

AN ORDER AUTHORIZING ISSUANCE, SALE AND DELIVERY HIDALGO COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2023; PAYABLE FROM THE LEVY OF A DIRECT AND CONTINUING ANNUAL AD VALOREM TAX WITHIN THE LIMITS PRESCRIBED BY LAW AND A LIMITED PLEDGE (NEVER TO EXCEED \$1,000) FROM THE SURPLUS NET REVENUES FROM THE OPERATION OF THE COUNTY'S PARKS AS AUTHORIZED PURSUANT TO CHAPTER 320, LOCAL GOVERNMENT CODE; PRESCRIBING THE TERMS AND FORM THEREOF; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING THE USE OF AN OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE SALE OF THE CERTIFICATES; AND MAKING OTHER PROVISIONS REGARDING SUCH CERTIFICATES AND MATTERS INCIDENT THERETO

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

WHEREAS, Hidalgo County, Texas (the "County"), acting through its Commissioners Court, is authorized pursuant to and in accordance with the provisions of Texas Local Government Code, Chapter 271, Subchapter C (the "Act"), to issue certificates of obligation to provide all or part of the funds to pay contractual obligations to be incurred for the construction of public works and the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and for the payment of contractual obligations for professional services, to wit: (1) the acquisition of land, buildings and improvements, including to wit: (1) parking lot, infrastructure, equipment and fixtures, and professional services related thereto; (2) the construction of a county animal control facility and all construction related costs, to wit: professional services, parking lot improvements, infrastructure, building equipment, and furniture and fixtures related thereto; (3) the construction of county buildings and all construction related cost, to wit: demolition of existing courthouse, memorials, parking lots, infrastructure, building equipment, furniture and fixtures related thereto; (4) renovation, repair and improvements to existing buildings and buildings to be acquired, and related improvements thereto, to wit: improvements to comply with the American Disabilities Act; (5) the construction and reconstruction of drainage systems and road systems, including to wit: purchases of materials and supplies; (6) the acquisition of land, including improvements thereon, for parks development and cost of park improvements and equipment; (7) the acquisition of lands, rights of way, materials and traffic control and signaling devices to be used for installation, construction, and improvement of drainage systems and road systems; (8) the payment of contractual obligations for professional services, to include services provided by engineers, attorneys, financial advisors, and fiscal agents; (9) the purchase of road, drainage, parks and sanitation construction, and other heavy maintenance equipment and machinery; (10) the purchase of law enforcement vehicles and law enforcement equipment; and (11) the payment of costs of issuance of the Certificates.

WHEREAS, the Commissioners Court authorized the publication of a notice of intention to issue Certificates of Obligation, Series 2023 (the "Certificates") to the effect that the

Commissioners Court was tentatively scheduled to meet at 2:00 p.m. on the 26th day of September, 2023, at its regular meeting place to adopt an order authorizing the issuance of the Certificates in the maximum aggregate principal amount of \$44,300,000 to be payable from an ad valorem tax levied, within the limits prescribed by law, on the taxable property located within the County, and a limited pledge (never to exceed \$1,000) from the net revenues from the operation of the County's park system;

WHEREAS, such notice was published at the times and in the manner required by the Act;

WHEREAS, no petition signed by at least five percent (5%) of the qualified voters of the County has been filed with or presented to any official of the County protesting the issuance of such Certificates on or before September 26, 2023, the date of passage of this Order.

WHEREAS, the County is authorized by Chapter 320, Texas Local Government Code, as amended, to pledge the revenues of the Park System to the payment of certificates.

WHEREAS, the County has determined that it is in the best interests of the County and that it is otherwise desirable to issue the Certificates to provide all or part of the funds to pay contractual obligations to be incurred for the purposes authorized by the Act.

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF THE COUNTY OF HIDALGO, TEXAS:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1: Definitions. As used herein, the following terms shall have the meanings specified, unless the context clearly indicates otherwise:

“Act” shall mean Texas Local Government Code, Chapter 271, Subchapter C, as amended.

“Attorney General” shall mean the Attorney General of the State of Texas.

“Bond Purchase Agreement” means the agreement between the County and the Underwriters providing for the sale of Bonds as provided pursuant to Section 6.1 of this Order.

“Certificate” or “Certificates” shall mean any or all of the Hidalgo County, Texas Certificates of Obligation, Series 2023, authorized by this Order.

“County” shall mean the Hidalgo County, Texas and, where appropriate, its Commissioners Court.

“Commissioners Court” shall mean the governing body of the County.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Construction Fund” shall mean the Certificates of Obligation, Series 2023 Construction Fund established by the County and described in Section 4.3 of this Order.

“Debt Service Fund” shall mean the Certificates of Obligation, Series 2023 Debt Service Fund established by the County and described in Section 4.2 of this Order.

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

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

“Fiscal Year” shall mean the County’s then designated fiscal year, which currently is the twelve-month period beginning on the first day of January of a calendar year and ending on the last day of December of such calendar year and each such period may be designated with the number of the calendar year in which such period ends.

“Interest Payment Date,” when used in connection with any Certificate, shall mean February 15, 2024 and each August 15 and February 15 thereafter until maturity or earlier redemption of such Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Order” shall mean this Order and all amendments hereof and supplements hereto.

“Outstanding”, when used with reference to the Certificates, shall mean, as of a particular date, all Certificates theretofore and thereupon delivered pursuant to this Order except: (a) any Certificates canceled by or on behalf of the County at or before such date; (b) any Certificates defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Certificates in lieu of or in substitution for which a replacement Certificate shall have been delivered pursuant to this Order.

“Paying Agent/Registrar” shall mean The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and its successors in that capacity.

“Record Date” shall mean the close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date.

“Register” shall mean the registration books for the Certificates kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, each Registered Owner of Certificates.

“Registered Owner” shall mean the person or entity in whose name any Certificate is registered in the Register.

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

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

“Underwriters” means Hilltop Securities, Inc., SWBC Investment Services, LLC, Frost Bank and SAMCO Capital Markets, Inc.

Section 1.2: Interpretations. All terms defined herein and all pronouns used in this Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Certificates and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Certificates.

Section 1.3: Recitals Incorporated. The recitals to this Order are hereby approved by the Commissioners Court and incorporated into and made a part of this Order.

ARTICLE II

TERMS OF THE CERTIFICATES

Section 2.1: Amount, Purpose and Authorization. The Certificates shall be issued in fully registered form, without coupons, under and pursuant to the authority of the Act in the total authorized aggregate principal amount of FORTY-THREE MILLION FOUR HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$43,440,000) for the purpose of providing all or part of the to pay contractual obligations to be incurred with the design, planning, acquisition, construction, equipping, expansion, repair, renovation and/or rehabilitation of certain public works, to wit: (1) parking lot, infrastructure, equipment and fixtures, and professional services related thereto; (2) the construction of a county animal control facility and all construction related costs, to wit: professional services, parking lot improvements, infrastructure, building equipment, and furniture and fixtures related thereto; (3) the construction of county buildings and all construction related cost, to wit: demolition of existing courthouse, memorials, parking lots, infrastructure, building equipment, furniture and fixtures related thereto; (4) renovation, repair and improvements to existing buildings and buildings to be acquired, and related improvements thereto, to wit: improvements to comply with the American Disabilities Act; (5) the construction and reconstruction of drainage systems and road systems, including to wit: purchases of materials and supplies; (6) the acquisition of land, including improvements thereon, for parks development and cost of park improvements and equipment; (7) the acquisition of lands, rights of way, materials and traffic control and signaling devices to be used for installation, construction, and improvement of drainage systems and road systems; (8) the payment of contractual obligations for professional services, to include services provided by engineers, attorneys, financial advisors, and fiscal agents; (9) the purchase of road, drainage, parks and sanitation construction, and other heavy maintenance equipment and machinery; (10) the purchase of law enforcement vehicles and law enforcement equipment; and (11) the payment of costs of issuance of the Certificates.

Section 2.2: Designation, Date and Interest Payment Dates. The Certificates shall be designated as the “Hidalgo County, Texas Certificates of Obligation, Series 2023,” and shall be dated September 15, 2023. The Certificates shall bear interest at the rates set forth in Section

2.3 below, from the later of the date of the delivery thereof to the Underwriters or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on February 15, 2024, and each August 15 and February 15 thereafter until maturity or earlier redemption.

If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the County. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Registered Owner as of the close of business on the day prior to mailing of such notice.

Section 2.3: Numbers, Denomination, Interest Rates and Maturities. The Certificates shall be issued bearing the numbers, in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Order. The Certificates shall mature on August 15 in each of the years and in the amounts set out in such schedule. Certificates delivered in transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Bond Number</u>	<u>Maturity (August 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1	2025	\$350,000	5.000%
R-2	2026	350,000	5.000
R-3	2027	350,000	5.000
R-4	2028	350,000	5.000
R-5	2029	1,265,000	5.000
R-6	2030	1,330,000	5.000
R-7	2031	1,395,000	5.000
R-8	2032	1,465,000	5.000
R-9	2033	1,540,000	5.000
R-10	2034	1,615,000	5.000
R-11	2035	1,700,000	5.000
R-12	2036	1,785,000	5.000
R-13	2037	1,870,000	5.000
R-14	2038	1,965,000	5.000
R-15	2039	2,065,000	5.250
R-16	2040	2,170,000	5.250
R-17	2041	2,285,000	5.250
R-18	2042	2,405,000	5.250
R-19	2043	2,530,000	5.250
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R-20	2048	14,655,000	4.750

Section 2.4: Redemption Prior to Maturity. (a) The County reserves the right, at its option, to redeem prior to maturity the Certificates maturing on or after August 15, 2034, in whole or in part, in principal installments of \$5,000 or any integral multiple thereof, on August 15, 2033 or any date thereafter, at a price equal to the principal amount of the Certificates or portions thereof called for redemption plus accrued interest to the date of redemption.

(b) The Certificates maturing on August 15, 2048 (the “Term Certificates”) are subject to mandatory sinking fund redemption in the following amounts (subject to reduction as hereinafter provided), on the following dates, in each case at a redemption price equal to the principal amount of the Certificates or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

	<u>Mandatory Redemption Dates</u>	<u>Principal Amounts</u>
Term Certificates Maturing August 15, 2048	August 15, 2044	\$2,665,000
	August 15, 2045	2,790,000
	August 15, 2046	2,925,000
	August 15, 2047	3,065,000
	August 15, 2048 (maturity)	3,210,000

The particular Term Certificates to be redeemed shall be selected by the Registrar by lot or other customary random selection method, on or before July 1 of each year in which Term Certificates are to be mandatorily redeemed. The principal amount of Term Certificates to be mandatorily redeemed in each year shall be reduced by the principal amount of such Term Certificates that have been optionally redeemed on or before July 1 of such year and which have not been made the basis for a previous reduction.

(c) Certificates may be redeemed in part only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Certificates for redemption, each Certificate shall be treated as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate by \$5,000. Upon presentation and surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of this Order, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

(d) Notice of any redemption, identifying the Certificates or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the Register, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Certificates called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Certificates which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the purpose of being paid with the funds so provided for such payment.

Section 2.5: Manner of Payment, Characteristics, Execution and Authentication. The Paying Agent/Registrar is hereby appointed the paying agent for the Certificates. The Certificates shall be payable, shall have the characteristics and shall be executed, sealed, registered and authenticated, all as provided and in the manner indicated in the FORM OF CERTIFICATES set forth in Article III of this Order. If any officer of the County whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of the Certificates or before the delivery of the Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

CUSIP numbers also may be printed on the Certificates, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Certificates.

The approving legal opinion of The Perez Law Firm, PLLC, McAllen, Texas and Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Co-Bond Counsel, may be printed on the back of the Certificates over the certification of the County Clerk, which may be executed in facsimile. CUSIP numbers also may be printed on the Certificates, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Certificates.

Section 2.6: Authentication. Except for the Certificates to be initially issued, which need not be authenticated by the Paying Agent/Registrar, only such Certificates as shall bear thereon a certificate of authentication, substantially in the form provided in Article III of this Order, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Certificate so authenticated was delivered by the Paying Agent/Registrar hereunder.

Section 2.7: Ownership. The County, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal or thereof and interest thereon and for all other purposes, whether or not such Certificate is overdue, and neither the County nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Certificate in accordance with this Section shall be valid and effective and shall discharge the liability of the County and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 2.8: Registration, Transfer and Exchange. The Paying Agent/Registrar is hereby appointed the registrar for the Certificates. So long as any Certificate remains Outstanding, the Paying Agent/Registrar shall keep the Register at its principal corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Certificates in accordance with the terms of this Order.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Certificate for transfer, the Paying

Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented and surrendered.

All Certificates shall be exchangeable upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with the provisions of this Section. Each Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

All Certificates issued in transfer or exchange shall be delivered to the Registered Owners thereof at the principal corporate trust office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid.

The County or the Paying Agent/Registrar may require the Registered Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the County.

The Paying Agent/Registrar shall not be required to transfer or exchange any Certificate called for redemption in whole or in part during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that this restriction shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Certificate called for redemption in part.

Section 2.9: Book-Entry Only System. The definitive Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.11 hereof, all of the Outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC. 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 Order with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the

records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (b) the delivery to any DTC Participant or any other person, other than a Certificate holder, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption or (c) the payment to any DTC Participant or any other person, other than a Certificate holder as shown in the Register, of any amount with respect to principal of Certificates, premium, if any, or interest on the Certificates.

Except as provided in Section 2.10 of this Order, the County and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Certificates, premium, if any, and interest on the Certificates only to or upon the order of the respective owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of principal of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an owner shall receive a Certificate evidencing the obligation of the County to make payments of amounts due pursuant to this Order.

Section 2.10: Payments and Notices to Cede & Co. Notwithstanding any other provision of this Order to the contrary, as long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Certificates, and all notices with respect to such Certificates shall be made and given, respectively, in the manner provided in the representation letter of the County to DTC.

Section 2.11: Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the County or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the County to DTC, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the County or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (b) notify DTC of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Certificate holders transferring or exchanging Certificates shall designate, in accordance with the provisions of this Order.

Section 2.12: Replacement Certificates. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate, of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The

County or the Paying Agent/Registrar may require the Registered Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the County.

If any Certificate is lost, apparently destroyed or wrongfully taken, the County, pursuant to the applicable laws of the State of Texas and orders of the County, and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver, a replacement Certificate of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

- (a) furnished to the County and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the County to save and hold them harmless;
- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the County and the Paying Agent/Registrar.

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

If any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the County in its discretion may, instead of issuing a replacement Certificate, authorize the Paying Agent/Registrar to pay such Certificate.

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

Section 2.13: Cancellation. All Certificates paid or redeemed in accordance with this Order, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall periodically furnish the County with certificates of destruction of such Certificates.

ARTICLE III

FORM OF CERTIFICATES

The form of the Certificates, including the Form of Comptroller's Registration Certificate, Form of Paying Agent/Registrar's Authentication Certificate and Form of Assignment shall be, respectively, substantially as shown in Exhibit A hereto, with such additions, deletions and variations, including an insurance legend or statement, if any, as may be necessary or desirable and not prohibited by this Order.

ARTICLE IV

SECURITY FOR THE CERTIFICATES

Section 4.1: Pledge and Levy of Taxes and Revenues. (a) To provide for the payment of principal of and interest on the Certificates, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Certificates or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the County sufficient to pay the interest on the Certificates and to create and provide a sinking fund of not less than 2% of the principal amount of the Certificates or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Certificates by deposit to the Debt Service Fund and to no other purpose.

(b) The County hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Certificates, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax. As long as any Certificates remain outstanding, all moneys on deposit in, or credited to, the Debt Service Fund shall be secured by a pledge of security, as provided by law for cities in the State of Texas.

(c) In addition, the principal and interest on the Certificates shall be payable from and secured by a limited, subordinate lien on and pledge of \$1,000 of the surplus net revenues of the County's park system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), provided that the pledge of Net Revenues is and shall be junior and subordinate in all respects to the pledge of Net Revenues to the payment of any obligation of the County, whether authorized heretofore or hereafter, which the County designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The County also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

(d) To pay the interest coming due on the Certificates prior to receipt of the taxes levied to pay such interest, there is hereby appropriated from current funds on hand, which are hereby

certified to be on hand and available for such purpose, an amount sufficient to pay such interest, and such amount shall be used for no other purpose.

Section 4.2: Debt Service Fund. The Certificates of Obligation, Series 2023 Debt Service Fund (the “Debt Service Fund”) is hereby created as a special fund solely for the benefit of the Certificates. The County shall establish and maintain such fund at an official County depository and shall keep such fund separate and apart from all other funds and accounts of the County. Any amount on deposit in the Debt Service Fund shall be maintained by the County in trust for the Registered Owners of the Certificates. Such amount, plus any other amounts deposited by the County into such fund and any and all investment earnings on amounts on deposit in such fund, shall be used only to pay the principal of, premium, if any, and interest on the Certificates.

Section 4.3: Construction Fund. The Certificates of Obligation, Series 2023 Construction Fund (the “Construction Fund”) is hereby created as a special fund of the County. Money on deposit in the Construction Fund shall be used only for the purposes set forth in Section 2.1 of this Order. Money on deposit in the Construction Fund may, at the option of the County, be invested as permitted by Texas law, provided that all such deposits and investments shall be made in such manner that the money required to be expended from the Construction Fund will be available at the proper time or times.

All interest and income derived from such deposits and investments shall remain in the Construction Fund, except that, to the extent required by law, such interest and income may be applied to make such payments to the United States of America as shall be required to assure that interest on the Certificates is exempt from federal income taxation. Upon the completion of the purposes set forth in Section 2.1 of this Order, any surplus funds on deposit in the Construction Fund shall be transferred into the Debt Service Fund.

Section 4.4: Further Proceedings. After the Certificates to be initially issued have been executed, it shall be the duty of the County Judge to deliver the Certificates to be initially issued and all pertinent records and proceedings to the Attorney General for examination and approval. After the Certificates to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Certificates to be initially issued, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s registration certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

ARTICLE V

CONCERNING THE PAYING AGENT/REGISTRAR

Section 5.1: Acceptance. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Certificates pursuant to the terms and provisions of the Paying Agent/Registrar Agreement by and between the County and the Paying Agent/Registrar. The Paying Agent/Registrar Agreement shall be substantially in the form attached hereto as Exhibit B, the terms and provisions of which are

hereby approved, and the County Judge is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the County in multiple counterparts and the County Clerk is hereby authorized to attest thereto and affix the County's seal. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the Paying Agent/Registrar and the County and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order.

Section 5.2: Trust Funds. All money transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Certificates under this Order (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the Registered Owners of the Certificates, and shall be disbursed in accordance with this Order.

Section 5.3: Certificates Presented. Subject to the provisions of Section 5.4, all matured Certificates presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the County. Such Certificates shall be canceled as provided herein.

Section 5.4: Unclaimed Funds Held by the Paying Agent/Registrar. Funds held by the Paying Agent/Registrar that represent principal of and interest on the Certificates remaining unclaimed by the Registered Owner thereof after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the County upon receipt by the Paying Agent/Registrar of a written request therefor from the County.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Certificates by virtue of actions taken in compliance with this Section.

Section 5.5: Paying Agent/Registrar May Own Certificates. The Paying Agent/Registrar in its individual or any other capacity, may become the owner or pledgee of Certificates with the same rights it would have if it were not the Paying Agent/Registrar.

Section 5.6: Successor Paying Agents/Registrars. The County covenants that at all times while any Certificates are Outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Certificates. The County reserves the right to change the Paying Agent/Registrar for the Certificates on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner, by United States mail, first class, postage prepaid, of such change and of the

address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Order.

ARTICLE VI

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF CERTIFICATES

Section 6.1: Sale of Certificates; Execution of Bond Purchase Agreement. The Certificates are hereby sold and shall be delivered to the Underwriters at a price of \$44,556,848.54 (representing the par amount of the Certificates of \$43,440,000.00, plus a reoffering premium of \$1,389,923.05, and less an Underwriters' discount of \$273,074.51) in accordance with the terms of the Bond Purchase Agreement presented to and hereby approved by the Commissioners Court, in substantially the form attached hereto as Exhibit C, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the County. The County Judge and other appropriate officials of the County are hereby authorized and directed to execute such Bond Purchase Agreement on behalf of the County, and the County Judge and all other officials, agents and representatives of the County are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates. The initial Certificates shall be registered in the name of Hilltop Securities, Inc.

Section 6.2: Approval, Registration and Delivery. The County Judge is hereby authorized to have control and custody of the Certificates and all necessary records and proceedings pertaining thereto pending their delivery, and the County Judge and other officers and employees of the County are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Certificates and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Certificates by the Comptroller. Upon registration of the Certificates, the Comptroller (or the Comptroller's certificates clerk or an assistant certificates clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificates prescribed herein to be attached or affixed to each Certificates initially delivered and the seal of the Comptroller shall be impressed or printed or lithographed thereon.

Section 6.3: Offering Documents; Ratings. The County hereby approves the form and contents of the Preliminary Official Statement, attached hereto as Exhibit D and the final Official Statement, attached hereto as Exhibit E, dated as of the date hereof, relating to the Certificates, and any addenda, supplement or amendment thereto, and ratifies and approves the distribution of such Preliminary Official Statement and Official Statement in the offer and sale of the Certificates and in the reoffering of the Certificates by the Underwriter, with such changes therein or additions thereto as the officials executing same may deem advisable, such determination to be conclusively evidenced by their execution thereof. The County Judge is hereby authorized and directed to execute, and the County Clerk is hereby authorized and directed to attest, the final Official Statement. It is further hereby officially found, determined and declared that the statements and representations contained in the Preliminary Official Statement and final Official Statement are true and correct in all material respects, to the best knowledge and belief of the Commissioners Court, and that, as of the date thereof, the Preliminary Official Statement was an official statement of the County with respect to the

Certificates that was deemed “final” by an authorized official of the County except for the omission of no more than the information permitted by subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

Further, the Commissioners Court hereby ratifies, authorizes and approves the actions of the County Judge, the County’s financial advisor and other consultants in seeking ratings on the Certificates from Moody’s Investors Service, Inc. and S&P Global Ratings and such actions are hereby ratified and confirmed.

Section 6.4: Application of Proceeds of Certificates. Proceeds from the sale of the Certificates shall, promptly upon receipt by the County, be applied as follows:

- (1) Accrued interest and additional proceeds in the amount of \$0.00 shall be deposited into the Debt Service Fund created in Section 4.2 of this Order;
- (2) A portion of the proceeds in the amount of \$529,923.05 shall be applied to pay expenses arising in connection with the issuance of the Certificates, including the Underwriters’ Discount;
- (3) Proceeds in the amount of \$44,300,000.00 shall be deposited into the Construction Fund created in Section 4.3 of this Order; and
- (4) Any proceeds of the Certificates remaining after making all such deposits and payments shall be deposited into the Debt Service Fund.

Section 6.5: Tax Exemption. The County intends that the interest on the Certificates shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and all applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Certificates. For this purpose, the County covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Certificates (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Certificates) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Certificates to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Certificates for federal income tax purposes. Without limiting the generality of the foregoing, the County shall comply with each of the following covenants:

- (1) The County will use all of the proceeds of the Certificates to (i) provide funds for the purposes described in Section 2.1 of this Order, which will be owned and operated by the County and (ii) to pay the costs of issuing the Certificates. The County will not use any portion of the proceeds of the Certificates to pay the principal of or interest or redemption premium on, any other obligation of the County or a related person.
- (2) The County will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Certificates to constitute “private activity bonds” within the meaning of Section 141(a) of the Code.

- (3) Principal of and interest on the Certificates will be paid solely from ad valorem taxes collected by the County, investment earnings on such collections, and as available, proceeds of the Certificates.
- (4) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Certificates are delivered, the County reasonably expects that the proceeds of the Certificates will not be used in a manner that would cause the Certificates or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.
- (5) At all times while the Certificates are outstanding, the County will identify and properly account for all amounts constituting gross proceeds of the Certificates in accordance with the Regulations. The County will monitor the yield on the investments of the proceeds of the Certificates and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Certificates. To the extent necessary to prevent the Certificates from constituting “arbitrage bonds,” the County will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Certificates to be less than the yield that is materially higher than the yield on the Certificates.
- (6) The County will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Certificates to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.
- (7) The County represents that not more than fifty percent (50%) of the proceeds of the Certificates will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the County reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Certificates will be used to carry out the governmental purpose of the Certificates within the three-year period beginning on the date of issue of the Certificates.
- (8) The County will take all necessary steps to comply with the requirement that certain amounts earned by the County on the investment of the gross proceeds of the Certificates, if any, be rebated to the federal government. Specifically, the County will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Certificates as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the County allocable to other obligations of the County or moneys which do not represent gross proceeds of any obligations of the County and retain such records for at least six years after the day on which the last outstanding Certificate is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for

all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Certificates and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the County will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

- (9) The County will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Certificates not been relevant to either party.
- (10) The County will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Certificates on such form and in such place as the Secretary may prescribe.
- (11) The County will not issue or use the Certificates as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Certificates are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the County to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.
- (12) Proper officers of the County charged with the responsibility for issuing the Certificates are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Certificates and stating whether there are facts, estimates or circumstances that would materially change the County's expectations. On or after the date of issuance of the Certificates, the County will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.
- (13) The covenants and representations made or required by this Section are for the benefit of the Certificate holders and any subsequent Certificate holder, and may be relied upon by the Certificate holders and any subsequent Certificate holder and bond counsel to the County.

In complying with the foregoing covenants, the County may rely upon an unqualified opinion issued to the County by nationally recognized bond counsel that any action by the County or

reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Certificates to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Order, the County's representations and obligations under the covenants and provisions of this Section 6.5 shall survive the defeasance and discharge of the Certificates for as long as such matters are relevant to the exclusion of interest on the Certificates from the gross income of the owners for federal income tax purposes.

Section 6.6: Related Matters. In order that the County shall satisfy in a timely manner all of its obligations under this Order, the County Judge, County Clerk and all other appropriate officers, agents, representatives and employees of the County are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Certificates, including, without limitation, executing and delivering on behalf of the County all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the County's obligations under this Order and to direct the transfer and application of funds of the County consistent with the provisions of this Order.

ARTICLE VII

CONTINUING DISCLOSURE UNDERTAKING

Section 7.1: Continuing Disclosure Undertaking. The County shall provide annually to the MSRB, within six (6) months after the end of each fiscal year and in an electronic format prescribed by the MSRB, financial information and operating data with respect to the County of the general type described in the Official Statement, being the information described in Exhibit F attached hereto. Any financial statements so to be provided shall be (a) prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state or federal law or regulation and (b) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the County shall provide unaudited financial statements for the applicable fiscal year to the MSRB and shall provide to the MSRB audited financial statements, when and if the same become available.

If the County 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 County otherwise would be required to provide financial information and operating data pursuant to this Article.

The financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB's internet web site or (ii) filed with the SEC.

Section 7.2: Material Event Notices. The County shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (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 exempt status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, 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 County, any of which reflect financial difficulties.

As used in clause (12), above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the County, or if jurisdiction has been assumed by leaving the Commissioners

Court and officials or officers of the County 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 County. The County intends that the words used in clauses (15) and (16), above, and the definition of Financial Obligation in this Order have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The County shall notify the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with Section 7.1 hereof by the time required by Section 7.1 hereof.

Section 7.3: Limitations, Disclaimers and Amendments. The County shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the County remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the County in any event will give the notice required by Section 7.2 of any Certificate calls and defeasance that cause the County to be no longer such an “obligated person.”

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

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COUNTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities law.

The provisions of this Article may be amended by the County from time to time to adapt to changed circumstances that arise from a change, legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions of

this Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates. If the County so amends the provisions of this Article it shall include with any amended financial information or operating data next provided in accordance with Section 7.1 an explanation in narrative form of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The County 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 Certificates in the primary offering of the Certificates.

Section 7.4: Information Format. The County information required under this Article shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

ARTICLE VIII

MISCELLANEOUS

Section 8.1: Defeasance. The County may defease the provisions of this Order and discharge its obligations to the Registered Owners of any or all of the Certificates to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either:

- (a) cash in an amount equal to the principal amount of such Certificates plus interest thereon to the date of maturity or redemption; or
- (b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or

instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iii) noncallable obligations of a state or an agency or a city, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Certificates are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Order. Upon such deposit, such Certificates shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the County.

Section 8.2: Order a Contract - Amendments. This Order shall constitute a contract with the Registered Owners from time to time, be binding on the County, and shall not be amended or repealed by the County so long as any Certificate remains Outstanding except as permitted in this Section. The County may, without the consent of or notice to any Registered Owners, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the County may, with the consent of Registered Owners who own in the aggregate 51% of the principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Registered Owners of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Registered Owners for consent to any such amendment, addition, or rescission.

Section 8.3: Legal Holidays. In any case where the date interest accrues and becomes payable on the Certificates or principal of the Certificates matures or the date fixed for redemption of any Certificates or a Record Date shall be in the County a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the County a Saturday, Sunday, legal holiday or a day on which banking institutions are

authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the fifteenth day of that calendar month.

Section 8.4: No Recourse Against County Officials. No recourse shall be had for the payment of principal of or interest on any Certificates or for any claim based thereon or on this Order against any official of the County or any person executing any Certificates.

Section 8.5: Further Proceedings. The County Judge, County Clerk and other appropriate officials of the County are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order.

Section 8.6: Severability. If any Section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 8.7: Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Commissioners Court at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public at the County Courthouse for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Commissioners Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 8.8: Repealer. All orders, resolutions and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 8.9: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

Section 8.10: Preamble. The facts and recitations set forth in the preamble of this Order are hereby found to be true and correct.

[signature page follows]

PASSED AND APPROVED this 26th day of September, 2023.

County Judge
Hidalgo County, Texas

ATTEST:

County Clerk
Hidalgo County, Texas

(SEAL)

EXHIBIT A

FORM OF CERTIFICATE

UNITED STATES OF AMERICA
STATE OF TEXAS

HIDALGO COUNTY, TEXAS
CERTIFICATE OF OBLIGATION, SERIES 2023

NUMBER DENOMINATION
¹R- \$ _____
REGISTERED REGISTERED

²INTEREST DATED DELIVERY ²MATURITY
RATE: DATE: DATE: DATE: ²CUSIP:
_____ % September 15, 2023 October 19, 2023

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

³HIDALGO COUNTY, TEXAS (the “County”), for value received, hereby promises to pay to the Registered Owner identified above or its registered assigns, on the maturity date specified above, upon presentation and surrender of this Certificate at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor (the “Paying Agent/Registrar”), the principal amount identified above payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due to the United States of America, and to pay interest thereon at the rate shown above, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the Delivery Date identified above or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable on February 15,

¹ Initial Certificate shall be numbered T-1.

² Omitted from the Initial Certificate.

³ The first sentence of the Initial Certificate shall read as follows:

“THE HIDALGO COUNTY, TEXAS (the “County”), for value received, hereby promises to pay to the Registered Owner identified above or its registered assigns, on August 15 of each of the years and in the principal amounts set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Section 2.3 of the Order], upon presentation and surrender of this Certificate at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor (the “Paying Agent/Registrar”), payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due to the United States of America, and to pay interest thereon at the rate shown above, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the Delivery Date identified above or the most recent interest payment date to which interest has been paid or duly provided for.”

2023, and each August 15 and February 15 thereafter until maturity of this Certificate, by check sent by United States mail, first class, postage prepaid, by the Paying Agent/Registrar to the Registered Owner of record as of the close of business on the last business day of the calendar month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity shall be paid upon presentation and surrender of this Certificate at the principal corporate trust office of the Paying Agent/Registrar.

THIS CERTIFICATE IS ONE OF A DULY AUTHORIZED SERIES OF CERTIFICATES (the "Certificates") in the aggregate principal amount of \$43,440,000 issued pursuant to an order adopted by the Commissioners Court of the County on September 26, 2023 (the "Order") for the purpose of providing all or part of the funds to pay contractual obligations to be incurred with the design, planning, acquisition, construction, equipping, expansion, repair, renovation and/or rehabilitation of certain public works, to wit: (1) parking lot, infrastructure, equipment and fixtures, and professional services related thereto; (2) the construction of a county animal control facility and all construction related costs, to wit: professional services, parking lot improvements, infrastructure, building equipment, and furniture and fixtures related thereto; (3) the construction of county buildings and all construction related cost, to wit: demolition of existing courthouse, memorials, parking lots, infrastructure, building equipment, furniture and fixtures related thereto; (4) renovation, repair and improvements to existing buildings and buildings to be acquired, and related improvements thereto, to wit: improvements to comply with the American Disabilities Act; (5) the construction and reconstruction of drainage systems and road systems, including to wit: purchases of materials and supplies; (6) the acquisition of land, including improvements thereon, for parks development and cost of park improvements and equipment; (7) the acquisition of lands, rights of way, materials and traffic control and signaling devices to be used for installation, construction, and improvement of drainage systems and road systems; (8) the payment of contractual obligations for professional services, to include services provided by engineers, attorneys, financial advisors, and fiscal agents; (9) the purchase of road, drainage, parks and sanitation construction, and other heavy maintenance equipment and machinery; (10) the purchase of law enforcement vehicles and law enforcement equipment; and (11) the payment of costs of issuance of the Certificates.

⁴THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Certificate is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE COUNTY RESERVES THE RIGHT, at its option, to redeem prior to maturity the Certificates maturing on or after August 15, 2034, in whole or in part, in principal installments of \$5,000 or any integral multiple thereof, on August 15, 2033, or any date thereafter, at a price equal to the principal amount of the Certificates or portions thereof called for redemption plus accrued interest to the date of redemption.

⁴ In the Initial Certificate, this paragraph shall read: "THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Certificate is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto."

THE CERTIFICATES maturing on August 15, 2048 (the “Term Certificates”) are subject to mandatory sinking fund redemption in the following amounts (subject to reduction as hereinafter provided), on the following dates, in each case at a redemption price equal to the principal amount of the Certificates or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

	<u>Mandatory Redemption Dates</u>	<u>Principal Amounts</u>
Term Certificates Maturing August 15, 2048	August 15, 2044	\$2,665,000
	August 15, 2045	2,790,000
	August 15, 2046	2,925,000
	August 15, 2047	3,065,000
	August 15, 2048 (maturity)	3,210,000

The particular Term Certificates to be redeemed shall be selected by the Registrar by lot or other customary random selection method, on or before July 1 of each year in which Term Certificates are to be mandatorily redeemed. The principal amount of Term Certificates to be mandatorily redeemed in each year shall be reduced by the principal amount of such Term Certificates that have been optionally redeemed on or before July 1 of such year and which have not been made the basis for a previous reduction.

CERTIFICATES MAY BE REDEEMED IN PART only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Certificates for redemption, each Certificate shall be treated as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate by \$5,000. Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of the Order, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

NOTICE OF ANY SUCH REDEMPTION, identifying the Certificates or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the books of registration kept by the Paying Agent/Registrar, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Certificates called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Certificates which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid with the funds so provided for such payment.

THIS CERTIFICATE IS TRANSFERABLE only upon presentation and surrender at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or its authorized representative, subject to the terms and conditions of the Order.

THIS CERTIFICATE IS EXCHANGEABLE at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THE PAYING AGENT/REGISTRAR is not required to accept for transfer or exchange any Certificate called for redemption, in whole or in part, during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of an unredeemed portion of a Certificate called for redemption in part.

THE COUNTY OR PAYING AGENT/REGISTRAR may require the Registered Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of a Certificate. Any fee or charge of the Paying Agent/Registrar for a transfer or exchange shall be paid by the County.

THE REGISTERED OWNER of this Certificate by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

IT IS HEREBY DECLARED AND REPRESENTED that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; that the Certificates do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the County and have been irrevocably pledged for such payment.

IT IS FURTHER DECLARED AND REPRESENTED that the revenues to be derived from the County's park system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), in an amount not to exceed \$1,000, are pledged to the payment of the principal of and interest on the Certificates provided that the pledge of Net Revenues is and shall be junior and subordinate in all respects to the pledge of Net Revenues to the payment of any obligation of the County, whether authorized heretofore or hereafter, which the County designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The County also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

REFERENCE IS HEREBY MADE TO THE ORDER, a copy of which is filed with the Paying Agent/Registrar, for the full provisions thereof, to all of which the Registered Owners of the Certificates assent by acceptance of the Certificates.

IN WITNESS WHEREOF, the County has caused its corporate seal to be impressed or placed in facsimile hereon and this Certificate to be signed by the County Judge and countersigned by the County Clerk by their manual, lithographed or printed facsimile signatures.

HIDALGO COUNTY, TEXAS

County Judge

(SEAL)

COUNTERSIGNED:

County Clerk

* * *

FORM OF ASSIGNMENT

The following form of assignment shall be printed on the back of each of the Certificates:

ASSIGNMENT

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

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

Registered Owner

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the Registered Owner as shown on the face of this certificate in every particular, without any alteration, enlargement or change whatsoever.

* * *

EXHIBIT B
PAYING AGENT/REGISTRAR AGREEMENT

SEE TAB __

EXHIBIT C

BOND PURCHASE AGREEMENT

SEE TAB __

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

SEE TAB __

EXHIBIT E
OFFICIAL STATEMENT

SEE TAB __

EXHIBIT F

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 7.1 of this Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the County to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The audited financial statements of the County, but for the most recently concluded fiscal year, and, to the extent that such statements are not completed and available, unaudited financial statements for such fiscal year.
2. The quantitative financial information and operating data with respect to the County of the general type included in the Official Statement under Tables 1 through 5, 7 and 9 through 11 and in Appendix B.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.