

OFFICIAL STATEMENT DATED OCTOBER 8, 2024

NEW ISSUE – Book-Entry-Only

Ratings: Fitch: “AA+”  
S&P: “AA+”  
(See “RATINGS” herein)

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



**TEXAS PUBLIC FINANCE AUTHORITY**

**\$102,900,000**

**Lease Revenue Refunding Bonds  
(Texas Facilities Commission),  
Series 2024**

**Interest Accrues from Date of Delivery**

**Due: As shown on page ii**

The Texas Public Finance Authority (the “Authority”) is issuing its Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024 (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 Chapter 1232, Texas Government Code, as amended (the “Texas Public Finance Authority Act”), the Appropriation Acts (defined herein), and Chapters 1207, 1371 and 2166, Texas Government Code, as amended (collectively with the Texas Public Finance Authority Act and the Appropriation Acts, the “Authorizing Law”). (See “PLAN OF FINANCE – Authority for Issuance”) The Bonds are being issued to (i) refund all or a portion of certain outstanding commercial paper notes of 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, in order to convert interim, variable-rate financing into long-term fixed-rate financing, and (ii) 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 February 1, 2025 until maturity or prior redemption. (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) REFINANCED WITH THE PROCEEDS OF THE BONDS. (SEE “THE BONDS – SOURCE OF PAYMENT OF THE BONDS” AND “PLAN OF FINANCE – SECURITY FOR THE BONDS”)**

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**MATURITY SCHEDULE, INTEREST RATES, INITIAL  
YIELDS AND OTHER TERMS FOR THE BONDS**

(See Page ii)

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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 opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel. Certain legal matters will be passed upon for the Authority by the General Counsel to the Authority and by Escamilla & Poneck, LLP, San Antonio, Texas, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Bracewell LLP, Houston, Texas. It is expected that the Bonds will be delivered on or about October 30, 2024 (the “Date of Delivery”) through the facilities of The Depository Trust Company, New York, New York.

**SIEBERT WILLIAMS SHANK & CO., LLC**

**WELLS FARGO SECURITIES  
MESIROW FINANCIAL, INC.**

**CABRERA CAPITAL MARKETS LLC  
STERN BROTHERS**

## MATURITY SCHEDULE

### TEXAS PUBLIC FINANCE AUTHORITY

**\$102,900,000**  
**Lease Revenue Refunding Bonds**  
**(Texas Facilities Commission),**  
**Series 2024**

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield<sup>(1)</sup></u>	<u>CUSIP No.<sup>(2)</sup></u>
2025	\$ 6,055,000	5.000%	3.340%	882669DG6
2026	6,055,000	5.000	2.720	882669DH4
2027	6,055,000	5.000	2.550	882669DJ0
2028	6,055,000	5.000	2.580	882669DK7
2029	6,055,000	5.000	2.600	882669DL5
2030	6,055,000	5.000	2.660	882669DM3
2031	6,055,000	5.000	2.790	882669DN1
2032	6,055,000	5.000	2.880	882669DP6
2033	6,055,000	5.000	2.950	882669DQ4
2034	6,055,000	5.000	3.020	882669DR2
2035	6,050,000	5.000	3.120	882669DS0
2036	6,050,000	5.000	3.180	882669DT8
2037	6,050,000	5.000	3.210	882669DU5
2038	6,050,000	5.000	3.260	882669DV3
2039	6,050,000	5.000	3.340	882669DW1
2040	6,050,000	5.000	3.420	882669DX9
2041	6,050,000	5.000	3.510	882669DY7

(Interest accrues from Date of Delivery)

**OPTIONAL REDEMPTION...** The Bonds maturing on and after February 1, 2034, 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, 2033, 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")

<sup>(1)</sup> Yields shown are calculated to the earlier of stated maturity or first available redemption date at par plus accrued interest.

<sup>(2)</sup> CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of The American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc., on behalf of The American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriters, the Authority or the Financial Advisor (defined herein) is responsible for the selection or correctness of the CUSIP numbers set forth herein.

**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<sup>(3)</sup>  
Ramon Manning – Vice-Chair  
Jay A. Riskind – Secretary  
Lance S. Etcheverry – Member  
Larry G. Holt – Member  
Shanda G. Perkins – Member  
Benjamin E. Streusand – Member

**CERTAIN OFFICERS**

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

**CONSULTANTS AND ADVISORS**

Financial Advisor..... Estrada Hinojosa  
Bond Counsel..... Orrick, Herrington & Sutcliffe LLP  
Disclosure Counsel.....Escamilla & Poneck, LLP

**FOR ADDITIONAL INFORMATION REGARDING THE AUTHORITY, PLEASE CONTACT:**

Lee Deviney Executive Director Texas Public Finance Authority 300 W. 15th Street, Suite 411 Austin, Texas 78701 (512) 463-5544	or	Paul Jack Senior Managing Director Estrada Hinojosa 3103 Bee Caves Road, Suite 133 Austin, Texas 78746 (512) 605-2444
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<sup>(3)</sup> Mr. Atkinson’s term of office expired on February 1, 2023. State law provides that a member of the Board whose term of office has expired remains in office until the earlier of (i) the date a successor is duly appointed and takes the oath of office, or (ii) the last day of the first regular session of the Texas Legislature which begins after the expiration of the term.

## **SALE AND DISTRIBUTION OF THE BONDS**

This Official Statement, which includes the cover page, schedules 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 D — 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 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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## 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 Schedules 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 Schedules and Appendices). Certain defined terms used in this Summary Statement are defined elsewhere in this Official Statement.

<b>Issuer</b>	Texas Public Finance Authority
<b>Lessee Agency</b>	Texas Facilities Commission
<b>Offering</b>	\$102,900,000 Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024 (the "Bonds").
<b>Maturity</b>	The Bonds are scheduled to mature on February 1 in each of the years 2025 through 2041, inclusive. (See "THE BONDS")
<b>Interest</b>	Interest on the Bonds accrues from the Date of Delivery and will be payable on February 1 and August 1 of each year, commencing February 1, 2025 until maturity or prior redemption. (See "THE BONDS")
<b>Redemption</b>	The Bonds maturing on and after February 1, 2034, 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, 2033, 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")
<b>Book-Entry-Only System</b>	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")
<b>Purpose</b>	The Bonds are being issued to (i) refund all or a portion of certain outstanding commercial paper notes 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, in order to convert interim, variable-rate financing into long-term fixed-rate financing, and (ii) pay the costs of issuing the Bonds. (See "PLAN OF FINANCE" and "SCHEDULE I — SCHEDULE OF REFUNDED NOTES")
<b>Source of Payment</b>	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; <b>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) refinanced with the proceeds of the Bonds.</b> (See "PLAN OF FINANCE," "THE BONDS – Source of Payment of the Bonds" and "– Limited Ability to Re-Lease Project")
<b>Ratings</b>	Fitch Ratings, Inc. ("Fitch") and S&P Global Ratings, a division of S&P Global Inc. ("S&P"), have assigned ratings of "AA+" 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 opinion of Orrick, Herrington & Sutcliffe 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

**\$102,900,000**

**Lease Revenue Refunding Bonds  
(Texas Facilities Commission),  
Series 2024**

### INTRODUCTION

#### General

The Texas Public Finance Authority (the "Authority") is issuing its Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024 (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), ACFR (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 "Texas Public Finance Authority Act"); the Appropriation Acts (as defined herein); Chapters 1207, 1371 and 2166 Texas Government Code, as amended (collectively with the Texas Public Finance Authority Act and the Appropriation Acts, the "Authorizing Law"); a bond resolution adopted by the Board on August 22, 2024 (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 all or a portion of certain outstanding commercial paper notes 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, in order to convert interim, variable-rate financing into long-term fixed-rate financing, and (ii) 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, as amended and restated on January 9, 2020 (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 \$200,000,000 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 \$1,242,855,581 (the "Authorized Amount") pursuant to the CP Resolution.

As of September 20, 2024, (i) the Authority's Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016A (Taxable) commercial paper notes (the "Taxable Notes") has no Taxable Notes outstanding and \$123,100,000 in aggregate principal amount 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 and (ii) the Authority has used \$813,300,000\* of the Authorized Amount to finance certain costs of the Project leaving \$420,971,040 of the Authorized Amount remaining. The Tax-Exempt Notes and the Taxable 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 Commercial Paper Notes pursuant to the CP Resolution, on behalf of the Facilities Commission in furtherance of Projects, 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, Previously Issued Parity Bonds, Additional Bonds and Commercial Paper Notes outstanding from time to time. (See "-- Security for the Bonds" and "THE LEASE")**

## **Termination of Tender and No Purchase of Target Bonds**

The Authority released an invitation to tender bonds, dated September 20, 2024 (the "Invitation"), to the beneficial owners of the Authority's Lease Revenue and Refunding Bonds (Texas Facilities Commission), Taxable Series 2020 (the "Target Bonds") on the terms set forth in the Invitation. Pursuant to the terms of the Invitation and certain other conditions described therein, the Authority announced the termination of the Invitation on October 7, 2024. As such, no Target Bonds will be purchased for cash from proceeds of the Bonds and the Target Bonds will remain outstanding.

This description is not intended to summarize the terms of the Invitation, or to solicit offers to tender Target Bonds.

Siebert Williams Shank & Co., LLC ("Siebert") acted as the sole dealer manager for the Invitation (the "Dealer Manager"). The Authority has agreed to reimburse the Dealer Manager for certain reasonable expenses it incurred as Dealer Manager. Such expenses will not be paid from proceeds of the Bonds but, rather, from other lawfully available funds of the Authority. Siebert is also the book-running senior manager of the Bonds. (See "UNDERWRITING")

## **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 in one or more separate special escrow accounts for the Refunded Notes (collectively, the "Escrow Fund") held with 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, if any, will be deposited with the Escrow Agent and invested in a portfolio of securities authorized by the CP Resolution (the "Escrowed Securities"). The Escrowed Securities will be sufficient together with uninvested funds to pay, when due, the principal of and interest on the Refunded Notes on their redemption date. See "SCHEDULE I – Schedule of Refunded Notes" for additional information concerning the Refunded Notes.

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\* This amount reflects the aggregate of the sum of Commercial Paper Notes issued to fund Project costs as well as the proceeds of certain fixed-rate bond issuances (i.e., the Refundable Bonds and the Previously Issued Parity Bonds) deposited into the Project Fund.

The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the Escrowed Securities, together with the uninvested funds, to provide for the payment of the Refunded Notes will be verified by Robert Thomas CPA, LLC (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. Money and Escrowed Securities on deposit in the Escrow Fund held by the Escrow Agent will not be available to pay debt service on the Bonds.

By the deposit of cash and Escrowed Securities 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 resolution authorizing their issuance. Bond Counsel will render an opinion to the effect that, in reliance upon the report of the Verification Agent 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 in escrow therefor.

**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 on behalf of the Facilities Commission in furtherance of Projects, subject to the Authorized Amount for Commercial Paper Notes 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, Previously Issued Parity 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 as follows:

<b>Sources of Funds</b>	
Principal Amount of the Bonds	\$102,900,000.00
Reoffering Premium	10,802,794.25
Authority Contribution	10,000,000.00
<b>Total</b>	<u>\$123,702,794.25</u>
<b>Uses of Funds</b>	
Deposit to Escrow Fund <sup>(1)</sup>	\$122,940,244.14
Costs of Issuance and other Fixed Expenses <sup>(2)</sup>	762,550.11
<b>Total</b>	<u>\$123,702,794.25</u>

<sup>(1)</sup> Includes interest expense payable on Refunded Notes from the Authority Contribution.

<sup>(2)</sup> 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 three commercial paper programs, namely: a lease-revenue commercial paper program, which is available for financing equipment acquisitions and for the construction or renovation of buildings; a general obligation commercial paper program for the Cancer Prevention and 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. Further, in 2021, the Authority created a nonprofit corporation, the Texas Natural Gas Securitization Finance Corporation, to issue customer rate relief bonds to recover certain extraordinary natural gas cost associated with the 2021 Winter Storm Uri, pursuant to H.B.1520, 87<sup>th</sup> Leg., R.S. (2021).

The Authority has issued revenue bonds on behalf of the Texas Parks & Wildlife Department, the Texas 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, the Texas Department of Transportation 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 Texas 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 Texas 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 Authority 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. The current members of the Authority Board, the office held by each member and the date on which each member's term expires are as follows:

<b>Name</b>	<b>Position</b>	<b>Term Expires (February 1)</b>
Billy M. Atkinson, Jr. <sup>(1)</sup>	Chair	2023
Ramon Manning	Vice-Chair	2027
Jay A. Riskind	Secretary	2029
Lance S. Etcheverry	Member	2025
Larry G. Holt	Member	2027
Shanda G. Perkins	Member	2025
Benjamin E. Streusand	Member	2025

- <sup>(1)</sup> State law provides that a member of the Authority Board whose term has expired remains in office until the earlier of (i) the date a successor is duly appointed by the Governor and takes the oath of office, or (ii) the last day of the first regular session of the Texas Legislature which begins after the expiration of the term.

The Authority generally employs approximately 15 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 Authority Board.

Lee Deviney, Executive Director. The Authority Board appointed Mr. Deviney as the Executive Director of the Texas Public Finance Authority on June 5, 2014. Previously, Mr. Deviney 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 held similar positions at the Texas Lottery Commission and the Texas Education Agency and has 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 Authority’s Finance and Accounting Team, which is responsible for debt service budgeting, arbitrage rebate compliance, the State of Texas Master Lease Program, 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 of 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, the Texas Fiscal Officers’ Academy (“TFOA”), and the Governor’s Executive Development Program. 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 served as President in 2006.

Kevin Van Oort, General Counsel. Mr. Van Oort has served as the Authority’s General Counsel since September, 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 Texas Legislature enacted the Texas Sunset Act (Chapter 325, Texas Government Code, as amended) (the “Sunset Act”), which provides that virtually all agencies of the State, including the Authority, are subject to periodic review of the Texas Legislature and that each agency subject to sunset review will be abolished unless the Texas Legislature specifically determines to continue its existence. The next sunset review of the Authority is scheduled to occur in 2029. The Texas Public Finance Authority Act, as amended by the 88th Texas Legislature, provides that if the Authority is not continued in existence, the Authority will cease to exist as of September 1, 2029;

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, 2030) in order to conclude its business.

Pursuant to the Texas Sunset Act, the Texas 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 Texas 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.

### **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 Texas Comptroller of Public Accounts (the "Comptroller"). 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 September 19, 2024, the Bond Review Board approved the issuance of 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.

### **The Texas Public Finance Authority Act; Payment and Approval of the Bonds**

Under the Texas Public Finance Authority Act, the Authority's power is limited to financing projects and does not affect the power of the Facilities Commission to carry out its statutory authority, including its authority 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. Accordingly, the Authority will not be responsible for supervising the construction and maintenance of any of the projects of the Facilities Commission.

Payments on the Bonds will be made solely from the Pledged Revenues. See "SECURITY FOR THE BONDS." Any default in payments on the Bonds will not affect the payment of any other obligations of the Authority.

## 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 2029. 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, 2029; however, the Texas Sunset Act provides that the Facilities Commission will exist until September 1 of the following year (September 1, 2030) in order to conclude its business.

**Project Financed by the Refunded Notes.** Proceeds of the Refunded Notes issued 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 the Lease Agreement dated June 18, 2019 and a Second Amendment to the Lease Agreement dated June 1, 2020, and as may be amended from time to time (collectively, the "Lease"). The Project includes the following: (i) Capitol Complex Utility Infrastructure, Phase One; (ii) Capitol Complex Office Building and Parking Garage, Phase One; (iii) Capitol Complex MLK Blvd; (iv) North Austin Campus New Building and Parking Garage, Phase One; and (v) Capitol Complex Office Buildings and Parking Garages, Phase Two; and North Austin Campus New Building and Parking Garages, Phase Two. (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 February 1, 2025 (each an "Interest Payment Date").

### Redemption

#### *Optional Redemption*

The Bonds maturing on and after February 1, 2034, 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, 2033, 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.

Not less than thirty (30) nor more than forty-five (45) days prior to a redemption date for any Bond, a notice of redemption will be sent in the name of the Authority to each Bond Owner of a Bond to be redeemed in whole or in part at the address of such Bond Owner appearing on the Register at the close of business on the Business Day next preceding the date such notice is sent. Such notice shall state the redemption date, the redemption price, the place at which such Bonds are to be surrendered for payment and, if less than all the Bonds outstanding are to be redeemed, the numbers of the Bonds or portions thereof to be redeemed. So long as the Bonds remain Book-Entry Bonds, the Authority shall only be required to send such notice of redemption to the Securities Depository (or its nominee). Any notice of redemption so sent as provided in this provision will be conclusively presumed to have been duly given, whether or not the Bond Owner receives such notice by the date fixed for redemption, and due provisions shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption, in whole or in part, and notice of redemption has been given as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

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

### **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 Parity Bonds and the Refundable 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 Parity Bonds or the Refundable Notes are 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 (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 Parity Bonds or Refundable 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 on behalf of the Facilities Commission in furtherance of Projects, subject to the Authorized Amount for Commercial Paper Notes 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, Previously Issued Parity 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 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 Texas Public Finance Authority Act 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 previously established an interest and sinking fund for the Parity Bonds issued as tax-exempt obligations, and an interest and sinking fund for the Parity Bonds issued as taxable bonds (together, the "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 applicable 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 applicable 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 applicable 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 applicable 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 insurance or condemnation 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 pro rata in each respective 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 refinanced by the Bonds. 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 Parity 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

Fitch Ratings, Inc. ("Fitch") and S&P Global Ratings ("S&P"), have assigned ratings of "AA+" 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

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix B hereto.

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority has made certain

representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

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

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

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

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

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## 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 Annual Comprehensive Financial Report ("ACFR"), 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](http://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](http://www.emma.msrb.org).

The quarterly Bond Appendix, if and when filed, the State's ACFR, 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, ACFR, 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

Siebert Williams Shank & Co., LLC ("Siebert"), 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 \$113,335,636.38 (which represents the par amount of the Bonds, plus a premium of \$10,802,794.25, and less an underwriting discount of \$367,157.87). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds, if any are purchased.

Siebert, the book-running senior manager for the Bonds, also acted as the Dealer Manager in connection with the terminated Invitation. The Authority has agreed to reimburse the Dealer Manager for certain reasonable expenses it incurred as Dealer Manager. Such expenses will not be paid from proceeds of the Bonds but, rather, from other lawfully available funds of the Authority.

Stern Brothers & Co., an Underwriter of the Bonds, has entered into agreements (the "Stern Brothers Agreement") each with InspereX LLC ("InspereX") and Wedbush Securities Inc. ("Wedbush") for the distribution of certain municipal securities offerings at the original issue price. Pursuant to each Stern Brothers Agreement, Stern Brothers & Co. may sell the Bonds to each InspereX and Wedbush and will share a portion of its selling concession compensation with each, if applicable.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

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.

## THE FINANCIAL ADVISOR

TRB Capital Markets, LLC, a wholly-owned subsidiary of Texas Regional Bank, and doing business as Estrada Hinojosa (the "Financial Advisor") is engaged 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 Orrick, Herrington & Sutcliffe 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 opinion 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 subcaption "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," (except for the third and fourth paragraphs thereof) 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 Escamilla & Poneck, LLP, San Antonio, 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 Bracewell LLP, Houston, 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 and Disclosure 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.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Robert Thomas CPA, LLC (the "Verification Agent"), will deliver to the Authority, on or before the settlement date of the Bonds, one or more verification reports indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash, and the maturing principal of and interest on the Escrowed Securities to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Notes. Such verification will be relied upon by Bond Counsel in rendering its opinions with respect to defeasance of the Refunded Notes.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Financial Advisor on behalf of the Authority. The Verification Agent has restricted its procedures to recalculating the computations provided by the Financial Advisor on behalf of the Authority and has not evaluated or examined the assumptions or information used in the computations.

### **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, ACFR, 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 Notes  
(Texas Facilities Commission Projects),  
Series 2016B (Tax-Exempt)**

<b><u>Issue Date</u></b>	<b><u>Maturity Date</u></b>	<b><u>Par Amount (\$)</u></b>	<b><u>CUSIP</u></b>
10/2/2024	1/22/2025	93,100,000	88266BBD0
10/3/2024	1/23/2025	30,000,000	88266BBE8

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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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2023
- Appendix A: The State of Texas (August 2024 as may be supplemented from time to time); and
- Each notice filed with the MSRB by the Comptroller since the end of the fiscal year of the State addressed in the foregoing ACFR.

These documents and any subsequently filed documents, if any, may be obtained by accessing EMMA at <https://emma.msrb.org/>, using the MSRB Quick Search function and entering the term "State of Texas Comptroller." 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, ACFR, 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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**Orrick, Herrington & Sutcliffe LLP**  
300 W. 6<sup>th</sup> Street  
Suite 1850  
Austin, Texas 78701  
+1 512 582 6950  
[orrick.com](http://orrick.com)

\_\_\_\_\_, 2024

TEXAS PUBLIC FINANCE AUTHORITY LEASE REVENUE REFUNDING BONDS  
(TEXAS FACILITIES COMMISSION), SERIES 2024

Ladies and Gentlemen:

We have acted as bond counsel to the Texas Public Finance Authority (the “Authority”) in connection with issuance of \$102,900,000 aggregate principal amount of Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024 (the “Bonds”), issued pursuant to a Bond Resolution adopted by the Board of Directors of the Authority on August 22, 2024 (the “Resolution”) and a Pricing Certificate of the Pricing Committee, dated as of October 8, 2024 (the “Pricing Certificate” and, together with the Resolution, the “Bond Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution.

In such connection, we have reviewed the Bond Resolution, the Tax Certificate of the Authority, dated the date hereof (the “Tax Certificate”), the report of Robert Thomas CPA, LLC (the “Verification Report”), which verifies the sufficiency of the deposits made with Texas Treasury Safekeeping Trust Company (the “Escrow Agent”) pursuant to an Escrow Agreement, dated as of \_\_\_\_\_, 2024, between the Authority and the Escrow Agent (the “Escrow Agreement”) for the defeasance of the Refunded Notes and the mathematical accuracy of certain computations of the yield on the Bonds and the obligations acquired with the proceeds of the Bonds, opinions of counsel to the Authority, certificates of the Authority, and others, and such other documents, certificates, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal



execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Bond Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against governmental entities such as the Authority in the State of Texas. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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 executed and delivered by, and constitutes a valid and binding agreement of, the Authority. The Authority has deposited with the Escrow Agent "Sufficient Assets" (as defined in the Authority's resolution for the Refunded Notes) the principal of and interest on which are sufficient to pay the principal of the Refunded Notes together with all interest accruing thereon to the maturity date of the Refunded Notes, and such deposit of Sufficient Assets will not adversely affect the excludability of interest on any Note from the gross income of the owner thereof for federal income tax purposes. In reliance upon the accuracy of the calculations contained in the Verification Report, the Refunded Notes, having been discharged and paid, are no longer deemed outstanding under the resolution for the Refunded Notes, and all conditions of the Authority's resolution for the Refunded Notes precedent to such Refunded Notes being deemed discharged have been satisfied.



4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

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## APPENDIX C

### DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION

The following capitalized terms appearing in this 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, the Refundable Notes, and the Previously Issued Parity Bonds by Section 2.04 of this Resolution.

**"Appropriation Acts"** means H.B. 1, 84th Legislature, Regular Session, Article I, pg. I- 45, Rider 19 (2015), S.B. 1, 85th Legislature, Regular Session, Article I, pg. I-46, Rider 16 (2017), and H.B. 1, 86th Legislature, Regular Session, Article I, Sec. 1, pg. I-43, Rider 3 (items a(1) and a(2)) and Article I, Sec. 1, pg. I-46, Rider 16 (2019), S.B. 1, 87th Legislature, Regular Session, Article I, pg. I-43, Rider 3 and Article I, pg. I-47, Rider 16 (2021), and H.B. 1, 88th Legislature, Regular Session, Article I, pg. I-45, Rider 3 and Article I, pg. I-49, Rider 16 (2023).

**"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 Acts.

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

**"Bonds"** means the bonds specifically authorized to be issued in the Pricing Certificate and designated as "Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024 as authorized by the Resolution.

**"Book-Entry Bond"** means any Bond administered under a book-entry system pursuant to the 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 Refunding Bonds (Texas Facilities Commission) Series 2024 Costs of Issuance Fund created pursuant to Section 4.01 of the Resolution.

**"Deputy Director"** means the deputy director of the Authority.

**"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 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 Obligations, in substantially the 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 of the Refunded Obligations.

**"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 the Resolution, with such insertions and variations as are permitted or required by the Resolution or the Pricing Certificate.

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

**"General Counsel"** means the general counsel of the Authority, or any individual or firm appointed by the Board to serve in such capacity.

**"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; and

(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.

**"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 Interest and Sinking Fund (Tax-Exempt Obligations) confirmed pursuant to Section 4.01 of the Resolution.

**"Interest Payment Date"** means February 1, and August 1, first commencing on February 1, 2025.

**"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, executed on June 21, 2016, between the Authority and the Lessee pertaining to the Financing of Certain Legislatively Approved Building Projects, as amended by the First Amendment to Lease Agreement between the Authority and the Lessee, executed on June 18, 2019, the Second Amendment to the Lease Agreement between the Authority and the Lessee, executed on June 1, 2020, and as may be subsequently amended from time to time.

**"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.

**"Majority Bond Owners' 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).

**"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 Previously Issued Parity Bonds, the Refundable Notes, the Bonds and any Additional Bonds.

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

**"Person"** means any individual, partnership, corporation, trust, 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 Parity Bonds and the Refundable 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 Parity Bonds or the Refundable 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 Parity Bonds or Refundable 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.

**"Previously Issued Parity Bonds"** means, collectively, (i) the "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2019," authorized on May 2, 2019, and issued in the original aggregate principal amount of \$249,135,000; and (ii) the Refundable 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 to the Resolution as Exhibit B.

**"Pricing Committee"** means Lance S. Etcheverry (Chair), Benjamin E. Streusand, and Larry G. Holt and, 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.

**"Purchase Contract"** means the agreement between the Authority and the Purchaser, for the purchase of Bonds, 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 the Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission) Series 2024 Rebate Fund created pursuant to Section 4.01 of the Resolution.

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

**"Refundable Bonds"** means the outstanding "Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission), Taxable Series 2020" authorized pursuant to a resolution adopted by the Authority on November 5, 2020.

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

**"Refunded Bonds"** means all or any portion of the Refundable Bonds, which are selected to be refunded by the Authority in accordance with Section 2.02(c) of the Resolution and as identified in the Pricing Certificate.

**"Refunded Notes"** means all or any portion of Refundable Notes which are selected for refunding in accordance with Section 2.02(c) of the 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 the 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 Parity Bonds.

**"Resolution"** means the 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.

**"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.

**"Transaction Documents"** means collectively, the 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 Authorization and Purpose.**

(a) There is hereby authorized to be issued pursuant to the Authorizing Law, one or more Series of Bonds, in the maximum aggregate principal amount not to exceed \$275,000,000, to provide funds for the purpose of (i) refunding all or a portion of the Refundable Notes in order to convert interim, variable-rate financing into long-term fixed-rate financing, (ii) refunding, including purchase through a tender offer, all or a portion of the Refundable Bonds, as further specified in the Pricing Certificate, in order to achieve a present value debt service savings and (iii) 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. Such designation shall include the year in which each Series is issued. 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 the first anniversary of the date of adoption of this Resolution (the "Expiration Date"). Bonds sold pursuant to a Purchase Contract executed on or before the Expiration Date may be delivered after such date.

(b) The Authority hereby calls the Refunded Obligations for redemption on the dates and for the prices set forth in the Pricing Certificate, a form of which is attached hereto as Exhibit B.

#### **Section 2.03 Security for the Bonds.**

(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, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such 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 such pledge to occur.

#### **Section 2.04 Additional Parity Bonds.**

(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 the resolution authorizing the issuance of the Refundable Notes, as amended and restated on January 9, 2020, the principal amount of all Parity Bonds issued by the Authority shall count against and limit the "Program amount" authorized to be issued as Refundable Notes as provided in such section; provided, however, the principal amount of Parity Bonds issued to defease outstanding Refundable Notes shall not count against and limit the "Program amount" if, prior to the issuance of such Parity Bonds, the "Program amount" was already limited by the principal amount of the Refundable Notes to be defeased.

**Section 2.05     Ratification of Lease.**

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 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 in connection with the issuance of the Bonds.

**Section 2.08     Administration of Tender Solicitation**

In determining all or part of the particular Refundable Bonds to be considered by the Pricing Committee for designation as Refunded Bonds and refunded by a Series of Bonds, the Authority Representative may utilize a tender program pursuant to which the holders of all or part of the Refundable Bonds are given the opportunity to tender such Refundable Bonds for purchase for cancellation or redemption. The Authority Representative is hereby authorized to determine which Refundable Bonds are to be included in any offer under such tender program and to enter into any dealer manager agreement with a dealer manager and necessary tender agreement with a tender agent to accomplish the refunding of any Refundable Bonds pursuant to such tender program. The Pricing Committee is authorized to determine the price at which offers will be made under the tender program (which price shall not exceed 100% of par of the Refundable Bonds) or to determine the method for establishing such price, provided that (a) savings requirement set forth in Section 2.02(c)(3) hereof is satisfied and (b) the principal amount of Refundable Bonds purchased for refunding must not be less than \$30,000,000 and shall not exceed \$150,000,000. Such refunding may be accomplished through the redemption or purchase and cancellation of the Refundable Bonds actually selected for redemption or purchase and tendered by the holders thereof and purchased. A refunding of Refundable Bonds also may be accomplished, as determined by the Pricing Committee, through the issuance of Bonds as exchange refunding bonds to be exchanged for Refundable Bonds. The Authority Representative is authorized to provide for and oversee the preparation of a disclosure statement and any related materials in connection with any tender program contemplated by this Resolution, and to approve such disclosure statement and related materials, deem them final and provide them to holders of Refundable Bonds anticipated to be participants in any tender program contemplated by this Resolution. Notwithstanding any provision of this Resolution to the contrary, the purchase for cancellation or redemption of Refunded Bonds shall be accomplished in accordance with the terms established pursuant to a tender program under this Section 2.08, as applicable, and the provisions of Sections 4.01(e) and 10.05 shall not apply to such Refunded Bonds unless otherwise determined by an Authority Representative.

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**Section 3.01     Execution.**

(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 Ownership.**

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 Creation and Reaffirmation of Funds.**

(a) The “Texas Public Finance Authority Lease Revenue and Refunding Bonds Interest and Sinking Fund (Tax-Exempt Obligations)” previously established is hereby confirmed and shall be maintained for any Parity Bonds issued as tax-exempt obligations, including the Bonds:

(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 Bonds in an amount greater than zero:

(1) the “Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission) Series 2024 Costs of Issuance Fund”; and

(2) the “Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission) Series 2024 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.

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 a deficiency in the Interest and Sinking Fund exists following a Rent Payment Date but before the date that payment of the principal of, premium, if any, and interest on the Bonds next comes due, the Executive Director shall provide written instructions to the Comptroller to transfer funds to the Interest and Sinking Fund from funds lawfully appropriated or other funds lawfully available to the Lessee. Upon receipt of such written instructions, the Comptroller, in accordance with its statutory duties as sole accounting officer of the State, will transfer funds to the Interest and Sinking Fund as directed by the Lessee.

**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. Any amounts remaining in the Interest and Sinking Fund after the defeasance of all Bond Obligations shall be transferred at the direction of the Authority in accordance with applicable law.

**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 Defeasance of Bond Obligations.**

(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 Acceleration of Bond Obligations.**

(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 Majority 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 solely 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 or outstanding Refundable Notes.

(b) Any acceleration of Bond Obligations may be annulled at the Majority 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 Enforcement of Rights and Remedies.**

(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 a Majority 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 Majority 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 Majority 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 Majority 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 Majority Bond Owners' 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](http://www.dtcc.com).

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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.



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