
ORDER

EL PASO COUNTY HOSPITAL DISTRICT COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION

Adopted: _____, 2022

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AN ORDER AUTHORIZING THE ISSUANCE OF “EL PASO COUNTY HOSPITAL DISTRICT COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION”, IN ONE OR MORE SERIES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH CERTIFICATES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO, INCLUDING THE DELEGATION OF MATTERS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES TO AN AUTHORIZED DISTRICT OFFICIAL WITHIN CERTAIN SPECIFIED PARAMETERS.

WHEREAS, the Commissioners Court (the “Commissioners Court”) of El Paso County, Texas (the “County”), in the name of the El Paso County Hospital District (the “District”) and on the faith and credit of the District, is the appropriate entity to authorized the issuance of certificates of obligation on behalf of the District; and

WHEREAS, the governing board of the District has requested that the Commissioners Court issue certificates of obligation in the name of the District and on the faith and credit of the District; and

WHEREAS, the District and the County have caused notice to be given of the District’s intention to issue certificates of obligation, in one or more series, in a principal amount not to exceed \$400,000,000 for the purpose of paying contractual obligations to be incurred for the following purposes, to wit: (i) to construct, improve, repair, renovate, enlarge and equip the “University Medical Center of El Paso” (the “Hospital”) which is owned and operated by the District; (ii) to acquire, construct, improve, renovate and equip District facilities for outpatient services, to include a clinic in central El Paso, facilities for geriatric care, an urgent care center of the District and an ambulatory procedure center of the District; (iii) to acquire materials, equipment and machinery for the imaging and information technology departments of the District; (iv) to construct, improve, repair, renovate, enlarge and equip the District's pediatric specialized care focused hospital; (v) to acquire, construct, improve, renovate and equip a cancer treatment facility for the District; (vi) to acquire real property, certain existing buildings of Texas Tech University Health Sciences Center, and rights-of-way for District purposes, including the aforementioned projects; (vii) to pay interest on the certificates of obligation during certain phases of construction (and possibly up to one year thereafter); and (viii) to pay for professional services and the costs of issuance associated therewith; and

WHEREAS, such notice has been duly published (i) in the *El Paso Times*, a newspaper hereby found and determined to be of general circulation in the District, once a week for two (2) consecutive weeks, on July 7, 2022, and July 14, 2022, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the order authorizing the issuance of such certificates and (ii) continuously on the District’s website for at least forty-five (45) days prior to the tentative date stated therein for the passage of the order authorizing the issuance of such certificates; and

WHEREAS, no valid petition protesting the issuance of the certificates of obligation described in the published notice, signed by at least 5% of the qualified voters of the District, has been presented to or filed with the County Clerk, any member of the Commissioners Court, any

member of the Board of Managers of the District (the “Board”) or any other official of the County or the District prior to the date tentatively set in such notice for the passage of this order; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates was submitted to the voters of the District during the preceding three years; and

WHEREAS, the certificates of obligation hereinafter authorized and designated are to be issued and delivered pursuant to the Certificate of Obligation Act of 1971, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended (the “Act”), Chapter 281 of the Texas Health and Safety Code, as amended, and, in accordance with the provisions of Texas Government Code, Chapter 1371, as amended, the authority to determine the principal amount of Certificates to be issued and to negotiate the terms of sale thereof should be delegated to a Pricing Officer (hereinafter designated), such terms of sale and principal amount to be specified in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer; and

WHEREAS, the Commissioners Court hereby finds and determines that the issuance of the certificates of obligation in accordance with the Act and this Order is in the best interests of the citizens of the District; and

WHEREAS, the meeting at which this Order is considered is open to the public as required by law, in compliance with the quorum requirements of Section 81.006 of the Texas Local Government Code and the public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore

BE IT ORDERED BY THE COMMISSIONERS COURT OF EL PASO COUNTY, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following terms shall have the meanings specified below:

“Additional Certificates” means combination tax and revenue certificates of obligation or other obligations which the District or the County on behalf of the District is authorized to issue, whether at the time of the adoption of this Order or thereafter, hereafter issued under and pursuant to the provisions of the Act, or any similar law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Surplus Revenues on a parity with and of equal dignity with the lien and pledge securing the payment of the Certificates.

“Act” means the Certificate of Obligation Act of 1971, Subchapter C of Chapter 271, Texas Local Government Code, as amended.

“Board” means the Board of Managers of the District.

“Bond Counsel” means Norton Rose Fulbright US LLP, Dallas, Texas.

“Certificate Date” means the date designated as the date of the applicable series of Certificates by the Pricing Officer in each Pricing Certificate.

“Certificates” means the District’s certificates of obligation authorized to be issued by Section 3.01 of this Order and designated as “El Paso County Hospital District Combination Tax and Revenue Certificates of Obligation, Series 2022” and/or any additional or different designation as specified in the applicable Pricing Certificate.

“County” means the El Paso County, Texas.

“Commissioners Court” means the governing body of the County.

“Closing Date” means the date of the initial delivery of and payment for an applicable series of Certificates.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Constitution” means the Constitution of the State.

“Designated Payment/Transfer Office” means: (i) with respect to the initial Paying Agent/Registrar named in each Pricing Certificate, the Paying Agent/Registrar’s office in the location designated by the Pricing Officer in the applicable Pricing Certificate; and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the District and such successor.

“District” means the El Paso County Hospital District.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” means any event of default as defined in Section 9.01 of this Order.

“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.

“Government Securities” means, unless otherwise authorized in a Pricing Certificate, (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, (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 other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Certificates.

“Hospital” means the University Medical Center of El Paso that is owned and operated by the District.

“Initial Certificate” means the single initial Certificate, representing the entire principal amount of the applicable series of Certificates, delivered on the Closing Date in accordance with Section 3.05 of this Order.

“Interest and Sinking Fund” means the special Fund or Funds created and established with respect to each series of Certificates under the provisions of Section 2.02 of this Order. A specific Interest and Sinking Fund for each series of Certificates shall be established in each Pricing Certificate.

“Interest Payment Date” means the date or dates on which interest on each series of the Certificates is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being as specified in the applicable Pricing Certificate.

“Maintenance and Operation Expenses” means all reasonable and necessary expenses directly related and attributable to the operation and maintenance of the System, including, but not limited to, salaries, labor, materials, interest, and repairs necessary to operate the System.

“MSRB” means Municipal Securities Rulemaking Board.

“Net Revenues” shall mean, with respect to any period, all income, revenues, and receipts (except ad valorem taxes) received from the operation and ownership of the System less Maintenance and Operation Expenses of the System during such period.

“Order” means this order authorizing the issuance of the Certificates and passed and approved by the Commissioners Court.

“Owner” means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

“Paying Agent/Registrar” means the entity appointed by the Pricing Officer in each Pricing Certificate as the paying agent/registrar for the applicable series of Certificates, or any successor thereto as provided in this Order.

“Pricing Certificate” means one or more pricing certificates that set forth the terms of each series of Certificates in accordance with Article III of this Order and are executed by the Pricing Officer, all in accordance with the provisions of Texas Government Code, Chapter 1371, as amended.

“Pricing Officer” means each of the Chief Executive Officer of the District or the Chief Financial Officer of the District, acting severally and not jointly.

“Purchase Contract” means one or more bond purchase agreement(s) pertaining to each series of the Certificates approved by the Pricing Officer in the applicable Pricing Certificate pursuant to Section 6.01 of this Order.

“Record Date” means the day set forth in the applicable Pricing Certificate.

“Register” means the Register specified in Section 3.07(a) of this Order.

“Rule” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

“SEC” means the United States Securities and Exchange Commission.

“Senior Revenue Lien Obligations” means obligations hereafter issued which by the terms of the authorizing order are made payable from and secured solely by a lien on and pledge of the Net Revenues of the System ranking prior and superior to the lien and pledge securing the payment of the Certificates.

“Series 2022 Projects” shall have the meaning set forth in Section 3.01.

“State” means the State of Texas.

“Surplus Revenue Fund” shall mean the “El Paso County Hospital District Combination Tax and Revenue Certificates of Obligation, Series 2022, Surplus Revenue Fund” established by Section 2.04 of this Order.

“Surplus Revenues” shall mean the revenues of the System remaining after payment of all Maintenance and Operation Expenses thereof, and all debt service, reserve, and other requirements in connection with the Senior Lien Obligations; provided, however, that for purposes of providing revenues for the payment of the Certificates, Surplus Revenues shall not include any revenues of the System in excess of \$1,000, and no amount of Surplus Revenues above \$1,000 shall be pledged to the payment of the Certificates.

“System” means any and all hospital facilities and/or related facilities owned and operated by the District, including the Hospital.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Certificates as the same come due and payable and remaining unclaimed by the Owners of such Certificates.

“Underwriters” means one or more underwriters of any series of Certificates issued hereunder as identified by the Pricing Officer in the applicable Pricing Certificate.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE CERTIFICATES; CREATION OF FUNDS

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Constitution and the laws of the State, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the District, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Certificates, being: (i) the interest on the Certificates; and (ii) the principal of the Certificates as such principal matures, when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the District most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Such ad valorem tax, the collections thereof, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and

committed irrevocably to the payment of the principal of and interest on the Certificates when and as due and payable in accordance with their terms and this Order.

(d) If the lien and provisions of this Order shall be released in a manner permitted by Article X hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Certificates, there shall be subtracted the amount of any Certificates that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section 2.02. Interest and Sinking Fund.

(a) The District hereby establishes one or more special Funds to be designated as specified in the Pricing Certificate by the Pricing Officer (each an “Interest and Sinking Fund”) such fund(s) to be maintained at an official depository bank of the District separate and apart from all other funds and accounts of the District.

(b) Money on deposit in or required by this Order to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Certificates when and as due and payable in accordance with their terms and this Order.

Section 2.03. Pledge of Surplus Revenues.

Pursuant to the authority granted by the Constitution and laws of the State, including specifically Chapter 281 of the Texas Health and Safety Code, as amended, and the Act, the District hereby covenants and agrees that a limited pledge of the Surplus Revenues of the System in an amount not to exceed \$1,000, with the exception of those in excess of the amounts required to be deposited to the Interest and Sinking Fund as hereafter provided, are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates and any Additional Certificates, if issued, and such pledge shall be valid and binding without further action by the District and without any filing or recording except for the filing of this Order in the records of the District.

Chapter 1208 of the Texas Government Code, as amended, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the District under Sections 2.01 and 2.03 of this Order, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while the Certificates are Outstanding and unpaid such that the pledge of the taxes and revenues granted by the District under this Section of this Order is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Holders of the Certificates the perfection of the security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in such pledge to occur.

Section 2.04. Surplus Revenue Fund. The District hereby establishes a special fund or account to be designated the “El Paso County Hospital District Combination Tax and Revenue Certificates of Obligation, Series 2022, Surplus Revenue Fund” (the “Surplus Revenue Fund”),

such fund to be maintained at an official depository bank of the District separate and apart from all other funds and accounts of the District, and shall in no event be diverted or drawn upon for any purpose other than those herein provided. All Surplus Revenues shall be paid over and deposited into the Surplus Revenue Fund. The Surplus Revenues shall be appropriated and employed in the following order:

(a) First: For deposit to the Interest and Sinking Fund to provide for the payment of the debt service requirements of the Certificates in accordance with the terms and conditions of this Order; and

(b) Second: After all the requirements of subparagraph (a) above have been provided for, whether by the collection of an ad valorem tax levied in this Order or by the use of the pledged Surplus Revenues or other legally available funds, the Surplus Revenues may be used for any lawful purpose.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01. Authorization and Purpose.

The District's certificates of obligation to be designated "El Paso County Hospital District Combination Tax and Revenue Certificates of Obligation, Series 2022" and any additional series specified in the Pricing Certificate (collectively, the "Certificates") are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including specifically the Act and Chapter 281 of the Texas Health and Safety Code, and this Order. The Certificates shall be and are hereby authorized to be issued, in one or more series or subseries, in the maximum principal amount hereinafter set forth for the purpose of paying contractual obligations of the District to be incurred for the following purposes, to wit: (i) to construct, improve, repair, renovate, enlarge and equip the "University Medical Center of El Paso" (the "Hospital") which is owned and operated by the District; (ii) to acquire, construct, improve, renovate and equip District facilities for outpatient services, to include a clinic in central El Paso, facilities for geriatric care, an urgent care center of the District and an ambulatory procedure center of the District; (iii) to acquire materials, equipment and machinery for the imaging and information technology departments of the District; (iv) to construct, improve, repair, renovate, enlarge and equip the District's pediatric specialized care focused hospital; (v) to acquire, construct, improve, renovate and equip a cancer treatment facility for the District; (vi) to acquire real property, certain existing buildings of Texas Tech University Health Sciences Center, and rights-of-way for District purposes, including the aforementioned projects; (vii) to pay interest on the certificates of obligation during certain phases of construction (and possibly up to one year thereafter); and (viii) to pay for professional services and the costs of issuance associated therewith (the items described in clauses (i) through (vi) are collectively referred to as the "Series 2022 Projects.")

Section 3.02. Delegation of Authority to Pricing Officer.

(a) As authorized by Chapter 1371 of the Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Certificates and carrying out the other procedures specified in this Order, including determining the aggregate principal amount of each series of the Certificates, the date of each series of the Certificates, any additional or different designation or title by which the Certificates shall be known, determining whether the Certificates shall be issued in one or more series or subseries, the price at which each series of the Certificates will be sold, the years in which each series of the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date(s), the price and terms upon and at which each series of the Certificates shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, the terms of any bond insurance applicable to a series of the Certificates, any amendments or modifications to the continuing disclosure undertaking set forth in Article XI hereof, the designation of one or more funds for the payment of each series of the Certificates, the final forms of the Certificates, and all other matters relating to the issuance, sale, and delivery of each series of the Certificates, all of which shall be specified in the applicable Pricing Certificate, provided that:

- (i) the aggregate original principal amount of all the Certificates issued hereunder shall not exceed \$367,000,000;
- (ii) the aggregate true interest cost for the Certificates shall not exceed 6.00%; and
- (iii) the maximum maturity date for the Certificates shall not exceed August 15, 2048.

The execution of each Pricing Certificate shall evidence the sale date of the Certificates by the District to the Underwriters.

If the Pricing Officer determines that bond insurance results in a net reduction of the District's interest costs associated with one or more series of the Certificates, then the Pricing Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company (the "Insurer") a municipal bond insurance policy in support of one or more series of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the District to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of such policies are incorporated by reference into this Order and made a part hereof for all purposes, notwithstanding any other provision of this Order to the contrary. The Pricing Officer shall have the authority to execute any documents to affect the issuance of such policy by the Insurer.

(b) In establishing the aggregate principal amount of the Certificates, 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 Certificates are authorized and to pay costs of issuing the Certificates. The delegation made hereby shall expire

if not exercised by the Pricing Officer within 180 days of the date of adoption of this Order. The Pricing Officer is authorized to exercise such delegation on more than one occasion, with respect to one or more series, within the parameters specified herein. The Certificates shall be sold by negotiated sale to the Underwriters, at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract. The Pricing Officer is hereby delegated the authority to select and designate the Underwriters for each series of Certificates issued hereunder, which designation will be expressly set forth in the Pricing Certificate.

Section 3.03. Date, Denomination, Maturities and Interest.

(a) The Certificates shall be dated as provided in the Pricing Certificate (the "Certificate Date"). The Certificates shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Certificate, which shall be numbered T-1.

(b) The Certificates shall mature on the dates, in the years and in the principal amounts and bear interest at the per annum rates set forth in the Pricing Certificate.

(c) Interest shall accrue and be paid on each Certificate respectively until its maturity or prior redemption, from the later of the date set forth in the Pricing Certificate or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the maturity schedule contained in the Pricing Certificate. Such interest shall be payable on the dates set forth in the Pricing Certificate, commencing on the date set forth in the Pricing Certificate, until maturity or prior redemption. Interest on the Certificates shall be calculated on the basis of a 360-day year composed of 12 months of 30 days each.

Section 3.04. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be payable to the Owners as shown in the Register at the close of business on the Record Date.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Certificate shall be paid to the Owner thereof on the due date (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where

the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or 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 and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Certificates to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Certificates thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Certificates, shall be paid to the District to be used for any lawful purpose. Thereafter, neither the District, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to Title 6, Texas Property Code.

Section 3.05. Execution and Registration of Certificates.

(a) The Certificates shall be executed on behalf of the District by the County Judge and the County Clerk, by their manual or facsimile signatures, and the official seal of the Commissioners Court of the County shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of such officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the Commissioners Court had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the County whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State, or by her duly authorized agent, which Certificate shall be evidence that the Certificate has been duly approved by the Attorney General of the State and that it is a valid and binding obligation of the District, and has been registered by the Comptroller of Public Accounts of the State.

(d) On the Closing Date, one Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the initial purchaser, or its designee, executed with the manual or facsimile signature of the County Judge and County Clerk of the County, approved by the Attorney General of the State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC, on behalf of the initial purchaser, one typewritten Certificate for each maturity and discrete interest rate representing the aggregate principal amount for each respective maturity and discrete interest rate, registered in the name of Cede & Co., as nominee for DTC.

Section 3.06. Ownership.

(a) The District, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and redemption premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Certificate is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Certificate shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.07. Registration, Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the District shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Order.

(b) The ownership of a Certificate may be transferred only upon the presentation and surrender of the Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Certificate shall be effective until entered in the Register.

(c) The Certificates shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Certificates presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Certificates exchanged for other Certificates in accordance with this Section.

(d) Each exchange Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the District and

shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such exchange Certificate is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Certificates. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Certificate.

(f) Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Certificate called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Certificate.

Section 3.08. Cancellation.

All Certificates paid or redeemed before scheduled maturity in accordance with this Order, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Order, shall be canceled and proper records shall be made regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall then return such canceled Certificates to the District or may in accordance with law destroy such cancelled Certificates and periodically furnish the District with certificates of destruction of such Certificates.

Section 3.09. Temporary Certificates.

(a) Following the delivery and registration of the Initial Certificate and pending the preparation of definitive Certificates, the proper officers of the District may execute and, upon the District's request, the Paying Agent/Registrar shall authenticate and deliver, one (1) or more temporary Certificates that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Certificates in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the District executing such temporary Certificates may determine, as evidenced by their signing of such temporary Certificates.

(b) Until exchanged for Certificates in definitive form, such Certificates in temporary form shall be entitled to the benefit and security of this Order.

(c) The District, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Certificates in definitive form; thereupon, upon the presentation and surrender of the Certificates in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Certificates in temporary form and shall authenticate and deliver in exchange therefor Certificates of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Certificates in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the District harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the District and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate if it has become due and payable or may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the District and shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.11. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Certificates, the ownership of the Certificates shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Certificates shall be initially issued in the form of a single separate certificate for each of the maturities and discrete interest rates thereof.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates; (ii) the delivery to any DTC Participant or any other person, other than a Certificateholder, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than a Certificateholder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Order to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of all matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in this Order shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the District or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the District to DTC, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the District or the Paying Agent/Registrar shall: (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to

their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Certificateholders transferring or exchanging Certificates shall designate, in accordance with the provisions of this Order.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Order to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

ARTICLE IV

PAYING AGENT/REGISTRAR

Section 4.01. Appointment of Initial Paying Agent/Registrar.

The Pricing Officer shall designate in the Pricing Certificate the entity to serve as “Paying Agent/Registrar” for the Certificates.

Section 4.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

Section 4.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the District will maintain a Paying Agent/Registrar that is qualified under Section 4.02 of this Order. The Paying Agent/Registrar Agreement, substantially in the form attached hereto as Exhibit A, specifying the duties and responsibilities of the District and the Paying Agent/Registrar presented at this meeting is hereby approved, and the Pricing Officer is hereby authorized and directed to execute such Paying Agent/Registrar Agreement in connection with the delivery of each series of Certificates.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the District will promptly appoint a replacement.

Section 4.04. Termination.

The District, upon not less than sixty (60) days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 4.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the District will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 4.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 4.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE V

FORM OF THE CERTIFICATES

Section 5.01. Form Generally.

(a) The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates: (i) shall be substantially in the form set forth in this Article and Exhibit B or in the Pricing Certificate, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order or the Pricing Certificate; and (ii) 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 insurance legends on insured Certificates and any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the District or by the Pricing Officer. The Pricing Certificate shall set forth the final and controlling forms and terms of the Certificates.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The definitive Certificates shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

(d) The Initial Certificate submitted to the Attorney General of the State may be typewritten and photocopied or otherwise reproduced.

Section 5.02. Form of the Certificates.

The form of the Certificate, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially in the form set forth in Exhibit B or in the Pricing Certificate.

Section 5.03. CUSIP Registration.

The District may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the District nor the attorneys approving such Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 5.04. Legal Opinion.

The approving legal opinion of Norton Rose Fulbright US LLP, as Bond Counsel, may be printed on the reverse side of each Certificate over the certification of the County Clerk of the County, which may be executed in facsimile.

Section 5.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Certificates may be printed on or attached to each Certificate.

ARTICLE VI

SALE AND DELIVERY OF CERTIFICATES, DEPOSIT OF PROCEEDS

Section 6.01. Sale of Certificates, Official Statement.

(a) The Certificates authorized by this Order are to be sold by the District to the Underwriters in accordance with the Purchase Contract, the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 3.02 hereof. With regard to such terms and provisions of the Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Underwriters on the following, among other matters:

1. The details of the purchase and sale of the Certificates;
2. The details of the public offering of the Certificates by the Underwriters;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Certificates and the District's compliance with the Rule;
4. A security deposit for the Certificates;

5. The representations and warranties of the District to the Underwriters;
6. The details of the delivery of, and payment for, the Certificates;
7. The Underwriters' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the District under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the District;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Certificates.

(b) The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the District and as the act and deed of this Commissioners Court, and to make a determination as to whether the terms are in the District's best interest which determination shall be final.

(c) The Chair and Secretary of the Board of the District are further authorized and directed to cause to be delivered for and on behalf of the District copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Certificates by the Underwriters, in final form as may be reasonably required by the Underwriters, and such Official Statements shall be deemed to be approved by the District and constitute the Official Statement authorized for distribution and use by the Underwriters. The Pricing Officer is hereby authorized and directed to deem "final" the Preliminary Official Statement for purposes of the Rule, for and on behalf of the District and as the act and deed of this Commissioners Court.

(d) The obligation of the Underwriters to accept delivery of the Certificates is subject to such Underwriters being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated and delivered the Closing Date.

Section 6.02. Control and Delivery of Certificates.

(a) The County Judge is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Certificates shall be made to the Underwriters under and subject to the general supervision and direction of the County Judge, against receipt by the District of all amounts due to the District under the terms of sale.

Section 6.03. Deposit of Proceeds.

(a) Immediately following the delivery of the Certificates, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any municipal bond insurance, accrued interest received from the Underwriters, if any, and premium in the amount, if any, specified in the Pricing Certificate) shall be deposited to the credit of the Interest and Sinking Fund 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 may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq, 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 District. Accrued interest, if any, and premium in the amount, if any, specified in the Pricing Certificate received from the sale of the Certificates and any excess Certificate 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.

ARTICLE VII

INVESTMENTS

Section 7.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Order, at the option of the District, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 7.02. Investment Income.

Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

ARTICLE VIII

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 8.01. Payment of the Certificates.

On or before each Interest Payment Date for the Certificates and while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Certificates as will accrue or mature on the Interest Payment Date or date of prior redemption.

Section 8.02. Other Representations and Covenants.

(a) The District will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order, in the Pricing Certificate, and in each Certificate; the District will promptly pay or cause to be paid the principal of and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the District will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order and the Pricing Certificate.

(b) The District is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the District in accordance with their terms.

Section 8.03. Covenants to Maintain Tax-Exempt Status.

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

“Closing Date” means the date on which the Certificates are first authenticated and delivered to the initial purchasers 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 Certificates.

“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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“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 Certificates. 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 Certificates 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 Certificate 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 Certificate, 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 Certificates:

(i) 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 Certificates, 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

(ii) 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 Certificates 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 Certificates 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 Certificates 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 Certificates.

(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 Certificates 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:

(i) 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 Certificate is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Certificates 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.

(ii) 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 Certificates until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Certificates by the Underwriters 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 Interest and Sinking Fund or its general fund, as 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 Certificates 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.

(iv) 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 Certificates, 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 Certificates not been relevant to either party.

(j) Elections. The District hereby directs and authorizes the District's Chief Executive Officer, the District's Chief Financial Officer, the District's Chief Legal Officer, and the Chair of the Board, 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Reimbursement. The District reasonably expects to reimburse capital expenditures made from its own funds with respect to the projects described in Section 3.01 hereof with Certificate proceeds and this Order shall constitute a declaration of official intent under Treas. Reg. § 1.150-2. The maximum principal amount of obligations expected to be issued for the projects is \$327,000,000.

Section 8.04. Covenants to Maintain Tax-Exempt Status of the Certificates Issued to Benefit an Exempt Person.

This Section 8.04 applies solely to the extent a series of Certificates are issued to construct, improve, repair, renovate, enlarge and equip the District's pediatric specialized care focused hospital.

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

“501(c)(3) Certificates” means a series of Certificates issued to construct, improve, repair, renovate, enlarge and equip the District’s pediatric specialized care focused hospital.

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

“Costs of Issuance” means issuance costs with respect to the 501(c)(3) Certificates within the meaning of Section 147(g) of the Code.

“Exempt Person” means a state or local governmental unit or an organization exempt from federal income taxation under Section 501(a) of the Code by reason of being described in Section 501(c)(3) of the Code.

“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 501(c)(3) Certificates.

“Hearing Officer” means the Chief Legal Officer of the District or his designee who is authorized to conduct the Public Hearing.

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

“Net Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, less amounts (if any) in a reasonably required reserve or replacement fund.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the 501(c)(3) Certificates are invested and which is not acquired to carry out the governmental purposes of the 501(c)(3) Certificates.

“Public Hearing” has the meaning set forth in subparagraph (p) below.

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

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the 501(c)(3) Certificates 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 or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any 501(c)(3) Certificate 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 501(c)(3) Certificate, the District shall comply with each of the specific covenants in this Section.

(c) Ownership of Project. All of the property financed or refinanced with the Net Proceeds of the 501(c)(3) Certificates will, at all times prior to final maturity of the 501(c)(3) Certificates or prior to the expiration of the useful life of such property, be owned for federal income tax purposes by the District or by another Exempt Person.

(d) Limit on Costs of Issuance. The Sale Proceeds of the 501(c)(3) Certificates will be expended for the purposes set forth in this Order and no portion thereof in excess of 2 percent of the Sale Proceeds of the 501(c)(3) Certificates, within the meaning of Section 147(g) of the Code, will be expended to pay Costs of Issuance with respect to the 501(c)(3) Certificates.

(e) Use of Net Proceeds. The District will not use or permit to be used, directly or indirectly, in any trade or business carried on by any person who is not an Exempt Person, more than the lesser of (i) 5 percent of the Net Proceeds of the 501(c)(3) Certificates or (ii) \$15,000,000. For purposes of the preceding sentence, (w) use of Net Proceeds by an organization described in Section 501(c)(3) of the Code with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, does not constitute a use by an Exempt Person; (x) use of any property financed with the Net Proceeds of the 501(c)(3) Certificates constitutes use of such Net Proceeds to the extent of the cost of such property financed with such Net Proceeds; (y) any use of the Net Proceeds of the 501(c)(3) Certificates in any manner contrary to the guidelines set forth in Revenue Procedure 2017-13 shall constitute the use of such proceeds in the trade or business of a person who is not an Exempt Person; and (z) any use of the Net Proceeds to pay Costs of issuance shall constitute the use of such proceeds in the trade or business of a person who is not an Exempt Person.

(f) Loans of Proceeds. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the District will not use or permit the use of any portion of the Sales Proceeds of the 501(c)(3) Certificates, directly or indirectly, to make or finance loans to any person or entity other than an Exempt Person. For purposes of the foregoing covenant, (i) a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, does not constitute a loan to an Exempt Person and (ii) any transaction which constructively transfers ownership of property financed with Sale Proceeds of the 501(c)(3) Certificates for federal income tax purposes constitutes a loan of such Sale Proceeds.

(g) 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 501(c)(3) Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield of the 501(c)(3) Certificates.

(h) 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 501(c)(3) Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(i) 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 or such other form and in such place as the Secretary may prescribe.

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

(i) 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 501(c)(3) Certificate is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the 501(c)(3) Certificates 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.

(ii) 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 501(c)(3) Certificates until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the 501(c)(3) Certificates by the initial purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to ensure 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 applicable Interest and Sinking Fund or its general fund, as 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 501(c)(3) Certificates 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.

(iv) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), 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.

(k) 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 501(c)(3) Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (j) 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 501(c)(3) Certificates not been relevant to either party.

(l) Elections. The District hereby directs and authorizes the District's Chief Executive Officer, the District's Chief Financial Officer, the District's Chief Legal Officer, and the Chair of the Board, 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 501(c)(3) Certificates, in the 501(c)(3) Certificate as to Tax Exemption, or similar or other appropriate certificate, form or document.

(m) Limitation on Weighted Maturity of Certificate. The weighted average maturity, calculated in accordance with Section 147(b) of the Code, of the 501(c)(3) Certificates will not exceed 120 percent of the average reasonably expected economic life of the facilities, calculated in accordance with Section 147(b) of the Code, to be financed with the proceeds of the 501(c)(3) Certificates, and the District will not expend proceeds of the 501(c)(3) Certificates for costs of facilities in a manner that would cause such representation to become untrue.

(n) Prohibited Facilities. None of the Gross Proceeds will be used to provide any airplane, sky-box or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(o) Limit on Nonhospital Bonds. The District will not take any action or fail to take any action that would cause the aggregate authorized face amount of the 501(c)(3) Certificates which are or become allocated, pursuant to Section 145(b)(2) of the Code, to any organization that is described in Section 501(c)(3) of the Code, to exceed the \$150,000,000 limitation imposed under Section 145(b) of the Code. Tax-exempt bonds issued after August 5, 1997, at least 95 percent of the net proceeds of which are used to finance capital expenditures incurred after August 5, 1997, shall not be taken into account.

(p) Public Hearing. A public hearing with respect to the issuance of the 501(c)(3) Certificates and the facilities financed thereby is authorized to be held (the "Public Hearing"), in the name and on behalf of the District and the County, by the Hearing Officer. Notice of such Public Hearing shall be posted or published not less than 7 days before the day of such hearing in accordance with applicable provisions of the Code and related Regulations. The Chief Legal Officer of the District is hereby confirmed as a designated Hearing Officer for purposes of the Public Hearing. All actions taken by the County, the District, the Hearing Officer, the County's and the District's officials, employees and agents with respect to the publication or posting of the notice of the Public Hearing and the conducting of such Public Hearing are hereby authorized, approved and ratified.

(q) TEFRA Approval. The County Judge is an “applicable elected representative” of the governmental unit that issues the 501(c)(3) Certificates and in which the facilities financed by the 501(c)(3) Certificates are located. The County Judge is hereby authorized to approve the 501(c)(3) Certificates following the Public Hearing for purposes of Section 147(f)(2) of the Code and to execute a Certificate of Approval with respect to the Public Hearing, of the kind required by section 147(f) of the Code with respect to the 501(c)(3) Certificates and the project to be financed with the 501(c)(3) Certificates. Except to the extent permitted in Section 147(f) of the Code and the Regulations thereunder, the District shall not use or permit the use of proceeds of the 501(c)(3) Certificates for any projects not described in such public notice and approval.

(r) Reimbursement. The District reasonably expects to reimburse capital expenditures made from its own funds with respect to the projects described in Section 3.01 hereof with 501(c)(3) Certificate proceeds and this Order shall constitute a declaration of official intent under Treas. Reg. § 1.150-2. The maximum principal amount of obligations expected to be issued for the projects is \$40,000,000.

Section 8.05. Continuing Obligation.

Notwithstanding any other provision of this Order, the District’s obligations under the covenants and provisions of Section 8.03 and Section 8.04 hereof shall survive the defeasance and discharge of the Certificates.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default.

Each of the following occurrences or events for the purpose of this Order is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the District, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the District.

Section 9.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific

performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 9.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE X

DISCHARGE

Section 10.01. Discharge.

The Certificates may be defeased, refunded and discharged in any manner permitted by applicable law in effect at the time of such defeasance, refunding or discharge.

ARTICLE XI

CONTINUING DISCLOSURE UNDERTAKING

This Article shall apply unless the Pricing Officer determines in the Pricing Certificate that an undertaking is not required pursuant to the Rule.

Section 11.01. Annual Reports.

(a) The District shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning with the year stated in the Pricing Certificate, financial information and operating data with respect to the District of the general type included in the final Official Statement and described in the Pricing Certificate and (2) if not provided as part of such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year of the District, then the District shall

file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year of the District, when and if the audit report on such statements becomes available.

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 Article.

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

Section 11.02. Notices of Certain Events.

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Certificates, or other material events affecting the tax status of the Certificates;
- (vii) Modifications to rights of holders of the Certificates, if material;
- (viii) Certificate calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;
- (xiii) 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;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- (xv) 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

(xvi) 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 item (xii) above 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) and the definition of Financial Obligation 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 Section 11.01 hereof by the time required by such Section.

Section 11.03. Filings with the MSRB.

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

Section 11.04. Limitations, Disclaimers and Amendments.

The District shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the District remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the District in any event will give the notice required by Section 11.02 of any Certificate calls and defeasance that cause the District to be no longer such an “obligated person.”

The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Certificates; and, nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article. Except as expressly provided within this Article, the District does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects; nor does the District undertake to update any information provided in accordance with this Article or otherwise. Furthermore, the District does not make any representation or warranty

concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

Nothing in this Article 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 Article 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 Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Certificates 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 Owners and beneficial owners of the Certificates. The provisions of this Article 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 Certificates from lawfully purchasing or selling Certificates in such offering. If the District so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided pursuant to Section 11.01 of this Article 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.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Amendment to Order.

(a) *Amendments Without Consent.* This Order or any provision in the Pricing Certificate and the rights and obligations of the District and of the owners of the Certificates may

be modified or amended at any time without notice to or the consent of any owner of the Certificates, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the District contained in this Order or in the Pricing Certificate, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the District in this Order or in the Pricing Certificate;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Order or in the Pricing Certificate, upon receipt by the District of an opinion of nationally recognized bond counsel, that the same is needed for such purpose, and will more clearly express the intent of this Order or the Pricing Certificate; or

(iii) To supplement the security for the Certificates, replace or provide additional credit facilities, or change the form of the Certificates or make such other changes in the provisions hereof or in the Pricing Certificate as the District may deem necessary or desirable and which shall not, in the judgment of the District, materially adversely affect the interests of the owners of the outstanding Certificates.

Notice of any such amendment may be published by the District in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) *Amendments With Consent.* Subject to the other provisions of this Order, the owners of outstanding Certificates aggregating a majority in outstanding principal amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Order or to any provisions of the Pricing Certificate which may be deemed necessary or desirable by the District; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the outstanding Certificates, the amendment of the terms and conditions in this Order, in the Pricing Certificate, or in the Certificates so as to:

(i) Make any change in the maturity of the outstanding Certificates;

(ii) Reduce the rate of interest borne by outstanding Certificates;

(iii) Reduce the amount of the principal payable on outstanding Certificates;

(iv) Modify the terms of payment of principal of or interest on the outstanding Certificates, or impose any conditions with respect to such payment;

(v) Affect the rights of the owners of less than all Certificates then outstanding; or

(vi) Change the minimum percentage of the outstanding principal amount of Certificates necessary for consent to such amendment.

(c) *Notice.* If at any time the District shall desire to amend this Order or the Pricing Certificate other than pursuant to subsection (a) of this Section, the District shall cause written notice of the proposed amendment to be given by certified mail to each registered owner of the Certificates affected at the address shown on the Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file with the District Clerk for inspection by all owners of Certificates.

(d) *Consent Irrevocable.* Any consent given by any owner of Certificates pursuant to the provisions of this Section shall be irrevocable for a period of eighteen (18) months from the date of mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Certificates during such period. Such consent may be revoked at any time after eighteen (18) months from the date of mailing by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the District, but such revocation shall not be effective if the owners of a majority in outstanding principal amount of Certificates, prior to the attempted revocation, consented to and approved the amendment.

(e) *Ownership.* For the purpose of this Section, the ownership and other matters relating to all Certificates registered as to ownership shall be determined from the registration books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar

Section 12.02. Further Procedures.

(a) The Pricing Officer, the Chair of the Board, the District's Chief Executive Officer, the District's Chief Financial Officer, the District's Chief Legal Officer, and all other officers, employees and agents of the District or the County, and each of them, shall be and they 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 under the corporate seal and on behalf of the District all agreements, instruments, or such 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 Pricing Certificate, the initial sale and delivery of the Certificates, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates, the Pricing Officer, the Chair of the Board, the Chief Legal Officer of the District, and the District's Bond Counsel are each individually authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments 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 or his representative to obtain the approval of the Certificates 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 and the Pricing Certificate, which determination shall be final. In the event that any officer of 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.

(b) The obligation of the initial purchasers to accept delivery of the Certificates is subject to the initial purchasers being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchasers. The prior engagement of Norton Rose Fulbright US LLP as Bond Counsel to the District in connection with issuance, sale and delivery of the Certificates is hereby confirmed and ratified.

(c) To pay the debt service coming due on the Certificates, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

[The remainder of this page intentionally left blank.]

APPROVED AND ADOPTED this _____ day of _____, 2022.

EL PASO COUNTY, TEXAS

County Judge
El Paso County, Texas

ATTEST:

County Clerk
El Paso County, Texas

(SEAL)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B

FORM OF CERTIFICATE

A. Form of Certificate.

United States of America
State of Texas

EL PASO COUNTY HOSPITAL DISTRICT
CERTIFICATE OF OBLIGATION,
SERIES 2022

REGISTERED

REGISTERED

No. _____

\$ _____

INTEREST RATE

MATURITY DATE

CERTIFICATE DATE

CUSIP NUMBER

_____ %

_____, 20__

_____, 20__

EL PASO COUNTY HOSPITAL DISTRICT (the "District") for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Certificate shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Certificate Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, 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 to be paid semiannually on _____ and _____ of each year, commencing on _____, 20__ (the "Interest Payment Date").

THE PRINCIPAL of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office of _____ in _____, _____ (the "Designated Payment/Transfer Office"), as Paying Agent/Registrar, or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Certificate is payable by check dated as of the Interest Payment Date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books

kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the _____ day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall 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 past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

IF THE DATE for any payment due on this Certificate shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or 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 CERTIFICATE is one of a series of fully registered certificates of obligation specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Certificates"), issued pursuant to a certain order of the District (the "Order") for the purpose of paying contractual obligations of the District to be incurred for the following purposes, to wit: (i) to construct, improve, repair, renovate, enlarge and equip the "University Medical Center of El Paso" (the "Hospital") which is owned and operated by the District; (ii) to acquire, construct, improve, renovate and equip District facilities for outpatient services, to include a clinic in central El Paso, facilities for geriatric care, an urgent care center of the District and an ambulatory procedure center of the District; (iii) to acquire materials, equipment and machinery for the imaging and information technology departments of the District; (iv) to construct, improve, repair, renovate, enlarge and equip the District's pediatric specialized care focused hospital; (v) to acquire, construct, improve, renovate and equip a cancer treatment facility for the District; (vi) to acquire real property, certain existing buildings of Texas Tech University Health Sciences Center, and rights-of-way for District purposes, including the aforementioned projects; (vii) to pay interest on the certificates of obligation during certain phases of construction (and possibly up to one year thereafter); and (viii) to pay for professional services and the costs of issuance associated therewith. The Certificates are comprised of a series of Certificates, the terms of which are set forth in the Order.

THE DISTRICT reserves the option to redeem Certificates maturing on or after _____, 20____, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, before their respective scheduled maturity dates, on _____, 20____, or on any date thereafter, at a price equal to the principal amount of the Certificates so called for redemption plus accrued interest to the redemption date. If less than all of the Certificates are to be redeemed, the

District shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Certificates, or portions thereof, within such maturity and in such principal amounts, for redemption.

A PORTION of a single Certificate of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Certificate is to be partially redeemed, the Paying Agent/Registrar shall assign a separate number for each \$5,000 portion of the Certificates and select the portion or portions of the Certificate to be redeemed by lot or by any other customary method that results in a random selection.

[The Certificates stated to mature on _____, 20__ and _____, 20__ (collectively, the "Term Certificates") are subject to scheduled mandatory redemption and will be redeemed by the District, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the following schedule:

Term Certificates Maturing _____, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__	\$ _____
_____, 20__	\$ _____
_____, 20__ (maturity)	\$ _____

Term Certificates Maturing _____, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__	\$ _____
_____, 20__	\$ _____
_____, 20__ (maturity)	\$ _____

At least fifty (50) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Certificates to be redeemed, shall call such Term Certificates for redemption on such scheduled mandatory redemption date.

The principal amount of the Term Certificates required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be

reduced, at the option of the District, by the principal amount of any Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the District at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

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

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be 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 Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered Certificates, without interest coupons, with respect to Certificates, if any, in the denomination of any integral multiple of \$5,000.

AS PROVIDED in the Order, and subject to certain limitations set forth therein, this Certificate is transferable upon surrender of this Certificate for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

THIS CERTIFICATE is an obligation of the District payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the District and is additionally payable from and secured by a lien on and pledge of the Surplus Revenues of the District's hospital operations (the "System") in an amount not to exceed \$1,000, as provided in the Order, such lien and pledge being junior and subordinate to the lien on and pledge of the Surplus Revenues of the System securing the payment of any "Senior Revenue Lien Obligations" (as defined in the Order) hereafter issued by the District. In the Order, the District reserves and retains the right to issue obligations payable from and secured by a lien on and pledge of the Surplus Revenues ranking prior and superior to the pledge securing the payment of the

Certificates. Additionally, the District reserves and retains the right to issue Additional Certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the Surplus Revenues.

THE CERTIFICATES are not obligations of El Paso County, Texas (the "County") and the holders of the Certificates are not entitled to demand payment from any tax revenues or any other assets of the County.

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 registered owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Order may be amended or supplemented with or without the consent of the registered owner; the rights, duties, and obligations of the District and the Paying Agent/Registrar; and any additional terms and conditions relating to this Certificate. Capitalized terms used herein have the same meanings assigned in the Order.

THE DISTRICT, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is registered on the Record Date) and for all other purposes, whether or not this Certificate be overdue, and neither the District nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law, that all acts, conditions and things required to be done precedent to and in the issuance of the Certificates have been properly done and performed and have happened in regular and due time, form and manner, as required by laws of the State of Texas, and the Order; that the Certificates 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 Certificates by the levy of a tax and a limited pledge of and lien on the Surplus Revenues of the System in an amount not to exceed \$1,000 as aforesaid. In case any provision in this Certificate or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, this Certificate has been executed on behalf of the El Paso County Hospital District by and with the manual or facsimile signature of the County Judge of El Paso County and countersigned with the manual or facsimile signature of the County Clerk of El Paso County, and the official seal of the Commissioners Court has been duly impressed, or placed in facsimile, on this Certificate.

County Clerk, El Paso County, Texas
on behalf of the El Paso County Hospital
District

County Judge, El Paso County, Texas
on behalf of the El Paso County Hospital
District

(SEAL)

B. Form of the Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Certificates if such certificate on the Initial Certificate is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of El Paso County Hospital District, and that this Certificate has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

C. Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within mentioned Order; the certificate or certificates 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.

The office of the Paying Agent/Registrar in _____, _____, is the designated payment/transfer office for this Certificate.

[_____] ,
as Paying Agent/Registrar

By: _____
Authorized Signature

Registration Date:

D. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

E. Form of the Initial Certificate.

(a) The Initial Certificate shall be in the form set forth in paragraphs (A) through (D) of this Exhibit, except for the following alterations:

(i) immediately under the name of the Certificate, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the heading “CUSIP No.” shall be deleted; and

(ii) in the first paragraph of the Certificate, the words “on the Maturity Date specified above,” shall be deleted and the following will be inserted: “on _____ in each of the years, in the principal amounts and bearing interest at the per annum rates in accordance with the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(Information to be inserted from schedule in the Pricing Certificate)

(iii) the Initial Certificate shall be numbered T-1.

(b) The Comptroller’s Registration Certificate may be deleted from the definitive Certificates if such Certificate on the Initial Certificate is fully executed.

(c) The Certificate of the Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller’s Registration Certificate appears thereon.