

RESOLUTION NO. 153-2024

RESOLUTION APPROVING AN ORDER OF THE ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT AUTHORIZING THE ISSUANCE OF THE DISTRICT'S VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council (the "Council") of the City of Abilene, Texas (the "City"), and the Commissioners Court (the "Commissioners Court") of Taylor County, Texas (the "County") previously adopted concurrent Resolutions (the "Resolutions") creating the Abilene-Taylor County Events Venue District (the "District");

WHEREAS, the District has organized pursuant to the provisions of the Resolutions and Chapters 334 and 335 of the Local Government Code, as amended (the "Act");

WHEREAS, the Board of Directors of the District (the "Board") called an election on November 7, 2023 (the "Election") on the question of authorizing the District to finance a venue project for the planning, acquisition, establishment, development, construction, renovation, maintenance and/or operation of the City of Abilene Frontier Texas!, a museum and visitors center for transportation and Western Heritage; and the Expo Center of Taylor County; together with related infrastructure and other related improvements (the "Venue Project"), and to impose a hotel occupancy tax at a maximum rate of two percent (2%) of the price paid for a room in a hotel in the City and the County for the purpose of financing the Venue Project, as provided by the Act;

WHEREAS, a majority of voters in the District approved the Venue Project and the imposition of the tax therefor;

WHEREAS, there has been presented to this City Council an order (the "Bond Order") adopted by the Board of Directors of the District authorizing the issuance and sale of the District's Venue Tax Revenue Bond (Hotel Occupancy Tax), Series 2024 (the "Bond") for the purposes of financing the Venue Project and paying costs of issuance in connection therewith;

WHEREAS, this City Council finds and determines that it is necessary and appropriate to approve the Bond Order for the purposes hereinabove provided; Now, Therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Section 1. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Bond Order, attached hereto as Exhibit A, is hereby approved and the issuance of the Bond by the District in the principal amount and with such other terms as may be set forth in the Bond Order, for the purpose financing the Venue Project and to pay costs of issuance of the Bond, is hereby approved; and said Bond Order, the Bond and the expenditure of funds of the District in connection therewith are hereby approved.

Section 2. The Mayor, City Secretary and any other officer or employee of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution.


Section 3. This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ABILENE,
TEXAS, this 27th day of June, 2024.

ATTEST:

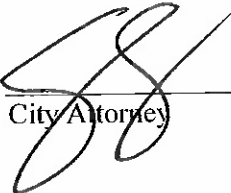


City Secretary



Mayor

APPROVED:



City Attorney

[CITY SEAL]



Exhibit A
Venue District Bond Order

ORDER AUTHORIZING THE ISSUANCE OF ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; PROVIDING AN EFFECTIVE DATE AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council of the City of Abilene, Texas (the "City"), and the Commissioners Court of Taylor County, Texas (the "County") have adopted concurrent Resolutions (the "Resolutions") creating Abilene-Taylor County Events Venue District (the "District" or the "Issuer");

WHEREAS, the District has organized pursuant to the provisions of the Resolutions and Chapters 334 and 335 of the Local Government Code, as amended (the "Act"); and

WHEREAS, in 2003, the Board of Directors (the "Board") of the District declared as a venue project the planning, acquisition, establishment, development, construction, renovation and/or operation of Frontier Texas!, a museum and visitors center for transportation and Western Heritage; improvements to the Taylor County Expo Center and Shotwell Stadium, such as paving of the parking area, together with related infrastructure and other related improvements (the "Prior Venue Project"); and

WHEREAS, on February 7, 2004, the voters of the City and County approved a single proposition authorizing the Prior Venue Project and the imposition of a hotel occupancy tax at a maximum rate of two percent (2%) in the City and the County for the purpose of financing and operating the Prior Venue Project (the "Prior Venue Tax"), which Prior Venue Tax became effective April 1, 2004; and

WHEREAS, in June 2004, the District issued its Abilene-Taylor County Events Venue District Hotel Occupancy Tax Revenue Bonds, Series 2004 (the "2004 Bonds") that are secured by the Prior Venue Tax; and

WHEREAS, the Prior Venue Tax terminated upon the final maturity of the 2004 Bonds on June 15, 2024 pursuant to Section 334.257 of the Local Government Code, as amended; and

WHEREAS, the Board adopted a Resolution on June 12, 2023 (the "Venue Designation Resolution") to provide for the planning, acquisition, establishment, development, construction, renovation, maintenance and/or operation of: Frontier Texas!, a museum and visitors center for transportation and Western Heritage; and the Expo Center of Taylor County; together with related infrastructure and other related improvements (the "Venue Project"); and

WHEREAS, in the Venue Designation Resolution, the Board declared its intent to finance the Venue Project with the imposition of a hotel occupancy tax at a maximum rate of two percent (2%) of the price paid for a room in a hotel in the City and County, as provided by the Act, which tax would be imposed after the 2004 Bonds mature and the Prior Venue Tax terminates (the "Venue Tax"); and

WHEREAS, by letter dated June 16, 2023, the Texas Comptroller of Public Accounts (the "Comptroller") notified the District of the Comptroller's determination that approval and implementation of the Venue Designation Resolution and the Venue Project would have no significant negative fiscal impact on state revenue; and

WHEREAS, on August 7, 2023, the Board adopted an order calling a special election to be held on November 7, 2023 (the "Election"), at which all qualified voters of the District had the opportunity to vote on the questions of approving the financing of the Venue Project and imposing the Venue Tax; and

WHEREAS, at the Election, a majority of the voters of the District voting in the election voted in favor of the proposition authorizing the Venue Project and the imposition of the Venue Tax; and

WHEREAS, the Board canvassed the returns of the Election and declared the favorable results of the Election on November 20, 2023; and

WHEREAS, the Board found and determined that it was in the best interests of the District to impose the Venue Tax authorized by the voters at the Election with the revenue from such taxes to be pledged as security for and payment of revenue bonds, the proceeds of which shall benefit the Venue Project; and

WHEREAS, the Board adopted an order on April 3, 2024 imposing the Venue Tax (the "Venue Tax Order"); and

WHEREAS, in accordance with the election, the Venue Tax Order and the Act District began collecting the Venue Tax and depositing such collections in the Venue HOT Account within the Venue Project Fund for purposes of paying costs of the Venue Project, including the payment of the proposed bond; and

WHEREAS, the Act authorizes the District to "issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of the approved venue project" and provides that "bonds or other obligations must be payable from and secured by the revenues in the venue project fund"; and

WHEREAS, pursuant to the Act, the Board now seeks to authorize the issuance of a revenue bond secured by the Venue Tax (the "Bond") to fund the costs of the Venue Project; and

WHEREAS, it is now deemed necessary and advisable that said Bond be issued for the purpose set forth herein, in the amount and with the terms to be provided herein; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT:

Section 1. RECITALS, AMOUNT, AND PURPOSE OF THE BOND AND DEFINITIONS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(a) The Bond of the Issuer is hereby authorized to be issued and delivered in the aggregate principal amount of \$2,095,000 for the Venue Project and paying costs of issuing the Bond.

(b) When used herein, the following defined terms shall have the meanings ascribed thereto:

"2024 Construction Account" means the account within the Venue Project Fund created in Section 7 this Order.

"Bond" means, the Abilene-Taylor County Events Venue District Venue Tax Revenue Bond (Hotel Occupancy Tax), Series 2024 authorized by this Order.

“*Board*” means the governing body of the Issuer.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules promulgated in connection therewith.

“*Defeasance Securities*” means a security described in Section 17 of this Order.

“*Depository*” means one or more official depository banks of the Issuer.

“*Event of Default*” means an event as described in Section 29 of this Order.

“*Holder*” or “*Holder*s” means the registered owner, whose name appears in the Registration Books, for the Bond or any additional bond.

“*Interest and Sinking Fund*” means the special fund created and maintained pursuant to the provisions of Sections 6 and 9 of this Order.

“*Issuer*” means the Abilene-Taylor County Events Venue District.

“*Order*” means this Order finally adopted by the Board on June 17, 2024.

“*Paying Agent/Registrar*” means First Financial Trust and Asset Management Company, Abilene, Texas.

“*Permitted Investments*” means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended or other applicable law.

“*Pledged Revenues*” means those revenues derived throughout the District from the imposition of the Venue Tax.

“*Record Date*” means Record Date as defined in the Form of Bond attached hereto.

“*Registration Books*” means the books or records for the registration of the transfer, conversion and exchange of the Bond kept by the Paying Agent/Registrar.

“*Venue HOT Account*” means the account created in the Venue Tax Order and continued in Sections 6(b) and 7(b) of this Order.

“*Venue Project*” has the meaning set forth in the recitals of this Order.

“*Venue Project Fund*” means the fund created in the Venue Tax Order and continued in Section 6(a) of this Order.

“*Venue Tax*” means the additional hotel occupancy tax imposed in the District at a rate not to exceed two percent (2%) for the purpose of financing the Venue Project as set forth in the Venue Tax Order.

“*Venue Tax Order*” means the order of the Board adopted on April 3, 2024 imposing the Venue Tax;

“*Year*” means the regular fiscal or calendar year used by the Issuer or any twelve consecutive month period established by the Issuer.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, MATURITY AND INTEREST RATE OF BOND. The bond issued pursuant to this Order shall be designated: "VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024," and there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated July 25, 2024, in the denomination and principal amount of \$2,095,000, numbered R-1, with any bond issued in replacement thereof being in the denomination of the full principal amount of the series of which the bond is issued and numbered consecutively from R-2 upward, payable in installments to the registered owner thereof, or to the registered assignee of said bond (in each case, the "Registered Owner"). Principal of said Bond shall mature and be payable in installments on the dates and in the amounts stated in the FORM OF BOND set forth in this Order.

The Bond shall bear interest on the unpaid balance of the principal amount thereof, from the date of delivery to the scheduled due date of the principal installments of the Bond, at the rate of interest stated in the FORM OF BOND set forth in this Order. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this ORDER.

The term "Bond" as used in this Order shall mean and include collectively the bond initially issued and delivered pursuant to this Order and any substitute bond exchanged therefor, as well as any other substitute or replacement bond issued pursuant hereto, and the term "Bond" shall mean any such bond.

Section 3. CHARACTERISTICS OF THE BOND. (a) Registration, Transfer, Conversion, and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion, and exchange of the Bond (the "Registration Books"), and the Paying Agent/Registrar shall keep such books or records and make such registrations of transfers, conversions, and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions, and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of the Bond shall be made within three (3) business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange, and delivery of a substitute Bond shall be paid as provided in the FORM OF BOND set forth in this Order. Registration of assignments, transfers, conversions, and exchanges of the Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel a bond paid or surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201,

Texas Government Code, the duty of conversion and exchange of the Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

The Bond may be transferred and registered in the name of the new registered owner in whole but not in part. The Bond may only be transferred to: (i) an affiliate of the Purchaser (defined herein); (ii) a "Bank" as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the "Securities Act"); (iii) an "Accredited Investor" as defined in Regulation D under the Securities Act; or (iv) a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act.

(b) Paying Agent. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bond, and of all conversions and exchanges the Bond, and all replacements the Bond, as provided in this Order. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Registered Owner thereof, (ii) may or shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for another Bond, (v) shall have the characteristics, (vi) shall be signed, sealed, executed, and authenticated, (vii) shall have principal and interest payable, and (viii) shall be administered by the Paying Agent/Registrar, and the Issuer shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Order. The Bond initially issued and delivered pursuant to this Order is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond issued under this Order the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Bond that at all times while the Bond is outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bond under this Order, and that the Paying Agent/Registrar will be one such entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than fifteen (15) days notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bond, to the new Paying Agent/Registrar designated and appointed by the

Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bond, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(e) Authentication. Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Order, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on the Bond. In lieu of the executed Certificate of Paying Agent/Registrar described above, the initial Bond delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Order, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Delivery of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bond, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the President and Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such Purchaser or its designee.

Section 4. FORM OF BOND. The form of the Bond, including the form of Payment Record, the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bond initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Order:

UNITED STATES OF AMERICA
STATE OF TEXAS
ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT
VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024

NO. R-1

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL
AMOUNT
\$2,095,000_

<u>INTEREST RATE</u>	<u>ISSUANCE DATE</u>	<u>MATURITY DATE</u>
5.50%	July 25, 2024	June 15, 2044

REGISTERED OWNER: FIRST FINANCIAL TRUST AND ASSET MANAGEMENT COMPANY

PRINCIPAL AMOUNT: TWO MILLION NINETY-FIVE THOUSAND DOLLARS

ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assign (the "Registered Owner"), the principal amount specified above, and to pay interest thereon, from the Issuance Date set forth above, on the principal amount, at the interest rate per annum set forth above, calculated on the basis of a 360-day year of twelve 30-day months. The unpaid principal of this Bond shall finally mature on the Maturity Date set forth above and shall be payable in installments on the dates and in the amounts set forth in the table below:

Payment Date(06/15)	Principal Installment(\$)
2025	70,000
2026	65,000
2027	65,000
2028	70,000
2029	75,000
2030	80,000
2031	85,000
2032	85,000
2033	90,000
2034	95,000
2035	100,000
2036	110,000
2037	115,000
2038	120,000
2039	125,000
2040	135,000
2041	140,000
2042	150,000
2043	155,000
2044	165,000

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Bond on December 15, 2024, and on each June 15 and December 15 thereafter to the date of maturity. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the principal office of First Financial Trust and Asset Management Company, Abilene, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered

Owner hereof on each principal and interest payment date by wire, check or draft, dated as of such principal and interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the order authorizing the Bond (the "Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such wire, check or draft shall be sent by the Paying Agent/Registrar by wire transfer pursuant to instructions provided by the Registered Owner hereof or by United States mail, first-class postage prepaid, on each such payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

UPON THE PAYMENT of this Bond, the Paying Agent/Registrar shall note in the Payment Record appearing on a copy of this Bond the amount of such payment and the date said payment was made and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Bond Registration Books.

ANY ACCRUED INTEREST due in connection with the final installment of principal of this Bond, shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated as of July 25, 2024, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$2,095,000 for the purpose of providing funds for the Venue Project authorized at the November 7, 2023 election, and to pay costs of issuance of the Bond.

ON JUNE 15, 2034, or any date thereafter, the unpaid principal installments of this Bond may be redeemed prior to their scheduled maturity, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular principal installments or portions thereof, to be redeemed shall be selected and designated by the Issuer, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST FIFTEEN (15) days prior to the date fixed for any optional redemption of this Bond or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of this Bond at its address as it appeared on the Registration Books on the day such notice of redemption is mailed; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of this Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or portions thereof which are to be so redeemed. If such written notice of redemption is sent, if due provision for such payment is made and the redemption price is paid to the Registered Owner hereof, all as provided above, this Bond or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding. Such notice may be made conditional upon the receipt of funds being made available to effect such optional redemption.

UPON THE PREPAYMENT or partial redemption of this Bond, the Paying Agent/Registrar, shall note in the Payment Record appearing on a copy of this Bond the amount of such prepayment, the date said payment was made and the remaining unpaid principal balance of this Bond and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Registration Books, and the Paying Agent/Registrar shall also record in the Registration Books and on the Payment Record all payments of principal installments on such Bond when made on their respective due dates.

THIS BOND IS ISSUABLE solely as a fully registered bond, without interest coupons in the denomination in the full principal amount set forth above. As provided in the Order, this Bond, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of a fully registered Bond, without interest coupons, payable to the Registered Owner or assignee, as the case may be, having the same denomination, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in the form attached to this Bond and with guarantee of signatures, evidencing assignment of this Bond to the assignee in whose name this Bond hereof is to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring and exchanging any Bond will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT any Paying Agent/Registrar for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the Registered Owner of this Bond.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Order until the Certificate of Authentication shall have been executed by the

Paying Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law.

THE BOND is a special obligation of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues as defined and as more fully set forth in the Bond Order. Reference is hereby made to the Bond Order for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one.

THE ISSUER EXPRESSLY RESERVES the right to issue further and additional obligations equally secured by a lien on and pledge of the Pledged Revenues on a parity or subordinate with the Bond without restriction.

THE ISSUER HAS RESERVED THE RIGHT to amend the Order as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owner of this Bond.

BY BECOMING the Registered Owner of this Bond, the Registered Owner hereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, acknowledges that the Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Order constitute a contract between the Registered Owner hereof and the Issuer.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation or from any sources whatsoever other than those described in the Bond Order.

The Bond was delivered to and paid for by the Purchaser thereof on the Issuance Date set forth above.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)

(signature)

Secretary, Board of Directors

President, Board of Directors

(SEAL)

FORM OF PAYMENT RECORD
PAYMENT RECORD

Date of Payment	Principal Payments (amount and installment(s) to which payment is applied)	Name and Title of Authorized Officer Making Entry	Signature of Authorized Officer
_____	_____	_____	_____

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

FIRST FINANCIAL TRUST AND ASSET MANAGEMENT
COMPANY
Abilene, Texas
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code of Transferee)

_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to

register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

Section 5. PLEDGE OF PLEDGED REVENUES.

(a) The Issuer hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged to the payment and security of the Bond and any additional bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordered that the Bond, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the Issuer, and the lien created hereby on the Pledged Revenues for the payment and security of the Bond and any additional bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, shall be superior to the lien on and pledge of the Pledged Revenues securing payment of any subordinate obligations heretofore or hereafter issued by the Issuer.

(b) Chapter 1208, Government Code, applies to the issuance of the Bond and the pledge of the Pledged Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bond is outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Holders of the Bond a security interest in said pledge, the Issuer agrees to take such

measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. SPECIAL FUNDS AND ACCOUNTS. To provide for the payment of the Bond and any additional bonds issued in the future and the furtherance of the Venue Project there are hereby continued, created and/or established, and are hereby confirmed and ordered to be maintained so long as the Bond and any additional bonds are outstanding, the following limited special funds and accounts:

(a) The Abilene-Taylor County Events Venue District Venue Project Fund, hereinafter called the "Venue Project Fund."

(b) Within the Venue Project Fund, the Abilene-Taylor County Events Venue District Venue HOT Account, hereinafter called the "Venue HOT Account."

(c) Within the Venue Project Fund, the Abilene-Taylor County Events Venue District Venue Tax Revenue Bond (Hotel Occupancy Tax) Interest and Sinking Fund, hereinafter called the "Interest and Sinking Fund."

Each such Fund and Account shall be accounted for separate and apart from all other funds of the Issuer, and shall be maintained in a Depository of the Issuer.

Section 7. 2024 CONSTRUCTION ACCOUNT AND VENUE HOT ACCOUNT WITHIN THE VENUE PROJECT FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund within the Venue Project Fund to be entitled the "2024 Bond Construction Account" (the "2024 Construction Account") for use by the Issuer for payment of all lawful costs associated with the Venue Project pursuant to the Act and the Election and to pay the costs incurred in connection with the issuance of the Bond. The proceeds from the sale of the Bond shall be deposited in the 2024 Construction Account and further disbursed, on the date of closing, in the manner described in a letter of instructions or closing memorandum prepared by the Issuer's bond counsel, financial advisor or the initial purchaser of the Bond. The foregoing notwithstanding, any proceeds representing accrued interest or capitalized interest on the Bond shall be deposited on the date of closing to the credit of the Interest and Sinking Fund.

(b) The Issuer hereby continues the Venue HOT Account within the Venue Project Fund as created in the Venue Tax Order and hereby further covenants, agrees and establishes that the Pledged Revenues shall be deposited and credited to the Venue HOT Account within the Venue Project Fund immediately as collected and received.

Section 8. FLOW OF FUNDS.

(a) All Pledged Revenues deposited and credited to the Venue HOT Account shall be pledged and appropriated to the extent required for the payment of the amounts required to be deposited and credited to the Interest and Sinking Fund created and established for the payment of the Bond and any additional bonds issued by the Issuer as the same become due and payable.

(b) Any Pledged Revenues remaining in the Venue HOT Account after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used by the Issuer for the Venue Project and any other lawful purpose consistent with the Election.

Section 9. INTEREST AND SINKING FUND.

(a) For purposes of providing funds to pay the principal of, premium, if any, and interest on the Bond as the same become due and payable, including any mandatory sinking fund redemption or installment payments, the Issuer agrees that it shall maintain the Interest and Sinking Fund within the Venue Project Fund. The Issuer covenants to deposit and credit to the Interest and Sinking Fund prior to each principal, interest payment or redemption date from the available Pledged Revenues an amount equal to one hundred percent (100%) of the amount required to fully pay the interest on and the principal of the Bond then coming due and payable.

(b) The required deposits and credits to the Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Interest and Sinking Fund is equal to the amount required to fully pay and discharge the Bond (principal, premium, if any, and interest) or (ii) the Bond (and any additional bonds issued) are no longer outstanding.

Section 10. RESERVED.

Section 11. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to the Bond and any additional bonds issued) to make the required deposits and credits to the Interest and Sinking Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to such funds.

(b) Excess Pledged Revenues. Subject to making the deposits and credits required by this Order or any orders authorizing the issuance of additional bonds, or the payments and credits required by the provisions of the orders authorizing the issuance of additional bonds heretofore or hereafter issued by the Issuer, the excess Pledged Revenues may be used for the Venue Project and any other lawful purpose consistent with the Election.

Section 12. INVESTMENT OF FUNDS; VALUATION; FUNDS SECURED; TRANSFER OF INVESTMENT INCOME.

(a) Moneys in any fund established pursuant to this Order may, at the option of the Issuer, be invested in Permitted Investments, provided that all such deposits and investments shall have a market value exclusive of accrued interest at all times at least equal to the amount of money credited to such funds, and shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. To the extent not invested, moneys in any fund established pursuant to this Order shall be secured in the manner prescribed by law for securing funds of the Issuer.

(b) All interest and income derived from such shall be credited to the Venue HOT Account semi-annually and shall constitute Pledged Revenues.

Section 13. PAYMENT OF THE BOND. While the Bond is outstanding, the Issuer shall transfer to the respective paying agent/registrars therefor, from funds on deposit in and credited to the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Bond as shall become due on each interest or principal payment date, or date of

redemption of the Bond; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrars for the Bond not later than the business day next preceding the date such payment is due on the Bond. The Paying Agent/Registrar shall destroy the Bond upon its final maturity and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 14. RESERVED.

Section 15. NO ISSUANCE OF OBLIGATIONS SENIOR TO THE BOND. The Issuer covenants and agrees that it will not issue any obligations payable from and secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, senior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Bond.

Section 16. ISSUANCE OF ADDITIONAL OBLIGATIONS. The Issuer hereby reserves the right to issue, at any time and without restriction, obligations including, but not limited to, other bonds or debt authorized by the laws of the State of Texas, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, on parity or subordinate and inferior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Bond.

Section 17. DEFEASANCE OF THE BOND. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a paying agent or escrow agent in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until the Defeased Bond shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bond, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem a Defeased Bond that is made in conjunction with the payment arrangements specified in (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bond for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bond immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bond and interest thereon, with respect to which such money has been so

deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of a Defeased Bond may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bond, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bond.

(d) Until the Defeased Bond shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bond the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Order.

Section 18. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BOND. (a) Replacement Bond. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bond. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bond shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing A Replacement Bond. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order.

(e) Authority for Issuing A Replacement Bond. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bond is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bond in the form and

manner and with the effect, as provided in Section 4(a) of this Order for a Bond issued in conversion and exchange for another Bond.

Section 19. CUSTODY, APPROVAL, AND REGISTRATION THE BOND; AND BOND COUNSEL'S OPINION. The President of the Board is hereby authorized to have control of the Bond initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending delivery and investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer, be printed on the Bond issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owner of the Bond.

Section 20. FEDERAL TAX COVENANTS. (a) General Tax Covenants Regarding Tax Exemption of Interest on the Bond. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bond as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bond or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bond, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bond or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bond (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bond being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bond being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bond, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment

property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bond, other than investment property acquired with --

(1) proceeds of the Bond invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bond is issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bond;

(vii) to otherwise restrict the use of the proceeds of the Bond or amounts treated as proceeds of the Bond, as may be necessary, so that the Bond do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Bond or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bond in contravention of the requirements of section 149(d) of the Code (relating to advance refundings), if applicable; and

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bond) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bond has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant, a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bond. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bond, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bond, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs any authorized officer to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bond. This Order is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects financed with the proceeds of the Bond on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Bond or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bond, or (2) the date the Bond is retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Bond or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the projects financed with the proceeds of the Bond will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bond. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bond. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 21. SALE OF THE BOND. The Bond is hereby initially sold and shall be delivered to First Financial Trust and Asset Management Company (the "Purchaser") for cash at a price of \$2,095,000, pursuant to the purchase agreement dated the date of the final passage of this Order. The President of the Board is hereby authorized to execute and deliver such agreement. The Bond shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 22. FURTHER PROCEDURES. (a) The President and Secretary of the Board, and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name, under the corporate seal, if necessary, and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Bond, and the sale of the Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Purchaser to accept delivery of the Bond is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bond to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bond is hereby approved and confirmed

Section 23. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule").

The Issuer is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the Issuer or the Bond.

Section 24. RESERVED

Section 25. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Order subject to the following terms and conditions, to wit:

(a) The Issuer may from time to time, without the consent of the Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the Registered Owner, (ii) grant additional rights or security for the benefit of the Registered Owner, (iii) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interests of the Registered Owner, (iv) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Order as shall not be materially inconsistent with the provisions of this Order and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owner.

(b) Except as provided in paragraph (a) above, the Registered Owner shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bond so as to:

- (1) Make any change in the maturity of the Bond;
- (2) Reduce the rate of interest borne by the Bond;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on the Bond;
- (4) Modify the terms of payment of principal of or interest or redemption premium, if any, on the Bond or impose any condition with respect to such payment; or
- (5) Change the requirement with respect to consent of the Registered Owner to any proposed amendment.

(c) If at any time the Issuer shall desire to amend this Order under this Section, the Issuer shall send by U.S. mail or other permitted electronic means to the Registered Owner a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of the Bond, which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the Issuer and the Registered Owner of the Bond shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of the Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer.

For the purposes of establishing ownership of the Bond, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 26. APPROPRIATION. To pay the debt service coming due on the Bond, if any (as determined by the Issuer) prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 27. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 28. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

Section 29. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on the Bond when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Issuer.

Section 30. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

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

Section 31. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall

be cumulative and shall be in addition to every other remedy given hereunder or under the Bond or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bond shall not be available as a remedy under this Order.

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

(c) By accepting the delivery of a Bond authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Board.
