



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF 36

DATE: 12/13/2022

**SUBJECT: CONSIDER AN ORDER AUTHORIZING THE ISSUANCE OF TARRANT COUNTY HOSPITAL DISTRICT LIMITED TAX BONDS IN AN AMOUNT NOT TO EXCEED \$450,000,000.00; PROVIDING FOR THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE PREPARATION AND EXECUTION AND DELIVERY OF A PRICING CERTIFICATE, PURCHASE CONTRACT, PAYING AGENT/REGISTRAR AGREEMENT, AND RELATED INSTRUMENTS AND CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF THE BONDS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT PERTAINING THERETO; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE**

**COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court consider an order authorizing the issuance of Tarrant County Hospital District Limited Tax Bonds in an amount not to exceed \$450,000,000.00; providing for the sale thereof in accordance with specified parameters; authorizing the preparation and execution and delivery of a pricing certificate, purchase contract, paying agent/registrar agreement, and related instruments and certificates; authorizing the execution and delivery of the bonds; approving and authorizing the distribution of a preliminary official statement and an official statement pertaining thereto; levying a continuing direct annual ad valorem tax for the payment of the bonds; and providing an effective date.

**BACKGROUND**

The TCHD Board of Managers adopted a resolution on November 17, 2022 approving and requesting that the Tarrant County Commissioners Court adopt an order authorizing the issuance of limited tax bonds in the name of the Tarrant County Hospital District (District), and on the faith and credit of the District, in an amount not to exceed \$450,000,000.00, so that it may issue and sell bonds to acquire, construct, equip or enlarge the hospital system as contemplated by the bond election held on November 6, 2018.

The order authorizing the limited tax bonds shall provide for the sale thereof in accordance with specified parameters; authorize the preparation and execution and delivery of a pricing certificate, purchase contract, paying agent/registrar agreement, and related instruments and certificates; authorize the execution and delivery of the bonds; approve and authorize the distribution of a preliminary official statement and an official statement pertaining thereto; levy a continuing direct annual ad valorem tax for the payment of the bonds; and provide an effective date. The order authorizes the Chief Executive Officer and/or the Chief Financial Officer of the District to complete the sale of the bonds, subject to the parameters set forth therein.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Michell Humphreys JPS Health Network
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## COMMISSIONERS COURT COMMUNICATION

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### FISCAL IMPACT

The aggregate principal amount of all bonds issued shall not exceed \$450,000,000.00; the true interest rate of each series of Bonds shall not exceed 6.25%; and the final maturity of the Bonds shall not exceed the date of December 31, 2053.





Resolution Approving and Requesting that the Tarrant County Commissioners Court Adopt an Order authorizing the issuance of Tarrant County Hospital District Limited Tax Bonds; prescribing the terms and conditions thereof; delegating matters relating to the sale and issuance of said Bonds to authorized District officials; and making other provisions regarding such Bonds and matters incident thereto

WHEREAS, pursuant to Subchapter F of Chapter 281 of the Texas Health and Safety Code, as amended (the "Chapter 281"), the Tarrant County Commissioner's Court (the "Commissioners Court"), in the name of the Tarrant County Hospital District (the "District") and on the District's faith and credit, may issue and sell bonds to acquire, construct, equip or enlarge the hospital system; and

WHEREAS, pursuant to an election held on November 6, 2018 (the "2018 Election"), the voters of Tarrant County, Texas (the "County") authorized the issuance of bonds in the principal amount of \$800,000,000 for the purpose of acquiring, constructing, improving, equipping or enlarging facilities of the hospital system, including a new mental health and behavioral health hospital, a new main hospital tower for general and specialized patient care, physician nurse training, and Level One Trauma Care, a new cancer center, four new regional health centers, and a new ambulatory surgical center; and

WHEREAS, the District is a hospital district in a county with a population of more than 2 million, and as such, pursuant to Section 1371.053 of the Texas Government Code, as amended, is permitted to delegate to one or more designated officers the authority to act on behalf of such hospital district from time to time in selling and delivering bonds, and setting the dates, price, interest rates, and other procedures relating to the bonds, as specified in the bond authorization; and

WHEREAS, after due consideration and discussion, the Board of Managers of the District (the "Board") desires to have the Commissioners Court authorize and approve the issuance of bonds in the name of the District and on the faith and credit of the District; and

WHEREAS, the Board considers it in the best interest of the District at this time to authorize the issuance and delivery of Tarrant County Hospital District Limited Tax Bonds (the "Bonds"), to be issued by the Commissioners Court but in the name and on the faith and credit of the District; now, therefore,

BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE TARRANT COUNTY HOSPITAL DISTRICT:

Section 1: That the order authorizing the issuance of the Bonds, a copy of which is attached hereto as Exhibit A and incorporated herein for all purposes (the "Order"), is hereby approved and the Commissioners Court is hereby requested to favorably consider and adopt the Order as soon as practicable.

Section 2: That, pursuant to Section 1371.053 of the Texas Government Code, as amended, in connection with the issuance, sale and delivery of the Bonds, the Chief Executive

Officer and the Chief Financial Officer are each hereby authorized to execute and deliver any and all documents necessary or incidental to the completion of the issuance, sale and delivery of the Bonds authorized by the Order, subject to the parameters set forth in Section 3 therein. Such parameters provide, in part, that:

(a) the aggregate original principal amount of all Bonds issued hereunder shall not exceed \$450,000,000;

(b) the true interest cost rate of each series of Bonds shall not exceed 6.25%; and

(c) the final maturity of the Bonds shall not exceed December 31, 2053.

Section 3: The authority delegated to the Chief Executive Officer and the Chief Financial Officer under the Order shall expire one year from the date of the adoption of the Order by the County.

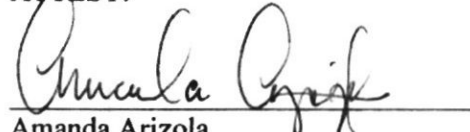
Section 4: That this Resolution shall take effect upon its adoption and approval by the Board.

*[Signature Page Follows]*

PASSED, APPROVED AND ADOPTED this 17<sup>th</sup> day of November, 2022.

  
Dorothy DeBose  
Chair, Board of Managers

ATTEST:

  
Amanda Arizola  
Secretary, Board of Managers

(SEAL)



EXHIBIT A

Order Authorizing the Issuance of Bonds

[Attached.]

AN ORDER BY THE COMMISSIONERS COURT OF TARRANT COUNTY, ACTING ON BEHALF OF THE TARRANT COUNTY HOSPITAL DISTRICT AND ITS BOARD OF MANAGERS, AUTHORIZING THE ISSUANCE OF TARRANT COUNTY HOSPITAL DISTRICT LIMITED TAX BONDS IN AN AMOUNT NOT TO EXCEED \$450,000,000; PROVIDING FOR THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE PREPARATION AND EXECUTION AND DELIVERY OF A PRICING CERTIFICATE, PURCHASE CONTRACT, PAYING AGENT/REGISTRAR AGREEMENT, AND RELATED INSTRUMENTS AND CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF THE BONDS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT PERTAINING THERETO; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Chapter 281 of the Texas Health and Safety Code, as amended ("Chapter 281"), provides that the Commissioners Court of Tarrant County (the "Commissioners Court"), in the name of the Tarrant County Hospital District (the "District") and on the faith and credit of the District, is the appropriate entity to issue bonds to fund improvements of the District; and

WHEREAS, the District has requested that the Commissioners Court issue limited tax bonds in the name of the District and on the faith and credit of the District for the purpose of funding the improvements described in Section 1 below, which improvements were approved by voters at an election held on November 6, 2018 (the "Bond Election"); and

WHEREAS, the County has outstanding indebtedness of at least \$100 million secured by and payable from the County's ad valorem taxes and the authorized long-term indebtedness of which is rated by a nationally recognized rating agency of securities issued by local governments in one of the four highest rating categories for a long-term obligation, and the District is a Hospital District in Tarrant County and Tarrant County has a population of 2 million or more; and

WHEREAS, the Commissioners Court shall by this Order, in accordance with the provisions of Section 1371.053(c)(2) of the Texas Government Code, as amended ("Chapter 1371"), delegate to a Pricing Officer (hereafter designated) the authority to determine the principal amount of bonds to be issued and negotiated, the terms of sale thereof and such other matters pursuant to one or more Pricing Certificates (the "Pricing Certificate"), all as specified by and subject to the limitations set forth in Section 3 hereof; and

WHEREAS, the Bond Election initially authorized bonds in the total principal amount of \$800,000,000 to be issued for the purposes described in Section 1 below; and

WHEREAS, following the issuance of the Bonds, the remaining voted but unissued bonds authorized by the Bond Election will be as set forth in the Pricing Certificate; and

WHEREAS, the Court hereby finds and determines that it is a public purpose and in the best interests of the District to issue the Bonds in accordance with the terms and provisions to be specified in the Pricing Certificate; now, therefore,

BE IT ORDERED, ADJUDGED AND DECREED BY THE COMMISSIONERS COURT OF TARRANT COUNTY, TEXAS:

SECTION 1: Authorization - Designation- Principal Amount- Purpose-Date. Limited tax bonds of the District shall be and are hereby authorized to be issued in one or more series in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title "TARRANT COUNTY HOSPITAL LIMITED TAX BONDS" with such series designations as may be specified in a Pricing Certificate (herein referred to collectively as the "Bonds"), for the purpose of providing funds for (1) acquiring, constructing, improving, equipping or enlarging facilities of the hospital system, including a new mental health and behavioral health hospital, a new main hospital tower for general and specialized patient care-physician nurse training- and Level One Trauma Care, a new cancer center, four new regional health centers, and a new ambulatory surgical center, and (2) paying the costs associated with the sale and issuance of the Bonds, pursuant to and in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 281 of the Texas Health and Safety Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, and other applicable laws of the State of Texas. The Bonds shall be dated (the "Bond Date") as provided in the Pricing Certificate.

SECTION 2: Fully Registered Interest Paying Obligations; Terms. The Bonds shall be issued as fully registered obligations, without coupons, and shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details set forth in the Pricing Certificate. Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable in each year on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Sale of Bonds.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the District's Chief Executive Officer and Chief Financial Officer (each a "Pricing Officer"), either or any combination of them, is authorized to act on behalf of the District in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including determining whether the Bonds shall be issued in one or more series at one or more times, determining the aggregate principal amount of each series of Bonds, the date of each series of Bonds, any additional or different designation or title by which each series of Bonds shall be known, the price at which each series of the Bonds will be sold, the manner of sale (whether competitive, negotiated or private placement), the manner of delivery (current or forward), the years in which each series of Bonds will mature, the principal amount of each series of Bonds to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds of each series shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be issued on a tax-exempt or taxable basis, the designation of a Paying Agent/Registrar, the designation of one or more funds for the payment of the Bonds, and all other

matters relating to the issuance, sale, and delivery of the Bonds, including without limitation any modification of the continuing disclosure undertaking contained in Section 29 hereof, modification of the definition of "Government Securities" set forth in Section 12, and approving modifications to this Order and executing such instruments, documents, and agreements as may be necessary in connection with the foregoing, all of which shall be specified in one or more Pricing Certificates; provided that:

- (i) the aggregate original principal amount of all Bonds issued hereunder shall not exceed \$450,000,000;
- (ii) the true interest cost rate of each series of Bonds shall not exceed 6.25%;
- (iii) the final maturity of the Bonds shall not exceed December 31, 2053.

The execution of the applicable Pricing Certificate shall evidence the sale date of the Bonds by the District to the Purchasers (hereinafter defined).

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to one year from the date of adoption of this Order. The Pricing Officer may exercise such delegation on more than one occasion during such time period. The final series of Bonds issued hereunder must be sold not later than one year from the date of adoption of this Order (though the closing of a particular series of Bonds sold in accordance with this provision may occur after such date, so long as such closing period is determined by a Pricing Officer to be of reasonable duration).

(c) If the Pricing Officer determines that a series of Bonds should be sold by a negotiated sale, the Pricing Officer shall designate the senior managing underwriter for such series of Bonds and such additional investment banking firms. The Pricing Officer, acting for and on behalf of the District, is authorized to enter into and carry out the terms of a Purchase Contract (hereinafter defined) for the applicable series of Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Pricing Officer subject to the parameters set forth in this Order. Any such Purchase Contract shall be substantially in a form and substance acceptable to the Pricing Officer. The Pricing Officer shall cause to be prepared an official statement in such manner as the Pricing Officer deems appropriate.

**SECTION 4: Terms of Payment-Paying Agent/Registrar.** The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment,



transfer and exchange of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the District by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached to the Pricing Certificate, and such reasonable rules and regulations as the Paying Agent/Registrar and the District may prescribe. The Pricing Officer is authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, commercial bank, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office or offices as provided in the applicable Pricing Certificate (the "Designated Payment/Transfer Office"); provided, however, that while a Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest on the Bonds shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date as specified in the Pricing Certificate and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/ Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the interest due and payable (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

**SECTION 5: Registration - Transfer - Exchange of Bonds-Predecessor Bonds.** The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Order, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like series, if applicable, of like kind, maturity, and amount in authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying



Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity, of like series, if applicable, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond authorized in Section 8 hereof) may be exchanged for other Bonds of like series, if applicable, of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the District, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the District nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry Only Transfers and Transactions. Notwithstanding the applicable provisions contained hereof relating to the payment, and transfer/exchange of the Bonds, the District hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Blanket Letter of Representations by and between the District and DTC and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants") and, while the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the District determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the District covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf and in the name of the District by the County Judge and County Clerk under the seal of the Commissioners Court reproduced or impressed thereon. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the County on the date of adoption of this Order shall be deemed to be duly executed on behalf and in the name of the District, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit A, manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Exhibit A, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond. The Bonds of any series herein authorized shall be initially issued as a single fully registered Bond in the aggregate principal amount noted and numbered T-1 (hereinafter called the "Initial Bond") and the Initial Bond shall be registered in the name of the initial purchaser or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturity, principal amount and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms. A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in Exhibit A with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order or the applicable Pricing Certificate with the Bonds to be completed and modified with the information set forth in such Pricing Certificate, and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the District or determined by the Pricing Officer. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond shall be printed, lithographed, or engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution.

SECTION 10: Levy of Taxes. To provide for the payment of Bonds, there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the District, within the limitations prescribed by law, sufficient to pay the principal of and interest on the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars' valuation of taxable property in the District for the payment of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on the Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; the taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the District and shall be deposited in one or more special funds as specified in one or more Pricing Certificates (the "Interest and Sinking Fund"), which Interest and Sinking Fund shall be maintained at an official depository of the District's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

PROVIDED, however, in regard to any payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, sufficient current funds will be available and are hereby appropriated to make such payments; and proper officials of the District are hereby authorized and directed to transfer and deposit in the applicable Interest and Sinking Fund such current funds which will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

The President, Vice President and Secretary of the Board of Managers, the Chief Executive Officer, and the Chief Financial Officer of the District, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated - Destroyed - Lost and Stolen Certificates. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the County and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the County, the District and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in



full such Bonds at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities (as defined below) shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, to pay when due the Bonds on the Stated Maturities thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of any series of Bonds, the District shall deliver a certificate from its Financial Advisor, the Paying Agent/Registrar, or an independent accounting or consulting firm concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium, if any, and interest due on any defeased Bonds. The District covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit that would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

The District reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

Unless otherwise specified in the applicable Pricing Certificate, the term "Government Securities," as used herein, means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any securities and obligations now or hereafter authorized by State law that are eligible to defease obligations such as the Bonds.

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

SECTION 13: Order a Contract - Amendments - Outstanding Bonds. This Order, together with the Pricing Certificate applicable to each series of Bonds hereunder, shall constitute a contract with the respective Holders of each series from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond of the applicable series remains Outstanding except as permitted in this Section and in Section 30 hereof. The District may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order or any provisions of the applicable Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the consent of Holders who own in the aggregate a majority of the principal amount of any affected series of Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the applicable series Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on such series of Bonds, (2) give any preference to any Bond within such series over any other Bond within such series, or (3) reduce the aggregate principal amount of Bonds within such series required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding" when used in this Order with respect to each series of Bonds means, as of the date of determination, all Bonds within such series theretofore issued and delivered under this Order, except:

- (1) those Bonds within such series cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds within such series deemed to be duly paid by the District in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchaser against payment therefor.

*"Code"* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

*"Computation Date"* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*"Gross Proceeds"* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

*"Investment"* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*"Nonpurpose Investment"* means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

*"Rebate Amount"* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*"Regulations"* means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

*"Yield"* of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the District shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.



(g) Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the construction fund, Interest and Sinking Fund or its general fund, other appropriate fund, or , if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The District hereby directs and authorizes the District's Chief Executive Officer and Chief Financial Officer, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 15: Sale of Bonds - Purchase Contract and Official Statement Approval. Subject to the provisions of Sections 1 and 3, the Bonds authorized by this Order are to be sold by the District to one or more initial purchasers or underwriters (herein referred to individually as the "Purchaser," and collectively as the "Purchasers") in accordance with a successful bid or a bond purchase agreement (the "Purchase Contract"). The terms and provisions of any Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the District and as the act and deed of the County and the District. The Pricing Officer is hereby authorized, in the name and on behalf of the District, to approve, distribute, and deliver a preliminary official statement and a final official statement relating to each series of the Bonds and any addenda, supplement, or amendment thereto, to be used by the Purchaser in the marketing of such Bonds and to deem such documents to be final in accordance with 17 C.F.R. Section 240.15c2-12.

SECTION 16: Control and Custody of Bonds. The County Judge shall be and is hereby authorized to take and have charge of all necessary orders and records, including the definitive Bond and the Initial Bond, pending the investigation and approval of the Initial Bond by the Attorney General of the State of Texas, and the registration of the Initial Bond by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

SECTION 17: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and accrued interest received from the Purchasers of the Bonds, if any) shall be deposited to the credit of a construction account maintained on the books and records of the District and, if not immediately invested, in a fund kept at a depository bank of the District. Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Chapter 2256, Texas Government Code, including guaranteed investment contracts permitted in Section 2256.015, et seq., Texas Government Code, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the Board of Managers or its designee. Accrued interest and premium in the amount, if any, specified in the applicable Pricing Certificate received from the sale of the Bonds and any excess bond

proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund. Any proceeds representing premium received in connection with the sale of the Bonds shall be used in a manner consistent with the provisions of Section 1201.042(d), Texas Government Code, as amended.

Proceeds from the sale of the Bonds representing premium received in connection with the sale of the Bonds shall be used in a manner consistent with the provisions of Section 1201.042(d), Texas Government Code, as amended.

SECTION 18. Notices to Holders - Waiver. Wherever this Order or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 19: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The District may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the District.

SECTION 20: Bond Counsel Opinion. The obligation of the Purchaser to accept delivery of the Bonds is subject to being furnished final opinions of Kelly Hart & Hallman LLP, Fort Worth, Texas, and Norton Rose Fulbright US LLP, Dallas, Texas, approving the Bonds as to their validity, said opinions to be dated and delivered as of the date of delivery and payment for the Bonds. True and correct reproductions of said opinions are hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds.

SECTION 21: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the District nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 22: Benefits of Order. Nothing in this Order or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the District, the County, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or the Pricing Certificate or any provision hereof, this Order and the Pricing Certificate and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the County, the Paying Agent/Registrar and the Holders.

SECTION 23: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order or the Pricing Certificate are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters contained herein.

SECTION 24: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 25: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 26: Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 27: Severability. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and the Commissioners Court and the Board of Managers of the District hereby declare that this Order would have been enacted without such invalid provision.

SECTION 28: Incorporation of Findings and Determinations. The findings and determinations of the Commissioners Court and the Board of Managers of the District contained in the preamble hereof are hereby incorporated by reference and made a part of this Order for all purposes as if the same were restated in full in this Section.

SECTION 29: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

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

“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.

(b) Annual Reports. The District shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the District of the general type included in the applicable final Official Statement approved by the Pricing Officer and described in the Pricing Certificate (the “Operating Information”) and, if then available, audited financial statements of the District and (2) if not submitted along with the Operating Information, audited financial statements of the District within 12 months after the end of each fiscal year beginning in the year stated in the applicable Pricing Certificate. If the audit of such financial statements is not complete within 12 month after any such fiscal year end, then the District shall file unaudited financial statements within such 12-month period and audited financial statements for such fiscal year when and if the audit report on such financial statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the financial statements of the District appended to the Official Statement, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notices of Certain Events. The District shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

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



- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, 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 a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, 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 District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District 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 District, 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 District and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section while, but only while, the District remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the District to be no longer such an “obligated person”.

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

financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District 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 DISTRICT BE LIABLE TO THE HOLDER 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 DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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 District in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the District from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the District if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the District's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) 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.

SECTION 30: Further Procedures. Any one or more of the Chair, Vice Chair and Secretary of the Board of Managers of the District, the Chief Executive Officer and the Chief Financial Officer of the District and the County Judge, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the District all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may

be necessary or desirable in order to carry out the terms and provisions of this Order and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Chair, Vice Chair and Secretary of the Board of Managers, the Chief Executive Officer, the Chief Financial Officer or Bond Counsel to the District are each hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the documents authorized and approved by this Order: (i) in order to cure any technical ambiguity, formal defect, or omission in the Order or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Order, which determination shall be final. In the event that any officer of the County or the District whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551 of the Government Code, as amended.

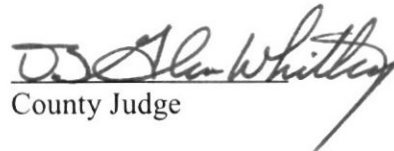
SECTION 32: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

*{signature page follows}*

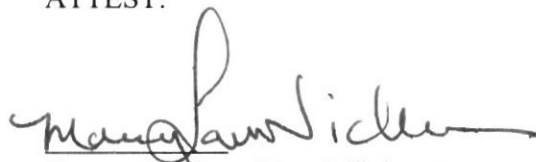


PASSED AND ADOPTED this 13<sup>th</sup> day of December, 2022.

TARRANT COUNTY, TEXAS

  
County Judge

ATTEST:

  
County Clerk and Ex-Officio Clerk  
of the Commissioners Court

(Commissioners Court Seal)

**EXHIBIT A**  
Form of Definitive Bonds.

REGISTERED  
NO.

REGISTERED  
\$

UNITED STATES OF AMERICA  
STATE OF TEXAS  
TARRANT COUNTY HOSPITAL DISTRICT  
LIMITED TAX BOND,  
SERIES 202\_

Bond Date:  
\_\_\_\_\_, 2\_

Interest Rate:  
\_\_\_\_\_

Stated Maturity:  
\_\_\_\_\_

CUSIP NO.

Registered Owner:

Principal Amount:

DOLLARS

Tarrant County Hospital District (hereinafter referred to as the "District"), a body corporate and political subdivision in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the principal amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the date of its delivery to the initial purchaser at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on \_\_\_\_\_ and \_\_\_\_\_ in each year until maturity or prior redemption, commencing \_\_\_\_\_, 202\_. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the \_\_\_\_\_ of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of and interest on this Bond shall be without exchange or collection charges to the owner or holder hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds

shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Offices of the Paying Agent/Registrar are located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_,000 (herein referred to as the "Bonds") for the purpose of providing funds for (1) acquiring, constructing, improving, equipping or enlarging facilities of the hospital system, including a new mental health and behavioral health hospital, a new main hospital tower for general and specialized patient care-physician nurse training- and Level One Trauma Care, a new cancer center, four new regional health centers, and a new ambulatory surgical center, and (2) paying the costs associated with the sale and issuance of the Bonds, pursuant to and in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 281 of the Texas Health and Safety Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, and pursuant to an Order adopted by the Commissioners Court of the Tarrant County, Texas and the Pricing Certificate defined therein (such Order and Pricing Certificate collectively herein referred to as the "Order").

The Bonds maturing on and after [\_\_\_\_\_, 20\_\_], may be redeemed prior to their Stated Maturities, at the option of the District, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on [\_\_\_\_\_, 20\_\_], or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

[The Bonds maturing on [\_\_\_\_\_, 20\_\_] (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Order, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Redemption Date (8/15)  
\_\_\_\_\_, 20\_\_

Principal Amount  
\$\_\_\_\_\_

The particular Term Bonds to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the District, by the principal amount of Term Bonds of like maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

Not less than thirty (30) days prior to a redemption date for the Bonds, the District shall cause a written notice of redemption to be sent by United States Mail, first class postage prepaid, in the name of the District and at the District's expense, to each Holder of a Bond to be redeemed

in whole or in part, and subject to the terms and provisions relating thereto contained in the Order. If a Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event of a portion of the Principal Amount of a Bond is to be redeemed and the registered owner hereof is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the principal office of the Paying Agent/Registrar, and there shall be issued to the registered owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided in the Order for the then unredeemed balance of the principal sum hereof. If this Bond is called for redemption, in whole or in part, the District and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of this Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the District. Reference is hereby made to the Order, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or

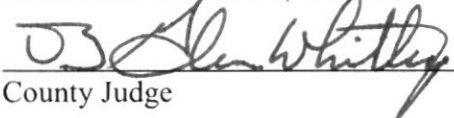
accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, accruing interest at the same rate, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the date of surrender of this Bond as the owner entitled to payment of the principal amount at its Stated Maturity, or its redemption, in whole or in part, and (ii) on any other date as the owner for all other purposes, and neither the District nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

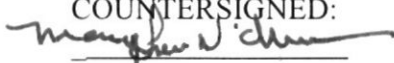
It is hereby certified, recited, represented and declared that the District is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the District have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Order; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, on behalf of and in the name of the District, the Commissioners Court of Tarrant County, Texas has caused this Bond to be duly executed by the County Judge and County Clerk of Tarrant County, Texas, under the official seal of said Court.

TARRANT COUNTY, TEXAS

  
County Judge

COUNTERSIGNED:

  
County Clerk

(Commissioners Court Seal)

Form of Registration Certificate of Comptroller  
of Public Accounts to appear on Initial Certificate(s) only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (   
OF PUBLIC ACCOUNTS (   
THE STATE OF TEXAS ( 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 duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_.

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

(SEAL)

\*NOTE TO PRINTER: Do Not Print on Definitive Bonds

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Form of Certificate of Paying Agent/Registrar  
to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Order; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registration Date:

\_\_\_\_\_

\_\_\_\_\_, Texas, as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature

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Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or type name, address, and zip code of transferee:) \_\_\_\_\_ (Social Security or other identifying number: \_\_\_\_\_) \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

Signature Guaranteed:

\_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular

[Rest of Page Left Intentionally Blank]



The Initial Bond shall be in the form set forth in Exhibit A of the Order, except that the form of the single fully registered Initial Bond shall be modified as follows:

(i) immediately under the name of the certificate the headings "Interest Rate \_\_\_\_", "Stated Maturity \_\_\_\_" and "CUSIP NO." shall be omitted;

(ii) Paragraph one shall read as follows:

Registered Owner:

Principal Amount: \_\_\_\_\_ MILLION DOLLARS

The Tarrant County Hospital District (hereinafter referred to as the "County"), a body corporate and political subdivision in State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the principal amount hereinabove stated on \_\_\_\_\_ in each of the years and in principal installments in accordance with the following schedule:

YEAR OF STATED  
MATURITY

PRINCIPAL  
INSTALLMENT

INTEREST  
RATE

(Information to be inserted from Pricing Certificate)

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments from the date of its initial delivery to the initial purchaser at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on \_\_\_\_\_ and \_\_\_\_\_ in each year until maturity or prior redemption, commencing \_\_\_\_\_, \_\_\_\_\_. Principal installments of this Bond are payable in the year of maturity to the registered owner hereof by \_\_\_\_\_ (the "Paying Agent/Registrar") or its successor, upon presentation and surrender, at its designated office in \_\_\_\_\_, Texas (the "Designated Payment/Transfer Office"); provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of and interest on this Bond shall be without exchange or collection charges to the owner or holder hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Offices of the Paying Agent/Registrar are located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day

which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.