
**RESOLUTION OF BOARD OF TRUSTEES
of
ODESSA JUNIOR COLLEGE DISTRICT**

AUTHORIZING THE ISSUANCE OF

**ODESSA JUNIOR COLLEGE DISTRICT
CONSOLIDATED FUND REVENUE BONDS, SERIES 2021**

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RESOLUTION AUTHORIZING THE ISSUANCE OF ODESSA JUNIOR COLLEGE DISTRICT CONSOLIDATED FUND REVENUE BONDS, SERIES 2021 IN ONE OR MORE SERIES AS TAXABLE AND/OR TAX-EXEMPT BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE ON BEHALF OF THE DISTRICT THE TERMS OF SALE OF THE BONDS AND THE OFFERING DOCUMENTS FOR THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS BY THE PRICING OFFICER, INCLUDING THE PURPOSES TO BE UNDERTAKEN WITH PROCEEDS; APPROVING THE USE OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; ENGAGING BOND COUNSEL; PLEDGING REVENUES AND PLEDGED FUNDS FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
ECTOR COUNTY §
ODESSA JUNIOR COLLEGE DISTRICT §

WHEREAS, the Board of Trustees (the "Board") of Odessa Junior College District (the "Issuer"), has heretofore established a financing system for the issuance of obligations secured by a first lien on and pledge of certain pledged revenues of the Issuer (the "Consolidated Fund Revenue Financing System"); and

WHEREAS, the Board has determined that it is advisable and in the best interests of the Issuer to issue bonds in accordance with the Consolidated Fund Revenue System to finance the construction of a health science building on its campus in Odessa, Texas (the "Project"); and

WHEREAS, the Board has previously issued the Issuer's Consolidated Fund Revenue Bonds, Series 2012 (the "Series 2012 Bonds") pursuant to the Consolidated Fund Revenue System, which bonds are secured by a first lien on and pledge of the Issuer's "Gross Revenues" and amounts on deposit in the "Pledged Funds" (as such terms are hereinafter defined) created for the benefit of the Series 2012 Bonds; and

WHEREAS, in addition to the issuance of bonds hereunder to pay costs of the Project, the Issuer now desires to authorize the refunding of all or part of the Series 2012 Bonds (as candidates for refunding, the Series 2012 Bonds are herein referred to as the "Eligible Refunded Obligations," and those Eligible Refunded Obligations selected by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the "Refunded Obligations"); and

WHEREAS, all the Eligible Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any paying agent for the refunded obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, and such deposit, if made before

such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the refunded obligations; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the Issuer to issue the bonds hereinafter authorized for the refunding purpose described above in accordance with the provisions of Chapter 1207 and in accordance with Section 130.123, Texas Education Code, as amended, and, in addition, for the purpose of funding the costs of the Project in accordance with the provisions of Sections 130.123 and 130.125, Texas Education Code, as amended; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the Issuer to issue the Bonds for the purposes stated above, and to delegate to the Pricing Officer the authority to act on behalf of the Issuer in selling and delivering the bonds authorized herein and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in a Pricing Certificate to be executed by the Pricing Officer; and

WHEREAS, the Bonds are to be issued and delivered pursuant to laws of the State of Texas, including particularly Chapter 1207 and Chapter 130, Texas Education Code, as amended, and specifically Sections 130.123 and 130.125 thereof and other applicable laws; and

WHEREAS, the capitalized terms used in this Resolution and not otherwise defined shall have the meaning given in Section 7 of this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ODESSA JUNIOR COLLEGE DISTRICT, THAT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS.

(a) 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.

(b) The bonds of the Odessa Junior College District (the "Bonds") are hereby authorized to be issued and delivered in the maximum aggregate principal amounts set forth in Section 3 hereof for the purpose of financing the construction of a health science building on its campus in Odessa, Texas, for refunding the Refunded Obligations and to pay the costs incurred in connection with the issuance of the Bonds.

(c) References herein to Sections shall mean the Sections of this Resolution.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "ODESSA JUNIOR COLLEGE DISTRICT CONSOLIDATED FUND REVENUE [IMPROVEMENT][REFUNDING] BONDS, [TAXABLE] [TAX-EXEMPT] SERIES 2021" (or as otherwise may be designated in the Pricing Certificate), and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable

to the respective registered owners thereof (with the initial bonds being made payable to the Purchaser), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 130.125(c), Texas Education Code, as amended, the President of Odessa College or the Chief Financial Officer of the Issuer are each individually hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"). The delegation made hereby shall expire if not exercised by the Pricing Officer, on or prior to a date that is six months after the date of adoption of this Resolution. The Bonds shall be designated and bear the title set forth in Section 2 hereof or such other title as may be deemed appropriate by the Pricing Officer. The determinations of the Pricing Officer with respect to the sale of the Bonds shall be set forth in a Pricing Certificate, which certificate shall supplement this Resolution.

(b) The authority of the Pricing Officer with respect to the sale of the Bonds to finance costs of the Project are subject to the following parameters:

(1) the aggregate principal amount of the Bonds issued under this clause (b) to finance costs of the Project shall not exceed \$35,000,000;

(2) proceeds of the Bonds shall be used for the purposes financing the Project, may include funding a debt service reserve fund associated with the issuance of such Bonds, if deemed in the best interest of the financing by the Pricing Officer, and to pay the costs of issuing such Bonds;

(3) the sale price of such Bonds issued under this clause (b) shall be not less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon, if any;

(4) the latest date for a Stated Maturity of the Bonds issued under this clause (b) shall not be later than July 1, 2036; and

(5) the maximum interest rate of any Bonds issued under this clause (b) shall not exceed 3.50% per annum.

(c) The authority of the Pricing Officer with respect to the sale of the Bonds to refund Eligible Refunded Obligations are subject to the following parameters:

- (1) the aggregate principal amount of the Bonds issued under this clause (c) to refund Eligible Refunded Obligations shall not exceed \$5,000,000;
- (2) proceeds of the Bonds issued under this clause (c), may include funding a debt service reserve fund associated with the issuance of such Bonds, if deemed in the best interest of the financing by the Pricing Officer, and to pay the costs of issuing such Bonds;
- (3) the sale price of such Bonds issued under this clause (c) shall be not less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon, if any;
- (4) the latest date for a Stated Maturity of the Bonds issued under this clause (c) shall not be later than July 1, 2034;
- (5) the maximum interest rate of any Bonds issued under this clause (c) shall not exceed 3.00% per annum; and
- (6) the refunding achieved by each series of Bonds sold for refunding purposes in accordance with this clause (c) must produce debt service savings of at least 5% measured on a present value basis as a percentage of the principal amount of the Refunded Obligations refunded with the applicable series of Bonds, and with such present value savings being net of any contribution of the Issuer to the refunding and net of the costs of issuance of such Bonds.

(d) In addition to such other delegations as may be set forth above and elsewhere in this Resolution, the Pricing Officer shall determine or provide for the following terms of the Bonds and the other agreements and actions pertaining to the issuance and sale of the Bonds:

- (1) determine whether Bonds shall be issued solely for financing costs of the Project or for refunding Eligible Refunding Obligations or for a combination of such purposes and whether Bonds shall be issued as a single series or in multiple series for such purposes and if Bonds are issued for the refunding purpose, determine which of the Eligible Refunded Obligations are to be selected as Refunded Obligations to be refunded and establish the terms of the defeasance and/or redemption thereof;
- (2) determine the Paying Agent/Registrar for each series and the Escrow Agent, if required in connection with the refunding of the Refunded Obligations, and the Pricing Officer or other Authorized Officer may execute each Paying Agent/Registrar Agreement (hereinafter defined) and the Escrow Agreement (hereinafter defined) on behalf of the Issuer;
- (3) determine whether a book-entry-only system shall not be used with respect to the one or more series of Bonds;

- (4) determine the Bond Date and the Record Date for each series;
- (5) determine any additional or different designation or title by which the Bonds of each series shall be known;
- (6) determine the principal amount of the Bonds to be issued subject to the respective parameters of clauses (b) and (c) above;
- (7) determine whether the Bonds of a series shall be issued as obligations the interest on which is exempt from federal income taxation or as obligations the interest on which is subject to federal income taxation (in which event, the covenants set forth in Section 25 shall not be applicable to such taxable Bonds);
- (8) determine whether the Bonds of a series shall be sold by private placement or by competitive or negotiated sale to the Purchasers and the terms to be included in a Purchase Agreement for the series, including the price to be paid for the Bonds subject to the parameters of clauses (b) and (c) above;
- (9) determine the rate or rates of interest to be borne by the Bonds of a series subject to the parameters of clauses (b) and (c) above;
- (10) determine the amount of each maturity of principal of the Bonds of a series and the Stated Maturity or Stated Maturities subject to the parameters of clauses (b) and (c) above;
- (11) determine the interest accrual and payment dates and periods for the Bonds of a series;
- (12) determine the dates, price and terms, if any, upon and at which the Bonds of a series shall be subject to redemption prior to maturity at the option of the Issuer and/or any mandatory sinking fund redemption provisions;
- (13) determine whether municipal bond insurance for the Bonds of a series is beneficial and shall be obtained and if so, approve modifications to this Resolution and execute such instruments, documents and agreements as may be necessary with respect thereto (any such modifications shall be set forth in the Pricing Certificate);
- (14) determine whether to fund a debt service reserve fund for the Bonds of a series, and if so, whether to fund it with (A) proceeds of the Bonds of such series, (B) providing for the accumulation over time from revenues of the Issuer, (C) a Reserve Fund Obligation or (D) some combination of (A), (B) and (C) (if a debt service reserve fund is not so created with respect to the Bonds of a series, the provisions of Section 12 shall not be applicable to the Bonds);

(15) determine whether modifications should be made to the Issuer's continuing disclosure undertaking as set forth in Section 31 for Bonds of a series (any such completions or modifications shall be set forth in the Pricing Certificate); and

(16) determine whether the types of securities and obligations that may be used as Defeasance Securities for Bonds of a series shall be limited.

In addition to the foregoing authorizations, the Pricing Officer and other Authorized Officers are authorized to execute on behalf of the Issuer all required documents required in connection with the issuance of the Bonds, including the Paying Agent/Registrar Agreement, the Escrow Agreement (if required in connection with the refunding of Refunded Obligations) and the Purchase Agreement, and, in general, the Pricing Officer shall make all determinations and effect all other matters relating to the issuance, sale and delivery of the Bonds. The Pricing Officer is further authorized, for and on behalf of the Issuer, to approve any notice of sale, official statement or other offering documents, and any supplements thereto relating to the Bonds.

(e) It is hereby found and determined that the refunding of the Refunded Obligations is advisable and necessary in order to restructure the debt service requirements of the Issuer, and that the debt service requirements on the Bonds issued for refunding purposes will be less than those on the Refunded Obligations, resulting in a reduction in the amount of principal and interest which otherwise would be payable. The Refunded Obligations are subject to redemption, at the option of the Issuer, and the Pricing Officer is hereby authorized to cause all of the Refunded Obligations to be called for redemption on the respective date or dates consistent with the savings analysis set forth in Section 3(c) hereof, and the proper notices of such redemption to be given, and in each case at a redemption price of par, plus accrued interest to the date fixed for redemption. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Pricing Officer is further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein, an escrow agreement, in substantially the form presented to the Board at the meeting at which this Order was adopted and as shall be approved by the Pricing Officer, which escrow agreement will provide for the payment in full of the Refunded Obligations (the "Escrow Agreement"). In addition, the Pricing Officer is authorized to purchase such securities with proceeds of Bonds issued for refunding purposes, including, without limitation, to execute such subscriptions for the purchase of the United States Treasury Securities State and Local Government Series or to purchase other eligible securities for the defeasance of the Refunded Obligations through direct purchase from the U.S. Treasury or through open market purchase, and to transfer and deposit such cash from available funds of the Issuer, as may be necessary or appropriate for the escrow fund described in the Escrow Agreement.

(f) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Board hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Resolution is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, in the Issuer's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 4. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the designated office the bank or banks named in the Pricing Certificate as the paying agent/registrar for one or more series of Bonds (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to 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 within three days of presentation in due and proper form. 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 Bonds 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. 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 Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in Section 4(e) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds 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 Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the applicable series of Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the

Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. 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 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.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are 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 Bonds under this Resolution, and that the Paying Agent/Registrar for a series of Bonds will be one entity. The Issuer reserves the right to, and may, at its option, change the applicable Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such 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 Resolution. 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 Bonds, 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 Bonds, 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 Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution 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 or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the

Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth in this Resolution.

(f) Book-Entry Only System. Subject to any contrary statement that may be contained in a Pricing Certificate, the Bonds issued in exchange for the Bonds initially issued to the purchaser specified in the Pricing Certificate shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(g) Registration and Payment of DTC Bonds. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(h) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the

beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(i) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(j) Cancellation of Initial Bonds. On the closing date, one initial Bond representing the entire principal amount of the Bonds of a series, payable in stated installments to the order of the initial purchaser of such Bonds or its designee, executed by manual or facsimile signature of the Chair and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to such purchaser or its designee. Upon payment for the initial Bond of a series, the Paying Agent/Registrar shall cancel the initial Bond and deliver to The Depository Trust Company ("DTC") on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds of such series, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of 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 said redemption may, at the option of the Issuer, 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 Issuer 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.

Section 5. FORM OF BONDS. The form of the Bonds, including form of the initial Bond, 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 to be attached to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The FORM OF BOND shall be completed with information set forth in the Pricing Certificate and shall be attached to the Pricing Certificate as an exhibit thereto.

(a) Form of Bond.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS	PRINCIPAL AMOUNT \$_____
	ODESSA JUNIOR COLLEGE DISTRICT CONSOLIDATED FUND REVENUE [IMPROVEMENT and/or REFUNDING] BOND [TAXABLE or TAX-EXEMPT] SERIES 2021	
INTEREST RATE	ISSUANCE DATE	MATURITY DATE
		CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, ODESSA JUNIOR COLLEGE DISTRICT, in Ector County, Texas (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from _____, on _____ and on each _____ and _____ thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

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 principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at a corporate trust office of _____, in _____, _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the order authorizing the issuance of the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the _____ 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, 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 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 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a 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.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein 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 Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, 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, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of _____, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the purpose of [providing funds to refund a portion of the Issuer's outstanding revenue bonds [and/or] \$_____ for the purpose of the acquisition, construction, renovation and

equipment of a health science building on its campus in Odessa, Texas], [to fund a debt service reserve fund for the Bonds of this series] and to pay the costs incurred in connection with the issuance of the Bonds.

THE BONDS of this series maturing on and after _____ may be redeemed on _____, or on any date thereafter, in whole or in part prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000 of principal amount). The Bonds selected for redemption shall be redeemed at the redemption price of the principal amount of such Bonds called for redemption, plus accrued interest thereon to the date fixed for redemption. If less than all Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

IN ADDITION TO THE FOREGOING OPTIONAL REDEMPTION, THE BONDS scheduled to mature on _____ in the years _____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Bonds Maturing _____, 2		Bonds Maturing _____, 2	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

⁽¹⁾ Final maturity of Bond.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Term Bonds that, at least 45 days prior to the mandatory sinking fund redemption date, shall have been (1) purchased by the Issuer and delivered to the Paying Agent/Registrar for redemption or (2) redeemed pursuant to the optional redemption provision described below and delivered to the Paying Agent/Registrar for cancellation.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, to each Registered Owner of a Bond to be redeemed, in whole or

in part, at the address of the Registered Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. 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 the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Bonds, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. 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 form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are 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 or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof 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, conversion 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 with respect to Bonds (i) 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, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, 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; that this Bond is secured by, and payable from a first lien on and pledge of the Issuer's "Gross Revenues" and amounts on deposit in the "Pledged Funds" created for the benefit of the Bonds (as such terms are defined in the Bond Resolution).

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE FROM THE GROSS REVENUES AND AMOUNTS ON DEPOSIT IN THE PLEDGED FUNDS, AND THE REGISTERED OWNERS THEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OUT OF FUNDS RAISED OR TO BE RAISED BY TAXATION.

THE ISSUER HAS RESERVED the right in the Bond Resolution, subject to certain conditions set forth therein, to issue obligations or incur indebtedness from time to time in the future on a parity with the Bonds with respect to the pledge of and lien on the Gross Revenues which secures the Bonds. The Issuer may also issue obligations or incur indebtedness which is secured on a junior and subordinate lien with respect to the Gross Revenues. The Bond Resolution further provides that the Issuer may create a debt service reserve fund and fund it or provide for it to be funded in connection with the issuance of any obligations or the incurrence of any indebtedness which possesses a lien on and pledge of the Gross Revenues on a parity with the Bonds, and that such reserve shall secure only the obligations or indebtedness for which it was funded or is to be funded. The Issuer [has/has not] created a debt service reserve fund for the benefit of the Bonds [and such fund secures only the Bonds and no series of Parity Obligations.]

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond Resolution as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution 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 Bond Resolution constitute a contract between each Registered Owner hereof and the Issuer.

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

Secretary, Board of Trustees

Chair, Board of Trustees

(SEAL)

(b) 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 Bond Resolution 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, bonds, or a portion of a bond or bonds of a Series which 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.

Date of authentication: _____.

_____,

_____, _____
Paying Agent/Registrar

By _____
Authorized Signatory

(c) 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

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.

(d) Form of Registration Certificate of the Comptroller of Public Accounts:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and 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)

(e) **Insertions for the initial Bond.**

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"ODESSA JUNIOR COLLEGE DISTRICT (the "Issuer"), being a political subdivision located in Ector County, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years of Maturity	Principal Installments	Interest Rates
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(Information for the Bonds from the Pricing Certificate to be inserted.)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____ at the respective Interest Rate per annum specified above. Interest is payable on _____, and on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1".

Section 7. DEFINITIONS. In addition to terms defined elsewhere in this Resolution, unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Resolution, or any resolution amendatory or supplemental hereto, shall be construed, are used, and are intended to have meanings as follows:

"Act" - Chapter 130, Texas Education Code, specifically Sections 130.123 and 130.125 thereof.

"Amortization Installment" - With respect to any Term Bonds of any series of Parity Obligations, the amount of money which is required to be deposited into a mandatory redemption account for retirement of such Term Bonds (whether at maturity or by mandatory redemption and

including redemption premium, if any) provided that the total Amortization Installments for such Term Bonds shall be sufficient to provide for retirement of the aggregate principal amount of such Term Bonds.

"Annual Debt Service Requirements" - As of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Issuer on such debt, or be payable in respect of any required purchase of such debt by the Issuer) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Issuer:

- (1) Committed Take Out. If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Funded Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;
- (2) Balloon Parity Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Issuer) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Resolution as "Balloon Parity Debt"), the amount of principal of such Balloon Parity Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Parity Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Parity Debt on the date of calculation;
- (3) Consent Sinking Fund. In the case of Balloon Parity Debt, if a Designated Financial Officer shall deliver to the Issuer a certificate providing for the retirement of (and the instrument creating such Balloon Parity Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Parity Debt shall permit the accumulation of a sinking fund for), such Balloon Parity Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement,

or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Parity Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Parity Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Issuer has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such debt; and

(5) Variable Rate. As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Issuer, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted as Parity Obligations for the purpose of the definition of "Annual Debt Service Requirements" unless the Board has made such guarantee payable from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Bonds, or if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the guarantee is secured by the Gross Revenues, as aforesaid, and the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board has entered into a Credit Agreement in connection with an issue of Debt and secured its obligation under the Credit Agreement from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Bonds, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Authorized Officer" – The Chair, the Vice Chair or the Secretary of the Board, the President of the College or the Chief Financial Officer of the Issuer and any other person authorized by official action of the Board to perform the act or sign the document in question.

"Board" - The Board of Trustees of the Issuer.

"Bond Counsel" - McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"Bond Date" - The date specified in the Pricing Certificate for the dating of the Bonds.

"Bonds" - The "Odessa Junior College District Consolidated Fund [Improvement and/or Refunding] Revenue Bonds, [Taxable or Tax-Exempt] Series 2021" (or such other designation as may be provided in the Pricing Certificate) authorized by this Resolution and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution; and the term "Bond" means any of the Bonds.

"Business Day" - Any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Code" - The Internal Revenue Code of 1986, and any amendments thereto.

"College" - Odessa College in the City of Odessa, Ector County, Texas, and all present and future campuses owned or to be owned and operated by the Issuer.

"College Bookstore Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of the bookstore or bookstores now or hereafter owned and operated by the Issuer, together with all extensions and improvements thereto and replacements thereof.

"College Cafeteria Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of any and all facilities of the Issuer provided for the purpose of feeding the students and the faculty of, and visitors to, the Issuer, including without limitation all cafeterias and all vending machines for the sale of food and other products.

"Credit Agreement" - Collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations.

"Credit Facility" - (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on Parity Obligations would, at the time that such facility is entered into by the Issuer, rate the Parity Obligations fully insured by a standard policy issued by the issuer in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would, at the time that such facility is entered into by the Issuer, rate the parity obligations in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

"Credit Provider" - Any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt" - All:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the

Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

- (2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and
- (3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Defeasance Securities" Any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

"Depository" - Such bank or banks at any time selected by the Board to serve as depository of the funds of the Issuer.

"Designated Financial Officer" - The Chief Financial Officer of the Issuer or such other financial or accounting official of the Issuer so designated by the Board.

"Dormitory System Revenues" - All of the revenues and income of every nature derived by the Issuer from the operation and ownership of all present and future facilities owned by the Issuer for the purpose of housing the married and/or unmarried students and or faculty.

"Fiscal Year" - Any twelve consecutive month period established by the Issuer as its "fiscal year."

"Funded Debt" - All Parity Obligations created or assumed by the Issuer, either through the use of the proceeds or by an obligation of the Issuer to pay, guarantee or otherwise provide for the payment thereof which mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Issuer to a date, more than one year after the original creation or assumption of such debt by the Issuer.

"General Use Fee" - The gross collections of a general fee to be fixed, charged and collected from all students (except any category of students exempt from paying fees by State law or the Board) regularly enrolled in the Issuer, for the use and availability of the College or other facilities of the Issuer, as authorized by the Act.

"Gross Revenues" - All revenues of the Issuer, including: (a) the General Use Fee; (b) the College Bookstore Revenues; (c) the Tuition Pledge; (d) the College Cafeteria Revenues; (e) the Dormitory System Revenues; (f) the Operating Fees; (g) gifts, grants or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose; and (h) the earnings of the Issuer on all investments of the Issuer lawfully available for such purpose; provided, that, Gross Revenues shall not include; (i) tuition charged in excess of the amount permitted by the Act to be pledged to the payment of bonds; (ii) ad valorem taxes; and (iii) revenues received from the State of Texas; and, provided further, that if the Issuer receives an opinion of Bond Counsel to the effect that ad valorem taxes or revenues received from the State of Texas (or any part of such revenues) may be used to secure Parity Obligations, and the Board adopts a resolution whereby such revenues are declared to be included in the definition of Gross Revenues for the benefit of all or any part of the Issuer's Parity Obligations, such sources shall thereafter constitute Gross Revenues to the extent included in the resolution of the Board. Amounts on deposit in a Pledged Fund, and the proceeds of the investment thereof, secure the Parity Obligations for which such Pledged Fund was created, and do not constitute Gross Revenues for the purpose of securing other Parity Obligations.

"Issuer" - The Odessa Junior College District, and, where appropriate, the Board thereof.

"Maturity" - When used with respect to any debt, the date on which the principal of such debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Non-Recourse Debt" - Any Debt secured by a lien (other than a lien on Gross Revenues or Pledged Funds), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other revenue producing property of the Issuer that generates the Gross Revenues securing Parity Obligations; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Issuer and being used in the operations of the Issuer.

"Operating Fees" - Any and all rentals, rates, charges, and or fees that are additional to the General Use Fees, the College Bookstore Revenues, the College Cafeteria Revenues, and the Dormitory System Revenues, and the Tuition Pledge, that may be collected from students and others for the occupancy, use, and/or availability of all or any part of the Issuer's property, buildings,

structures, activities, operations, or facilities of any nature or kind, that are authorized by the Act, whether heretofore levied or assessed or hereafter levied or assessed pursuant to the requirements of Section 9(a).

"Outstanding" - When used with respect to Parity Obligations, means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution authorizing Additional Parity Obligations, except:

- (1) Parity Obligations theretofore canceled and delivered to the Issuer or delivered to the Paying Agent/Registrar for cancellation;
- (2) Parity Obligations deemed paid pursuant to the provisions of Section 26 of this Resolution or any comparable section of any resolution authorizing additional Parity Obligations;
- (3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing Additional Parity Obligations; and
- (4) Parity Obligations under which the obligations of the Issuer have been released, discharged or extinguished in accordance with the terms thereof.

"Parity Obligations" - bonds, notes, warrants or other obligations which the Issuer reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 17 of this Resolution and which obligations are equally and ratably secured wholly or in part by a pledge of and lien on the Gross Revenues on a parity with the lien of and pledge of the Gross Revenues which secures the Bonds. The Bonds and the Issuer's Consolidated Fund Revenue Bonds, Series 2012 (to the extent any of such bonds not refunded by the Bonds) currently constitute all the Issuer's Parity Obligations.

"Paying Agent/Registrar" - The bank, trust company, financial institution or other entity so named in the Pricing Certificate in accordance with the provisions of Section 3.

"Pledged Funds" - With respect to the Bonds, (a) amounts on deposit in the Revenue Fund and allocable to the Bonds in accordance with Section 10 hereof, (b) amounts on deposit in the Debt Service Fund, together with any investment securities or other investments or earnings belonging to said fund, (c) amounts on deposit in the applicable Series 2021 Reserve Fund (provided that such fund is directed to be created for the benefit of a series of Bonds in the Pricing Certificate"), together with any investment securities or other investments or earnings belonging to said fund and (d) amounts on deposit in the Series 2021 Construction Fund, together with any investment securities or other investments or earnings belonging to said fund.

"Pricing Certificate" - The Certificate authorized by Section 3 to be prepared by a Pricing Officer for the purpose of supplementing this Resolution and providing for terms of the Bonds and the terms of sale of the Bonds.

"Pricing Officer" - Shall have the meaning set forth in Section 3(a) hereof.

"Purchase Agreement" - A bond purchase agreement, notice of sale and bidding instructions or private placement agreement providing for the sale of the Bonds of a series to the Purchaser thereof.

"Purchaser" - That entity or, collectively, those entities, named in the Pricing Certificate as the purchaser or purchasers of the Bonds of a series.

"Record Date" - The date for determining the Registered Owner for purposes of making a payment on the Bonds of a series, as such term is specified in the Pricing Certificate.

"Registered Owners" - The registered owners of the Bonds from time to time as shown in the books kept by the Paying Agent/Registrar as bond registrar and transfer agent.

"Reserve Fund Obligation" – To the extent permitted by law, a surety bond or insurance policy (which, under applicable law, shall not entitle the provider thereof to any right of reimbursement or repayment other than a right to subrogation upon payments being made to bondholders), issued by a company or institution having a rating in one of the two highest rating categories by two Rating Agencies, deposited in the Series 2021 Reserve Fund to satisfy the Series 2021 Required Reserve Amount, whereby the issuer of such surety bond or insurance policy is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

"State" - The State of Texas.

"Stated Maturity " - The annual principal payments of the Parity Obligations payable on the respective dates set forth in the resolutions which authorize the issuance of such Parity Obligations.

"Series 2021 Required Reserve" - An amount, if any, to be deposited upon the issuance of the Bonds into a Series 2021 Reserve Fund or accumulated therein over time for the benefit of a series of Bonds, as specified in the Pricing Certificate, and such amount may be recalculated from time to time as provided in the Pricing Certificate.

"Series 2021 Reserve Fund" - A fund that may be ordered created in a Pricing Certificate in accordance with Section 10(c) hereof and, if more than one subaccount or fund shall be created distinctive wording shall be added to identify the series of Bonds that such subaccount or fund pertains to.

"Subordinate Lien Obligations" - Any bonds, notes, warrants, leases, guarantees or other obligations issued by the Issuer that are payable, in whole or in part, from and secured by a lien on and pledge of the Gross Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Gross Revenues that are or will be pledged to the payment of any Parity Obligations.

"Term Bonds" - Those Parity Obligations so designated in the resolutions authorizing such obligations which shall be subject to retirement by operation of a mandatory redemption account.

"Term of Issue" - With respect to any Balloon Parity Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Parity Debt and ending on the final maturity date of such Balloon Parity Debt or (ii) twenty-five years.

"Tuition Pledge" - Means an amount equal to 25 percent of the tuition charges collected from each enrolled student for each semester or term, said amount being allocated from the tuition charges charged students at the College, as permitted and established by law.

Section 8. PLEDGE; SECURITY AND PAYMENTS. The Bonds are special obligations of the Issuer, payable on a parity basis with all other Parity Obligations, if any, and secured by the Gross Revenues. The Bonds are additionally secured by the Pledged Funds. The Gross Revenues and the Pledged Funds are hereby pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable; and the Gross Revenues are further pledged to the establishment and maintenance of the Pledged Funds, to the extent hereinafter provided. The Bonds are and will be secured by and payable only from the Gross Revenues and the Pledged Funds, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed of the Issuer. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 9. RATES AND CHARGES; COVENANTS RELATING TO GROSS REVENUES. (a) **Rate Covenant.** In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect Gross Revenues which, if collected, will be sufficient to produce Gross Revenues for each Fiscal Year (1) in an amount at least equal to 150% of the Annual Debt Service Requirements during such Fiscal Year of the then Outstanding Parity Obligations and to fund and/or maintain all funds and accounts created for the benefit of each series of Parity Obligations and (2) are sufficient to meet all financial obligations of the Issuer relating to operating and maintaining the Issuer's property, buildings, structures, activities, operations, or facilities of any nature or kind, that are authorized by the Act and are reasonably anticipated to be paid from Gross Revenues.

(b) **Tuition.** The Board covenants and agrees to establish, maintain, enforce, charge and collect tuition from all students enrolled at all of the Issuer's facilities (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of the resolution authorizing the issuance of such Parity Obligations, is exempt by law or by the Board from paying such tuition charges) in such amounts as shall be necessary, together with other

legally available funds, including other Gross Revenues, to satisfy the covenant set forth in Section 9(a) above; provided, however, the Issuer may increase or decrease the tuition charged to such students, and increase or decrease the rentals, rates, charges, fees, tuition or other resources of the Board which constitute Gross Revenues; and provided, further, that no such adjustment shall occur if the result thereof is that the Issuer shall violate its covenant set forth in Section 9(a) above.

(c) **Anticipated Deficit.** If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Gross Revenues, sufficient to meet all financial obligations of the Board described in Section 9(a) above, including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, then the Board shall fix, levy, charge, and collect such rentals, rates, charges, fees, tuition or other charges of the Issuer, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in (d) below), as will be at least sufficient to provide, together with other legally available funds, including Gross Revenues, the money for making when due all such financial obligations of the Board, including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by this Resolution or any resolution pursuant to which additional Parity Obligations are authorized to be issued.

(d) **Economic Effect of Adjustments.** Any adjustments in the rate or manner of charging for any rentals, rates, fees, charges, tuition or other resources included in Gross Revenues will be based upon a certificate and recommendation of the Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Gross Revenues by the Issuer (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Gross Revenues and other funds by the Issuer) which will be anticipated to result in Gross Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board described in Section 9(a) above, including all deposits and payments due on or in connection with Outstanding Parity Obligations when and as required by this Resolution or any resolution pursuant to which additional Parity Obligations are authorized to be issued.

Section 10. CREATION AND CONFIRMATION OF FUNDS; FLOW OF FUNDS. (a) There has previously been created and there is hereby confirmed to be held at a Depository of the Issuer, for the prorata benefit of all Parity Obligations, the "Odessa Junior College District Revenue Fund" (herein called the "Revenue Fund") and the "Odessa Junior College District Debt Service Fund" (herein called the "Debt Service Fund"). The Issuer may establish a project construction fund in connection with the issuance of any series of Parity Obligations issued for the purpose of providing funds for the facilities and purposes of the Issuer. Each project construction fund may be designated by the Issuer as a Pledged Fund for the benefit of the series of Parity Obligations in connection with which such fund was created.

(b) For ease of administration, the Issuer may establish in the Revenue Fund or the Debt Service Fund, or in the accounting records of the Issuer, subaccounts for each series of Parity Obligations, and, if such subaccounts are established, the Issuer shall deposit to such subaccounts

a prorata amount of the Gross Revenues. The Issuer shall deposit to the Debt Service Fund, or to the appropriate subaccount therein, accrued interest, if any, received from the sale of each series of Parity Obligations. Notwithstanding the establishment of such subaccounts, the Gross Revenues on deposit in the Revenue Fund and the Debt Service Fund shall secure all Parity Obligations equally and ratably.

(c) If provided for in the Pricing Certificate for the benefit of the Bonds of a series, there shall be created and ordered held at a Depository of the Issuer a fund designated the "Odessa Junior College District Revenue Bonds, Series 2021 Reserve Fund" (the "Series 2021 Reserve Fund"). The Issuer may create subaccounts therein or may create separate debt service reserve funds if more than one series of Bonds are issued under this Resolution, and the Issuer may fund a debt service reserve fund for one series (but not all series) issued hereunder. If such subaccounts or separate funds are created, distinctive names shall be given to each account or fund to designated the series of Bonds that the subaccount or fund benefits and secures. The Issuer shall deposit a prorata amount of the Gross Revenues to such Fund, from time to time if required by the terms hereof. The amounts on deposit in the Series 2021 Reserve Fund shall secure all Bonds of the designated series and only the Bonds of such series.

(d) There is hereby ordered to be created and held at a Depository of the Issuer a project construction fund designated the "Odessa Junior College District Revenue Bonds, Series 2021 Construction Fund" (the "Series 2021 Construction Fund"). Proceeds of the Bonds in an amount specified in the Pricing Certificate shall be deposited into the Series 2021 Construction Fund and used to pay costs of the Project costs of issuing the Bonds (if not otherwise provided for in the Pricing Certificate). The Series 2021 Construction Fund is hereby designated by the Issuer as a Pledged Fund for the benefit of the Bonds.

(e) The Issuer hereby covenants and agrees that Gross Revenues shall be deposited upon receipt to the credit of the Revenue Fund, and that the Gross Revenues on deposit in the Revenue Fund shall be applied to the extent required for the following uses in the order of priority shown:

FIRST: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to the Debt Service Fund in approximately equal monthly deposits for the payment of Parity Obligations as principal, premium, if any, and interest on Parity Obligations comes due, with such deposits to be made in accordance with the provisions of each resolution of the Issuer authorizing the issuance of Parity Obligations;

SECOND: On a pro rata allocation determined on the basis of the Annual Debt Service Requirements for all Parity Obligations coming due in each Fiscal Year, to fund each debt service reserve fund, created by resolutions authorizing the issuance of Parity Obligations, in approximately equal monthly deposits, which contains less than the amount to be accumulated and/or maintained therein, as provided in the resolutions of the Issuer authorizing the issuance of such Parity Obligations;

THIRD: To the funds and accounts established by resolutions of the Issuer providing for the payment and security of Subordinate Lien Obligations hereinafter issued, with such deposits to be made in approximately equal monthly deposits, in accordance with the provisions of each resolution of the Issuer authorizing the issuance of Subordinate Lien Obligations; and

FOURTH: To the payment of all necessary and reasonable maintenance and operating expenses of the Issuer and for such other uses as may be permitted by law.

Section 11. DEBT SERVICE FUND. (a) The Issuer hereby covenants that the Debt Service Fund shall be established and kept at such Depository of the Issuer as the Issuer shall designate, and funds deposited therein shall be used only for the purpose of paying the principal of and interest on the Parity Obligations.

(b) From the Gross Revenues pledged to the payment and security of the Bonds, there shall be paid into the Debt Service Fund such amounts, at the times provided in clauses (i) and (ii) below, as will be fully sufficient (taking into account all amounts from every source which are deposited into the Debt Service Fund) to (i) promptly pay, when due, all principal of, premium, if any, and interest on the Bonds.

(i) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(ii) such amounts, deposited in approximately equal monthly installments, commencing during the month that shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal scheduled to mature on the Bonds on the next succeeding principal payment date.

In addition, all sums received from the purchasers of the Bonds constituting accrued interest, if any, shall be placed in the Debt Service Fund.

(c) Notwithstanding the provisions of Sections 10(b) and 11(b)(i) and (ii), if at any time the Parity Obligations of the Issuer are payable solely on a semi-annual basis on the same dates for all Parity Obligations, deposits to the Debt Service Fund may be made on a semiannual basis on or before the fifteenth day preceding each scheduled semi-annual payment date beginning immediately following the date of delivery of any such Parity Obligations, which shall be sufficient, together with any other money then available in the Debt Service Fund for such purpose, to pay the principal of and interest on the Parity Obligations scheduled to come due on the next succeeding interest and principal payment date. To the extent there is money available in the Debt Service Fund to pay principal and

interest on Bonds in whole or in part on any scheduled payment date therefor, such deposits may be reduced by the amount of the aforesaid money available to pay said principal and interest on the Bonds.

Section 12. DEBT SERVICE RESERVE FUNDS; SERIES 2021 RESERVE FUND. (a) The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Gross Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

(b) Amounts on deposit in the Series 2021 Reserve Fund if created pursuant to Sections 10(c), 3(b) or 3(c) hereof may be applied only for purposes of (i) paying the principal of, premium, if any, and interest on the Bonds of the designated series when and if amounts on deposit in the Debt Service Fund and available to pay such amounts as the same shall become due are insufficient and (ii), in addition, may be used to the extent not required to maintain the Series 2021 Required Reserve, to pay, or provide for the payment of, the final principal amount of such Bonds so that they are no longer deemed to be "Outstanding" as such term is defined herein. The Issuer shall deposit or accumulate (in accordance with the Pricing Certificate) and maintain an amount equal to the Series 2021 Required Reserve at all times in or held for the benefit of the applicable Series 2021 Reserve Fund. The Series 2021 Required Reserve shall be maintained with Gross Revenues in accordance with Section 10 hereof. Subject to subsection (e) of this Section, the Issuer may at any time substitute a qualifying Credit Facility or Reserve Fund Obligation for all or part of the cash or other Credit Facility or Reserve Fund Obligation on deposit in, or held for the benefit of, the Series 2021 Reserve Fund.

(c) During such time as the applicable Series 2021 Reserve Fund contains the Series 2021 Required Reserve, the Issuer may, at its option, withdraw any amount in the Series 2021 Reserve Fund in excess of the Series 2021 Required Reserve and, to the extent it represents proceeds from the sale of the Bonds, deposit such surplus in the Debt Service Fund, and, to the extent any such excess is from a source other than proceeds of the Bonds, in the Debt Service Fund or the Revenue Fund. When and so long as the cash and investments in the Series 2021 Reserve Fund and/or coverage afforded by a Credit Facility or Reserve Fund Obligation held for the account of the Series 2021 Reserve Fund total not less than the Series 2021 Required Reserve, no deposits need be made to the credit of the Series 2021 Reserve Fund; but, if and when the Series 2021 Reserve Fund at any time contains money, securities, a Credit Facility or a Reserve Fund Obligation having a value that is less than the Series 2021 Required Reserve, the Issuer covenants and agrees to cause deposits to be made to the Series 2021 Reserve Fund in accordance with the provisions of the Pricing Certificate until the total Series 2021 Required Reserve then required to be maintained in the applicable Series 2021 Reserve Fund has been fully restored.

(d) The Issuer further covenants and agrees that, subject only to the provisions of Section 10 hereof, the Gross Revenues shall be applied and appropriated and used to maintain the Series 2021 Required Reserve and to cure any deficiency in such amounts as required by the terms of this Resolution.

(e) Notwithstanding any other provision of this Resolution, if State law allows the Issuer to enter into a Credit Agreement or Credit Facility in connection with the Bonds after the issuance date of the Bonds, the Board must specifically approve any such Credit Agreement or Credit Facility and any such Credit Agreement or Credit Facility must be submitted to the Attorney General of Texas (if submission is then required by law) for approval.

Section 13. DEFICIENCIES. In the event there are insufficient funds available in any month to permit the required monthly deposits in any fund created in accordance with the provisions of Section 10 hereof for purposes of paying the debt service requirements or funding or restoring any debt service reserve fund on any Parity Obligations, amounts equivalent to such deficiencies shall be set apart and paid into the said fund from the first available and unallocated Gross Revenues pledged to the payment of the Parity Obligations in the next following month or months, and such payments shall be in addition to the monthly amounts otherwise required to be paid into said funds during such month or months.

Section 14. INVESTMENT EARNINGS. Income and profits received from investments of the funds on deposit in any fund created in accordance with Section 10 hereof shall be retained therein and the Issuer shall take into account the amount of such investment earnings which are on deposit in any such fund in determining the periodic amounts required to be deposited thereto from the Revenue Fund; provided that any amount on deposit in a debt service reserve fund created for any Parity Obligations which is in excess of the amounts required therein may be removed and used for any lawful purpose of the Issuer, subject to the provisions of Section 25 hereof.

Section 15. TRANSFER OF FUNDS TO THE PAYING AGENT/REGISTRAR. On or before an interest or principal payment date of the Bonds, the Issuer shall cause a transfer of funds on deposit in the Debt Service Fund to be made to the Paying Agent/Registrar in the amounts calculated as fully sufficient to pay and discharge promptly, as due, each installment of principal of, premium, if any, and interest pertaining to the Bonds. In the event Bonds may be called for redemption prior to maturity, and are called for redemption by the Issuer, the Board shall cause amounts calculated as sufficient to pay and discharge such Bonds (including accrued interest and premium, if any) so called for redemption to be transferred to the Paying Agent/Registrar on or before the date fixed for the redemption of such Bonds.

Section 16. SECURITY OF FUNDS. All money on deposit in the special funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds.

Section 17. ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS. (a) Subject to the provisions hereinafter appearing as conditions precedent which must be satisfied, the Issuer reserves the right to issue, from time to time as needed, additional Parity Obligations for any lawful purpose. Such Parity Obligations may be issued in such form and manner as now or hereafter authorized by the laws of the State for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the Issuer reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) The Designated Financial Officer shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenants, obligation or agreement contained in any resolution or other proceeding relating to any obligations of the Issuer payable in whole or in part from, and secured by a lien on and pledge of, the Gross Revenues that would materially affect the security or payment of the Parity Obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all Outstanding Parity Obligations have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such Parity Obligations then being issued will cure any such deficiency.

(2) The Designated Financial Officer shall have executed a certificate to the effect that, according to the books and records of the Issuer, the Gross Revenues, for the preceding Fiscal Year or for a 12 consecutive month period out of the 18 consecutive months immediately preceding the month the resolution authorizing the issuance of the Parity Obligations is adopted are equal to at least (i) 1.5 times the maximum Annual Debt Service Requirements for all Parity Obligations then Outstanding and the proposed Parity Obligations, and in making the determination of the Gross Revenues, the Designated Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the Issuer that became effective at least sixty (60) days prior to the last day of the period for which the Gross Revenues are determined and, for purposes of satisfying the above Gross Revenues test, make a pro forma determination of the Gross Revenues of the Issuer for the period of time covered by this certification or opinion based on such change in rates and charges being in effect for the entire period covered by the certificate of the Designated Financial Officer.

(b) Subject to the provisions of Section 17(a) hereof, Parity Obligations may be issued from time to time (pursuant to any law then available) for the purpose of refunding Outstanding Parity Obligations or Subordinate Lien Obligations upon such terms and conditions as the governing body of the Issuer may deem to be in the best interest of the Issuer and, if less than all Outstanding Parity Obligations are refunded or if any Subordinate Lien Obligations are refunded, the proposed refunding Parity Obligations shall be considered as additional Parity Obligations under the provisions of this Section 17, but the certificates required in Section 17(a) shall give effect to the issuance of the

proposed refunding Parity Obligations (and shall not give effect to any Parity Obligations being refunded following their cancellation or provision being made for their payment).

(c) Payments to be made under a Credit Agreement may be treated as Parity Obligations if the Board makes a finding in the resolution authorizing the treatment of the obligations of the Issuer incurred under a Credit Agreement as a Parity Obligation that, based upon the findings contained in a certificate executed and delivered by a Designated Financial Officer, the Issuer will have sufficient funds to meet the financial obligations of the Issuer, including sufficient Gross Revenues to satisfy the rate covenant set forth in Section 9(a) of this Resolution, after giving effect to the treatment of the Credit Agreement as a Parity Obligation.

Section 18. NO OBLIGATION OF LIEN SUPERIOR TO THAT OF THE PARITY OBLIGATIONS; NON-RECOURSE DEBT AND SUBORDINATE LIEN OBLIGATIONS. The Issuer will not hereafter issue any additional bonds, notes, or other obligations or create or issue evidences of indebtedness for any purpose possessing a lien on the Gross Revenues superior to that to be possessed by the Parity Obligations. The Issuer, however, retains the right to create and issue or incur Parity Obligations in accordance with Section 17 hereof. Non-Recourse Debt and Subordinate Lien Obligations may be incurred by the Board without limitation.

Section 19. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Resolution subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Resolution in order to (i) cure any ambiguity, defect or omission in this Resolution that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Resolution and which shall not materially adversely affect the interests of the Registered Owners, (iv) qualify this Resolution 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 Resolution as shall not be inconsistent with the provisions of this Resolution and which shall not in the opinion of Bond Counsel materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the Registered Owners of Bonds aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds which are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto which may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then Outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Resolution or in any of the Bonds so as to:

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

- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any Outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on Outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Resolution under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all Registered Owners of such Bonds.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all of the Bonds then Outstanding which are required for the amendment, 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 resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be modified and amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future Registered Owners of the same bond during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the affected Bonds then Outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, 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 20. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is Outstanding:

(a) Payment of Parity Obligations. On or before each payment date the Issuer shall make available to the Paying Agent for such Parity Obligations or to such other party as required by a resolution authorizing the issuance of Parity Obligations, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each resolution authorizing the issuance of Parity Obligations, and in each and every Parity Obligation or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. The Issuer lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the Issuer, and the Board will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the College or otherwise the property of the Issuer, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to operate the College and all services afforded by the Issuer, and further to pledge the Gross Revenues and Pledged Funds herein pledged in the manner prescribed herein and has lawfully exercised such right. It will operate and continuously maintain the College and all services afforded by the Issuer while any Parity Obligations are Outstanding and unpaid.

(f) Preservation of Lien. It will not do or suffer any act or thing whereby the pledge of the Gross Revenues and Pledged Funds might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Issuer and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order. The Board hereby covenants and agrees to levy and collect within the Issuer an ad valorem maintenance tax, within the limits heretofore voted, or within such higher limits as may be hereafter established by a vote of the qualified voters of the Issuer in accordance with applicable law (with full allowance being made for delinquencies and costs of collection), at such rate or rates as will permit the maintenance and operation of the College and all services provided by the Issuer to the level and standards required by this Section.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Gross Revenues in any manner, except as permitted by this Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of Parity Obligations. Notwithstanding anything to the contrary contained herein, Gross Revenues not needed to pay the debt service on Parity Obligations and to maintain the funds and accounts established herein and to be established in each resolution authorizing the issuance of Parity Obligations, and to pay debt service on Debt that is junior and subordinate thereto may be used by the Issuer for any lawful purpose.

(h) Investments and Security. It will invest and secure money in all accounts and funds established pursuant to this Resolution and any on Parity Obligations in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, and in accordance with written policies adopted by the Board.

(i) Records. It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Issuer. Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the Issuer.

(j) Inspection of Books. It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding principal amount of any series of Parity Obligations at all reasonable times to inspect all records, accounts, and data of the Board relating to the Gross Revenues.

(k) Determination of Outstanding Parity Obligations. For all purposes of this Resolution, the judgment of the Chief Financial Officer of the College shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations.

(l) Sale or Encumbrance of Property. Except as provided in this Section 20(l) and in Sections 25 and 26 hereof, the Issuer will not sell or encumber its facilities or any substantial part thereof, provided that the Board may convey, sell, or otherwise dispose of any properties of the College, including properties that generate Gross Revenues, as follows:

(a) Such conveyance, sale, or disposition shall be in the ordinary course of business of the Issuer.

(b) The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be outstanding to meet the financial obligations of the Issuer, including sufficient Gross Revenues to satisfy the Annual Debt Service Requirements of the Issuer and to meet all financial obligations of the Board relating to the Parity Obligations, including, without limitation, the payment of Parity Obligations.

(c) Any conveyance, sale, or other disposition of property financed with the proceeds of Parity Obligations shall conform to the federal income tax covenants set forth in the resolution pursuant to which the Parity Obligations were issued.

Section 21. REMEDIES IN THE EVENT OF DEFAULT. (a) In addition to all of the rights and remedies provided by the laws of the State, it is specifically covenanted and agreed particularly that in the event the Issuer (i) defaults in the payments to be made to the Debt Service Fund or the Series 2021 Reserve Fund as required by this Resolution (and the Pricing Certificate, with respect to the Series 2021 Reserve Fund) or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer under this Resolution, 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 Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Registered Owner to the Issuer (the occurrence of any such events is hereinafter referred to as an "Event of Default"):

(b) The Registered Owner or Registered Owners of any Parity Obligations shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the Issuer, its officers, the Board, and/or all of them, to observe and perform any covenants, conditions, or obligations prescribed in this Resolution.

(c) No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) The specific remedies herein provided shall be cumulative of all other existing remedies and the specifications of such remedies shall not be deemed to be exclusive.

Section 22. BONDS ARE LIMITED OBLIGATIONS. The Bonds authorized by this Resolution are special obligations of the Issuer payable from the Gross Revenues and amounts on deposit in the Pledged Funds, and the Registered Owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 23. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) 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 of damaged, mutilated, lost, stolen, or destroyed Bonds 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, as the case may be. 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) 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 of, redemption premium, if any, 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) 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) In accordance with Chapter 1206, Texas Government Code, this Section of this Resolution 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 bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Resolution for Bonds issued in exchange for other Bonds.

Section 24. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS. The Chair of the Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State, and their registration by the Comptroller of Public Accounts of the State. Upon registration of the Bonds 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 Bonds, 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, a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Bonds, if any, and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

Section 25. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. Subject to the determination of the Pricing Officer, as set forth in the Pricing Certificate as to the treatment of the Bonds pursuant to the Code as obligations with respect to which the interest is either subject to federal income taxation or exempt from federal income taxation, the Issuer makes the following covenants with respect to the Bonds (which covenants shall apply only to Bonds that are issued as obligations the interest on which is exempt from federal income taxation).

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of 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:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds 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 Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds 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;

(3) 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 Bonds (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;

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

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

(6) to refrain from using any portion of the proceeds of the Bonds, 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 Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

(C) 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 Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) 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 60 days after the Bonds have 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 (8), 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) 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 Bonds. 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 Bonds, 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 Bonds 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 Bonds, 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 Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Superintendent 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 Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project and the costs of issuance of the Bonds on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no 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. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bond. 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 Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. 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.

(f) Designation as Qualified Tax-Exempt Obligations. If the Pricing Certificate affirmatively provides that a series of Bonds issued hereunder shall be "qualified tax-exempt obligations for purposes of section 265(b)(3) of the Code, then, in that event, the Issuer hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, conditioned upon the Purchaser certifying that the aggregate initial offering price of the Bonds to the public (excluding any accrued interest) is no greater than \$10 million (or such other amount permitted by such section 265 of the Code). Assuming such condition is met, in furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 (or such other amount permitted by such section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Bonds are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000 (or such other amount permitted by such section 265 of the Code); and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly

set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

(g) Reimbursement. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations with respect to the payment of costs of the Project.

Section 26. DEFEASANCE OF BONDS. (a) Defeasance. 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 Resolution, 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 the Paying Agent/Registrar 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 insure 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 all Defeased Bonds 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 or revenues herein levied and pledged as provided in this Resolution, 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 Bonds, 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 Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (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 Bonds for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Bonds 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) Investment and Disposition of Funds. 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 Bonds 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 Defeased

Bonds 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 subsection (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 Bonds, 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) Paying Agent/Registrar Services. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds 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 Resolution.

(d) Selection of Defeased Bonds. In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 27. SALE OF BONDS; OFFICIAL STATEMENT.

(a) The Bonds shall be sold and delivered subject to the provisions of Sections 1 and 3 and pursuant to the terms and provisions of the Purchase Agreement which an Authorized Officer is hereby authorized to execute and deliver. The Bonds shall initially be registered in the name of the purchaser thereof as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a preliminary official statement and a final official statement or other offering document relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

Section 28. CONTINUED PERFECTION OF SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Gross Revenues and the Pledged Funds granted by the Issuer under Section 8 of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under Section 8 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the 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 to perfect the security interest in said pledge to occur.

Section 29. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL. (a) Each Authorized Officer shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer 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, the Bonds, the sale of the Bonds, and the offering documents for the

Bonds. 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 Bonds 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 Bonds to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Chair of the Board or the Chief Financial Officer of the Issuer, and an Authorized Officer is hereby authorized to execute such engagement letter.

Section 30. INCONSISTENT PROVISIONS. All indentures, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

Section 31. COMPLIANCE WITH RULE 15c2-12.

(a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply:

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(ii) Annual Reports. (A) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by this Resolution, being the information described in the Pricing Certificate. The Issuer

will additionally provide financial statements of the Issuer (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the Pricing Certificate or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in the final Official Statement and (ii) audited, if the Issuer commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2021. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the Issuer shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

(B) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in one or more documents or may be included by specific reference to any documents available to the public on the MSRB's internet website or filed with the SEC.

(iii) Event Notices. The Issuer shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- 14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
- 15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (ii) of this Section by the time required by subsection (ii). As used in clause (iii)12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer 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 Issuer.

(iv) Limitations, Disclaimers, and Amendments. (A) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Resolution or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM

ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Resolution for purposes of any other provision of this Resolution. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(E) The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision 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.

(b) Private Placements. If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the purchaser as may be necessary for the sale of the Bonds on the most favorable terms to the Issuer.

Section 32. PUBLIC MEETING. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 32. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in Section 6 hereof, whenever under the terms of this Resolution or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest

on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 33. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Issuer contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of the Issuer and the Board to the full extent authorized or permitted by the Constitution and laws of the State. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Issuer in the individual capacity thereof and neither the members of the Board nor any officer thereof shall be liable personally on Bonds when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 34. GOVERNING LAW. This Resolution shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 35. SEVERABILITY. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

Section 36. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

May 25, 2021

Members of the Board of Trustees
Odessa Junior College District
201 W. University
Odessa, Texas 79764

Re: Proposed Odessa Junior College District Consolidated Fund Revenue Bonds, Series 2021

Ladies and Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the Odessa Junior College District (the "Issuer") in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of refunding on a taxable basis the Issuer's Consolidated Fund Revenue Bonds, Series 2012 (the "Refunded Bonds") and to provide up to \$35,000,000 in funds for the acquisition, construction and equipment of a new health science building. We understand that the Bonds may be issued for both refunding and construction purposes or for only one of such purposes, and that such determination will be made by the Issuer in conjunction with its financial advisor in accordance with the resolution that will authorize the issuance of the Bonds (the "Resolution").

We also understand that the Bonds will be secured by a pledge of the Issuer's pledged funds and pledged revenues, as provided in the Resolution. We further understand that the Bonds will be authorized to be sold by the Board of Trustees of the Issuer (the "Board") by delegation in accordance with the Resolution to be adopted on the date hereof, which shall appoint the College President or the Chief Financial Officer to act as a pricing officer (the "Pricing Officer") in the manner set forth in Sections 130.123 and 130.125, Texas Education Code, as amended, and Chapter 1207, Texas Government Code, as amended, on behalf of the Issuer. In accordance with such delegation, the Pricing Officer will be authorized to negotiate the sale of the Bonds to a purchaser or purchasers or to sell the Bonds by competitive offering to a purchaser or purchasers (collectively, the "Underwriter"). The Bonds will be sold only in accordance with the direction of the Board as set forth in Section 3 of the Resolution. Each date on which Bonds are priced and the sale negotiated, as aforesaid, is herein referred to as the "Sale Date."

A. THE FINANCING

As Bond Counsel to the Issuer, we would like for the Board to understand how the issuance of the Bonds will be effected and the ramifications of the financing. I will briefly describe the procedures and certain applicable law that pertains to the issuance of the Bonds, below. However, you should feel free to call me at any time to discuss any questions that you or your staff may have.

- (1) The Bonds issued for refunding purposes are being issued to provide debt service savings with respect to the Issuer's future debt service payments. You should discuss the full impact of the debt service restructuring with RBC Capital Markets LLC, your financial advisor.
- (2) The Bonds will be "ordered to be issued" when and if the Board approves the Resolution. The Bond Resolution provides for certain terms of the Bonds, and delegates to the Pricing

Officer the authority to approve other terms of the Bonds, subject to the "parameters" set forth in the Resolution. Among the matters approved in the Resolution or delegated to the Pricing Officer are: (i) the terms of the Bonds, including whether the Bonds shall be issued in one or more series and whether a series of Bonds shall be issued as obligations the interest on which is subject to, or exempt from, federal income taxation, (ii) the principal amortization schedule and interest rates and provision for certain of the Bonds to be issued as current interest bonds that pay interest semiannually, and certain of the Bonds to be issued as "zero coupon bonds" that accrete interest from the delivery date, but pay interest only at maturity; (iii) the Issuer's commitment to levy its debt service tax each year in an amount sufficient to pay the debt service on the Bonds; (iv) the sale of the Bonds to the Underwriter; (v) the approval of this engagement letter; (vi) approval of a paying agent agreement to whom you will make semiannual payments sufficient to pay the debt service on the Bonds; (vii) instructions to the paying agent for the Refunded Bonds to give notice to the holders of the Refunded Bonds that they are being called for redemption; (viii) approval of an escrow agreement whereby the proceeds of the Bonds that are issued for refunding purposes will be used to pay the debt service on the Refunded Bonds; (ix) covenants obligating the Issuer to make periodic filings of operating and financial data in accordance with Rule 15c2-12 of the Securities and Exchange Commission; (x) whether the Bonds will be insured by a policy of municipal bond insurance and whether a debt service reserve fund will be funded for the benefit of the Bonds; and (xi) certain other covenants of the Issuer that are designed to allow the Issuer to issue all or part of the Bonds as tax-exempt obligations. As you can see from the foregoing description, the Resolution is an omnibus undertaking of the Issuer that is intended to provide for all actions and undertakings that are required for the issuance of the Bonds. There will be other certificates and letters that will be required to be executed by officers of the Issuer on the Sale Date, but they all spring from, and are authorized by, the Resolution.

(3) As noted above, the Bonds will be sold to the Underwriter in accordance with the provisions of the Bond Resolution and, in addition, the Underwriter will want the Issuer to sign a Bond Purchase Contract or a Notice of Sale and Bid Form (the "Sale Contract") and/or issue closing certificates on the Sale Date (the "Closing Certificates") that will set forth the terms of the sale of the Bonds. We will review the Sale Contract, and you should know that it will commit the Issuer to sell the Bonds to the Underwriter at the price to be negotiated between the Issuer and the Underwriter. In addition, the Closing Certificates will contain representations of the Issuer to the Underwriter to the effect that the Issuer is authorized to issue the Bonds and that it has made full disclosure to the Underwriter and the bond investors of all material information. As a condition to the Underwriter's payment for the Bonds, the Underwriter will require this firm to deliver our Bond Counsel opinion to them, in which we will opine that the Bonds are valid obligations of the Issuer and that, assuming ongoing compliance by the Issuer with the provisions of the Bond Resolution, the interest on the Bonds will be exempt from federal income taxation. The Sale Contract will also require the delivery of an opinion of the Texas Attorney General approving the Bonds, as is required by State law. We will review the Issuer's representations and agreements in the Sale Contract and the Closing Certificates to ensure that it is appropriate for the Issuer to make the representations and agreements of the nature contained in those documents. However, if there are any unusual financial or legal circumstances affecting the Issuer that

would make the covenants, representations or statements made by the Issuer in the Sale Contract and the Closing Certificates untrue, you should let the Underwriter, your financial advisor and/or the undersigned know about them as soon as possible.

- (4) You should know that the purchase price for the Bonds may be somewhat higher than the principal amount of the Bonds. This is because additional proceeds may be generated by the sale of certain of the Bonds at a premium. The premium, if any, may be used to fund the escrow fund created by the escrow agreement, mentioned above, and to and to fund costs of the construction project or to pay costs of issuance of the Bonds. The premium allocable to the refunding will be taken into account in determining the savings from the refunding, which will be calculated by your financial advisor.
- (5) The Underwriter of the Bonds will offer the Bonds into the public debt markets prior to the time that the Board meets to accept the Underwriter's offer for the Bonds. Through this process, the Bonds will be "priced" – i.e., interest rates and premiums or discounts, if any, for the Bonds will be established. On the Sale Date, the Pricing Officer will consider the terms offered to the Issuer by the Underwriter based upon the market conditions and other factors that determine interest rates and pricing information. In connection with the offering of the Bonds, the Pricing Officer will be authorized to approve an offering document called an "Official Statement" that contains financial and operating data concerning the Issuer, and information that describes the Bonds. The Issuer is responsible for the information that is contained in the Official Statement to the extent that it describes the Bonds and the Issuer. Some information in the Official Statement will be prepared by others, including the Texas Education Agency and the Underwriter, and the Issuer is not responsible for that information. As your Bond Counsel, we will review the Official Statement to ensure that the information describing the Bonds and the Resolution are correct. As Bond Counsel, we do not review other areas of the Official Statement. If you know of any information that an investor would consider to be material in order to make an investment decision, and that information is omitted from, or incorrect in, the Official Statement, the Underwriter needs to know, so that it can correct the Official Statement.

B. SCOPE OF ENGAGEMENT

In this engagement, we have performed, or expect to perform, the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion"), regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes, if applicable.
- (2) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.
- (3) Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in

connection with the authorization, issuance and delivery of the Bonds, except that we will not be responsible for any required federal or state securities law filings. In this connection, we particularly undertake to assist the Issuer in having the Bonds approved by the Public Finance Division of the Office of the Texas Attorney General, and, following such approval, registered by the Texas Comptroller of Public Accounts.

- (4) Review legal issues relating to the structure of the Bond issue.
- (5) Review those sections of the Official Statement to be disseminated in connection with the sale of the Bonds which describe the Bonds, the Resolution pursuant to which they will be issued and the tax treatment of the interest on the Bonds for purposes of federal income taxation.
- (6) If requested, assist the Issuer in presenting information to bond rating organizations and the Texas Education Agency relating to legal issues affecting the issuance of the Bonds.
- (7) Draft the continuing disclosure undertaking of the Issuer.

Our Bond Opinion will be delivered by us on the date the Bonds are exchanged for their purchase price (the "Closing"). The Issuer will be entitled to rely on our Bond Opinion.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

- (1) Except as described in sections A and B above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Bonds or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking, or, in connection with the issuance of the Bonds, performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact

necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

- (2) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- (3) Preparing state securities law memoranda or investment surveys with respect to the Bonds.
- (4) Drafting state constitutional or legislative amendments.
- (5) Pursuing test cases or other litigation.
- (6) Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- (7) Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (8) After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).
- (9) Negotiating the terms of, or opining as to, any investment contract.
- (10) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the Issuer in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038 or Form 8081, if required, prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this letter will signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

FIRM NOT A MUNICIPAL ADVISOR

As a consequence of the adoption of Rule 15Ba1-1 pursuant to the Securities Exchange Act of 1934 (the "Municipal Advisor Rule"), which has been promulgated by the Securities and Exchange Commission as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we hereby inform the Issuer that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). In the course of performing our services as Bond Counsel in this transaction, we may engage in analysis, discussion, negotiation, and advice to the Issuer regarding the legal ramifications of the structure, timing, terms, and other provisions of the financial transaction that culminates with the planned issuance of the Bonds, and such services and advice may be essential to the development of the plan of finance for the issuance of the Bonds. In turn, these services become, among other things, the basis for the transaction's basic legal documents, the preparation and delivery of the official statement or any other disclosure document that describes the material terms and provisions of the transaction, if an offering document is used in the offering of the Bonds, the preparation of the various closing certificates that embody the terms and provisions of this transaction and the preparation and delivery of our Bond Opinion. Moreover, legal advice and services of a traditional legal nature in the area of municipal finance inherently involve a financial advice component; but we hereby advise the Issuer that while we have expertise with respect to the legal aspects relating to the issuance of municipal securities, we are not "financial advisors" or "financial experts" in a manner that would subject us to the provisions of the MA Rule. As Bond Counsel, we provide only legal advice, not purely financial advice that is not inherent in our legal advice to the Issuer. The Issuer should seek the advice of its financial advisor with respect to the financial aspects of the issuance of the Bonds. By signing this engagement letter, the Issuer acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the Issuer as Bond Counsel with respect to the MA Rule, as discussed in this paragraph.

NO ISRAEL BOYCOTT

We hereby represent that during the term of this agreement we do not, nor will we, boycott Israel, in compliance with and within the meaning of 50 U.S.C. Section 4607 and Section 2270.002, of the Texas Government Code.

FEES

Based upon: (i) the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be \$7,500 for the first \$1,000,000 in net proceeds of each series of Bonds issued, plus \$1 per \$1,000 of net proceeds of the Bonds for all such amounts above \$1,000,000. Net proceeds include any net original issue premium, less the amount of the underwriters' discount, plus the principal amount of the Bonds (accrued interest is excluded from net proceeds). The fee includes our services rendered as Bond Counsel, but does not include client charges made or incurred on your behalf, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, computer-assisted research and other expenses.

RECORDS

After the transaction has closed, you will receive from us a transcript of proceedings that contain the primary financing and closing documents related to the transaction. At your request, papers and property furnished by you, and work product belonging to you and to which you are entitled, will be returned promptly. We may have copies of any and all documents made for our files at our sole cost and expense, to be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the closing of each transaction.

ELECTRONIC COMMUNICATION AND STORAGE

In the interest of facilitating our services to you, we may send documents, information or data electronically or via the Internet or store electronic documents or data via computer software applications hosted remotely or utilize cloud-based storage. Your confidential electronic documents or data may be transmitted or stored using these methods. We may use third party service providers to store or transmit these documents or data. In using these electronic communication and storage methods, we employ reasonable efforts to keep such communications, documents and data secure in accordance with our obligations under applicable laws, regulations, and professional standards; however, you recognize and accept that we have no control over the unauthorized interception or breach of any communications, documents or data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or by our third party vendors. By your acceptance of this letter, you consent to our use of these electronic devices and applications and submission of confidential client information to or through third party service providers during this engagement.

ACCEPTANCE OF TERMS OF ENGAGEMENT

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

Respectfully yours,

McCall, Parkhurst & Horton L.L.P.

By 
Dan S. Culver

Accepted and Approved

Odessa Junior College District

By: _____
Its: Chair, Board of Trustees
Date: May 25, 2021

ODESSA COLLEGE
BUDGET COMPARISON STATEMENT
CURRENT UNRESTRICTED INCOME & EXPENDITURES
April 30, 2021 and 2020

	THROUGH APRIL 2021	TOTAL BUDGET 2020-2021	PERCENT OF BUDGET	THROUGH APRIL 2020	TOTAL BUDGET 2019-2020	PERCENT OF BUDGET
Revenues:						
State Appropriation	5,979,264	9,641,570	62.0%	5,979,314	9,641,570	62.0%
Ad Valorem Taxes	24,489,300	25,730,000	95.2%	24,523,656	25,705,000	95.4%
Tuition and Fees - Credit	12,463,379	11,282,133	110.5%	11,859,448	11,141,892	106.4%
Tuition and Fees - Non Credit	1,056,791	1,728,521	61.1%	961,652	1,888,367	50.9%
Federal Grants & Contracts	9,545	13,000	73.4%	8,355	13,000	64.3%
Other Income	408,606	1,108,864	36.8%	546,228	1,191,769	45.8%
Gift Income	42,428	52,000	81.6%	82,291	78,756	104.5%
Investment Income	98,100	330,000	29.7%	255,245	425,000	60.1%
Total Revenues	44,547,413	49,886,088	89.3%	44,216,189	50,085,354	88.3%
Salaries and Benefits:						
General Administration	1,359,741	2,189,383	62.1%	1,246,308	2,022,316	61.6%
Student Services	1,296,695	2,225,429	58.3%	1,622,702	2,709,174	59.9%
General Institutional	1,863,436	3,430,278	54.3%	1,831,184	3,246,450	56.4%
Instruction	8,690,696	13,679,493	63.5%	8,538,624	13,363,338	63.9%
Instructional Support	2,319,949	3,927,669	59.1%	2,076,859	3,462,730	60.0%
Public Service	361,726	697,333	51.9%	397,962	731,606	54.4%
Physical Plant	705,128	1,093,098	64.5%	698,450	1,115,925	62.6%
Staff Benefits	3,766,819	5,815,375	64.8%	3,529,504	5,592,480	63.1%
Total Payroll	20,364,190	33,058,058	61.6%	19,941,593	32,244,019	61.8%
Other Operating Expenditures:						
General Administration	208,139	412,912	50.4%	263,989	344,467	76.6%
Student Services	358,104	585,613	61.2%	387,947	533,792	72.7%
General Institutional	2,376,970	4,085,301	58.2%	2,422,920	3,918,962	61.8%
Instruction	306,584	1,002,715	30.6%	498,021	1,146,707	43.4%
Instructional Support	338,974	584,290	58.0%	382,306	626,942	61.0%
Public Service	78,325	138,198	56.7%	105,867	166,723	63.5%
Physical Plant Operations	1,526,727	1,854,594	82.3%	1,397,391	1,785,904	78.2%
Utilities	754,315	1,127,783	66.9%	698,931	1,115,750	62.6%
Scholarships & Allowances	1,215,486	1,659,000	73.3%	1,454,514	1,605,000	90.6%
	7,163,624	11,450,406	62.6%	7,611,886	11,244,247	67.7%
Transfers In:						
Bookstore Profit (Loss)	48	60,000	0.1%	(404)	60,000	-0.7%
OER Reserve Fund	66,667	100,000	66.7%	66,667	100,000	66.7%
Other Auxiliary Profit (Loss)	(85,901)	(455,126)	n/a	2,609	(117,730)	n/a
Investment Income - Plant Funds	-	20,000	0.0%	38,264	20,000	191.3%
Total Transfers In	(19,186)	(275,126)	7.0%	107,136	62,270	172.1%
Transfers Out:						
For Revenue Bond Debt Service	-	-	n/a	-	-	n/a
Tuition for TPEG Scholarships	533,255	465,000	114.7%	474,750	465,000	102.1%
To Technology Replacement Fund	110,374	450,000	24.5%	168,552	600,000	28.1%
To Plant Renew/Replace Fund	208,685	600,000	34.8%	522,779	750,000	69.7%
To Construction Funds	1,556,667	2,335,000	66.7%	2,300,000	3,450,000	66.7%
Athletics Subsidy	881,286	1,264,934	69.7%	1,003,685	1,357,213	74.0%
Other Transfers	-	(12,436)	0.0%	-	37,145	0.0%
Total Transfers Out	3,290,267	5,102,498	64.5%	4,469,766	6,659,358	67.1%
Excess of Revenues over Expenditures and Transfers	13,710,146	-		12,300,080	-	

ODESSA COLLEGE
BUDGET ADJUSTMENTS
May 25, 2021

GENERAL CONTINGENCY EXPENDITURES (11-10390-5388)

Original Budget, September 1, 2020	\$ 550,000
Proposed Adjustments, May 25, 2021	** (11,967)
Balance Remaining for General Contingencies	<u><u>\$ 538,033</u></u>

INCREASES (DECREASES) IN INCOME BUDGETS

None	-

	<u><u>\$ -</u></u>

INCREASES (DECREASES) IN EXPENDITURE BUDGETS

Bus Repairs				
11 - 10359 - 5407	Transportation		Contract Services	11,967
11 - 10390 - 5388	General Contingency		Contingent Expenditures	** (11,967)
				\$ _____

ODESSA COLLEGE
EXPENDITURE VOUCHERS EXCEEDING \$10,000
April 27, 2021 - May 20, 2021

04/28/2021	Great Western Dining	Meal Charges (Week ending 04/21/2021)	\$13,643.74
04/28/2021	Ron Osborn Inc.	Abatement and Demolition of 203 Cummings	\$30,795.00
04/28/2021	Music & Arts	Professional Timpani Set (Rea Grant Funded)	\$12,738.19
05/03/2021	OC PETTY CASH	All In Cash Awards	\$27,800.00
05/03/2021	Laerdal Medical Corp	Basic Skills Manikin for Nursing (Perkins Funded Grant)	\$12,327.51
05/05/2021	Great Western Dining	Meal Charges (Week ending 04/28/2021)	\$13,100.96
05/05/2021	GCA Services Group	Custodial Services - April	\$67,454.70
05/05/2021	Sewell Ford	Ford Mustang - Drive to Success	\$30,859.75
05/05/2021	Seminole I.S.D.	Dual Credit Instruction	\$12,042.00
05/06/2021	SKC Communication Products, LLC.	Zant Room and ET Saulsury Room Video Upgrades (Cares Grant Funded)	\$141,048.05
05/06/2021	City of Odessa	Water & Sewer Utilities - April	\$16,266.23
05/12/2021	ATI	Nursing practice exam software (Funded by student fees)	\$19,566.60
05/12/2021	Great Western Dining	Meal Charges (Week ending 05/05/2021)	\$13,128.05
05/12/2021	Atmos Energy	Gas Utilities - April	\$10,810.28
05/12/2021	G & G Construction	Freeze/Water Damage to Century Commons (Insurance Claim)	\$54,675.00
05/19/2021	Premier Truck Group of Odessa	Bus Repairs	\$11,966.93
05/19/2021	ATI	Nursing practice exam software (Funded by student fees)	\$37,176.60
05/19/2021	Signal Vine, Inc.	Student Text Messaging Platform	\$35,850.00
05/19/2021	Daco Fire & Safety Equipment	Fire Tech bunker gear	\$10,641.00
05/19/2021	NRG Energy, Inc.	Electric Utilities - April	\$45,409.98

VISION 2030 SUMMARY TO DATE
Through 05/20/2021

Available Funds

FY19-20 Allocated funds from Budget	\$	1,300,000.00
FY20-21 Allocated funds from Budget	\$	2,185,000.00
Board Designated 25% from FY19 Audit	\$	356,642.00
Board Designated 25% from FY20 Audit	\$	1,209,036.00
Donations Pledged	\$	17,321,500.00
Foundation Donations Received	\$	900,000.00
		23,272,178.00

Expensed Funds

Admin Fees	\$	16,427.50
Terrace Apartments	\$	894,662.29
Health Science Building	\$	78,232.50
RA Pavilion	\$	4,857.50
		994,179.79

VISION 2030 CONSTRUCTION EXPENDITURES
April 27, 2021 - May 20, 2021

<u>CK DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CURRENT</u>	<u>Transfers</u>	<u>TOTAL</u>
Admin Fees					
		Previous Expenditures			\$ 16,427.50
					<u>\$ 16,427.50</u>
		Total Expenditures to Date			
<u>\$ 16,427.50</u>					
Terrace Apartments					
		Previous Expenditures			\$ 863,567.29
04/20/2021	Vanco Insulation Abatement Inc	Fence Rental	300.00		
04/22/2021	Ron Osborn Inc.	Abatement & Demo Cummins	30,795.00		31,095.00
		Total Expenditures to Date			<u>\$ 894,662.29</u>
Health Science Building					
		Previous Expenditures			\$ 78,232.50
					<u>\$ 78,232.50</u>
		Total Expenditures to Date			
RA Pavilion					
		Previous Expenditures			\$ 4,857.50
					<u>\$ 4,857.50</u>
		Total Expenditures to Date			

NAMING AGREEMENT

This Naming Agreement (“Agreement”), effective as of May 25, 2021 (“Effective Date”), is made and entered into by and between Odessa Regional Medical Center, whose address is 501 East Sixth Street, Odessa, Texas 79761 (“Donor”) and Odessa College District (“College”). Based upon the Recitals below, and in consideration of the mutual promises and benefits hereunder, the parties hereto hereby agree as follows:

RECITALS

Donor wishes to make a Contribution to the College for the use and benefit of the College as set forth in this Agreement.

In consideration for the Contribution, the Odessa College District Board of Trustees (“Board”) desires to accept such Contribution on behalf of the College, subject to the terms and conditions set forth in this Agreement.

AGREEMENT

1. **Contribution.** Donor hereby pledges to the College, for the purpose of constructing a health sciences building on the campus of the College, the following Contribution: One Million Dollars (\$1,000,000.00) (“Contribution”).
2. **Payment of the Contribution.** Except as hereinafter specified, the Contribution is an irrevocable promise to make payments to the College over a period of ten (10) years. Payments will begin upon the execution of this Agreement with an initial payment of One Hundred Thousand Dollars (\$100,000.00) on or before November 1, 2021, and will continue annually thereafter on the anniversary of the initial payment according to the following schedule:

Amount of Payment by Donor	Due Date
\$100,000	November 1, 2022
\$100,000	November 1, 2023
\$100,000	November 1, 2024
\$100,000	November 1, 2025
\$100,000	November 1, 2026
\$100,000	November 1, 2027
\$100,000	November 1, 2028
\$100,000	November 1, 2029
\$100,000	November 1, 2030

Donor may accelerate the payment of any or all of this pledge at any time in Donor’s discretion so long as the cumulative total of all Contribution payments meets the foregoing schedule. Payments shall be paid by Donor to College via check, electronic

funds transfer, or other methods acceptable to Donor and the College. It is understood and agreed that the Contribution by Donor is specifically conditioned upon the construction of a health sciences building on the campus of the College, and in the event the building is not constructed substantially in accordance with the plans furnished to Donor by College, the obligations of Donor hereunder shall terminate and College shall refund to Donor any portion of the Contribution previously paid to the College. The College may make reasonable modifications to the plans for the facility. Modification to the plans for the facility shall be furnished to Donor by the College.

3. **Acknowledgement.** In consideration for the Contribution, the College will acknowledge the Contribution by naming the (to be constructed) third floor “Odessa Regional Medical Center Instruction Floor” (“Facility”) for a period of 75 years (the “Naming Rights Period”). The College may in its sole discretion agree to extend the Naming Rights Period. The College will acknowledge the Contribution by making reasonable efforts to provide the following:
 - a. Donor name will be prominently placed as visitors enter the third floor and branding will be included in each of the nine classrooms and three computer labs on the floor
 - b. Donor leadership will have the opportunity to teach and mentor students taking classes in the facility at times and places that are agreed upon with the College
 - c. Donor may schedule with College time in the facility learning and meeting space at no charge
 - d. Donor may have an on-site presence, verbal recognition, and brand inclusion in materials for any grand opening events tied to the facility or the floor’s opening
 - e. Donor will receive co-marketing opportunities such as video, social media and media
 - f. Donor will receive branding opportunity on School of Health Sciences webpage
 - g. Donor may partner with the College on healthcare initiatives, services and education for students and employees
 - h. Donor may receive access to College students and employees for events tied to health sciences programs, such as health fairs, orientation and admissions events
4. **Modification of Naming.** If during the useful life of the Facility, the Facility is transferred or conveyed from the College; closed, deconstructed, destroyed or severely damaged; significantly renovated, upgraded, modified, relocated, or replaced at a cost equal to or exceeding the Contribution, then the Naming will cease. In such event, however, the Donor, if available, and in consultation with and as mutually agreed by the Board and College, will have the right, for no additional payment, to have another available and equivalent College facility named after the Donor for the remainder of the Naming Rights Period.

5. **Termination of Naming.** In addition to any rights and remedies available at law, the Board may terminate this Agreement and all rights and benefits of the Donor hereunder, including terminating the Naming:
 - a. In the event of any default in payment of the Contribution as provided in this Agreement, or
 - b. In the unlikely event the Board determines in its reasonable and good faith opinion that circumstances have changed, due to Donor's own acts and/or omissions, such that the Naming chosen by the Donor would adversely impact the reputation, image, mission or integrity of the College, or of the Board in the event of a continued association with Donor and the continuation of the Naming provided for herein.

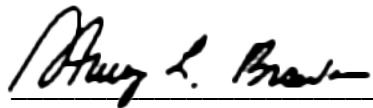
Upon any such termination of this Agreement before all payments of the Contribution are made, the Board, the College and the Donor shall have no further obligation or liability to each other and the College shall be required to return any portion of the Contribution already paid. However, notwithstanding the foregoing sentence, in the event of a termination of this Agreement because of a default in payment of the Contribution by Donor, the College shall not be required to return any portion of the Contribution already paid.

6. **Publicity.** For purpose of publicizing the Contribution and the Naming, College will have the right, at times and places reasonably acceptable to Donor, without charge, to photograph the Donor and use the names, likenesses, and images of the Donor in photographic, audiovisual, digital or any other form of medium ("Media Materials") and to use, reproduce, distribute, exhibit, and publish the Media Materials in any manner and in whole or in part, including in brochures, website postings, information and marketing materials, and reports and publications describing College's development and business activities.

Likewise, for purposes of publicizing the Contribution and the Naming Donor or Donor's affiliated entities or businesses will have the right, at times and places reasonably acceptable to College, without charge, to photograph the Wood Health Sciences Building and use the names, likenesses, and image of the College in photographic, audiovisual, digital or any other form of medium (the "Media Materials") and to use, reproduce, distribute, exhibit, and publish the Media Materials in any manner and in whole or in part, including in brochures, website postings, informational and marketing materials, and reports and publications describing Donor and Donor's affiliated entities and business activities.

7. **Assignment.** This Agreement and the rights and benefits hereunder may not be assigned by either party without the prior written consent of the other party, which consent shall be in the sole and absolute discretion of the non-assigning party.
8. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with regard to the matters referred to herein, and supersedes all prior oral and written agreement, if any, of the parties in respect hereto. The captions and terms used in this Agreement are for convenience only and in no way define limit, or otherwise describe the scope or intent of this Agreement, or any provision hereof, or in any way affect the interpretation of this Agreement.
9. **Successors in Interest.** This Agreement will be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted by this Agreement.
10. **Waiver.** A breach of this Agreement may be waived only by a written waiver signed by the party granting the waiver. A waiver of any breach of this Agreement shall not operate nor be construed as a waiver of any other similar, prior, or subsequent breach of this Agreement.
11. **Amendment.** This Agreement may be amended or modified only in writing and signed by both Donor and College. Any amendment or modification of this Agreement shall be subject to Paragraph 13 below.
12. **Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas. Subject to the sovereign immunity of the State of Texas and Odessa College District, any legal proceeding brought in connection with disputes relating to or arising out of this Agreement will be filed and heard in Ector County, Texas, and Donor waives any objection that it might raise to such venue and any right it may have to claim that such venue is inconvenient.
13. **Board of Trustees Approval.** This Agreement and any amendment or modifications thereto, and the recognition and naming provided for herein, are subject to the approval by the Board and this Agreement will not be effective unless and until approved by the Board.

ACCEPTED AND AGREED TO:



Stacey Brown, Chief Executive Officer
Odessa Regional Medical Center

May 20, 2021

Date

Tommy Clark, President
Board of Trustees
Odessa College

Date

Gregory D. Williams, President
Odessa College

Date

Letter of Agreement
Between
Odessa College Foundation, Incorporated
And
Odessa College

Odessa College Foundation, Incorporated (the Foundation), is a 501(c)(3) organization. The Foundation is charitable in nature, and was established to carry out a three-fold mission: 1) to secure donations for scholarship assistance to Odessa College, (the College) through the annual Campaign and the Leave-A-Legacy Campaign; 2) to secure donations to the College that foster the continuation and development of projects and training programs; and 3) to unify the community in promoting philanthropy for Higher Education at Odessa College. The Foundation is a separate organization that maintains its identification with Odessa College through its use of logos and other symbols of the College.

The College maintains control of the Foundation. College Trustees may remove a Foundation board member at any time, with or without cause. The Executive Director, an employee of Odessa College, shall administer the affairs of the Foundation. The By-Laws of the Odessa College Foundation, Incorporated, define the liabilities and indemnifications of the Foundation's Board of Directors. In addition, the By-Laws of the Odessa College Foundation, Incorporated, describe the relationship between the Foundation and Odessa College as exclusively educational.

The President of Odessa College is an ad hoc member of the Foundation's Board of Directors and as such has access to the foundation's financial statements and audits. The President and the Board of Trustees of Odessa College, as well as the Executive Director of the Foundation and the Foundation's Board of Directors work together to establish goals and objectives that meet the needs of the College and the students enrolled there.

The relationship between the College and the Foundation is consistent with the Foundation Mission Statement listed above.

Neither Odessa College, nor any official thereof, nor any Director, Officer or Agent of this Corporation, shall ever be personally liable for any debt, or other obligation, of the Corporation.

Supporting documents:

Odessa College Foundation By-Laws
Odessa College Foundation Articles of Incorporation

David Boutin, President
Odessa College Foundation, Incorporated

Tommy Clark
Odessa College Board of Trustees

Date

5/5/2021

To: Odessa College Board of Trustees, Dr. Gregory Williams

From: Tommy Clark, 2021 Board Chair / Precinct 9 Board member

Re: Resignation

Dear Odessa College Board Members & Dr. Greg Williams,

After much consideration and prayer, I have decided to resign my position as Odessa College Board of Trustee, Precinct 9.

I want to thank all of the present and past board members for accepting me onto what I consider one of the best boards I have ever been a part of. I am proud of the work we have done, the things we have accomplished and the manner in which we did so.

Gary Johnson, Bruce Shearer and Dr. Tara Deaver were so patient with me during my early years and are some of the best people I know. I am honored to call these fine people my friends.

I also want to thank Dr. Greg Williams for his leadership during my time on this board. While we didn't always agree on every issue, we both found ways to compromise and make the decisions that were best for Odessa College and our OC family. I truly believe we were able to do so because of the respect we have for one another.

Dr. Williams and his admin team deserve all of the credit for the growth of Odessa College and the amazing things that will continue to happen under their guidance and will without a doubt keep making miracles a reality for the students of Odessa College moving forward.

I am most proud of the fact that the students of Odessa College and citizens Odessa Texas were always our point of emphasis when making decisions for Odessa College.

It has truly been an amazing learning experience over the past 9 years and one that will forever impact my life.

My resignation will be effective May 31, 2021 at which time an appointee would be needed to fill Precinct 9.

Respectfully submitted,

Tommy Clark

Odessa College Board Chair

Neil L. Grape
2900 Bonham Avenue
Odessa, Texas 79762

May 12, 2021

Dr. Gregory Williams
President
Odessa College
201 West University Blvd
Odessa, Texas 79764

Dear Dr. Williams,

It is with regret that I am writing to inform you of my decision to resign my position on the Board of Odessa College.

Due to health problems it has become difficult for me to be able to fulfill the requirements of my position on the Board, and feel it is best for me to make room for someone with the time and energy to devote to the job.

It has been a pleasure being a part of the Odessa College Board and I am proud of all we have accomplished in the years I have served. I have no doubt the board will continue these successes in the future.

If I can ever be of any assistance during the time it will take to fill the position, please do not hesitate to ask.

Best regards,

Neil L. Grape
Neil L. Grape