the Act.

Amounts in the Construction Fund may be (i) used to pay Costs of the Fort Bend Grand Parkway, (ii) used to pay Costs of the Grand Parkway System, or (iii) be transferred to the Subordinate Lien Debt Service Fund for the Bonds or to any similar debt service fund for and other Senior Indebtedness or Parity Contract Obligation, and applied to the payment of principal or Redemption Price of and interest on the Bonds or other Grand Parkway System bonds when due.

#### **Tax Fund**

If the County has levied a tax pursuant to the Joint Project Agreement, upon payment of the taxes to the Authority, the Authority shall transfer all amounts then on deposit in the Tax Fund to the Subordinate Lien Debt Service Fund.

Moneys in the Tax Fund shall be used solely to pay the principal or Redemption Price of and interest on the Bonds.

#### **Subordinate Lien Debt Service Fund**

Funds in the Subordinate Lien Debt Service Fund may only be used to pay the principal of and interest on the Bonds except as set forth below.

The Trustee shall, at any time at the direction of the Authority, apply amounts available in the Subordinate Lien Debt Service Fund to pay the principal portion of Bonds which the Authority may purchase at a price (excluding accrued interest to the purchase date but including any brokerage or other charges) no greater than the applicable Redemption Price of such Bonds.

Whenever the total amounts on deposit to the credit of the Subordinate Lien Debt Service Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Subordinate Lien Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further transfers need be made into the Subordinate Lien Debt Service Fund, and such Subordinate Lien Bonds shall not be regarded as being Outstanding except for the purpose of being paid with the moneys credited to such Funds. Moneys credited to the Subordinate Lien Debt Service Fund shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Subordinate Lien Bonds issued as term bonds in the open market to be credited against mandatory redemption requirements), interest and redemption premiums on the Subordinate Lien Bonds, plus all bank charges and other costs and expenses relating to such payment.

If on any Interest Payment Date or on any other date, the funds on deposit in the Subordinate Lien Debt Service Fund are insufficient to pay the Debt Service Requirements, the Authority may transfer, at its discretion, from the Tax Fund, the County Reimbursement Fund, Grand Parkway System Improvement Fund, or any other lawfully available source, to the amount sufficient to pay such Debt Service Requirements or a portion thereof.

#### **Revenue Fund – Operation and Maintenance Expenses**

If in any month funds on deposit in the Revenue Fund are insufficient to pay the Operation and Maintenance Expenses, the Authority shall transfer at its discretion, from the Tax Fund, the County Reimbursement Fund, Grand Parkway System Improvement Fund, or any other lawfully available source, to the Revenue Fund the amount sufficient to pay such Operation and Maintenance Expenses.

#### **County Reimbursement Fund**

On the last business day of the Fiscal Year, there shall be transferred to the County all amounts deposited in the County Reimbursement Fund. The County may use such funds for any lawful purpose for which toll revenues may be expended.

## **Grand Parkway System Improvement Fund**

Amounts credited to the Grand Parkway System Improvement Fund may be used only for: 1) Costs of the Fort Bend Grand Parkway, including without limitation, to pay debt service on the Subordinate Lien Bonds or Senior Indebtedness, to pay for any capital expenditures, to pay costs of replacing any depreciable property or equipment of the Fort Bend Grand Parkway, to make any major or extraordinary repairs, replacements or renewals of the Fort Bend Grand Parkway, to acquire land or any interest therein, to pay any lease or contractual obligations not paid as Operation and Maintenance Expenses, and to make any transfers required to cure any deficiencies in the funds and accounts created by the Indenture, 2) Costs of any other portion of the Grand Parkway System as may be required by the Grand Parkway Agreements, and 3) thereafter to pay capital costs, including without limitation, engineering, land acquisition, and construction for any project on the County's major thoroughfare plan.

The County may create, within the Grand Parkway System Improvement Fund, additional sub-accounts and funds, including a Capital Outlay Account. All such sub-accounts and funds may be established and used for the purposes of the Grand Parkway System Improvement Fund as provided in the foregoing paragraph.

Funds in the Grand Parkway System Improvement Fund shall not be used for any purpose not stated herein.

## **Deficiencies in Funds**

If in any month there shall not be transferred into any Fund maintained pursuant to this Article the full amounts required herein, amounts equivalent to such deficiency shall be set apart and transferred to such Fund or Funds from the first available and unallocated moneys in the Revenue Fund, and such transfer shall be in addition to the amounts otherwise required to be transferred to such Funds during any succeeding month or months.

## **OTHER OBLIGATIONS**

### **Senior Indebtedness**

The Authority reserves the right, without the consent of the Trustee or the Owners of the Bonds, to issue unlimited amounts of Senior Indebtedness which may be secured by a pledge or lien on Revenues and other assets of the Authority prior to the pledge and lien of the Trust Estate securing the Bonds. No action may be taken by the Authority which will diminish in any way the obligation of the County to levy taxes as required by the Joint Project Agreement to pay the principal of or interest on the Bonds or grant any lien thereon or claim thereto which is prior to the pledge and lien of the Trust Estate securing the Bonds.

### **Additional Subordinate Lien Bonds**

The Authority reserves the right to issue, for any lawful purpose (including the refunding of any Senior Indebtedness, Subordinate Lien Bonds, Junior Lien Bonds or other obligations payable from the Trust Estate) one or more series of Additional Bonds payable from and secured by a lien on the Trust Estate; provided, however, that no Additional Subordinate Lien Bonds may be issued unless:

(a) The Authority President or Authority Auditor certifies to the Trustee that no Event of Default has occurred and is continuing for which notice has been given in accordance with Section 903 of the Indenture;

(b) The Authority President certifies that the Additional Subordinate Lien Bonds are required for a purpose relating to the Project or other portions of the Grand Parkway System as the Authority may determine or for refunding bonds, notes, or other obligations issued in connection therewith;

(c) The Subordinate Lien Debt Service Fund contains, or upon the issuance of the Additional Subordinate Lien Bonds will contain, the amount of money required to be on deposit therein;

(d) Provision is made by supplementing the Indenture to provide for additional payments into the Debt Service Account sufficient to provide for any increased principal, interest and other payment requirements on the Subordinate Lien Bonds resulting from the issuance of the Additional Subordinate Lien Bonds.

### **Parity Notes**

The Authority reserves the right to issue Parity Notes, for any lawful purpose for which it may issue Subordinate Lien Bonds payable from and secured by the Trust Estate; provided, however, that no Parity Notes may be issued unless:

(a) Each of the requirements (a) through (d) contained in the subsection "Additional Subordinate Lien Bonds" above has been satisfied after substituting references to Parity Notes in place of references to Additional Subordinate Lien Bonds in (b) through (d); and

(b) The payment of principal of and interest on the Parity Notes is guaranteed by or comparably secured by a Credit Agreement.

### **Parity Credit Agreements**

To the extent permitted by law, the Authority reserves the right to enter into Credit Agreements for the purpose of contracting with financial institutions or other third parties to issue letters of credit, insurance policies, surety bonds, guarantees or other instruments to further secure Subordinate Lien Bonds, Parity Notes, Parity Contract Obligations and Parity Qualified Hedge Agreements. The Authority may enter into Credit Agreements for such purpose and secure its obligations under such Credit Agreements, including its obligations to repay and reimburse the issuers of such Credit Agreements for any advances or payments that they make, by the Trust Estate; provided, however, that the Authority shall not enter into any Credit Agreement unless:

(a) The Authority President or Authority Auditor certifies in writing that the acquisition and entering such Credit Agreement will reduce the overall costs to the Authority with respect to the Subordinate Lien Bonds, Parity Notes, Parity Contract Bonds or Qualified Hedge Agreements to be secured by such Credit Agreement; and

(b) The Credit Agreement and all contracts and proceedings related thereto are approved by the Attorney General of Texas to the extent required by law.

### **Parity Contract Obligations**

To the extent permitted by law, the Authority reserves the right to incur Parity Contract Obligations for any lawful purpose for which it may issue Subordinate Lien Bonds and Parity Notes payable from and secured by the Trust Estate; provided, however, that no Parity Contract Obligations may be incurred unless:

(a) Each of the requirements (a) through (d) contained in the subsection "Additional Subordinate Lien Bonds" above has been satisfied after substituting references to the Parity Contract Obligation in place of references to Additional Subordinate Lien Bonds in (b) through (d); and

(b) The Parity Contract Obligation and all procedures related thereto are approved by the Attorney General of Texas to the extent required by law.

### **Qualified Hedge Agreements**

To the extent permitted by law, including without limitation and to the extent applicable Chapter 1201, Texas Government Code, as amended, the Authority reserves the right to issue and incur for any lawful purpose in connection with the issuance of other Subordinate Lien Bonds, Parity Notes or Parity Contract Obligations, one or more Qualified Hedge Agreements, subject to compliance with the following requirements:

(a) Each Qualified Hedge Agreement, together with all proceedings and agreements relating thereto, shall be submitted to and approved by the Attorney General of Texas to the extent required by law;

(b) Each rating agency then rating any of the Subordinate Lien Bonds, Parity Notes or Parity Contract Obligations shall have certified that entering into such Qualified Hedge Agreement will not, in and of itself, cause a reduction or withdrawal of any rating then assigned to any Subordinate Lien Bonds, Parity Notes or Parity Contract Obligations; and

(c) Each of the certifications required in Subsections (a) and (d) contained in the subsection "Additional Subordinate Lien Bonds" above has been satisfied after substituting references to the Parity Hedge Agreement in place of references to Additional Subordinate Lien Bonds in (b) through (d), taking into account any increase in Average Annual Debt Service Requirements as a result of entering into such Qualified Hedge Agreement.

### **Junior Lien Bonds**

The Authority reserves the right to issue or incur, for any lawful purpose, Junior Lien Bonds which shall mean bonds or other indebtedness secured by junior and subordinate liens to the Subordinate Lien Bonds.

### **Short Term/Demand Bonds**

The Authority reserves the right to issue, from time to time, one or more series of Subordinate Lien Bonds as "Short Term/Demand Bonds" provided that the aggregate principal amount of Short Term/Demand Bonds Outstanding at any time may not exceed 30% of the aggregate principal amount of Subordinate Lien Bonds Outstanding at the time of issuance of the last series of Short Term/Demand Bonds; provided, however, that no such Short Term/Demand Bonds may be issued without satisfying the applicable provisions of the subsection "Additional Subordinate Lien Bonds" above; provided further, however, that no Short Term/Demand Bond shall be subject to the limitations as to maximum principal amount as set forth above during any period of time that the Authority's financial advisor certifies that the Authority's variable or adjustable interest rate exposure under such Short Term/Demand Bond is substantially hedged pursuant to a Qualified Hedge Agreement pursuant to which the maximum net rate of interest that the Authority is obligated to pay (after taking into account all payments to be made by such counter-party) does not exceed the interest rate certified with respect to such Short Term/Demand Bonds by such financial advisor pursuant to paragraph (ii) clause (1) of the definition of Debt Service Requirements.

## **APPENDIX F**

### **FORMS OF CO-BOND COUNSEL'S OPINION AND TAX COUNSEL'S OPINION**