OFFICIAL STATEMENT DATED JUNE 5, 2019

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, interest on the Bonds (defined herein) will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein.

NEW ISSUE – Book-Entry-Only

Ratings: Moody's:"Aa1"
S&P: "AA+"
(See "RATINGS" herein)

TEXAS PUBLIC FINANCE AUTHORITY

$249,135,000
LEASE REVENUE AND REFUNDING BONDS
(Texas Facilities Commission),
SERIES 2019

Interest Accrues from Date of Delivery **Due: As shown on page ii**

The Texas Public Finance Authority (the "Authority") is issuing its Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2019 (the "Bonds") as special and limited obligations of the Authority in the aggregate principal amount shown above. The Bonds are being issued under authority of the general laws of the State of Texas, including Chapters 1207, 1232, 1371 and 2166 Texas Government Code, as amended (the "Authorizing Law"), and pursuant to H.B. 1, 84th Legislature, Regular Session, Article I, pg. I-45, Rider 19 (2015) (the "Appropriation Act"). The Bonds are being issued to (i) refund certain outstanding commercial paper notes of the State of Texas issued by the Authority (the "Refunded Notes") for the Texas Facilities Commission (the "Facilities Commission" or the "Lessee Agency"), as further identified on Schedule I attached hereto, (ii) finance certain costs of the Project (as defined herein) and (iii) pay the costs of issuing the Bonds. (See "PLAN OF FINANCE")

Interest on the Bonds accrues from the Date of Delivery (defined below) and will be payable on February 1 and August 1 of each year, commencing August 1, 2019 until maturity. (See "THE BONDS")

The Bonds are subject to optional redemption as provided herein. (See "THE BONDS – Redemption")

The Bonds are payable only from certain pledged security, which consists primarily of Rent Payments (defined herein) made pursuant to a lease agreement (the "Lease") between the Authority and the Lessee Agency. The Lease obligates the Lessee Agency to make Rent Payments sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds subject to the appropriation of funds by the Legislature of the State of Texas. (See "THE LEASE")

THE OBLIGATION OF THE LESSEE AGENCY TO MAKE RENT PAYMENTS UNDER THE LEASE IS SUBJECT TO, AND DEPENDENT UPON, APPROPRIATION BY THE LEGISLATURE OF THE STATE OF TEXAS OF FUNDS NECESSARY TO MAKE SUCH RENT PAYMENTS. THE LEGISLATURE HAS NO OBLIGATION TO MAKE ANY SUCH APPROPRIATIONS. NEITHER THE STATE OF TEXAS NOR ANY AGENCY, POLITICAL CORPORATION, OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS WILL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS, EXCEPT AS DESCRIBED HEREIN WITH RESPECT TO PAYMENTS TO BE MADE BY THE AUTHORITY FROM THE REVENUES PLEDGED FOR SUCH PURPOSE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY, POLITICAL CORPORATION, OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS (INCLUDING THE AUTHORITY AND THE LESSEE AGENCY) WILL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THERE IS NO MORTGAGE ON THE PROJECT (DEFINED HEREIN) FINANCED OR REFINANCED WITH THE PROCEEDS OF THE BONDS. (SEE "THE BONDS – SOURCE OF PAYMENT OF THE BONDS" AND "PLAN OF FINANCE – SECURITY FOR THE BONDS")

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS AND OTHER TERMS FOR THE BONDS
(See Page ii)

The Bonds are offered for delivery when, as, and if issued and accepted by the Underwriters, and subject to the approval of the Attorney General of the State of Texas and the approving opinions of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Authority by the General Counsel to the Authority and by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Austin, Texas. It is expected that the Bonds will be delivered on or about June 18, 2019 (the "Date of Delivery") through the facilities of The Depository Trust Company, New York, New York.

MORGAN STANLEY

PIPER JAFFRAY & CO. **RAMIREZ & CO., INC.** **SAMCO CAPITAL MARKETS, INC.**

MATURITY SCHEDULE

TEXAS PUBLIC FINANCE AUTHORITY

$249,135,000
LEASE REVENUE AND REFUNDING BONDS
(Texas Facilities Commission),
SERIES 2019

Maturity (February 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP No.[(a)]
2020	$10,000,000	5.000%	1.350%	882669AU8
2021	10,000,000	5.000	1.370	882669AV6
2022	12,730,000	5.000	1.430	882669AW4
2023	12,730,000	5.000	1.440	882669AX2
2024	12,730,000	5.000	1.480	882669AY0
2025	12,730,000	5.000	1.550	882669AZ7
2026	12,730,000	5.000	1.620	882669BA1
2027	12,730,000	5.000	1.680	882669BB9
2028	12,730,000	5.000	1.770	882669BC7
2029	12,730,000	5.000	1.870	882669BD5
2030	12,730,000	5.000	1.940[(b)]	882669BE3
2031	12,730,000	5.000	2.010[(b)]	882669BF0
2032	12,730,000	4.000	2.270[(b)]	882669BG8
2033	12,730,000	4.000	2.390[(b)]	882669BH6
2034	12,730,000	4.000	2.480[(b)]	882669BJ2
2035	12,730,000	4.000	2.530[(b)]	882669BK9
2036	12,730,000	4.000	2.570[(b)]	882669BL7
2037	12,730,000	4.000	2.610[(b)]	882669BM5
2038	12,730,000	4.000	2.650[(b)]	882669BN3
2039	12,725,000	4.000	2.690[(b)]	882669BP8

(Interest accrues from Date of Delivery)

OPTIONAL REDEMPTION... The Bonds maturing on and after February 1, 2030, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, from time to time, in principal amounts of $5,000 or any integral multiple thereof, in such manner as the Authority may select, on February 1, 2029, or on any date thereafter, at a redemption price equal to par plus accrued interest from the most recent interest payment date to the date fixed for redemption. (See "THE BONDS –Redemption")

[(a)] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the owners of the Bonds. None of the Authority, the Underwriters or the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers shown herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

[(b)] Yield calculated based on the assumption that the Bonds denoted will be redeemed on the first optional redemption date for such Bonds at a redemption price of par plus accrued interest to the redemption date.

STATE OF TEXAS

Greg Abbott
Governor

Dan Patrick
Lieutenant Governor

Ken Paxton
Attorney General

Glenn Hegar
Comptroller of Public Accounts

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS

Billy M. Atkinson, Jr. – Chair
Ruth C. Schiermeyer – Vice-Chair*
Gerald Alley – Secretary*
Ramon Manning– Member
Walker N. Moody – Member*
Rodney K. Moore – Member
Joseph E. Williams – Member

*Mrs. Schiermeyer, Mr. Alley and Mr. Moody's respective terms expired on February 1, 2019. State law provides that members of the Board whose terms are expired remain until the earlier of (i) the date that a respective successor is duly appointed and takes the oath of office or (ii) the last day of the first regular session of the Legislature that begins after the expiration of the term.

CERTAIN OFFICERS

Lee Deviney, Executive Director
John Hernandez, Deputy Director
Pamela Scivicque, Director, Business Administration
Kevin Van Oort, General Counsel

CONSULTANTS AND ADVISORS

Financial Advisor………………………………………………... Hilltop Securities Inc.
Bond Counsel……………………………………..Norton Rose Fulbright US LLP
Disclosure Counsel………………………………McCall, Parkhurst & Horton L.L.P.

FOR ADDITIONAL INFORMATION REGARDING THE AUTHORITY, PLEASE CONTACT:

Lee Deviney Executive Director 300 W. 15th Street, Suite 411 Austin, Texas 78701 (512) 463-5544	or	Chris W. Allen Managing Director Hilltop Securities Inc. 300 W. Sixth Street, Suite 1940 Austin, Texas 78701 (512) 481-2013

SALE AND DISTRIBUTION OF THE BONDS

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

Use of Official Statement

No dealer, broker, salesman, or other person has been authorized by the Authority to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create the implication that there has been no change in the affairs of the Authority or the State of Texas since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM AS PROVIDED FOR IN "APPENDIX B — BOOK-ENTRY-ONLY-SYSTEM," AS SUCH INFORMATION HAS BEEN FURNISHED BY DTC.

Marketability

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

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

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

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21e OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. (See "FORWARD-LOOKING STATEMENTS")

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TABLE OF CONTENTS

SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement, including the Schedule and Appendices hereto. No one is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement (including the Schedule and Appendices). Certain defined terms used in this Summary Statement are defined elsewhere in this Official Statement.

Issuer	Texas Public Finance Authority
Lessee Agency	Texas Facilities Commission
Offering	$249,135,000 Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2019
Maturity	The Bonds mature annually on February 1 of each of the years and in the principal amounts set forth on page ii of this Official Statement. (See "THE BONDS")
Interest	Interest on the Bonds accrues from the date of delivery and will be payable on February 1 and August 1 of each year, commencing August 1, 2019 until maturity. (See "THE BONDS")
Redemption	The Bonds maturing on and after February 1, 2030, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, from time to time, in principal amounts of $5,000 or any integral multiple thereof, in such manner as the Authority may select, on February 1, 2029, or on any date thereafter, at a redemption price equal to par plus accrued interest from the most recent interest payment date to the date fixed for redemption. (See "THE BONDS – Redemption")
Book-Entry-Only System	The Bonds are initially issuable only to Cede & Co, the nominee of The Depository Trust Company, pursuant to a book-entry system (as described herein). No physical delivery of the Bonds will be made to the beneficial owners of the Bonds. Interest and principal will be paid to Cede & Co., which will distribute the payments to the participating members of The Depository Trust Company for remittance to the beneficial owners of the Bonds. (See "APPENDIX D — BOOK-ENTRY-ONLY SYSTEM")
Purpose	The Bonds are being issued to (i) refund certain outstanding commercial paper notes of the State of Texas issued by the Authority (the "Refunded Notes") for the Texas Facilities Commission (the "Facilities Commission" or the "Lessee Agency"), as further identified on Schedule I attached hereto, (ii) finance certain costs of the Project (as defined herein) and (iii) pay the costs of issuing the Bonds. (See "PLAN OF FINANCE" and "SCHEDULE I — SCHEDULE OF REFUNDED NOTES")
Source of Payment	The Lease (defined herein) of the Lessee Agency is the primary source of payment for the Bonds. The Lease obligates the Lessee Agency to make Rent Payments (defined herein) sufficient to pay the principal of and interest on the Bonds; **however, the obligation of the Lessee Agency to make payments under the Lease is subject to, and dependent upon, appropriation by the Legislature of funds necessary to make such payments. The Legislature has no obligation to make such appropriations. There is no mortgage on the Project (defined herein) financed or refinanced with the proceeds of the Bonds.** (See "PLAN OF FINANCE," "THE BONDS – Source of Payment of the Bonds" and "– Limited Ability to Re-Lease Project")
Ratings	Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P"), have assigned ratings of "Aa1" and "AA+," respectively. (See "RATINGS")

Legality	The issuance of the Bonds is subject to the approval of the Attorney General of the State and the opinions of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the issuance of the Bonds under the general laws of the State. (See "LEGAL MATTERS")

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OFFICIAL STATEMENT

relating to

TEXAS PUBLIC FINANCE AUTHORITY

$249,135,000
LEASE REVENUE AND REFUNDING BONDS
(Texas Facilities Commission),
SERIES 2019

INTRODUCTION

General

The Texas Public Finance Authority (the "Authority") is issuing its Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2019 (the "Bonds") as special and limited obligations of the Authority in the aggregate principal amount shown above. Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed to them in "APPENDIX C — DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION."

The summaries of documents contained herein do not purport to be complete and are qualified in their entirety by reference to the respective documents. Copies of documents relating to the Authority may be obtained from the Executive Director, Texas Public Finance Authority, 300 W. 15th Street, Suite 411, Austin, Texas 78701, (512) 463-5544.

This Official Statement speaks only as of its date, except the Bond Appendix (defined below), CAFR (defined below) and any notice incorporated as described under "Appendix A — THE STATE OF TEXAS" which speak as of the date of their issuance. The information contained herein is subject to change. A copy of this Official Statement will be submitted to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's and the Comptroller's respective undertakings to provide certain information on a continuing basis.

PLAN OF FINANCE

Authority for Issuance

The Bonds are being issued pursuant to the authority granted to the Authority by the Texas Public Finance Authority Act, Chapter 1232, Texas Government Code, as amended (the "Enabling Law"); pursuant to H.B. 1, 84th Legislature, Regular Session, Article I, pg. I-45, Rider 19 (2015) (the "Appropriation Act"); Chapters 1207, 1371 and 2166 Texas Government Code, as amended (collectively with the Enabling Law and the Appropriation Act, the "Authorizing Law"); a bond resolution adopted by the Board on May 2, 2019 (the "Resolution"); and a pricing certificate (the "Pricing Certificate") approving the final terms of the Bonds as authorized by the Resolution. The Resolution and the Pricing Certificate are collectively referred to herein as the "Bond Resolution."

Purpose

The Bonds are being issued to (i) refund certain outstanding commercial paper notes of the State issued by the Authority (the "Refunded Notes") for the Texas Facilities Commission (the "Facilities Commission" or "Lessee Agency"), as further identified on Schedule I attached hereto, (ii) finance certain costs of the Project and (iii) pay the costs of issuing the Bonds. (See "SOURCES AND USES OF FUNDS" and "SCHEDULE I — SCHEDULE OF REFUNDED NOTES")

Commercial Paper Program

Pursuant to a resolution adopted on May 5, 2016 (the "CP Resolution"), the Authority authorized a tax-exempt and taxable commercial paper program (the "Commercial Paper Program") pursuant to which commercial paper notes may be issued, from time to time, for the benefit of the Facilities Commission; provided, that the aggregate principal amount of the Commercial Paper Program at any time outstanding is currently limited by a commitment amount of $175,000,000 pursuant to a liquidity agreement executed between the Authority and the Texas Comptroller of Public Accounts dated June 1, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the "Liquidity Agreement") relating to the Commercial Paper Program and a maximum authorized amount not to exceed $767,670,000 (the "Authorized Amount") pursuant to the CP Resolution.

As of the date of this Official Statement, $164,000,000 in aggregate principal amount of the Authority's Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016A (Taxable) commercial paper notes (the "Taxable Notes") are outstanding. None of the Authority's Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016B (Tax-Exempt) commercial paper notes (the "Tax-Exempt Notes") are outstanding. Upon issuance of the Bonds, the Authority will have used $289,000,000 of the Authorized Amount to finance certain costs of the Project and the defeasance of the Refunded Notes leaving $478,670,000 of the Authorized Amount remaining. The Taxable Notes and the Tax-Exempt Notes are collectively referred to herein as the "Commercial Paper Notes." (See "–Payment of Refunded Notes" and "SOURCES AND USES OF FUNDS")

The Authority reserves the right to issue Additional Bonds or Commercial Paper Notes pursuant to the Resolution and the CP Resolution, respectively, on behalf of the Facilities Commission in furtherance of the Project, subject to the Authorized Amount and the appropriation of funds by the Legislature. The Lease, the rights of the Authority thereunder and the Rent Payments are security for the Bonds, Additional Bonds and Commercial Paper Notes outstanding from time to time. (See "– Security for the Bonds" and "THE LEASE")

Payment of Refunded Notes

The principal of and interest due on the Refunded Notes are to be paid on the maturity dates of such Refunded Notes from funds to be deposited with the Texas Treasury Safekeeping Trust Company (the "Escrow Agent") in accordance with the Escrow Agreement for the Refunded Notes (the "Escrow Agreement") between the Authority and the Escrow Agent. A portion of the proceeds of the sale of the Bonds, together with other lawfully available funds of the Authority, will be deposited with the Escrow Agent in an amount necessary to accomplish the discharge, defeasance and final payment of the Refunded Notes. Such funds will be held by the Escrow Agent in a separate special escrow account for the Refunded Notes (the "Escrow Fund") and used to pay the Refunded Notes at maturity. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Notes. All of the Refunded Notes will be paid on their respective maturity dates, as further identified on Schedule I attached hereto.

By the deposit of cash with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have entered into firm banking and financial arrangements for the discharge, defeasance and final payment of the Refunded Notes in accordance with applicable law and the terms of the resolutions authorizing their issuance. Bond Counsel will render an opinion to the effect that, in reliance upon the sufficiency certificate provided by the Authority's Financial Advisor described below, and as a result of such firm banking and financial arrangements, such Refunded Notes will be deemed to be no longer outstanding except for the purpose of receiving the funds provided therefor by, and are secured solely by and payable solely from, the Escrow Fund pursuant to the Escrow Agreement and the Authority will have no further responsibility with respect to amounts available in the Escrow Fund.

The Authority's Financial Advisor will provide a sufficiency certificate which Bond Counsel will rely upon as to the sufficiency of funds to be deposited with the Escrow Agent for the discharge, defeasance and final payment of the Refunded Notes.

Security for the Bonds

The Lease obligates the Lessee Agency to make or cause to be made Rent Payments sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds and Commercial Paper Notes, outstanding from time to time, subject to the appropriation of funds by the Legislature (See "THE LEASE"). Pursuant to the Resolution, the

Authority will pledge to the Bond Owners as security for the payment of the Bonds all right, title, and interest of the Authority in and to the Pledged Security, which, with respect to the Lease, primarily consists of the Pledged Revenues. The Lease, the rights of the Authority thereunder and the Rent Payments are security for the Bonds and the Commercial Paper Notes, outstanding from time to time. (See "THE BONDS – Source of Payment of the Bonds")

The Authority reserves the right to issue Additional Bonds or Commercial Paper Notes pursuant to the Resolution and the CP Resolution, respectively, on behalf of the Facilities Commission in furtherance of the Project, subject to the Authorized Amount and the appropriation of funds by the Legislature. The Lease, the rights of the Authority thereunder and the Rent Payments are security for the Bonds, Additional Bonds and Commercial Paper Notes outstanding from time to time. (See "– Commercial Paper Program" and "THE LEASE")

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds, together with other lawfully available funds of the Authority, will be applied approximately as follows:

Sources of Funds	
Principal Amount of the Bonds	$249,135,000.00
Original Issue Premium	39,864,598.65
Authority Contribution	1,649,100.93
Total	$290,648,699.58
Uses of Funds	
Deposit to Project Fund	$125,000,000.00
Deposit to Escrow Fund[(1)]	164,369,059.18
Costs of Issuance[(2)]	1,279,640.40
Total	$290,648,699.58

[(1)] Includes interest expense payable on Refunded Notes from the Authority Contribution.
[(2)] Includes Underwriters' Discount.

THE AUTHORITY

General

Under the Texas Public Finance Authority Act, the Authority's power is limited to financing and refinancing project costs for State agencies and institutions and does not affect the power of the relevant State agency or institution to carry out its statutory authority, including the authority of such agency or institution to construct buildings. The Texas Public Finance Authority Act directs State agencies and institutions to carry out their authority regarding projects financed by the Authority as if the projects were financed by legislative appropriation.

Pursuant to the Texas Public Finance Authority Act and other applicable State law, the Authority issues general obligation bonds and revenue bonds for designated State agencies (including certain institutions of higher education). In addition, the Authority currently administers four commercial paper programs, namely: the Master Lease Purchase Program, which is primarily for financing equipment acquisitions; a general obligation commercial paper program for certain State government construction projects; a general obligation commercial paper program for the Cancer Prevention Research Institute of Texas; and the Commercial Paper Program for the Facilities Commission. In addition, in 2003, the Authority created a nonprofit corporation to finance projects for eligible charter schools pursuant to Chapter 53, Texas Education Code.

The Authority has issued revenue bonds on behalf of the Texas Parks & Wildlife Department, the Facilities Commission, the Texas State Preservation Board, the Texas Department of Criminal Justice, the Texas Health & Human Services Commission (which includes the Texas Department of State Health Services and the Texas Department of Health), the Texas Workforce Commission, the Texas State Technical College System, the Texas Military Department, the Texas Historical Commission, Midwestern State University, Texas Southern University, Stephen F. Austin State University, and the Texas Windstorm Insurance Association. It has also issued general obligation bonds for the Texas Parks & Wildlife Department, the Facilities Commission, the Texas Department of State Health Services, the Texas Department of Criminal Justice, the Texas Department of Aging and Disability Services, the Texas Department of Public Safety, the Texas Juvenile Justice Department (formerly Texas Youth Commission and Texas Juvenile Probation Commission), the Texas National Research Laboratory Commission, the Texas Historical Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Department of Agriculture, the Texas Military Department (formerly Adjutant General's Department and Texas Military Facilities Commission), the Texas Department of Transportation, the Texas Military Preparedness Commission, and the Cancer Prevention Research Institute of Texas.

Before the Authority may issue bonds for the acquisition or construction of a building, the Legislature must have authorized the specific project for which the bonds or other obligations are to be issued and the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance of bonds. The Texas Supreme Court, in *Texas Public Building Authority v. Mattox*, 686 S. W. 2d 924 (1985), ruled that revenue bonds issued by the Authority do not constitute debt of the State within the meaning of the State Constitution. As set forth in the Texas Public Finance Authority Act, revenue obligations issued thereunder are not a debt of the State or any State agency, political corporation or political subdivision of the State and are not a pledge of the full faith and credit of any of them.

Authority Executives

The Authority is currently governed by the Board, which is composed of seven members appointed by the Governor with the advice and consent of the State Senate. The Governor designates one member to serve as Chair at the pleasure of the Governor. Board members whose terms have expired continue to serve on the Board until a successor therefor has qualified for office. The current members of the Board, the office held by each member and the date on which each member's term expires are as follows:

Name	Position	Term Expires (February 1)
Billy M. Atkinson, Jr.	Chair	2023
Ruth C. Schiermeyer	Vice-Chair	2019*
Gerald Alley	Secretary	2019*
Ramon Manning	Member	2021
Walker N. Moody	Member	2019*
Rodney K. Moore	Member	2021
Joseph E. Williams	Member	2023

* Mrs. Schiermeyer, Mr. Alley and Mr. Moody's respective terms expired on February 1, 2019. State law provides that members of the Board whose terms are expired remain until the earlier of (i) the date that a respective successor is duly appointed and takes the oath of office or (ii) the last day of the first regular session of the Legislature that begins after the expiration of the term.

The Authority generally employs approximately 14 employees, including an Executive Director, a General Counsel, a Deputy Director and a Director of Business Administration. The Executive Director is charged with managing the affairs of the Authority, subject to and under the direction of the Board.

Lee Deviney, Executive Director. The Board appointed Mr. Deviney as the Executive Director of the Texas Public Finance Authority on June 5, 2014. Mr. Deviney previously served as the Chief Financial Officer of the Texas Economic Development and Tourism Office within the Office of the Governor since September 1, 2011. He has previously held similar positions at the Texas Lottery and the Texas Education Agency and he previously served as Assistant Commissioner for Finance and Agribusiness Development for the Texas Department of Agriculture ("TDA"). Prior to his appointment as an Assistant Commissioner at TDA, Mr. Deviney served as Interim Executive Director and Director of Operations for the Texas Public Finance Authority and he was a Budget Examiner for the

Texas Legislative Budget Board. Mr. Deviney has a Bachelor's degree in Economics from The University of Texas at Austin and a Master's degree in Business Administration from St. Edwards University.

John Hernandez, Deputy Director. Mr. Hernandez leads the Finance and Accounting Team, which is responsible for debt service budgeting, arbitrage rebate compliance, the State of Texas Master Lease Program, general ledgers, financial reporting, and information technology. Mr. Hernandez and his team also provide support for new debt issuance of fixed rate and variable rate debt. Mr. Hernandez holds a B.A. in finance from St. Edwards University in Austin.

Pamela Scivicque, Director, Business Administration. Ms. Scivicque joined the staff of the Authority in 1990. She is currently responsible for legislative reporting, procurement, accounting, budgeting and risk and property management. Ms. Scivicque attended Texas State University, Texas Tech's Southwest School of Governmental Finance and the Texas Fiscal Officers' Academy ("TFOA"). She has served on numerous statewide committees including TFOA's curriculum committee and is a member of the Texas State Business Administrators' Association where she previously served as President in 2006.

Kevin Van Oort, General Counsel. Mr. Van Oort was hired as the Authority's General Counsel on September 2, 2014. Previously, Mr. Van Oort served as Senior Tax Counsel for the Office of the Texas Attorney General; Deputy General Counsel for the Texas Comptroller of Public Accounts and General Counsel for the Texas Legislative Budget Board. Mr. Van Oort took his bachelor's degree in Economics at the University of Nebraska and his J.D. at The University of Texas.

Sunset Review

In 1977, the Legislature enacted the Texas Sunset Act (Chapter 325, Texas Government Code, as amended), which provides that virtually all agencies of the State, including the Authority, are subject to periodic review of the Legislature and that each agency subject to sunset review will be abolished unless the Legislature specifically determines to continue its existence. The next sunset review of the Authority is scheduled to occur in 2023. The Texas Public Finance Authority Act, as amended by the 82nd Legislature, provides that if the Authority is not continued in existence, the Authority will cease to exist as of September 1, 2023; however, the Texas Sunset Act also provides, unless otherwise provided by law, that the Authority will exist until September 1 of the following year (September 1, 2024) in order to conclude its business.

Pursuant to the Texas Sunset Act, the Legislature specifically recognizes the State's continuing obligation to pay bonded indebtedness and all other obligations incurred by various State agencies, including the Authority. Accordingly, in the event that a future sunset review were to result in the Authority being abolished, the Governor would be required by law to designate an appropriate State agency to continue to carry out all covenants contained in the Bonds and in all other obligations, including lease, contract and other written obligations of the Authority. The designated State agency would provide payment from the sources of payment of the Bonds in accordance with the terms of the Bonds and would provide payment from the sources of payment of all other obligations in accordance with their terms, whether from a State general obligation pledge, revenues or otherwise, until the principal of and interest on the Bonds are paid in full and all other obligations, including lease, contract and other written obligations, are performed and paid in full.

State Audits

General. The State Auditor's Office ("SAO") is the independent auditor for Texas state government. The SAO operates with oversight from the Legislative Audit Committee, a six-member permanent standing committee of the Legislature, jointly chaired by the Lieutenant Governor and the Speaker of the House of Representatives.

The SAO is authorized, by Chapter 321 of the Texas Government Code, to perform financial audits, compliance audits, investigations and other special audits of any entity receiving State funds, including State agencies and higher education institutions. Audits are performed in accordance with generally accepted government auditing standards, which include standards issued by the American Institute of Certified Public Accountants, Governmental Accounting Standards Board, United States General Accounting Office or other professionally recognized entities that prescribe auditing standards.

Routine SAO Audit. The SAO performed a routine audit of the Authority's operational procedures and financial management practices in May of 2016 (SAO Report No. 16-029). Nothing in SAO Report No. 16-029 would have an adverse impact on the Bonds, the Authority's outstanding bonds or the operations of the Authority. In February 2018, the SAO published its Report No. 18-021 to provide information regarding the implementation status of recommendations made in prior audit reports, including SAO Report No. 16-029. In February of 2019, the SAO reported the Authority as fully implementing the recommendations from SAO Report No. 16-029. For additional information regarding the SAO and audits published by the SAO, visit http://www.sao.texas.gov/.

Texas Bond Review Board

With certain exceptions, bonds issued by State agencies and institutions, including bonds issued by the Authority, must be approved by the Texas Bond Review Board (the "Bond Review Board") prior to their issuance. The Bond Review Board is composed of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the Comptroller of Public Accounts. The Governor is the Chairman of the Bond Review Board. Each member of the Bond Review Board may, and frequently does, act through a designee.

On May 23, 2019, the Bond Review Board approved the Bonds.

Retirement Plan of the Authority

The Authority participates in joint contributory retirement system of the State administered by the Employees Retirement System of Texas ("ERS"), which is operated by the State and which covers State employees and the Law Enforcement and Custodial Officers System. For more detailed information on the ERS and other State administered retirement plans, see the Bond Appendix described in "APPENDIX A — THE STATE OF TEXAS" attached hereto.

TEXAS FACILITIES COMMISSION

General. The Facilities Commission, an agency of the State, established pursuant to Chapter 2152 of the Texas Government Code, as amended, is generally responsible for the acquisition, construction, equipping, modernization, and remodeling of State-owned buildings to be occupied by State agencies and for the maintenance of State-owned property.

Three members of the Facilities Commission are appointed by the Governor with the advice and consent of the State Senate; two members are appointed by the Governor from a list of nominees provided by the Speaker of the State House of Representatives; and two members are appointed by the Lieutenant Governor. Members of the Facilities Commission hold office for staggered terms of six years. Mike Novak is the Executive Director of the Facilities Commission.

Sunset Review. The Facilities Commission is subject to review under the Texas Sunset Act. The next scheduled review of the Facilities Commission under the Texas Sunset Act is during the legislative session in the year 2021. The Facilities Commission's enabling act provides that if the Facilities Commission is not continued in existence, the Facilities Commission will cease to exist on September 1, 2021; however, the Texas Sunset Act provides that the Facilities Commission will exist until September 1 of the following year (September 1, 2022) in order to conclude its business.

Project Financed by the Refunded Notes. Proceeds of the State's Commercial Paper Notes issued by the Authority were used to finance the Project which was leased pursuant to a lease agreement between the Authority and the Facilities Commission executed on June 21, 2016, as amended by the First Amendment to Lease Agreement between the Authority and the Lessee Agency, dated June 18, 2019 and as may be amended from time to time (collectively, the "Lease"), and include the following: (i) Capitol Complex Utility Infrastructure, Phase One; (ii) Capitol Complex Office Building and Parking Garage, Phase One; (iii) Capitol Complex MLK Blvd; and (iv) North Austin Campus New Building and Parking Garage, Phase One (collectively, the "Project"). (See "PLAN OF FINANCE — Commercial Paper Program")

THE BONDS

Description of the Bonds

The Bonds will be issued in book-entry form pursuant to the Book-Entry-Only System described below. Beneficial owners of Bonds will not receive physical delivery of the bond certificates. The Bonds will be issuable in fully registered form and purchases of Bonds are required to be in the denomination of $5,000 or any integral multiple thereof. The Bonds will bear interest at the respective rates shown on page ii of this Official Statement, calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will mature in the respective principal amounts and on the respective dates shown on page ii of this Official Statement. The Bonds accrue interest from the Date of Delivery and are payable semi-annually on each February 1 and August 1, commencing August 1, 2019 (each an "Interest Payment Date").

Redemption

The Bonds maturing on and after February 1, 2030, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, from time to time, in principal amounts of $5,000 or any integral multiple thereof, in such manner as the Authority may select, on February 1, 2029, or on any date thereafter, at a redemption price equal to par plus accrued interest from the most recent interest payment date to the date fixed for redemption.

Bonds may be redeemed only in integral multiples of $5,000 of principal amount. If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. In selecting portions of Bonds for redemption, the Paying Agent/Registrar shall treat each Bond as representing that number of Bonds of $5,000 denomination that is obtained by dividing the principal amount by $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver for exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Source of Payment of the Bonds

Pursuant to the Resolution, the Authority pledges as the sole security and sole source of payment for the Bonds: (i) Pledged Revenues; (ii) the Lease and any rights and remedies of the Authority under the Lease or any other lease or use arrangement of all or any part of the Project (except for any right to receive proceeds of insurance maintained with respect to the Project, to indemnification, and to payment of Bond Administration Costs); and (iii) amounts on deposit in the Interest and Sinking Fund and any related account therein that are lawfully available for the payment of Bond Obligations.

Pledged Revenues consist of (i) all Rent Payments required to be made pursuant to the Lease that have been assigned as security for the Bonds and the Refunded Notes; (ii) any receipts derived from the exercise of any rights or remedies of the Authority with respect to the Pledged Security; (iii) if the Lease assigned as security for the Bonds or the Refunded Notes is terminated, the net revenues (i.e. revenues net of operating and maintenance expenses, determined in accordance with generally accepted accounting principles) derived from the Project; and (iv) any receipts received by or on behalf of the Authority from another State agency with respect to all or any portion of the Project which was financed with proceeds of the Bonds or Refunded Notes in the event such Project or portion thereof is subleased or otherwise transferred to such agency.

As described below, the determination of the source (if any) of Pledged Revenues is made by the Legislature as part of the State's budget process on a biennial basis, and accordingly may vary in any future biennium.

The Lease obligates the Lessee Agency to make Rent Payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds. (See "THE LEASE – *Rent Payments*")

The obligation of the Lessee Agency to make Rent Payments under the Lease is subject to, and dependent upon, the appropriation of funds by the Legislature in amounts sufficient to make such payments. Under the Texas Constitution, an appropriation may not be made for more than one biennium. Accordingly, at any given time, the Lessee Agency's obligations under the Lease will be limited to the then-current fiscal year or biennium and, if the Legislature has adopted an appropriations bill, for the succeeding fiscal year or biennium. Although the

term of the Lease extends beyond the current fiscal year or biennium, the continuation of the Lease is dependent upon the successive appropriation in the budget for each fiscal year or biennium of sufficient money to make the payments required thereunder, and the failure of the Legislature to make such appropriation may result in the termination of the Lease. While it is expected that the Legislature will make appropriations for each fiscal year or biennium in an amount sufficient to allow the Lessee Agency to make the Rent Payments, the Legislature has no legal obligation to do so, and the Bond Owners will have no right to compel the Legislature to make such appropriations.

Chapter 1208 of the Texas Government Code, as amended, applies to the issuance of the Bonds, and therefore, the pledge of the Pledged Security granted by the Authority under the Resolution is valid, effective, and perfected. At any time while the Bonds are outstanding and unpaid, if State law is amended with such result that the pledge of the Pledged Security becomes subject to the filing requirements of Chapter 9 of the Texas Business & Commerce Code, the Authority has agreed (in order to preserve to the Bond Owners a security interest in such pledge) to take such measures as it determines are reasonable and necessary under State law to comply with Chapter 9 of the Texas Business & Commerce Code and enable a filing of a security interest in the pledge to occur for the benefit of the Bond Owners.

The Authority has never defaulted on bonds or other obligations payable from rent payments subject to biennial appropriation by the Legislature.

Rent Payments will ultimately be made from funds appropriated by the Legislature to the Lessee Agency, and there may be various factors, including the financial condition of the State, that could have a bearing upon whether the Legislature will be willing to appropriate funds to make Rent Payments. (See "GENERAL INFORMATION REGARDING THE STATE OF TEXAS")

The Authority reserves the right to issue Additional Bonds or Commercial Paper Notes pursuant to the Resolution and the CP Resolution, respectively, on behalf of the Facilities Commission in furtherance of the Project, subject to the Authorized Amount and the appropriation of funds by the Legislature. The Lease, the rights of the Authority thereunder and the Rent Payments are security for the Bonds, Additional Bonds and Commercial Paper Notes outstanding from time to time. (See "PLAN OF FINANCE – Commercial Paper Program" and "THE LEASE")

Limited Ability to Re-Lease Project

The Authority has not granted the Bond Owners a lien against, or security interest in, the Project as security for the Bonds. If the Lessee Agency defaults in the payment of amounts due under the Lease or the Lease is terminated because of nonappropriation, the Authority has the right, in accordance with the Lease, to re-lease the Project to other users. However, the ability of the Authority to re-lease all or any part of the Project upon default under the Lease (or termination of the same because of nonappropriation) may be impaired by factors such as the integration of the Project with other State facilities and the specialized nature of the Project. The Authority's ability to re-lease all or any part of the Project is further limited by federal income tax-related covenants contained in the Resolution and in the CP Resolution authorizing the issuance of the Commercial Paper Notes which, in order to preserve the excludability of interest on the Bonds or the Tax-Exempt Commercial Paper Notes from gross income for federal income purposes, effectively prohibits the lease of the Project to non-governmental users without the consent of the applicable Bond Owners. The ability of the Authority to re-lease all or any part of the Project also may be hindered by the traditional reluctance of the courts to evict a governmental body from a facility that is used in the performance of its governmental functions, especially if that governmental body has the right to occupy that facility, pursuant to the terms of another valid agreement.

State Lease Fund Account

The Enabling Law provides for the State Lease Fund Account, and provides that the Legislature may make its appropriation of funds (including funds appropriated for Rent Payments due under the Lease) to the Lessee Agency directly into the State Lease Fund Account. The State Lease Fund Account is a separate account in the State Treasury for accounting purposes, but money credited to the account will not be segregated from other State money. The Bond Owners will have no interest in, or rights to, money credited to the State Lease Fund Account.

Flow of Funds

The Authority will establish an interest and sinking fund for the Bonds ("Interest and Sinking Fund") which will be held by the Comptroller in the State Treasury. All money required to be deposited with or paid to the Authority and credited to the Interest and Sinking Fund will be held in trust and, except for funds held for the payment of Bond Obligations that have become due, will be subject to the pledge created by the Resolution for the Bonds.

The Authority will cause to be deposited into the Interest and Sinking Fund from the Pledged Revenues an amount that is sufficient (together with any other money on deposit therein) to provide for the timely payment of the Bond Obligations for the Bonds, such deposit to be made not later than the second Business Day preceding each date on which any Bond Obligations come due. The Authority may make any such deposit on an earlier date so long as such date is not earlier than the 50th day before the date that the Bond Obligations for which such deposit is made come due.

If, after any Rent Payment Date applicable to the Lease but before the date that payment of the principal of, premium, if any, and interest on the Bonds next comes due following such Rent Payment Date, the Comptroller receives written instructions of the Executive Director to transfer funds to the Interest and Sinking Fund from funds lawfully appropriated or other funds lawfully available to the Lessee Agency as may be directed by the Lessee Agency in order to cure a deficiency in the Interest and Sinking Fund, the Comptroller, upon receipt of such instructions, will make such transfer in the amount and otherwise in accordance with such instructions.

Pursuant to the Lease, if insurance or condemnation proceeds are received as a result of fire or other casualty, or title to such Project being taken by theft, loss, or other exercise of the power of eminent domain or otherwise while the Lease is in effect, the Lessee Agency shall elect to either: (A) use its own funds to promptly repair, restore or replace (in which case such replacement of any Project shall become subject to the provisions of the Lease as if it were the originally leased Project) such Project and such funds of the Lessee Agency, or net proceeds of a condemnation award or insurance policy, if any, shall be delivered to the Authority to be deposited in the Project Fund (as defined in the Lease) and applied by the Authority to the repayment of the cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of project costs from the Project Fund or (B) prepay all Rent Payments applicable to such Project in an amount equal to the then outstanding aggregate principal portion of all regular Rent Payments plus all of the accrued interest portions plus other amounts that may be required under Bond Obligations applicable to such Project.

Any balance of the net proceeds remaining after the repair, restoration or replacement, or in the event the Lessee Agency elects not to repair, restore or replace the Project, such funds shall be deposited in the Interest and Sinking Fund for the payment of Bond Obligations.

Money held by the Comptroller may be invested in Eligible Investments authorized by law for State funds as selected by the Comptroller. Income from any investment of money in a Fund shall be deposited in such Fund.

Book-Entry-Only System

In reading this Official Statement, it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC. (See "APPENDIX D — BOOK-ENTRY-ONLY SYSTEM")

THE PAYING AGENT/REGISTRAR AND THE AUTHORITY, SO LONG AS THE DTC BOOK-ENTRY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF PROPOSED AMENDMENT TO THE RESOLUTION OR OTHER NOTICES WITH RESPECT TO SUCH BONDS ONLY TO DTC. ANY FAILURE BY DTC TO ADVISE ANY DTC PARTICIPANT OR OF ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY THE BENEFICIAL OWNERS, OF ANY NOTICES AND THEIR CONTENTS OR EFFECT WILL NOT AFFECT ANY ACTION PREMISED ON ANY SUCH NOTICE. NEITHER THE AUTHORITY NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS ON THE BONDS OR THE

PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

THE LEASE

The Lessee Agency entered into the Lease for the purpose of financing the Project being financed and refinanced by the Bonds. In connection with the issuance of the Bonds, the Authority and the Lessee Agency will enter into a First Amendment to Lease Agreement between the Authority and the Lessee Agency, dated June 18, 2019, to make certain technical changes to the Lease. The following is a summary of certain provisions of the Lease, as amended. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Lease. A copy of the Lease is available for examination at the offices of the Authority.

Lease of Project. The Lease provides that the Authority leases the Project to the Lessee Agency, and the Lessee Agency leases the Project from the Authority.

Rent Payments. On each Regular Rent Payment Date, the Lessee Agency must pay or cause to be paid Rent Payments in the amounts, at the times, and otherwise in accordance with the Lease. The Lessee Agency must pay the Rent Payments or cause the Rent Payments to be paid, from funds lawfully available for the payment of Rent Payments, to the Comptroller for deposit into the State Lease Fund Account. Each Rent Payment must be paid in immediately available funds on or before the second Business Day preceding each Regular Rent Payment Date and to pay obligations under the Lease in amounts and on the dates fixed by the Authority. Rent Payments are due on each Regular Rent Payment Date (the second business day preceding the date each payment of principal, premium, if any, or interest is due on the Bonds), provided, however, if the Lessee Agency receives notice from the Executive Director to the effect that sufficient funds for the payment of all Payment Obligations (as defined in the Lease) are not on deposit in the State Lease Fund Account, the Lessee Agency must immediately (before the close of business) cause to be deposited in immediately available funds (to the extent lawfully available) the amount directed by the Executive Director. The Executive Director may establish any other date as a Special Rent Payment Date for the payment of any amounts due under the Lease.

The Lessee Agency may prepay Rent Payments or cause Rent Payments to be prepaid at any time and in any amount. Any prepayment by the Lessee Agency will not relieve it of liability for each remaining Rent Payment (including both the interest portion and the principal portion thereof) as provided in the Lease.

The Lessee Agency has agreed to transfer and pay to the Authority as a portion of the Lease Payments (of which the Rent Payments are a component), an amount in addition to the Rent Payments that is related to certain overhead and operating expenses caused by the Commercial Paper Program, the Bonds and other obligations being outstanding and the Project, determined annually by the Authority and certified to the Lessee Agency as the amount payable for such purposes.

Lessee Agency's Obligation Unconditional, Subject to Appropriation. All obligations of the Lessee Agency under the Lease are absolute and unconditional and are not subject to any diminution, abatement, setoff, or counterclaim and the Lessee Agency may not suspend or discontinue any Lease Payment. The Lessee Agency must apply, or cause to be applied, any funds lawfully available to it to pay the Lease Payments as they come due. The Lessee Agency waives, to the extent permitted by applicable law, any right that it may have to terminate or cancel the Lease, except in accordance with the express terms thereof. Notwithstanding any other provision of the Lease, including the preceding provision, the payment of Lease Payments and other payments required to be made by the Lessee Agency thereunder will be subject to the enactment by the Legislature of appropriations of funds for the purpose of, and in amounts sufficient to, make the payments required under the Lease.

Change and Substitution of Project. The Lessee Agency may alter all or any of the Project (as described in the respective project description in the Lease) or substitute other facilities for all or any part of the Project if, before such alteration or substitution is made:

(i) (A) in the case of an alteration or substitution that would cause the amount of funds necessary to complete the acquisition and/or construction of the Project (as altered or substituted) to exceed the Project Completion Amount (as defined in the Lease), an authorized representative of the Lessee Agency certifies to the Authority that the Lessee Agency has sufficient legally available funds to complete the acquisition and/or construction and installation of the Project; (B) the Project so altered or substituted has the same or greater remaining useful life as the Project to be substituted; and (C) the Project so substituted is of equal or greater usefulness or value to the Lessee Agency;

(ii) the authorized representative of the Lessee Agency obtains an opinion of Bond Counsel or the written advice of the Attorney General of the State of Texas to the effect that such alteration or substitution is authorized by law and would not constitute an Event of Taxability (as defined in the Lease); and

(iii) an authorized representative of the Lessee Agency notifies the Authority of such alteration or substitution and provides the Authority with a Project Substitution Certificate (as provided in the Lease) and the Lease is amended to reflect the Project as altered or substituted.

Compliance with Laws; Repair and Maintenance; Limitation of Liability. The Lessee Agency must comply with all municipal, county, state, and federal laws, rules, regulations and ordinances applicable to the Project and the use or occupancy thereof. The Lessee Agency shall provide for the service, repair, and maintenance of all Projects at its own expense so as to keep the Projects in as good condition, repair, appearance, and working order as when delivered to the Lessee Agency under the Lease, ordinary wear and tear excepted. The Lessee Agency must, at its own expense, replace any Project and all parts and devices which may become stolen, lost, damaged beyond repair, or rendered unfit for use for any reason whatsoever; provided that all such replacement parts, mechanisms, and devices shall be free and clear of liens, encumbrances, and rights of others so as not to impair the Authority's security interest in the Project.

Title. With respect to the Project, the Lessee Agency has certified to the Authority that the State, Lessee Agency or the Authority has good and irrefutable title in fee simple to the real property on which the Project is being constructed and no other person or entity has any right, title or interest therein. If it is discovered at a subsequent point in time that there is a lien or encumbrance of any nature whatsoever upon title to the Project or any part thereof, the Lessee Agency must, upon demand from the Authority, correct such defects in title, remove such liens or encumbrances and/or obtain title insurance for the Project, all at the expense of the Lessee Agency.

To the extent required to clear up any subsequently discovered encumbrance of title to the Project, the Lessee Agency shall cause title insurance to be issued which insures the State's title to the Project in an amount equal to the value of the real estate associated with the building or the Project (to the extent the Project is insurable on reasonable terms in the commercial market) or such other amount to be mutually determined by the Authority and the Lessee Agency.

Use of Project. The Lessee Agency may use each Project for any lawful purpose consistent with the normal intended use of such Project including leasing or subleasing any portion of the Project to any agency or political subdivision of the State; provided, however, before the Lessee Agency leases or subleases any portion of the Project, the Executive Director must determine that such action will not constitute an Event of Taxability (as defined in the Lease), through opinion of counsel. No sublease by the Lessee Agency of any portion of the Project may release the Lessee Agency from, or mitigate its obligations under, the Lease and the Lessee Agency will continue to be obligated to make all payments required under the Lease.

Disposition of Project. At the direction of the Legislature, the Authority may sell or otherwise dispose of all or any part of any Project (or all Projects), provided the Authority applies the proceeds of such sale or disposition in accordance with such directive.

Events of Default Under the Lease. The following are "Events of Default" under the Lease:

(i) the failure to pay when due any Lease Payment for which the Legislature has appropriated funds that are legally available to make such Lease Payments;

(ii) the failure of the Lessee Agency to cure any breach by the Lessee Agency of any representation, warranty, or agreement under this Lease within 45 days (or such longer period as the Authority, in its discretion, may specify) after the date of having been directed by the Authority to cure such breach unless the Authority has extended such period or unless the Authority has waived such breach; or

(iii) the occurrence of any act of bankruptcy of the Lessee Agency, the Authority, or the State.

Remedies Upon Occurrence of Events of Default Under the Lease. Upon the occurrence of and during the continuance of any Event of Default (as defined in the Lease) arising from the failure to make a Lease Payment, or during the continuance of an Event of Nonappropriation, or upon 30 days prior to the expiration of the commitment of any provider of liquidity or credit enhancement for any obligations while such obligations are still outstanding, any one or more of the following remedial actions may be taken by the Authority:

(i) declare all of the remaining unpaid principal portion of the Rent Payments under the Lease to be immediately due and payable solely to the extent the Legislature has appropriated funds for such payment; or

(ii) enter and take possession of any or all Projects under the Lease without terminating the Lease, and sublease all or any part of such Projects for the account of the Lessee Agency;

provided, that if the Authority shall lease or sublease any Project, it may lease or sublease such Project only to persons and under such conditions, that will not constitute or create an Event of Taxability.

Upon the occurrence of and during the continuation of any Event of Default (as defined in the Lease) or an Event of Nonappropriation, the Authority may take any action at law or in equity to collect any amount due or that may become due under the Lease or to enforce performance of any obligation of the Lessee Agency under the Lease by mandamus or otherwise.

No remedy in the Lease conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and in addition to every other remedy given under the Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any remedy shall impair the right to exercise such remedy. In order to entitle the Authority to exercise any remedy reserved to it, it will not be necessary to give any notice other than such notice as may be required in the Lease.

To the extent provided in the Resolution, such rights and remedies as are given the Authority thereunder will, upon execution and delivery of the Resolution, be assigned to the Bond Owners, as provided in the Resolution, and a majority of such Bond Owners will have the right to exercise (to the extent permitted by law) such rights and remedies, pursuant to the Resolution in the same manner and under the limitations and conditions that such Bond Owners are entitled to exercise rights and remedies pursuant to the Resolution upon the occurrence of an Event of Default or an Event of Nonappropriation under the Resolution.

Performance of Obligations by Authority or Lessee Agency. While the Lessee Agency is in default of any provision of the Lease, the Lessee Agency authorizes (to the extent permitted by law) the Authority to take any lawful action to cure such default and to each act in the name and stead of the Lessee Agency to the same extent as such Lessee Agency is empowered to act.

Remedies Upon an Event of Nonappropriation. Upon an Event of Nonappropriation, the Authority may exercise its remedies to the extent described above, except that the Authority may not seek to compel payment from the Lessee Agency, whether by an acceleration of the Bonds, by mandamus, or by any other legal or equitable proceeding of Rent Payments for which there has been no appropriation by the Legislature.

Term of Lease. The Lease will remain in full force and effect until the date all Payment Obligations (as defined in the Lease) on all outstanding Bonds (as defined in the Lease) and Commercial Paper Notes have been paid (or provision has been made for payment in accordance with the relevant Authority Resolution) and all other obligations under the Lease have been satisfied, unless the Lease is otherwise terminated pursuant to its terms.

Reinstatement. If the Lease is terminated as a result of the occurrence of an Event of Default, the Authority agrees to reinstate the Lease when all defaults under the Lease have been cured or waived, and the Lessee Agency shall be restored to the use, occupancy, and possession of the Project, subject to the rights of any person who has entered into a binding agreement providing for the leasing of all or any portion of the Project.

Conveyance Upon Termination. When the Lease is terminated as a result of all Lease Payments having been paid with respect to the Project identified thereon, the Executive Director shall notify the Lessee Agency that Lease

Payments are no longer required to be made, and the Authority, for the sum of $1.00 paid to it, shall convey its right, title, and interest in such Project to the Lessee Agency.

Amendment of Lease. The Authority and the Lessee Agency, by mutual agreement, may amend the Lease in accordance with the provisions of the Lease.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P"), have assigned ratings of "Aa1" and "AA+" to the Bonds, respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the respective view of such organizations and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The form of Bond Counsel's opinion is reproduced as Appendix B. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Authority made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the Authority with the provisions of the Bond Resolution subsequent to the issuance of the Bonds. The Bond Resolution contains covenants by the Authority with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Authority described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the Authority as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Authority may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Premium Bonds") are greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

THE BONDS AS LEGAL INVESTMENTS IN TEXAS

Chapter 1201, Texas Government Code, as amended, provides that obligations, such as the Bonds, are legal and authorized investments for insurance companies, fiduciaries and trustees, and for the sinking funds of municipalities and other political subdivisions or public agencies of the State. The Bonds are also eligible to secure deposits of any public funds of the State, its agencies, and political subdivisions, and are lawful and sufficient security for those deposits to the extent of their market value. For political subdivisions in the State that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended), the Bonds may need to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. (See "RATINGS")

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

LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Authority, threatened) that affects the obligation of the Authority to deliver the Bonds or the validity of the Bonds. See "APPENDIX A — THE STATE OF TEXAS" to this Official Statement concerning legal proceedings to which the State is a party relating to its operations and governmental functions but unrelated to the Bonds or the security for the Bonds.

GENERAL INFORMATION REGARDING THE STATE OF TEXAS

Bond Appendix

The Texas Comptroller of Public Accounts (the "Comptroller") prepares (a) a quarterly appendix (the "Bond Appendix") which sets forth certain information regarding the State (including its government, finances, economic profile, and other matters) for use by State entities when issuing debt, (b) an annual Comprehensive Annual Financial Report ("CAFR"), which includes financial statements audited by the SAO, and (c) from time to time notices of certain events as described under "CONTINUING DISCLOSURE OF INFORMATION — Continuing Disclosure Undertaking of the Comptroller — *Event Notices*." All such documents are provided to the Municipal Securities Rulemaking Board (the "MSRB") and publicly accessible as described in "APPENDIX A — The State of Texas." The most current such documents are described in "APPENDIX A — The State of Texas" and incorporated herein by reference. No representation is made that such documents contain all facts material to an evaluation of the ability of the State to make appropriations to the Lessee Agency to make Rent Payments under the Lease when due, or the value of the Bonds, or that any specific information should be accorded any particular significance.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertakings

Each of the Authority and the Comptroller has entered into a separate undertaking for the benefit of bondholders to provide certain updated information and notices to the MSRB through EMMA, as described below.

Continuing Disclosure Undertaking of the Authority

General. In the Resolution, the Authority has made the following agreement for the benefit of the Bond Owners and Beneficial Owners of the Bonds. Under the agreement, the Authority will be obligated to provide timely notice of specified events to the MSRB. The information will be available to investors by the MSRB through its EMMA system, free of charge at www.emma.msrb.org.

Annual Reports. The Authority and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Comptroller's Continuing Disclosure Agreement. The Comptroller will provide certain updated financial information and operating data to the MSRB, in an electronic format as prescribed by the MSRB, annually, as set out in the Continuing Disclosure Agreement, and described under "— Continuing Disclosure Undertaking of the Comptroller — *Annual Reports*."

Event Notices. The Authority will provide to the MSRB, with respect to the Bonds, notice not in excess of ten business days after the occurrence of any of the following events: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of bondholders, if material; (8) Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Authority in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Should the Rule be amended to obligate the Authority to make filings with or provide notices to entities other than the MSRB, the Authority has agreed to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Continuing Disclosure Undertaking of the Comptroller

General. The Comptroller has entered into an Amended and Restated Continuing Disclosure Agreement with the Bond Review Board dated March 12, 2019. The Authority and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Comptroller's agreement. The Comptroller is required to observe this agreement in respect of any issue of Securities, as defined in the agreement (which includes the Bonds), for so long as the State remains an "obligated person." Under the agreement, the Comptroller will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB as described below.

Annual Reports. The Comptroller will provide certain updated financial information and operating data to the MSRB annually. Under its disclosure agreement, the Comptroller is not obligated to provide such financial and operating data more frequently than on an annual basis. The information to be updated includes all quantitative financial information and operating data with respect to the State of the general type included in the Bond Appendix. The Comptroller will update and provide this information within 195 days after the end of each fiscal year of the State.

The financial information and operating data to be provided 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 EMMA website or filed with the SEC, as permitted by the Rule. The updated information provided by the Comptroller will be provided on a cash basis and will not be audited, but the Comptroller will provide audited financial statements of the State prepared in accordance with generally accepted accounting principles for governmental entities when the State Auditor completes its statutorily required audit of such financial statements. The accounting principles pursuant to which such financial statements must be prepared may be changed from time to time to comply with State law.

The State's current fiscal year end is August 31. Accordingly, the Comptroller must provide updated information for each fiscal year within 195 days after that date unless the State changes its fiscal year. If the State changes its fiscal year, the Comptroller will notify the MSRB of the change prior to the next date by which the Comptroller otherwise would be required to provide financial information and operating data as described above.

Quarterly Reports. Although it is not contractually committed to do so, the Comptroller currently prepares and files with the MSRB a quarterly Bond Appendix which provides a general description of the State and sets forth certain information regarding the State, including its government, finances, economic profile, and other matters, for use by State entities when issuing debt. Certain tables within the Bond Appendix are updated on a quarterly basis while other tables within the Bond Appendix are updated on a semiannual or annual basis. The Bond Appendix is not audited and provides financial data on a cash basis. The Comptroller generally files an updated Bond Appendix with the MSRB within two weeks after each January 31, April 30, July 31, and October 31, and it may file voluntary notices of significant events with the MSRB between Bond Appendices, although there is no assurance that it will continue such voluntary filings at such times or at all in the future.

Event Notices. The Comptroller will also provide notice to the MSRB of any of the following events with respect to the Bonds on a timely basis no later than 10 business days after the event: (a) the incurrence of a financial obligation (as defined in the Rule, including certain debt, debt-like, and debt-related obligations) of the State, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation, any of which affect security holders, if material; or (b) a default, event of acceleration, termination event, modification of terms, or other similar event under the terms of any such financial obligation of the State, any of which reflect financial difficulties.

The Comptroller will also provide timely notice to the MSRB of any failure to provide updated financial information, operating data, or financial statements in accordance with its agreement.

Availability of Information

The Authority and the Comptroller have agreed to provide the foregoing financial and operating information and notices only as described above. The Authority and the Comptroller will be required to file their respective continuing disclosure information using the MSRB's EMMA system. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

The quarterly Bond Appendix, if and when filed, the State's CAFR, and annual financial and operating information, and event notices, if any, may be obtained by using the Quick Search function and entering the term "State of Texas Comptroller." The most recently prepared Bond Appendix, CAFR, and notices may also be accessed on the Comptroller's website at: https://comptroller.texas.gov/programs/systems/treasury-ops/index.php.

Limitations and Amendments

The Authority and the Comptroller have agreed to update information and to provide notices of events only as described above. Neither is responsible for performance of the other's agreement, and neither has agreed to provide other information that may be relevant or material to a complete presentation of the Authority's or the State's financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither makes any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. Each disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of the Bonds may seek a writ of mandamus to compel the Authority and the Comptroller to comply with their respective agreements.

The Authority and the Comptroller may amend their respective continuing disclosure agreements from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority or the State, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) a person unaffiliated with the State, the Comptroller, the Bond Review Board and the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of such Bonds. The Authority may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Authority or the Comptroller so amends its disclosure agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "*Annual Reports*" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

UNDERWRITING

Morgan Stanley, as the authorized representative of a group of underwriters (the "Underwriters") has agreed, subject to certain conditions set forth in a bond purchase agreement with the Authority (the "Purchase Agreement"), to purchase the Bonds at a price of $288,092,208.25 (which represents the par amount of the Bonds, plus an original issue premium of $39,864,598.65, less an underwriting discount of $907,390.40). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds, if any are purchased.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Piper Jaffray & Co. ("Piper"), one of the underwriters of the Bonds, has entered into a distribution agreement ("Piper Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to the Piper Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

THE FINANCIAL ADVISOR

Hilltop Securities Inc., is employed as Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery of the Bonds. Although the Financial Advisor has read and participated in the preparation of this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from the Authority's records and from other sources which are believed to be reliable. No guarantee is made as to the accuracy or completeness of any such information.

No person, therefore, is entitled to rely upon the participation of the Financial Advisor as an implicit or explicit expression of opinion as to the completeness and accuracy of the information contained in this Official Statement.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority, and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act of 1993, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Authority assumes no responsibility for qualification of the bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL MATTERS

Legal matters relating to the authorization, issuance, and sale of the Bonds by the Authority are subject to the approval of the Attorney General of the State of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the issuance of the Bonds under the general laws of the State. The compensation paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the delivery of the Bonds. Bond Counsel's opinions will be rendered in substantially the forms attached to this Official Statement as "APPENDIX B — FORM OF BOND COUNSEL OPINION."

In its capacity as Bond Counsel, such firm has not reviewed and expresses no opinion upon any part of the Official Statement other than the statements and information appearing under captions "PLAN OF FINANCE," "THE BONDS" (except for the information under the sub-heading "Limited Ability to Re-Lease Project," "State Lease Fund Account" and "Book-Entry-Only System"), "THE LEASE," "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaption "Continuing Disclosure Undertaking of the Comptroller" as to which no opinion is expressed), "LEGAL MATTERS," and "APPENDIX C — DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION" to verify that the information contained therein relating to the Bonds and the Transaction Documents contained under such captions in all material respects accurately and fairly reflects the provisions of such instruments, and the statements contained herein under the headings "TAX MATTERS," "THE BONDS AS LEGAL INVESTMENTS IN TEXAS" and "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE" are correct as to matters of law.

Certain legal matters will be passed upon for the Authority by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Disclosure Counsel to the Authority, whose legal fees are contingent on the sale and delivery of the Bonds.

Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, as counsel to the Underwriters. The compensation paid to Underwriters' Counsel for services rendered in connection with the issuance of the Bonds is contingent on the delivery of the Bonds. Bond Counsel, Disclosure Counsel and Underwriters' Counsel each represents the Authority from time to time on matters not related to the Bonds.

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

FORWARD-LOOKING STATEMENTS

The statements contained or incorporated by reference into this Official Statement that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Authority's and the Comptroller's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the Comptroller on the date of this Official Statement or the date of the Bond Appendix, CAFR, or event notice, respectively, and the Authority and the Comptroller assume no obligation to update any such forward-looking statements. It is important to note that the Authority's and the State's actual results could differ materially from those in such forward-looking statements.

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

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein (or in any other document expressly incorporated herein) are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Resolution approves the form and content of this Official Statement, and any addenda, supplement or amendment hereto issued on behalf of the Authority, and authorizes its further use in the reoffering of the Bonds by the Underwriters.

This Official Statement has been approved by the Authority for distribution in accordance with the provisions of the Rule.

/s/ Lee Deviney

Lee Deviney
Executive Director
Texas Public Finance Authority

SCHEDULE I

SCHEDULE OF REFUNDED NOTES

Texas Public Finance Authority
Revenue Commercial Paper Program
(Texas Facilities Commission Projects),
Series 2016A (Taxable)

Issue Date	Maturity Date	Par Amount
05/14/2019	06/20/2019	$37,000,000
05/15/2019	06/21/2019	$72,000,000
05/16/2019	06/20/2019	$25,000,000
06/05/2019	06/20/2019	$30,000,000

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APPENDIX A

THE STATE OF TEXAS

As described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION — Continuing Disclosure Undertaking of the Comptroller," the Texas Comptroller of Public Accounts (Comptroller) is required to file updated annual financial and operating data, audited financial statements of the State when received, and timely notice of certain events with the Municipal Securities Rulemaking Board (MSRB), and the Comptroller voluntarily files quarterly Bond Appendices and occasional notices of significant events.

The Official Statement hereby incorporates by reference the previously filed documents listed below, except for any information superseded by information that is included directly in the Official Statement or incorporated by reference in a subsequent such document, as well as any future filings that the Comptroller makes with the MSRB through EMMA prior to the termination of the offering of the Bonds under the Official Statement:

- State of Texas Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2018
- Appendix A: The State of Texas (May 2019 and the First Supplement to May 2019)
- Each notice filed with the MSRB by the Comptroller since the end of the fiscal year of the State addressed in the foregoing CAFR.

These documents and any subsequently filed documents, if any, may be accessed on EMMA at https://emma.msrb.org/ using the EMMA Advanced Search function and entering the term "State of Texas Comptroller" in the Issuer Name field within the Security Information search filter. The documents may also be accessed on the Comptroller's website at: https://comptroller.texas.gov/programs/systems/treasury-ops/index.php. For further information see "CONTINUING DISCLOSURE OF INFORMATION — Continuing Disclosure Undertaking of the Comptroller" in the Official Statement.

Information in the Bond Appendix, CAFR, and any notice incorporated herein by reference is provided as of the date specified in the document. No representation is made that such documents contain all facts material to an evaluation of the ability of the State to make appropriations to the Lessee Agency to make Rent Payments under the Lease when due, or the value of the Bonds, or that any specific information should be accorded any particular significance.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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____ __, 2019

NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

TEXAS PUBLIC FINANCE AUTHORITY

$249,135,000
Lease Revenue and Refunding Bonds
(Texas Facilities Commission),
Series 2019

IN REGARD to the authorization and issuance of the captioned bonds, dated June 18, 2019 (the "Bonds"), we have examined into their issuance by the Texas Public Finance Authority (the "Authority"), solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the Authority's outstanding obligations being refunded by the Bonds, the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the Authority, the disclosure of any financial or statistical information or data pertaining to the Authority and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only, and are in denominations of $5,000 or any integral multiple thereof (within a maturity). The Bonds mature on the dates and years specified in the Pricing Committee's pricing certificate (the "Pricing Certificate") executed pursuant to a resolution adopted by the Authority authorizing the issuance of the Bonds (the "Resolution" and, jointly with the Pricing Certificate, the "Bond Resolution"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Bond Resolution. Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings of the Authority in connection with the issuance of the Bonds, including (a) the Bond Resolution, (b) the Escrow Agreement (the "Escrow Agreement") between the Authority and Texas Treasury Safekeeping Trust Company (the "Escrow Agent"), and (c) a sufficiency certificate (the "Sufficiency Certificate") of Hilltop Securities Inc., the Authority's Financial Advisor, (ii) certifications and opinions of officers of the Authority relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the Authority and to certain other facts within the knowledge and control of the Authority, and (iii) such other documentation, including an examination of the Bond executed and delivered initially by the Authority (which we found to be in due form and properly executed), and such matters of law as we deem relevant to the matters discussed below. In such examinations, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies and the accuracy of the statements and information contained in such certificates.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas, in force and effect on the date hereof:

1. The Bonds have been duly authorized by the Authority and, are valid, legally binding and enforceable special obligations of the Authority, payable solely from the sources provided therefor in the Bond Resolution.

2. The Bonds are payable from and secured solely by a lien on and pledge of the Pledged Security as set forth in the Bond Resolution.

3. The Escrow Agreement has been duly authorized, executed and delivered and is a binding and enforceable agreement in accordance with its terms and the outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a fund with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the Sufficiency Certificate as to the sufficiency of cash and investments, if any, deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

4. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the Authority with the provisions of the Bond Resolution relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof.

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

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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APPENDIX C

DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION

The following capitalized terms appearing in this Preliminary Official Statement have the meanings set forth below, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

Definitions

"**Additional Bonds**" means the additional lease revenue bonds permitted to be issued on a parity with the Bonds by Section 2.04 of this Resolution.

"**Appropriation Act**" means H.B. 1, 84th Legislature, Regular Session, Article 1, pg. I-45, Rider 19 (2015).

"**Authority**" means the Texas Public Finance Authority or any successor thereto.

"**Authority Regulations**" means the regulations of the Authority in Title 34, Part 10, Texas Administrative Code.

"**Authority Representative**" means each of the Executive Director, General Counsel, and Deputy Director, or any other member of the Authority's staff designated by the Executive Director or the Board as an Authority Representative.

"**Authorizing Law**" means collectively Chapters 1207, 1232, 1371, and 2166 of the Texas Government Code, each as amended, and the Appropriation Act.

"**Beneficial Owner**" means each Person in whose name a Book-Entry Bond is recorded as the owner of a beneficial interest in such Bond by a participant in such book-entry system.

"**Blanket Letter of Representations**" means any representation letter of, or agreement delivered by, the Authority pursuant to this Resolution or a prior bond resolution providing for administration of a book-entry system for the Bonds and any successive arrangements under which the Authority provides for the administration of a book-entry system for the Bonds or any other bonds.

"**Board**" means the Board of Directors of the Authority.

"**Bond Administration Costs**" means the paying agency, financial advisory, legal, arbitrage compliance, and other costs incurred by or on behalf of the Authority (including without limitation, costs of enforcing the transaction documents and attorneys' fees) in connection with the administration of the Bonds.

"**Bond Counsel**" means any law firm or firms experienced in matters relating to the issuance of tax-exempt obligations, which firm or firms are engaged by the Board to render services to the Authority as bond counsel.

"**Bond Enhancement Agreement**" means any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase, purchase or sale agreement, interest rate swap agreement or commitment or other agreement authorized by the Authority in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing or redemption of the Bonds, interest on the Bonds, or both, or as otherwise authorized by Chapter 1371, Texas Government Code, as amended.

"**Bond Insurance Policy**" means the bond insurance policy or policies, if any, issued by a Bond Insurer that guarantees payment of the principal of and interest on any of the Bonds.

"**Bond Insurer**" means any issuer of a Bond Insurance Policy.

"**Bond Obligations**" means the principal, premium, if any, and interest payment obligations of the Authority on each Series of Parity Bonds, including the Bonds issued hereunder.

"**Bond Owner**" means the Person who is the registered owner of any Bond, as such ownership appears in the Register.

"**Bond Owner's Direction**" means an instrument or instruments executed by the owners of not less than a majority in aggregate principal amount of a series of Bonds then outstanding, directing or consenting to the taking of some specific action(s).

"**Bond Yield**" means the actuarial yield on the Bonds computed in accordance with Section 1.148-4 of the Regulations.

"**Bonds**" means the Bonds authorized pursuant to this Resolution and designated as "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2019", as further set forth in the Pricing Certificate and such other series or subseries of Bonds as may be further set forth in the Pricing Certificate as authorized by this Resolution.

"**Book-Entry Bond**" means any Bond administered under a book-entry system pursuant to this Resolution and the Blanket Letter of Representations.

"**BRB**" means the Texas Bond Review Board, a State board created by Chapter 1231, Texas Government Code, as amended.

"**Business Day**" means any day that is a day on which the Comptroller is open for business and:

(1) while the Authority is the Paying Agent/Registrar, on which the Authority is open for business at its principal business office; or

(2) while a Person other than the Authority is the Paying Agent/Registrar, on which financial institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are not authorized by law or executive order to close.

"**Chair**" means the Chair of the Board or any member of the Board authorized to act as Chair.

"**Chapter 1207**" means Chapter 1207, Texas Government Code, as amended.

"**Chapter 1232**" means Chapter 1232, Texas Government Code, as amended.

"**Chapter 1371**" means Chapter 1371, Texas Government Code, as amended.

"**Chapter 2166**" means Chapter 2166, Texas Government Code, as amended.

"**Closing**" means the concurrent delivery of one or more series of Bonds to or upon the order of the Purchaser in exchange for payment therefor.

"**Closing Date**" means the date of the Closing.

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

"**Comptroller**" means the Comptroller of Public Accounts of the State of Texas or any successor thereto.

"**Continuing Disclosure Agreement**" means the Amended and Restated Continuing Disclosure Agreement dated March 12, 2019, between the Comptroller and the BRB, as may be further amended from time to time.

"**Costs of Issuance**" means the "costs of issuance," as provided in Chapter 1232 and the Authority Regulations, incurred in connection with the issuance of the Bonds.

"**Costs of Issuance Fund**" means the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission) Series 2019 Costs of Issuance Fund" created pursuant to Section 4.01 of this Resolution.

"**Eligible Investments**" means any securities or obligations in which the Comptroller is authorized by law to invest the money on deposit in the Funds.

"**Escrow Agent**" means the Comptroller acting by and on behalf of the Texas Treasury Safekeeping Trust Company, as escrow agent under the Escrow Agreement or Escrow Instructions, as applicable, and any successor thereto as therein permitted or such other qualified escrow agent as determined by the Pricing Committee in the Pricing Certificate.

"**Escrow Agreement**" means the escrow agreement, if any, between the Authority and the Escrow Agent providing for the payment of the Refunded Notes, in the final form approved by the Pricing Committee and attached to the Pricing Certificate.

"**Escrow Fund**" means either: (a) the escrow fund, if any, created with respect to the Refunded Notes pursuant to the Escrow Agreement or (b) the escrow account for the Refunded Notes created pursuant to the Escrow Instructions, if any; such fund or account in either case to be created and held by the Escrow Agent.

"Escrow Instructions" means the letter of instructions, if any, from the Authority to the Escrow Agent providing for the payment for the Refunded Notes of money sufficient to pay debt service thereon.

"**Event of Default**" means the occurrence of any of the following:

(1) the failure to pay when due any Bond Obligations except upon an Event of Nonappropriation;

(2) the breach by the Authority of any of its obligations (other than its obligation to pay Bond Obligations) under the Transaction Documents, which breach materially and adversely affects the rights of any Bond Owner under the Transaction Documents, and the continuation of such breach for at least 45 days after the date of receipt by the Executive Director of written notice of such breach from the owners of not less than 25 percent in aggregate principal amount of the Bonds;

(3) the occurrence of any act of bankruptcy of the Lessee, the Authority or the State; or

(4) the occurrence of any "Event of Default" as defined in the Lease or any other lease (or other use arrangement) of the Project and entered into by the Authority with respect to the Project.

Notwithstanding anything herein to the contrary, an Event of Default with respect to one Series of Bonds is not in and of itself an Event of Default with respect to any other Series of Bonds.

"**Event of Nonappropriation**" means any "Event of Nonappropriation" as defined in the Lease.

"**Event of Taxability**" means any act or omission that could cause any payment with respect to the Bonds, which is treated as interest under the Code, not to be excludable under section 103(a) of the Code from the gross income of the Bond Owner.

"**Executive Director**" means the executive director of the Authority, or any member of the staff of the Authority authorized by the Board to perform the duties of the Executive Director.

"**Form of Bond**" means the Form of Bond set forth in Exhibit A to this Resolution, with such insertions and variations as are permitted or required by this Resolution or the Pricing Certificate.

"**Fund(s)**" means collectively or individually, the Interest and Sinking Fund, the Project Fund, the Costs of Issuance Fund and the Escrow Fund.

"**General Counsel**" means the general counsel of the Authority.

"**Government Obligations**" means any of the following:

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

(2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent;

(3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and

(4) such other investments now or hereafter authorized by Chapter 1207, Texas Government Code, as amended, for the investment of escrow deposits.

"**Initial Bond**" means the Bond or Bonds initially issued and delivered by the Authority at the Closing.

"**Interest and Sinking Fund**" means the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (TFC Capitol Complex Projects) Interest and Sinking Fund" created pursuant to Section 4.01 of this Resolution.

"**Interest Payment Date**" means February 1, and August 1, first commencing on August 1, 2019.

"**Issue Date**" means the date of delivery by the Authority against payment therefor.

"Issuing and Paying Agent" means the issuing and paying agent serving in such role for the Authority's Refunded Notes.

"**Lease**" means the Lease Agreement between the Authority and the Lessee pertaining to the "Texas Public Finance Authority Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016A (Taxable)" and "Texas Public Finance Authority Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016B (Tax-Exempt), as amended by the Lease Amendment, and as may be subsequently amended from time to time.

"**Lease Amendment"** means the First Amendment to Lease Agreement between the Authority and the Lessee in substantially the form attached hereto as Exhibit B.

"**Lease Payment**" means any "Lease Payment" as defined in the Lease.

"**Legislature**" means the Legislature of the State of Texas.

"**Lessee**" means the Texas Facilities Commission.

"**Official Statement**" means the final Official Statement authorized by the Board hereunder to be prepared and distributed in connection with the offering and sale of the Bonds.

"**Parity Bonds**" means the lease revenue bonds issued by the Authority on a parity with the Bonds, to finance or refinance the Project, which are secured by the Pledged Security, including the Bonds and any Additional Bonds.

"**Paying Agent/Registrar**" means initially, the Authority, or any financial institution appointed by the Authority in accordance with this Resolution as the paying agent/registrar for the Bonds.

"**Person**" means any individual, partnership, corporation, trust, or unincorporated organization or any governmental entity.

"**Pledged Revenues**" means, collectively, the following:

(1) all Rent Payments required to be made pursuant to the Lease that have been assigned as security for the Bonds and the Refunded Notes;

(2) any receipts derived from the exercise of any rights or remedies of the Authority with respect to the Pledged Security;

(3) if the Lease assigned as security for the Bonds or the Refunded Notes is terminated, the net revenues (i.e. revenues net of operating and maintenance expenses, determined in accordance with generally accepted accounting principles) derived from the Projects identified therein; and

(4) any receipts received by or on behalf of the Authority from another State agency with respect to all or any portion of the Project which was financed with proceeds of the Bonds or Refunded Notes in the event such Project or portion thereof is subleased or otherwise transferred to such agency.

"**Pledged Security**" means, collectively, all right, title and interest of the Authority in and to the following:

(1) the Pledged Revenues;

(2) The Lease and any rights and remedies of the Authority under the Lease or any other lease or use arrangement of all or any part of the Project (except for any right to receive proceeds of insurance maintained with respect to the Project, to indemnification, and to payment of Bond Administration Costs); and

(3) amounts on deposit in the Interest and Sinking Fund and any related account therein that are lawfully available for the payment of Bond Obligations.

"**Preliminary Official Statement**" means the preliminary official statement distributed in connection with the offering for sale of the Bonds.

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

"**Pricing Committee**" means Ruth C. Schiermeyer, Ramon Manning, and Joseph Williams (subject to confirmation by the Texas Senate and due qualification to the Board), the members of the Board who are authorized to act on behalf of the Board in selling and delivering the Bonds, with each other member of the Board designated as an alternate.

"**Project**" or "**Projects**" means any costs or expenditures authorized to be financed by the Authority for the Lessee pursuant to the Lease.

"**Project Fund**" means the "Texas Public Finance Authority Lease Revenue and Refunding Bonds TFC Capital Complex Project Fund (Tax-Exempt Obligations)" created pursuant to Section 4.01 of this Resolution.

"**Purchase Contract**" means the bond purchase agreement between the Authority and the Purchaser, in substantially the form attached to the Pricing Certificate.

"**Purchaser**" means the Person(s) that initially purchase the Bonds from the Authority.

"**Rebate Fund**" means one or more rebate funds created pursuant to Section 4.01 of this Resolution.

"**Record Date**" means the 15th day of the month immediately preceding each "Interest Payment Date" (as defined in the Form of Bond).

"**Refundable Notes**" means the "Texas Public Finance Authority Revenue Commercial Paper Notes (Texas Facilities Commission Projects), Series 2016A (Taxable)" authorized on May 5, 2016.

"**Refunded Notes**" means all or any portion of Refundable Notes which are selected for refunding in accordance with Section 2.02(c) of this Resolution and are being refunded by the issuance of the Bonds.

"**Register**" means the official registration records for the Bonds maintained by the registrar for the Bonds pursuant to this Resolution.

"**Rent Payment Date**" means any date on which Rent Payments are required to be paid pursuant to the Lease.

"**Rent Payments**" means the portion of the Lease Payment attributable to debt service on the Bonds.

"**Resolution**" means this resolution authorizing the Bonds, including any amendments hereto.

"**Secretary**" means the Secretary of the Board, or any member of the Board authorized to act as Secretary.

"**Securities Depository**" means any Person acting as a security depository for Book-Entry Bonds.

"**Series**" means any designated series or subseries of Bonds or Parity Bonds.

"**State**" means the State of Texas.

"**State Lease Fund Account**" means the account identified as such in Chapter 1232 or any successor fund created pursuant to law for the same purpose.

"**Stated Maturity** or "**Stated Maturity Date**" means the date or dates of maturity for each Bond so specified in each Bond.

"**Sufficient Assets**" means with respect to the Bond Obligations for any Bond or Bonds, any combination of the following:

(1) an amount of money sufficient, without investment, to pay such Bond Obligations when due; and,

(2) Government Obligations that:

(A) are not redeemable prior to maturity; and

(B) mature as to principal and interest in such amounts and at such times as will provide, without reinvestment, money sufficient to pay such Bond Obligations when due.

"**Taxable Bonds**" means each Series of Bonds designated as taxable bonds in the Pricing Certificate.

"**Tax-Exempt Bonds**" means each Series of Bonds designated as tax-exempt bonds in the Pricing Certificate, the interest on which is to be excludable from gross income for federal taxation purposes pursuant to Section 103 of the Code.

"**Transaction Documents**" means collectively, this Resolution, the Lease, the Escrow Agreement, if any, Escrow Instructions, if any, the Bonds, the Blanket Letter of Representations, the Pricing Certificate, and the Purchase Contract.

"**Vice Chair**" means the Vice Chair of the Board, or any member of the Board authorized to act as Vice Chair.

"**Yield of**" means:

(1) with respect to Investment Property, the actuarial yield of such Investment Property computed in accordance with Section 1.148-5 of the Regulations, and

(2) with respect to the Bonds, the actuarial yield of the Bonds computed in accordance with Section 1.148-4 of the Regulations.

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Excerpted Provisions of the Resolution

The following are excerpts of certain provisions of the Resolution. Such excerpts do not purport to be complete or verbatim. Reference should be made to the Resolution for the entire text of such provisions. Copies of the Resolution are available upon request to the Authority.

Section 2.01 <u>Authorization and Purpose</u>.

There is hereby authorized to be issued pursuant to the Authorizing Law and the Appropriation Act, one or more Series of Bonds in the maximum aggregate principal amount not to exceed $300,000,000 to provide funds for the purpose of (i) financing certain costs of the Project, (ii) refunding the Refunded Notes, and (iii) and paying Costs of Issuance. The title of the Bonds shall be as designated in the Pricing Certificate and in accordance with Section 2.02 below. It shall include the year in which each Series is issued, and in the event that more than one Series is issued by the Authority within a calendar year pursuant to this Resolution, each Series within that year shall have a letter designation following the year. Any Series of Bonds that is issued as Taxable Bonds may include such designation in the title as set forth in the applicable Pricing Certificate. The authority of the Pricing Committee to execute and deliver a Pricing Certificate for each Series of Bonds shall expire at 5:00 p.m. on May 1, 2020, such date being approximately one year from the date of adoption of this Resolution. Bonds priced on or before such date may close after such date.

The Authority hereby calls the Refunded Notes for redemption on the dates and for the prices set forth in the Pricing Certificate, a form of which is attached hereto as <u>Exhibit C</u>. The Refundable Notes actually refunded (the "**Refunded Notes**") shall be set forth in the Pricing Certificate.

Section 2.03 <u>Security for the Bonds</u>.

(a) The Authority hereby pledges as the sole security and sole source of payment for the Bonds all of its right, title, and interest in the Pledged Security.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and, therefore, the pledge of the revenues granted by the Authority under this Section is valid, effective and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenues granted by the Authority under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 2.04 **<u>Additional Parity Bonds</u>.**

(a) The Authority hereby reserves the right to issue Additional Bonds for the Project on a parity with the Bonds which are payable from, and secured by, the Pledged Revenues; provided that such Additional Bonds are made to mature on an Interest Payment Date.

(b) No Parity Bond shall be entitled to priority of payment over any other Parity Bond in the application of any moneys made available by law for the payment thereof, irrespective of the fact that some of the Parity Bonds may have been or may be delivered prior to the delivery of other Parity Bonds. It is the intent of this Resolution that all Parity Bonds shall rank equally.

(c) For purposes of Section 2.01(a) of the Resolution authorizing the issuance of the Refundable Notes, the principal amount of all Parity Bonds issued by the Authority shall count against and limit the "Authorized Amount" as defined in such section.

Section 2.05 **<u>Approval of Lease Amendment; Ratification of Lease.</u>**

(a) The Authority hereby authorizes the Lease Amendment in substantially the form attached hereto as Exhibit B, with such insertions and modifications as may be deemed necessary by the Authority Representative executing such agreement. The Executive Director or other Authority Representative is authorized and directed to enter into and execute the Lease Amendment and the final form of such amendment shall be attached to the Pricing Certificate.

(b) The Authority hereby ratifies and confirms the Lease and its prior approval of the Lease and authorizes the Authority Representative to take any action thereunder that is deemed necessary or appropriate in connection with the issuance of the Bonds, including execution of the Lease Amendment, the delivery, execution and acknowledgement of any agreements, waivers, notices, certificates, letters, instruments or documents related thereto. The Authority Representative, each individually, is hereby authorized to execute and deliver any such acknowledgements, waivers, notices, certificates, letters, instruments or documents.

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Section 3.01 **<u>Execution</u>.**

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair or Vice Chair and countersigned by the manual or facsimile signature of the Vice Chair, Secretary or other member of the Board. The seal of the Authority shall be placed on the Bonds manually or by facsimile.

(b) If an officer who signed Bonds on the Authority's behalf ceases to hold office before the authentication or delivery of the Bonds signed by such officer, such Bonds may be authenticated and delivered with the same effect as if such officer had remained in office.

Section 3.04 **<u>Ownership</u>.**

A Bond Owner is deemed to be the absolute owner of such owner's Bond(s) for all purposes of determining the obligations of the Authority with respect to such Bond(s) and the Authority shall not be required to recognize the interest (beneficial or otherwise) of any other Person, notwithstanding any notice to the Authority of such Person's interest.

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Section 4.01 **<u>Creation of Funds</u>.**

(a) The following funds are hereby created for the Parity Bonds, including the Bonds:

(1) the "Texas Public Finance Authority Lease Revenue and Refunding Bonds TFC Capital Complex Project Fund (Tax-Exempt Obligations)," and

(2) the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (TFC Capitol Complex Projects) Interest and Sinking Fund."

(b) The following funds are hereby created for the Bonds except that the Rebate Fund shall be created only if, as a result of any calculation called for by Article V hereof, there exists a rebate amount with respect to the Tax-Exempt Bonds in an amount greater than zero:

(1) the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission) Series 2019 Costs of Issuance Fund"; and

(2) the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission) Series 2019 Rebate Fund".

(c) The name of the Interest and Sinking Fund and Costs of Issuance Fund shall conform to any additional or different designation set forth in the Pricing Certificate.

(d) The Funds shall be maintained by the Comptroller in the Treasury of the State, separate from any other funds, and shall be held in trust for application as provided by this Resolution. The Executive Director or other Authority Representative shall provide the Comptroller with such instructions as are necessary to effect the proper application of the Funds.

(e) The Escrow Fund shall be created and maintained by the Escrow Agent for application as provided in the Escrow Agreement or Escrow Instructions, as applicable. The Executive Director or other Authority Representative shall provide the Comptroller and the Escrow Agent with such instructions as are necessary to effect the proper application of the Funds.

(f) Only if the Authority receives net proceeds from the Lessee of a condemnation award or insurance policy with respect to the Project, then there shall be created a "Restoration Fund." As long as the Program (as defined in the Lease) is in effect, any such funds received from the Lessee shall be deposited in accordance with the terms of the resolution authorizing the Program and the Lease. If the Program is not in effect, any such funds received from the Lessee shall be deposited into the Restoration Fund and used by the Authority toward the payment of the cost of repair, restoration, or replacement of the Project. Any balance of the net proceeds remaining after the repair, restoration, or replacement of the Project shall be deposited in the Interest and Sinking Fund for the payment of Bond Obligations. Any amounts remaining after the satisfaction of all obligations under this Resolution and the Lease shall be paid to Lessee.

(g) The Authority may also create additional funds and accounts hereunder from time to time as may be necessary or convenient to accomplish the purposes of this Resolution, including the creation of additional interest and sinking funds, project funds and costs of issuance funds if more than one series of Bonds are issued.

Section 4.03 Application of Pledged Revenues.

(a) The Authority shall cause to be deposited into the Interest and Sinking Fund from the Pledged Revenues an amount that is sufficient (together with any other money on deposit therein) to provide for the timely payment of the Bond Obligations, such deposit to be made not later than the second Business Day preceding each date on which any Bond Obligations come due. The Executive Director may direct any such deposit to be made on an earlier date so long as such date is not earlier than the 50th day before the date that the Bond Obligations for which such deposit is made come due.

(b) If, after any Rent Payment Date applicable to the Lease but before the date that payment of the principal of, premium, if any, and interest on the Bonds next comes due following such Rent Payment Date, the Comptroller receives written instructions of the Executive Director to transfer funds to the Interest and Sinking Fund, from funds lawfully appropriated or other funds lawfully available to the Lessee as may be directed by the Lessee, in order to cure a deficiency in the Interest and Sinking Fund, the Comptroller, in accordance with its statutory duties as sole accounting officer of the State and upon receipt of such instructions, will make such transfer in the amount and otherwise in accordance with such instructions.

Section 4.05 **Application of Interest and Sinking Fund.**

Amounts on deposit in the Interest and Sinking Fund shall be applied at such times and in such amounts as required for the timely payment of the Bond Obligations and otherwise as provided herein.

Section 4.08 **Investment of Funds.**

(a) The money on deposit in any Fund may be invested and reinvested only in Eligible Investments by the Comptroller in accordance with applicable State law. The Board hereby concurs with any such investment so made by the Comptroller.

(b) The investment of money in each Fund shall be made under conditions that will timely provide money sufficient to satisfy the purpose(s) for which such Fund is intended.

(c) The proceeds received from the disposition of any investment acquired with money from any Fund, and any income received from any such investment, shall be deposited into such Fund.

(d) Uninvested money (if any) in any Fund shall be secured in the manner and to the extent required by law.

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Section 6.02 **Amendment of Resolution.**

(a) Except as otherwise provided by this Section, this Resolution may not be amended without the consent of the Bond Owners of at least a majority in aggregate principal amount of the outstanding Bonds affected by such amendment.

(b) This Resolution may be amended without consent of or notice to the Bond Owners of outstanding Bonds if the Executive Director of the Authority first receives (i) Bond Counsel's opinion to the effect that such amendment will not constitute an Event of Taxability and (ii) Bond Counsel's opinion or written advice of the Attorney General to the effect that such amendment will not violate the terms of the Authorizing Law and other applicable State or federal law or adversely affect the rights of the Bond Owners of the outstanding Bonds under the Transaction Documents, including without limitation, amendments, changes or modifications to facilitate the economic and practical utilization of Bond Enhancement Agreements.

(c) Notwithstanding the foregoing, nothing contained in this Resolution or any Transaction Documents shall permit or be construed to permit, without the approval of the Bond Owners of all of the outstanding Bonds, the amendment of the terms and conditions of any Transaction Document or in any Bond so as to:

(1) Make any change in the maturity of the outstanding Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Bonds;

(3) Reduce the amount of the principal payable on the outstanding Bonds;

(4) Modify the terms of payment of principal, premium (if any), or interest on the outstanding Bonds, or impose any conditions with respect to such payment;

(5) Affect the rights of the Bond Owners of less than all of the Bonds then outstanding;

(6) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment; or

(7) Change the Pledged Revenues.

(d) No amendment to this Resolution shall take effect until the Executive Director obtains an opinion of Bond Counsel or the written advice of the Attorney General of Texas to the effect that such amendment will not violate this Resolution, the Authorizing Law or other applicable law and, upon obtaining the required Bond Owner consent (if any), will comply with the requirements of this Resolution for such amendment.

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Section 7.02 <u>Defeasance of Bond Obligations</u>.

(a) The Bond Obligations on any Bond (or Bonds) shall be deemed discharged when the following requirements have been satisfied:

(1) the payment of such Bond Obligations has been provided for by irrevocably depositing Sufficient Assets into the Interest and Sinking Fund or with the Paying Agent/Registrar or a financial institution or trust company designated by the Authority, which shall be held in trust in a separate escrow account and applied exclusively to the payment of such Bond Obligations;

(2) the Authority has received an opinion of Bond Counsel to the effect that:

(A) such deposit of Sufficient Assets:

(i) will not constitute an Event of Taxability; and

(ii) complies with State law; and

(B) all conditions precedent to such Bond Obligations being deemed discharged have been satisfied;

(3) all amounts (other than Bond Obligations) due, or reasonably estimated by the Paying Agent/Registrar to become due, under this Resolution with respect to such Bond(s) have been paid, or provision satisfactory to the Person to whom any such payment is or will be due for making such payment has been made; and

(4) the Paying Agent/Registrar has received such other documentation and assurance as the Paying Agent/Registrar reasonably may request.

(b) If a deposit of Sufficient Assets pursuant to this Section is to provide for the payment of Bond Obligations on less than all of the outstanding Bonds, the particular maturity or maturities of Bonds (or if less than all of a particular maturity, the principal amount within such maturity) shall be as specified by the Authority, and the particular Bonds (or portions thereof) shall be selected by the Paying Agent/Registrar by lot in such manner as the Paying Agent/Registrar shall determine (provided that a portion of a Bond may be redeemed only in an integral multiple of $5,000 principal amount).

(c) The Paying Agent/Registrar shall transfer funds from the Interest and Sinking Fund or the escrow account established pursuant to this Section (as applicable) at such times and in such amounts as necessary for the timely payment of the Bond Obligations on the Bond(s).

(d) To the extent permitted by law, the Paying Agent/Registrar, at the Executive Director's or other Authority Representative's direction, may substitute, for any of the securities or obligations deposited as Sufficient Assets pursuant to this Section, other securities or obligations constituting Sufficient Assets if, upon such substitution, the requirements of Subsection (a) of this Section are satisfied. Any net proceeds realized from such a substitution shall be paid to the Authority.

(e) The Authority retains the right to call any Bonds deemed discharged pursuant to this Section.

(f) If a provision of this Section conflicts with law, this Section shall be applied, to the maximum extent practicable, consistent with law.

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Section 9.01 <u>Acceleration of Bond Obligations</u>.

(a) Upon the occurrence of an Event of Default arising from the failure to (i) pay any Bond Obligations when due, or (ii) make a Lease Payment when due (other than as a result of an Event of Nonappropriation), at the Bond Owners' Direction, the Bond Obligations may be declared immediately due and payable, to the extent that the Legislature has appropriated funds for payment of the Lease, and thereupon such Bond Obligations shall be immediately due and payable to the extent that the Legislature has appropriated funds for such payment; provided, however that the occurrence of an Event of Default with respect to one Series of Bonds is not in and of itself an Event of Default with respect to another Series of Bonds.

(b) Any acceleration of Bond Obligations may be annulled at the Bond Owners' Direction delivered to the Executive Director. An annulment of an acceleration of Bond Obligations shall not affect any subsequent acceleration of Bond Obligations pursuant to this Resolution.

Section 9.02 <u>Enforcement of Rights and Remedies</u>.

(a) During the continuance of an Event of Default or an Event of Nonappropriation, the Bond Owners, as the pledgees and assignees for security purposes of all right, title, and interest of the Authority in and to the Pledged Security, acting pursuant to Bond Owners' Direction and upon compliance with applicable requirements of law, shall have standing and the exclusive right to enforce the rights and remedies of the Authority with respect to the Pledged Security to the extent permitted by law. The Authority shall cooperate in such enforcement to the extent permitted by law, but the Authority shall not be required to take any action in that connection except at the Bond Owners' Direction.

(b) During the continuance of an Event of Default or an Event of Nonappropriation, an agent of the Bond Owners may be appointed at the Bond Owners' Direction to exercise any rights and remedies available to such Bond Owners as though such agent were the Authority.

(c) Upon the occurrence of an Event of Default or an Event of Nonappropriation, any one or more of the following actions may be taken at the Bond Owners' Direction:

(1) by suit for injunction, or by other action or proceeding at law or in equity, enforce all rights of the Bond Owners or require the Authority to carry out any agreements with or for the benefit of the Bond Owners and to perform its duties under the Transaction Documents;

(2) by action in equity, enjoin any acts that may be unlawful or in violation of the rights of the Bond Owners;

(3) by out-of court proceeding or by suit, action, or other proceeding at law or in equity, enforce and exercise all rights of the Bond Owners and the Authority under the Transaction Documents; and

(4) upon the filing of a suit or commencement of any other action or proceeding to enforce the rights of the Authority or the Bond Owners, have a receiver appointed for the Pledged Security, with such powers as are provided by law and such additional powers as the court making such appointment may confer.

(d) In addition to the remedies provided under this Resolution, the Bond Owners, acting pursuant to a Bond Owner's Direction, may exercise any other rights and remedies afforded by law.

(e) To the extent permitted by law, any suit or other action or proceeding instituted by the Bond Owners may be instituted, if necessary, in the name of the Authority for the benefit of the Bond Owners.

(f) No delay or omission to exercise any right or power existing upon any breach of this Resolution or the Lease shall impair such right or power or constitute a waiver thereof, and each such right or power may be exercised as often as may be deemed expedient.

(g) Any judgment against the Authority shall be enforceable only against the Pledged Security applicable to the Bonds. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Authority, the Lessee, or the Comptroller or the State.

Section 9.03 Restoration of Rights.

If any action taken by the Bond Owners as a result of an Event of Default or Event of Nonappropriation is discontinued or abandoned for any reason, or is determined adversely to the Bond Owners, the Bond Owners shall be restored to their respective former positions and rights under the Transaction Documents, and all rights, remedies, and powers of the Bond Owners shall continue as though no such action had been taken.

Section 9.04 Bond Owner's Right to Enforce Payment.

This Resolution does not impair the right of any Bond Owner to enforce, by suit or otherwise, its right to payment of Bond Obligations.

Section 9.05 Remedies Nonexclusive.

No remedy available to the Bond Owners under the Transaction Documents is intended to be exclusive of any other remedy, except as expressly provided therein, and each such remedy shall be cumulative.

Section 9.06 Application of Funds Upon Enforcement of Remedies.

(a) Upon an acceleration of Bond Obligations pursuant to this Resolution, the Authority shall take all action permitted by law to transfer the Pledged Revenues held by it or on its behalf to the Interest and Sinking Fund.

(b) All funds received as a result of any action taken pursuant to this Article shall be deposited in the Interest and Sinking Fund.

(c) All funds deposited in the Interest and Sinking Fund pursuant to this Article (other than funds for the payment of Bonds that have matured or otherwise become payable prior to the Event of Default giving rise to such deposit or for the payment of interest due prior to such Event of Default) shall be applied as follows:

(1) first, to the payment of Bond Administration Costs;

(2) second, to the ratable payment of all unpaid interest due on the Bonds;

(3) third, to the payment of the unpaid principal of and premium (if any) on the Bonds that have become due, along with interest on such overdue principal from the respective dates upon which such principal became due, and, if the amount available is not sufficient to pay in full such amounts on any particular date, then to the payment ratably, according to the amount of principal due on such date, without any discrimination or privilege among the Bond Owners entitled to such payment; and

(4) fourth, to the Authority to be applied in accordance with law.

(d) Whenever funds are to be applied pursuant to this Section, such funds shall be applied as soon as practicable. Interest on any Bond Obligation paid with such funds on the date fixed by the Authority for such payment shall cease to accrue on such date.

(e) The Authority shall give such notice of its actions pursuant to this Section as it deems appropriate.

Section 9.07 Notice by Authority of Default or Nonappropriation.

Upon the occurrence and continuation of an Event of Default or an Event of Nonappropriation, known to the Authority, the Executive Director, within ten (10) days after the date of becoming aware of the occurrence thereof, shall notify, or cause the Paying Agent/Registrar to notify, each Bond Owner of such default or non-appropriation.

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC"), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only system has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds;

DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying/Agent Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a Series and maturity with the same interest rate are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed, unless a pro rata pass-through distribution of principal basis is selected in accordance with DTC's procedures.

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

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.