TEXAS VETERANS LAND BOARD

SPECIAL CALLED MEETING

July 30, 2024

The Honorable Dawn Buckingham, M.D

Chair

Mr. James Rothfelder

Member

RDML (Ret.) Judson Scott

Member

Tony Dale

Executive Secretary

Dawn Buckingham, M.D.
Commissioner, General Land Office
Chairwoman

James Rothfelder
Board Member

Tony Dale
US Army Veteran
Executive Secretary

Judson Scott
Rear Admiral, US Navy (Retired)
Board Member

TEXAS VETERANS LAND BOARD

NOTICE OF SPECIAL CALLED MEETING, TEXAS VETERANS LAND BOARD

The Texas Veterans Land Board will conduct a special called meeting to be held in person on June 25, 2024, of the Texas State Veterans Cemetery Committee meeting beginning at 11:00 A.M. at Stephen F. Austin Building, 1700 N. Congress Ave., Room 170, in accordance with the Texas Government Code §551 (Open Meetings Act).

Access to the meeting by members of the public will be published in advance in the Texas Register in accordance with the Texas Open Meetings Act. A link to view a video internet stream of the meeting will be posted on the Texas General Land Office's website on the morning of the meeting.

Any member of the public who wishes to address the Veterans Land Board on a matter within the authority of the Veterans Land Board should indicate so at the start of the meeting or during any public comment period.

AGENDA

1. Call to order
    a. Roll call and quorum established
    b. Invocation
    c. Pledge of Allegiance to the US and Texas flags
    d. Presentation of Alamo flag by Board to Chaplain

2. Approval of minutes from the meeting of April 30, 2024.

3. Citizen communication (Two Minutes each. No deliberations with the Board. The Board may respond only with factual statements, recitation of existing policy, and requests for an item to be placed on a future Agenda.)

4. Chair and Board Member Opening Comments.

5. Veterans Land Board Bond Funds Management
    a. Consideration and possible action on the adoption of a resolution authorizing interest rate swap transactions relating to bonds issued, or to be issued, in connection with the Veterans Land Program or the Veterans Housing Assistance Program and other related matters.
    b. Consideration and possible action on the adoption of a resolution authorizing liquidity facilities relating to bonds issued, or to be issued, in connection with the Veterans Land Program or the Veterans Housing Assistance Program and other related matters.

c. Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed $250,000,000, and providing for other matters relating to the subject.
d. Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Tax-Exempt Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed $250,000,000, and providing for other matters relating to the subject.
e. Consideration and possible action on a resolution of the Veterans Land Board of the State of Texas authorizing the redemption of certain outstanding bonds, and other related matters.
f. Consideration and possible action on a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Refunding Series 2024 in one or more series in an aggregate principal amount not to exceed $200,000,000.

6. Texas State Veterans Homes
   a. Consideration and possible action to delegate authority to the Executive Secretary to negotiate and execute a management and operations contract for the Ussery-Roan Texas State Veteran Home in Amarillo.
   b. Consideration and possible action on a contract renewal for the pharmaceutical services provider for Texas State Veterans Homes.
   c. Consideration and possible action on resident room rates in the Texas State Veterans Home program.

7. Legal Services
   a. Consideration and possible action on proposed amendments to 40 Texas Administrative Code §178.5, concerning burial eligibility criteria in Texas State Veterans Cemeteries.
   b. Consideration and possible action on granting an easement to the City of Lubbock to maintain a water line on West Texas State Veterans Cemetery property.
   c. Consideration and possible action on accepting property from the City of Abilene for future expansion of the Texas State Veterans Cemetery at Abilene.
   d. Consideration and possible action on general review of VLB rules in Texas Administrative Code, Title 40, Part 5, Chapters 175 – 178.

8. Construction Service
   a. Report on Construction Services.

9. Executive Secretary Report
   a. Report on Veterans Land Board operations.

II. EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, the Texas Veteran Land Board will now convene in Executive Session pursuant to the following provisions of the Texas Open Meetings Act, Chapter 551, of the Texas Government Code:

a. Section 551.071 - Consultation with attorney regarding issues concerning construction and warranty at the Richard A. Anderson Texas State Veterans Home in Houston, Texas.

b. Section 551.071 - Consultation with attorney regarding issues concerning construction at the Tuskegee Airmen Texas State Veterans Home in Fort Worth, Texas.

III. RECONVENE REGULAR AGENDA

10. Consider Action, If Any, On Items Discussed in Executive Session.

11. Chair and Board Member Closing Comments.

12. Adjournment.

An unscheduled Closed Executive Session may be called to discuss any item on this posted agenda provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time. All agenda items are subject to final action by the Board. Separate agenda items may be combined and discussed together at the discretion of the Chair. Any final action, decision, or vote on a matter deliberated in Closed Executive Session shall be made in an open meeting pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Certain information may be presented to and by the Board, under the headings of "Citizen Communications", and "Board Comments" however, by law, the Board shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place. The General Counsel has approved the Executive Session items on this agenda.

The Texas Veterans Land Board meeting room is wheelchair accessible and accessible parking spots are available. Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact (800)998-4456 for further information.

ANTHONY W. DALE
Executive Secretary

Rabbi-Cantor Marie Betcher

Rabbi-Cantor Marie Betcher received Bachelor and Master of Music Degrees in Vocal Performance from Indiana University School of Music and Florida State respectively. After years of a successful music career, she made the decision to answer the call to serve the Jewish people. She became an Ordained Cantor in 1999 from Hebrew Union College-Jewish Institute of Religion in New York City and was Ordained Rabbi in 2011

Rabbi Betcher made U.S. History being the first and only female Rabbi to be honored to serve the Austin Police Department as Senior Chaplain. She also served Cedar Park Police and Fire Departments as Chaplain. She served on the national Executive Board of The Police Chaplain Project. She is a Board Member and Performer for Swan Songs, Austin, Texas, served on Board of Directors iACT (Interfaith Action of Central Texas), served as Jewish Chaplain for Lone Star Social Services (working to take care of children).

She was a Speaker at SXSW on The Spirituality of Philanthropy. She blesses all the animals at the Mighty Texas Dog Walk at Camp Mabry each year.

Rabbi-Cantor Betcher sang in concert in Carnegie Hall, the Kennedy Center, toured Sicily, and England. New York University Recital Hall, The Ambler Music Festival in Philadelphia, Piccolo Spoleto in Charleston, SC, among many other venues.

Rabbi Betcher's husband is a former Senior Patrol Officer for APD; her brother-in-law was a Battalion Chief for Las Vegas Fire Department (during the MGM fire). Her father was a Partisan Fighter in Italy and fought the Germans along with the 10th Mountain Division in the Po Valley.

TEXAS VETERANS LAND BOARD
SPECIAL CALLED MEETING
Tuesday, April 30, 2024, 10:00 a.m.
1700 N. Congress Avenue, Room 170, Austin, TX 78701

1. Opening
   a. Chairwoman Dawn Buckingham M.D. called the meeting to order at 10:00 A.M.
   b. The Chair declared a quorum present.

      Members present were:

      Chairwoman Dawn Buckingham M.D.
      Board Member James Rothfelder

      Also present:

      Executive Secretary Tony Dale

      Assistant Executive Secretary Darren Fitz Gerald

      General Counsel Jeff Gordon
   c. Invocation was led by Chaplain Tom Bodine, American Legion Post 76.
   d. The Chair led the Pledge of Allegiance to the U.S. and Texas flags.
      i Presentation to Chaplain by the Board of a flag flown over the Alamo in honor of his contributions to veterans.
2. Approval of the minutes from the regular Board meeting of February 13, 2024. Approved with no objections.

3. Citizen Communications. No members of the public testified during citizen communications.

4. Chair and Board Member Opening Comments. No comments were made.

5. Veterans Land Board Bond Funds Management.
   a. Quarterly Veterans Land, Housing and Home Improvement Program Production Update for Fiscal Year 2024 2nd Quarter.

6. Veterans Land Board Land and Housing.
   a. Consideration and possible action to set aside bids received from the Online Bidding Forfeited Land Sale held April 18, 2024, on any tract where the account holder is making an appeal. No action required; therefore, no action was taken.

b. Consideration and possible action to accept and award all qualified high bids received from the Online Bidding Forfeited Land Sale held April 18, 2024. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

c. Consideration and possible action on request to forfeit VLB delinquent land accounts. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

d. Consideration and possible action on request to Order for Sale land tracts that may be included in the next Online Bidding Forfeited Land Sale and to set the next Quarterly Electronic Forfeited Land Sale bidding period to begin June 3, 2024, through July 18, 2024. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

e. Consideration and possible action on authorizing staff to conduct rulemaking related to the definition of "Veteran" for the purpose of establishing eligibility to qualified Veterans for participation in the land loan program. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

7. Texas State Veterans Cemeteries.
   a. Report on State Veterans Cemetery operations. No action required; therefore, no action was taken.

8. Texas State Veterans Homes.
   a. Report on State Veterans Homes. No action required; therefore, no action was taken.

   b. Consideration and possible action on resident room rates in the David A. Gloier Texas State Veterans Home Program, and other matters in connection therewith. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

9. Construction Services.
   a. Report on construction projects. No action required; therefore, no action was taken.

b. Consideration and possible action on delegation of authority to the Executive Secretary to execute a contract to facilitate repairs related to the roof at the Richard A. Anderson Texas State Veterans Home. Motion was made by Mr. Rothfelder and seconded by Chair Buckingham, to approve, according to staff recommendations. The motion carried unanimously.

10. Executive Secretary Report.
    a. Report on Veterans Land Board operations. No action required; therefore, no action was taken.

II. EXECUTIVE SESSION 10:38 A.M. – 10:46 A.M.

In accordance with Chapter 551, Government Code, the Texas Veteran Land Board convened in Executive Session pursuant to the following provisions of the Texas Open Meetings Act, Chapter 551, of the Texas Government Code:

a. Section 551.071 - Consultation with attorney regarding issues concerning construction and warranty at the Richard A. Anderson Texas State Veterans Home in Houston, Texas.

III. RECONVENE REGULAR AGENDA 10:50 A.M.

11. Consider Action, If Any, On Items Discussed in Executive Session.
    Chair Buckingham called item 11.

    Chair recognized Jeff Gordon. Jeff Gordon made staff recommendation:

    General Counsel recommends the Board delegate authority to the Executive Secretary to initiate legal action related to the roof at the Houston Veterans Home against the general contractor and any other responsible parties for the reasons discussed in Executive Session.

    Mr. Rothfelder made a motion to accept staff recommendation. Chair Buckingham seconded the motion. The motion was adopted without objection.

12. Chair and Board Member Closing Comments. Chair Buckingham made comments on the status of the roof repair at the Houston state veterans home.

13. Adjournment. 10:51 A.M.

ATTEST:

_____
Anthony Dale
Executive Secretary

APPROVED:

_____
James Rothfelder
Board Member

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 a - Consideration and possible adoption of a resolution authorizing interest rate swap transactions relating to bonds issued or to be issued in connection with the Veterans' Land Program or the Veterans' Housing Assistance Program and providing for other related matters.

RECOMMENDATION: Staff recommends that the Board authorize staff to execute interest rate swap transactions upon notice to the Executive Secretary of the Veterans' Land Board for the period beginning June 26, 2024 and ending June 25, 2025.

Summary

This agenda item will constitute the Board's annual renewal of its authorization for staff to execute certain interest rate swap transactions upon notice to the Executive Secretary of the Veterans' Land Board for a one-year period.

Financial markets continue to be volatile and are likely to remain so in the future. Volatile financial markets can create attractive, but fleeting, opportunities for entities that are sophisticated, experienced, and well-positioned to take advantage of them before they are arbitraged away by market participants. However, the Board's quarterly meeting schedule is not conducive to executing quickly upon attractive market opportunities before they disappear.

In recognition of this problem, the Board authorized staff, beginning in January 2009, to execute interest rate swap transactions as attractive opportunities arise, upon notice to the Chairwoman for rolling one-year periods.

Staff believes that the annual adoption of this resolution will continue to serve as a powerful tool that provides the flexibility necessary to take advantage of attractive opportunities as they arise.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written:

> RESOLUTION OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING INTEREST RATE SWAP TRANSACTIONS RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM OR THE VETERANS' LAND PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, regarding meetings of the Board.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the _____ day of _____, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING INTEREST RATE SWAP TRANSACTIONS RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM OR THE VETERANS' LAND PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

Recitals 1

1. Authorization of Bond Enhancement Agreements 1

2. Authorization for Specific Transactions 3

3. Bond Enhancement Agreements in Connection with Anticipated Bonds 4

4. Master Agreements 5

5. ISDA Protocols 6

6. Bond Retirement Change 6

7. Authorization of Additional Acts 6

8. Open Meeting 6

9. Effective Date 7

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING INTEREST RATE SWAP TRANSACTIONS RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM OR THE VETERANS' LAND PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to the provisions of Article III, Section 49-b (the "Constitutional Provision") of the Constitution (the "State Constitution") of the State of Texas (the "State"), and implemented by Chapters 161 ("Chapter 161") and 162 ("Chapter 162"), Texas Natural Resources Code, as amended, the Veterans' Land Board (the "Board") of the State has been authorized, subject to the limitations set forth in the Constitutional Provision, to issue general obligation bonds ("Bonds") of the State from time to time for the purpose of providing funding for the Veterans' Housing Assistance Fund, the Veterans' Housing Assistance Fund II and the Veterans' Land Fund, which funds are to be used for the purpose of making home mortgage loans, and purchasing land to be resold or making loans for the purchase of land, to Veterans (as such term is defined in Chapter 161 and Chapter 162); and

WHEREAS, pursuant to Section 161.074 of Chapter 161 and Section 162.052 of Chapter 162, the Board is authorized to enter into one or more bond enhancement agreements the Board determines to be necessary or appropriate to place the obligation of the Board, as represented by the Bonds, in whole or in part, on the interest rate, currency, cash flow or other basis desired by the Board; and

WHEREAS, the Board desires to authorize the Chairwoman, the Executive Secretary, the Director of VLB Bond Funds Management and the Assistant Director of VLB Bond Funds Management of the Board (collectively, the "Authorized Representatives") to act on behalf of the Board to enter into Bond Enhancement Agreements from time to time, all as provided in this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS, THAT:

1. Authorization of Bond Enhancement Agreements.

(a) Delegation. Pursuant to Section 161.074(b) of Chapter 161 and Section 162.052(b) of Chapter 162, each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations (each, a "Confirmation" and, collectively with the applicable Master Agreement (defined below), a "Bond Enhancement Agreement") under one or more of the Existing Master Agreements and the New Master Agreements (each as defined below) (collectively, the "Master Agreements") when, in his judgment, the execution of such Confirmation is consistent with this Resolution and the Board's Debt and Derivatives Policy Statement and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding Bonds or Bonds

anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation.

(b) Determination as Bond Enhancement Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to outstanding Bonds or Bonds anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "bond enhancement agreement" under Section 161.074 of Chapter 161 or Section 162.052 of Chapter 162, as applicable. Pursuant to Section 161.074(c) of Chapter 161 or Section 162.052(c) of Chapter 162, as applicable, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the Texas Government Code, as amended, unless specifically designated as such by the Board.

(c) Maximum Term. The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Bonds or the related Bonds anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Bonds or related Bonds anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same Bonds may exceed the principal amount of the related Bonds if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or a termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 3 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement Agreement in whole or in part when, in his judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

2. Authorization for Specific Transactions. In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(a) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to Bonds then outstanding bearing interest at a variable rate or any Bonds anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to an Authorized Representative other than the Chairwoman of the Board entering into any such transaction, such Authorized Representative must deliver to the Chairwoman of the Board or the Chief Clerk of the General Land Office a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable Bonds is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases;

(b) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to Bonds then outstanding bearing interest at a fixed rate or Bonds anticipated to be issued in the future that will bear interest at a fixed rate, as applicable, including a synthetic fixed rate in either case. Prior to an Authorized Representative other than the Chairwoman of the Board entering into any such transaction, such Authorized Representative must deliver to the Chairwoman of the Board or the Chief Clerk of the General Land Office a certificate to the effect that converting such portion of fixed rate Bonds to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the Board by (i) lowering the anticipated net interest cost on the Bonds to be swapped against or (ii) assisting in the Board's asset/liability management by matching a portion of its variable rate assets with variable rate Bonds;

(c) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as an index based on the Secured Overnight Financing Rate ("SOFR"), with respect to a given principal amount of Bonds then outstanding or Bonds anticipated to be issued in the future, as applicable. Prior to an Authorized Representative other than the Chairwoman of the Board entering into any such transaction, such Authorized Representative must deliver to the Chairwoman of the Board or the Chief Clerk of the General Land Office a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding

capability on Bonds, (iii) lower net interest cost on Bonds by layering tax risk on top of a traditional fixed rate financing, (iv) preserve liquidity capacity, or (v) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swaps in changing interest rate environments; and

(d) Interest rate locks, caps, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding Bonds or additional Bonds anticipated to be issued in the future. Prior to an Authorized Representative other than the Chairwoman of the Board entering into any such transaction, such Authorized Representative must deliver to the Chairwoman of the Board or the Chief Clerk of the General Land Office a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

3. Bond Enhancement Agreements in Connection with Anticipated Bonds.

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated Bonds. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Bonds and such Bonds are not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event (i) to delay the effective date of such Bond Enhancement Agreement; or (ii) to replace such anticipated Bonds with any then outstanding Bonds having the same types of interest rates (fixed or variable) as the anticipated Bonds.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated Bonds as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Bonds and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated Bonds as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement (i) to reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated Bonds as actually issued or (ii) supplement or replace all or a portion of such anticipated Bonds with any then outstanding Bonds having the same types of interest rates (fixed or variable) as the anticipated Bonds as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable Bonds.

(c) Board Recognition of Anticipated Bonds. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Bonds unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to either (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including but not limited to a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of

commercial paper notes, or (ii) the Board's action pursuant to subsection (e) hereof with respect to Bonds anticipated to be issued to refund outstanding Bonds.

(d) Required Description of Anticipated Bonds. To the extent that an Authorized Representative other than the Chairwoman of the Board enters into an Bond Enhancement Agreement under this Resolution with respect to the Board's obligations under an anticipated future issuance of Bonds, such Authorized Representative must also deliver to the Chairwoman of the Board or the Chief Clerk of the General Land Office at the time such agreement is entered into a certificate with respect to such anticipated Bonds stating: (i) the anticipated issuance date of such Bonds or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than seventy-two (72) months after the date of the applicable Confirmation; (ii) whether such Bonds will bear interest at a fixed or variable rate; (iii) if such Bonds will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such Bonds is anticipated; (iv) if such Bonds will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; and (v) the assumed maturity schedule and amortization for such Bonds, including the assumed interest cost.

(e) Board's Statement of Intent to Issue Advance Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with Bonds anticipated to be issued for the purpose of advance refunding any existing Bonds, provided that prior to any Authorized Representative other than the Chairwoman of the Board entering into any such agreement, such Authorized Representative must deliver to the Chairwoman of the Board a certificate to the effect that such refunding issue of Bonds, when taking into consideration the effect of such Bond Enhancement Agreement, is anticipated to result in a present value savings in connection with such advance refunding of at least 3.0%, and in such event, the Board hereby declares its intention to cause such refunding Bonds to be issued. No such certification or declaration shall be required in connection with Bonds anticipated to be issued for the purpose of currently refunding any existing Bonds within ninety (90) days of the date of issuance of such refunding Bonds.

4. Master Agreements.

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements and Schedules thereto (the "New Master Agreements") with counterparties satisfying the ratings requirements of the Board's Debt and Derivatives Policy Statement. Such New Master Agreements shall be in substantially the same form as any of the ISDA Master Agreements and Schedules thereto (the "Existing Master Agreements") to which the Board is currently a party, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of Bond Counsel or Financial Advisor to the Board, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to accommodate the credit structure or requirements of a particular counterparty or (iii) to incorporate comments received or anticipated to be received from any credit rating

agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding Bonds or Bonds anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of Bond Counsel to the Board, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the Board's Debt and Derivatives Policy Statement and this Resolution.

5. ISDA Protocols. Each Authorized Representative is hereby severally authorized to take such actions as are necessary or desirable as an Authorized Representative determines in his judgment are appropriate to enable the Board or any of its counterparties to comply with or adhere to any protocols developed by the International Swaps and Derivatives Association, Inc.

6. Bond Retirement Change. If a proposed "Bond Retirement Change" occurs with respect to an interest rate swap transaction (each, a "Transaction") of the Board, each Authorized Representative is hereby severally authorized to take such actions in connection with such Bond Retirement Change as an Authorized Representative determines are necessary or desirable. If an Authorized Representative determines to designate additional Bonds in connection with any such Bond Retirement Change, such Authorized Representative shall, on behalf of the Board, make such findings or determinations with respect to such Bonds as are then required pursuant to the Constitutional Provision, Chapter 161 and Chapter 162, and any such findings or determinations shall be deemed to be findings or determinations by the Board for all purposes. Any actions in connection with a Bond Retirement Change heretofore performed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

7. Authorization of Additional Acts. The Authorized Representatives are hereby severally authorized and directed from time to time and at any time, in the name and on behalf of the Board, to do and perform all acts and things and to execute, deliver, and if requested by a counterparty, attest or affix the seal of the Board to, all certificates, instruments and other papers as they may determine to be necessary or desirable in connection with the consummation of any Bond Enhancement Agreement, such determination to be conclusively evidenced by the performance of such acts and things and the execution and delivery of any such certificate, instrument or other paper, and any such actions heretofore performed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

8. Open Meeting. It is hereby officially found and determined that the meeting at which this resolution was adopted and approved was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

9. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof, and shall supersede and replace in its entirety the resolution of the same title adopted by the Board on July 25, 2023. The delegation to each Authorized Representative to act on behalf of the Board under this Resolution shall expire on June 24, 2025.

ADOPTED AND APPROVED on the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwoman, Veterans' Land Board of
the State of Texas

ATTEST:

/s/ Anthony W. Dale
Executive Secretary, Veterans' Land Board of
the State of Texas

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 b - Consideration and possible action on the adoption of a resolution authorizing liquidity facilities relating to bonds issued or to be issued in connection with the Veterans' Land Program or the Veterans' Housing Assistance Program and other related matters.

RECOMMENDATION: Staff recommends that the Board authorize staff to execute new liquidity facilities and substitute existing liquidity facilities and amend or supplement certain bond resolutions to accommodate such substitutions, as necessary, for the period beginning June 26, 2024, and ending June 25, 2025.

Summary

In keeping with past practices, the Board approved a resolution in July 2023 that authorized staff to: (1) substitute, over a one-year period, as necessary, various liquidity facilities provided by various liquidity providers on existing VLB variable-rate bond issues; (2) execute new liquidity facilities related to any new VLB bond issues during the one-year period; and (3) amend or supplement the resolutions associated with any such VLB bond issues.

During the past year, staff renewed one liquidity agreement and have three liquidity agreements that will be up for renewal during the one-year approval period. Staff also intends to enter into new liquidity agreements in conjunction with any new bond transactions.

Although it remains slightly challenging to find large, creditworthy banks willing to provide liquidity at pricing levels like those of those previous few years, staff expects to continue to meet projected liquidity facility needs during the next year at prices that are reasonable.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written:

> RESOLUTION OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING LIQUIDITY FACILITIES RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' LAND PROGRAM OR THE VETERANS' HOUSING ASSISTANCE PROGRAM, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, regarding meetings of the Board.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the ___ day of _____, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING LIQUIDITY FACILITIES RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' LAND PROGRAM OR THE VETERANS' HOUSING ASSISTANCE PROGRAM, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

_____

Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

Recitals 1

1. Incorporation of Recitals.....2

2. Approval of New Liquidity Facilities 2

3. Amendment of Resolutions.....2

4. Authorization and Ratification of Additional Acts 3

5. Open Meeting.....3

6. Effective Date 3

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING LIQUIDITY FACILITIES RELATING TO BONDS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE VETERANS' LAND PROGRAM OR THE VETERANS' HOUSING ASSISTANCE PROGRAM, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, the Veterans' Land Board (the "Board") of the State of Texas has caused to be issued from time to time and has currently outstanding variable rate demand bonds (the "Variable Rate Bonds") in connection with the Veterans' Housing Assistance Program and the Veterans' Land Program; and

WHEREAS, to provide liquidity for Variable Rate Bonds that are tendered for purchase but not remarketed, the Board has obtained liquidity facilities (the "Prior Liquidity Facilities") for each series of the Variable Rate Bonds; and

WHEREAS, due to current market conditions, the Board has determined it is necessary and desirable to authorize the substitution from time to time of liquidity facilities for one or more series of Variable Rate Bonds; and

WHEREAS, the Board has authorized the issuance of up to $250,000,000 in original principal amount of tax-exempt bonds and of up to $250,000,000 in original principal amount of taxable bonds (collectively, the "Series 2024 Bonds") in calendar year 2024 in one or more series and installments in connection with the Veterans' Housing Assistance Program (the "Housing Program"); and

WHEREAS, all or a portion of the Series 2024 Bonds may be issued as Variable Rate Bonds, and if so, any such Series 2024 Bonds will require a liquidity facility; and

WHEREAS, the Board has authorized the issuance of refunding bonds (the "Refunding Bonds") to refund certain bonds previously issued in connection with the Housing Program; and

WHEREAS, the Board has determined it is necessary and desirable to authorize liquidity facilities for the Refunding Bonds and for any Series 2024 Bonds that are issued as Variable Rate Bonds; and

WHEREAS, the Board desires to authorize the Chairwoman, the Executive Secretary, the Director of VLB Bond Funds Management and the Assistant Director of VLB Bond Funds Management of the Board (collectively, the "Authorized Representatives") to act on behalf of the Board in entering into and delivering new or substitute liquidity facilities (in any event, "New Liquidity Facilities") and such other documentation required in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS, THAT:

1. Incorporation of Recitals. All of the above recitals are found and determined to be true and correct and are incorporated into the body of this Resolution as if copied in their entirety.

2. Approval of New Liquidity Facilities. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in obtaining and executing New Liquidity Facilities (i) for any Series 2024 Bonds issued as Variable Rate Bonds, (ii) for the Refunding Bonds, or (iii) when, in his judgment, the substitution of such New Liquidity Facility for an existing Prior Liquidity Facility is in the best interests of the Board given the market conditions at that time. Each such New Liquidity Facility shall be substantially in the form of, or shall contain substantially the same provisions as, one or more of the Prior Liquidity Facilities, with such changes therein as, in the judgment of an Authorized Representative, with the advice and counsel of bond counsel to the Board and the financial advisor to the Board, are necessary or desirable (i) to carry out the intent of the Board expressed in this Resolution, (ii) to accommodate the requirements of a particular liquidity provider or the type of the New Liquidity Facility, or (iii) to incorporate comments received or anticipated to be received from any credit rating agency relating to the New Liquidity Facility. The principal amount of each New Liquidity Facility shall be the same as the related Variable Rate Bonds, shall have an initial term not to exceed seven years with extensions not to exceed the lesser of seven years and the maturity date of the related Variable Rate Bonds, and shall have a facility fee not to exceed 150 basis points at the time of inception or extension, as applicable. Each New Liquidity Facility shall be with a provider rated not less than A-1 with S&P Global Ratings, a division of S&P Global Inc., or P1 with Moody's Investors Service, Inc., and shall have the same source of payment and security as the Prior Liquidity Facilities. For purposes of this Resolution, the change in form of a Prior Liquidity Facility, such as from a standby bond purchase agreement to a letter of credit with a related reimbursement agreement with the same liquidity provider, shall be considered the substitution of a Prior Liquidity Facility with a New Liquidity Facility. The delegation to each Authorized Representative to obtain and execute New Liquidity Facilities on behalf of the Board under this Resolution shall expire on June 24, 2025.

3. Amendment of Resolutions. In connection with any substitution pursuant to this Resolution, on the substitution date the bond resolution for the related Variable Rate Bonds shall, in the discretion of an Authorized Representative, be deemed to be amended to the extent necessary to cause the variable rate provisions to be consistent with the State of Texas Veterans Bonds, Series 2023 in the case of any tax-exempt Variable Rate Bonds, or with the State of Texas Veterans Bonds, Taxable Series 2023A in the case of any taxable Variable Rate Bonds. Any such amendment shall be subject to any further requirements set forth in the related bond resolution.

4. Extension of Prior Liquidity Facilities. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in connection with the extension of the term of any Prior Liquidity Facility, the terms of such extension subject to the parameters provided for a New Liquidity Facility in Section 1 of this Resolution. In connection with any such extension, each Authorized Representative is hereby severally authorized to act on behalf of the Board in executing any amendment to the related Prior Liquidity Facility to contain provisions substantially similar to another Prior Liquidity Facility or a new Liquidity Facility or as required

under then-applicable law, and any such amendments heretofore executed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

5. Authorization and Ratification of Additional Acts. The Authorized Representatives are hereby severally authorized and directed from time to time and at any time, in the name and on behalf of the Board, to do and perform or cause to be done and performed all acts and things and to execute, deliver, and if requested by the provider of a New Liquidity Facility, attest or affix the seal of the Board to, all certificates, instruments and other papers as they may determine to be necessary or desirable in connection with the delivery of a New Liquidity Facility, including, without limitation (i) in the case of a substitution, preparation and distribution of a supplement to the official statement relating to the related Variable Rate Bonds, and (ii) the submission of a transcript of proceedings for approval of the Attorney General of the State of the proceedings authorizing each New Liquidity Facility as a "credit agreement" under Chapter 1371 of the Texas Government Code, as amended, such determination to be conclusively evidenced by the performance of such acts and things and the execution and delivery of any such certificate, instrument or other paper, and any such actions heretofore performed or caused to be performed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

6. Open Meeting. It is hereby officially found and determined that the meeting at which this resolution was adopted and approved was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

7. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof, and shall supersede and replace in its entirety the resolution of the same title adopted by the Board on July 25, 2023.

ADOPTED AND APPROVED on the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwo man, Veterar
the State of Texas

ATTEST:

/s/ Anthony W. Dale
Executive Secretary, Veterans' Land Board of
the State of Texas

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 c - Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed $250,000,000 and providing for other matters relating to the subject.

RECOMMENDATION: Staff recommends that the Board authorize the issuance up to $250,000,000 in new-money taxable general obligation bonds in the Veterans Housing Assistance Program (VHAP) between June 26, 2024, and June 24, 2025. In addition, staff recommends that the final maturity of the bonds not exceed December 1, 2057, and that the bond True Interest Cost not exceed 6.00%.

Summary

The Board has historically issued $250 million (the maximum amount per calendar year that is permissible under federal income tax law) in tax-exempt new-money general obligation bonds for the VHAP each year. The Board typically originates more than $250 million in VHAP loans annually, and the combination of bond proceeds and prepayments on existing mortgage loans has been sufficient to meet borrower demand. However, the rise in interest rates has reduced the amounts of prepayments received on existing mortgage loans, as high mortgage rates reduce borrower refinancing opportunities and the historically low interest rates from the previous few years make borrowers reluctant to move and take out a loan at a significantly higher rate.

To ensure sufficient funds to meet borrower demand, staff is requesting Board approval to issue $250 million in taxable new-money general obligation bonds for the VHAP. The issue is expected to be substantially like the Board's typical tax-exempt issue, with variable rate bonds issued that are effectively converted to fixed-rate bonds with a floating-to-fixed interest rate swap. The amortization of the bonds will exactly match the amortization of the swap. The synthetic fixed-rate bond structure is expected to achieve a lower true interest cost than a traditional taxable fixed-rate mortgage bond structure. While the Board has used this structure almost exclusively in the past, staff works with the Board's financial advisor and bond counsel prior to each issuance to determine the structure best suited to meet the Board's current financing needs considering market conditions and other factors at that time.

In July 2023, the Board approved a one-year resolution authorizing the issuance of up to $250 million in taxable new-money general obligation bonds in the VHAP. As interest rates have increased, demand has slowed, and staff has been able to make loan purchases with the bond proceeds that were issued during summer 2023. As we are coming upon the expiration of last year's approval, we are again requesting approval of a similar rolling one-year resolution.

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

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relating to

State of Texas
Veterans Bonds,
Taxable Series 2024

Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions 2
Section 1.2. Effect of Headings and Table of Contents 10

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS;
ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds 10
Section 2.2. Form, Maturities, Interest Rates and Numbering 10
Section 2.3. Execution 11
Section 2.4. Approval by Attorney General; Registration by Comptroller 11
Section 2.5. Form of Bond 11
Section 2.6. Registration, Transfer and Exchange 12
Section 2.7. Damaged and Missing Bonds 15
Section 2.8. Sale and Delivery of Series 2024 Bonds 15
Section 2.9. Preliminary Official Statement and Official Statement 16
Section 2.10. Book-Entry System 16

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption 18
Section 3.2. Notice of Redemption 19

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II 20
Section 4.2. Deposits to Fund II 20
Section 4.3. Home Loans 21
Section 4.4. Source of Payment 21
Section 4.5. Other Uses of Fund II Moneys 22
Section 4.6. Program Administration 23
Section 4.7. Investments 23

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures 23
Section 5.2. Paying Agent and Registrar 23
Section 5.3. Tax Covenants 24

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders 24
Section 6.2. Amendment of Resolution Without Consent of Holders 26
Section 6.3. Effect of Amendatory Resolutions 26
Section 6.4. Bonds May Bear Notation of Changes 26

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid 27
Section 7.2. Application of Trust Money 27

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions 27
Section 8.2. Annual Reports 28
Section 8.3. Event Notices 28
Section 8.4. Limitations, Disclaimers and Amendments 30
Section 8.5. Continuing Disclosure Relating to Other Obligated Persons 31
Section 8.6. Agreement Regarding Assumption of Certain Home Loans 31

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment 31
Section 9.2. Determination of Weekly Interest Rate 32
Section 9.3. Fixed Interest Rate 33
Section 9.4. Purchase of Weekly Rate Bonds 34
Section 9.5. Amendments to Liquidity Facility 38
Section 9.6. Alternate Liquidity Facility 38
Section 9.7. Notice of Termination or Other Change in Liquidity Facility 38
Section 9.8. Remarketing Agent and Tender Agent 38

Section 9.9. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal 39
Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds 40
Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates 42
Section 9.12. Delivery of Series 2024 Bonds 43
Section 9.13. Delivery of Proceeds of Sale 43
Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds 43
Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds 44
Section 9.16. Notices 44

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution 45
Section 10.2. Bonds to Rank Equally 45
Section 10.3. Enforcement 45
Section 10.4. Separability Clause 46
Section 10.5. Governing Law 46
Section 10.6. Open Meeting 46
Section 10.7. References to Liquidity Provider 46
Section 10.8. Liquidity Facilities Authorized 46
Section 10.9. Remarketing Agreements Authorized 46
Section 10.10. Tender Agent Agreements Authorized 46
Section 10.11. Authorization of Additional Acts 46
Section 10.12. Bond Enhancement Agreement Certificate 47
Section 10.13. Prior Resolution 47

EXHIBIT A – FORM OF WEEKLY RATE BOND A-1

EXHIBIT B – FORM OF FIXED RATE BOND B-1

EXHIBIT C – FORM OF VARIABLE RATE BOND C-1

EXHIBIT D – DESCRIPTION OF ANNUAL FINANCIAL INFORMATION D-1

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to the provisions of Article III, Section 49-b (the "Constitutional Provision") of the Constitution (the "State Constitution") of the State of Texas (the "State"), and implemented by Chapter 162, Texas Natural Resources Code, as amended (the "Act"), the Veterans' Land Board (the "Board") of the State has been authorized, subject to the limitations set forth in the Constitutional Provision, to issue general obligation bonds ("Bonds") of the State from time to time for the purpose of providing funding for the Veterans' Housing Assistance Fund II ("Fund II"), which fund is to be used for the purpose of making home mortgage loans to Veterans (as such term is defined in the Act); and

WHEREAS, pursuant to the provisions of subsection (w) of the Constitutional Provision, adopted by vote of the people of the State on November 6, 2001, as amended by vote of the people of the State on November 3, 2009, the Board has been authorized to issue Bonds, as well as general obligation bonds (together with the Bonds, "Veterans Bonds") of the State for the purpose of providing funding for the Veterans' Housing Assistance Fund or the Veterans' Land Fund, from time to time in an aggregate principal amount outstanding at any one time not to exceed the aggregate principal amount of Veterans Bonds previously authorized by prior amendments to the State Constitution; and

WHEREAS, prior amendments to the State Constitution have authorized $4 billion in aggregate principal amount of Veterans Bonds to be issued; and

WHEREAS, less than $3.5 billion (including unamortized net original issue premium) in aggregate principal amount of Veterans Bonds is currently outstanding or authorized; and

WHEREAS, the Board has determined that it is necessary and desirable at this time that up to $250,000,000 in aggregate principal amount of Bonds (hereinafter defined as the "Series 2024 Bonds") be issued in one or more series and installments for the purpose of augmenting Fund II; and

WHEREAS, pursuant to the Constitutional Provision, the Act and Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board hereby determines to issue the Series 2024 Bonds; and

WHEREAS, the Board hereby finds that the purpose for which the Board may issue the Series 2024 Bonds constitutes "public works," as contemplated by Chapter 1371;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. (a) For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires:

(i) "This Resolution" means this resolution as originally adopted or as it may from time to time be supplemented or amended by one or more resolutions supplemental hereto adopted pursuant to the applicable provisions hereof.

(ii) All references in this Resolution to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Resolution as originally adopted. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or other subdivision.

(iii) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. Reference to any named Person means that party and its successors and assigns.

(b) The following terms have the meanings assigned to them below whenever they are used in this Resolution:

"Act" means Chapter 162, Texas Natural Resources Code, as amended.

"Alternate Liquidity Facility" means a letter of credit, standby bond purchase agreement or any other agreement or agreements used to provide liquidity support for a series of Series 2024 Bonds, satisfactory to the Board and the Remarketing Agent therefor and containing administrative provisions reasonably satisfactory to the Tender Agent therefor, issued and delivered to such Tender Agent in accordance with Section 9.6 hereof.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means (i) for Weekly Rate Bonds, (A) prior to the final redemption pursuant to Section 3.1(a) hereof, $100,000 and any integral multiple of $5,000 in excess thereof, or (B) thereafter, any integral multiple of $5,000, (ii) for Fixed Rate Bonds, $5,000 and any integral multiple thereof, and (iii) for Variable Rate Bonds, the amount set forth in the Purchase Contract or Pricing Certificate therefor.

"Authorized Representative" means any of the following: the Chairwoman of the Board, the Executive Secretary of the Board, the Director of VLB Bond Funds Management of the Board, the Assistant Director of VLB Bond Funds Management of the Board, and any other officer or employee of the Board appointed by the Board to serve as an "Authorized Representative" hereunder.

"Beneficial Owner" means, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, any Person who acquires a beneficial ownership in such Series 2024 Bonds.

"Board" means the Veterans' Land Board of the State.

"Bond" or "Bonds" means general obligation bonds of the State authorized by the Constitutional Provision and issued for the benefit of Fund II.

"Bond Counsel" means Bracewell LLP or any other attorney or firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers and appointed by the Board.

"Bond Purchase Fund" means for any series of Series 2024 Bonds the fund so designated that is established with the Tender Agent therefor pursuant to Section 9.8(b)(ii) hereof.

"Bond Register" has the meaning set forth in Section 2.6 hereof.

"Business Day" means with respect to a series of Series 2024 Bonds, any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Board and the applicable Tender Agent, Remarketing Agent, Paying Agent, Registrar or Liquidity Provider are located, or in which the office of such Liquidity Provider from which payments are made pursuant to the applicable Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Ceiling Rate" means the lesser of (i) fifteen percent (15%) per annum and (ii) a per annum rate equal to the maximum net effective interest rate permitted to be paid on the Series 2024 Bonds (prescribed by Chapter 1204, Texas Government Code, as amended, or any successor provision), currently fifteen percent (15%).

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

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

"Comptroller" means the Texas Comptroller of Public Accounts.

"Constitutional Provision" means Article III, Section 49-b of the Constitution of the State, as adopted on November 9, 1999, as it may be amended from time to time.

"Defeasance Obligations" means (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States, (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 Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves the proceedings authorizing the issuance of

refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent.

"Direct Security Repurchase Agreement" means an agreement under which the Board buys, holds for a specified time, and then sells back any of the following securities, obligations, or participation certificates:

(1) United States government securities;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations; or

(4) any other investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns, or any successor securities depository for a series of Series 2024 Bonds.

"DTC Participant" means the securities 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.

"Eligible Investments" means:

(1) Direct Security Repurchase Agreements and Reverse Security Repurchase Agreements made with state or national banks domiciled in the State or with primary dealers as approved by the Federal Reserve System;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations;

(4) bankers' acceptances that:

(i) are eligible for purchase by members of the Federal Reserve System;

(ii) do not exceed 270 days to maturity; and

(iii) are issued by a bank that has received the highest short term credit rating by a nationally recognized investment rating firm;

(5) commercial paper that:

(i) does not exceed 270 days to maturity; and

(ii) has received the highest short term credit rating by a nationally recognized investment rating firm;

(6) contracts written by the Board in which the Board grants the purchaser the right to purchase securities in the Board's marketable securities portfolio at a specified price over a specified period and for which the Board is paid a fee and specifically prohibits naked option or uncovered option trading;

(7) obligations of a state or an agency, county, city, or other political subdivision of a state, including revenue bonds issued under Chapter 164, Texas Natural Resources Code, as amended, and mutual funds composed of these obligations;

(8) an investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States;

(9) an investment, account, depository receipt, or deposit that is fully:

(i) insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a successor organization to one of those organizations; or

(ii) secured by securities described by paragraph (2), (3), or (8) of this definition;

(10) a collateralized mortgage obligation fully secured by securities or mortgages issued or guaranteed by the Government National Mortgage Association or any entity described by paragraph (3) of this definition;

(11) a security or evidence of indebtedness issued by the Farm Credit System Financial Assistance Corporation, the Private Export Funding Corporation, or the Export Import Bank; and

(12) any other investment authorized for investment of State funds by the Comptroller under applicable law;

provided, however, that the term "Eligible Investments" does not include any investments that may from time to time not be authorized under the laws of the State for investment of moneys in Fund II; and provided, further, that the term "Eligible Investments" also includes all investments that may from time to time be authorized under the laws of the State for investment of moneys in Fund II.

"Expenses Attributable to Bonds" means the expenses of issuing, selling, delivering and administering the Bonds, including without limitation, fees, expenses and other payments by the Board (excluding payments by the Board with respect to principal of or interest on the Bonds) payable under any bond enhancement agreement with respect to principal of or interest on the Bonds.

"Expenses Attributable to Home Loans" means the expenses incurred in connection with originating, processing, servicing, and administering the Home Loans.

"Fiscal Year" means the period of time beginning in each calendar year on September 1, and ending August 31 of the calendar year next following, or the fiscal year for the State, as may hereinafter be established by law.

"Fixed Interest Rate" means (i) with respect to a Series 2024 Bond originally issued as a Weekly Rate Bond, the non-variable interest rate established in accordance with Section 9.3 hereof, and (ii) with respect to a Series 2024 Bond originally issued as a Fixed Rate Bond, the non-variable interest rate set forth in the related Purchase Contract or Pricing Certificate.

"Fixed Interest Rate Period" means with respect to a series of Series 2024 Bonds, the period of time during which such Series 2024 Bonds bear interest at a Fixed Interest Rate.

"Fixed Rate Bond" or "Fixed Rate Bonds" means any Series 2024 Bonds issued bearing interest at a Fixed Interest Rate.

"Fixed Rate Conversion Date" means with respect to a series of Weekly Rate Bonds, the date on which the interest rate on each of such Series 2024 Bonds converts to a Fixed Interest Rate.

"Fund I" means the Veterans' Housing Assistance Fund created by the former Article III, Section 49-b-1 of the Constitution of the State, and currently governed by the Constitutional Provision.

"Fund II" means the Veterans' Housing Assistance Fund II created by the former Article III, Section 49-b-2 of the Constitution of the State and currently governed by the Constitutional Provision, established pursuant to the resolution of the Board authorizing the issuance of the Series 1994A Bonds and confirmed and ratified by Section 4.1 of this Resolution.

"Holder" means a Person in whose name a Series 2024 Bond is registered in the Bond Register.

"Home Loan" or "Home Loans" means the home mortgage loans (including qualified home improvement loans) made by the Board pursuant to the Constitutional Provision and the Act.

"Initial Purchaser" means (i) with respect to a series of Series 2024 Bonds sold in connection with a public offering, the manager of the Underwriters relating thereto, or (ii) with respect to a series of Series 2024 Bonds sold privately, the purchaser or purchasers thereof.

"Initial Series 2024 Bond" means with respect to a series of Series 2024 Bonds, the Series 2024 Bond registered by the Comptroller.

"Interest Accrual Period" means with respect to a series of Series 2024 Bonds, the period from and including each Interest Payment Date to and excluding the next Interest Payment Date therefor; the initial Interest Accrual Period shall begin on (and include) the Settlement Date therefor and the final Interest Accrual Period shall end on the day next preceding the maturity date of such Series 2024 Bonds.

"Interest Payment Date" means (i) with respect to any Weekly Interest Rate Period, (A) the first Business Day of each month, commencing on the first such day following the applicable Settlement Date, (B) for a series of Weekly Rate Bonds, the Fixed Rate Conversion Date therefor, if any, and (C) the maturity date of a series of Series 2024 Bonds; and (ii) with respect to any Fixed Interest Rate Period, each June 1 and December 1, commencing the June 1 or December 1 immediately following the Fixed Rate Conversion Date or the Settlement Date, as the case may be, by at least 30 days.

"Interest Rate Period" means any Weekly Interest Rate Period or Fixed Interest Rate Period.

"Liquidity Facility" means for a series of Weekly Rate Bonds, initially the documents described in the related Pricing Certificate or Purchase Contract, as the same may be amended or supplemented from time to time, and, upon the effectiveness of an Alternate Liquidity Facility, means such Alternate Liquidity Facility.

"Liquidity Provider" means for a series of Weekly Rate Bonds, initially the Person designated in the related Pricing Certificate or Purchase Contract, and upon the effectiveness of an Alternate Liquidity Facility, means the bank or banks or other financial institution or financial institutions or other entity that is then a party to the Liquidity Facility. In the case of any Alternate Liquidity Facility to which more than one bank, financial institution or other entity is a party, notices required by this Resolution to be given to the Liquidity Provider may be given to the bank or financial institution under such Liquidity Facility appointed to act as agent for all such banks or financial institutions.

"Maximum Purchased Bond Rate" means for a series of Weekly Rate Bonds, the maximum interest rate for Purchased Bonds permitted under the Liquidity Facility therefor, but in no event to exceed the Ceiling Rate.

"Outstanding" means, when used with reference to a Bond or Bonds and as of a particular date, such Bond or Bonds not canceled except a Bond or Bonds for the payment or redemption of which provision has been made.

"Paying Agent" means with respect to a series of Series 2024 Bonds, the Comptroller unless otherwise set forth in the related Pricing Certificate or Purchase Contract, or any successor appointed by the Board pursuant to Section 5.2(a) hereof to perform the paying agent duties hereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

"Pricing Certificate" means a certificate executed by an Authorized Representative setting forth certain provisions relating to a series of Series 2024 Bonds.

"Program" means the Veterans' Housing Assistance Program established pursuant to the Act.

"Purchase Account" means for a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Purchase Contract" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the bond purchase contract between the Board and the Underwriters, authorized under Section 2.8 hereof, regarding the sale of such Series 2024 Bonds.

"Purchased Bond" or "Purchased Bonds" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Purchased Bond Rate" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Rating Agency" means with respect to a series of Series 2024 Bonds, initially, the statistical rating organization designated as such in the related Pricing Certificate or Purchase Contract or if such entity ceases to assign a rating to such Series 2024 Bonds, any substitute statistical rating organization so designated by the Board, which at the time has a credit rating assigned to such Series 2024 Bonds at the request of the Board.

"Record Date" means (a) with respect to any Interest Payment Date in respect of any Weekly Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to any Interest Payment Date in respect of any Fixed Interest Rate Period, the 15th day of the month immediately preceding such Interest Payment Date or, in the event that an Interest Payment Date shall occur less than 15 days after the Fixed Rate Conversion Date, such date.

"Registrar" means with respect to a series of Series 2024 Bonds, initially the Person designated as such in the Purchase Contract or Pricing Certificate therefor, or any successor entity appointed by the Board pursuant to Section 5.2(a) hereof to perform the duties of registrar and transfer agent hereunder.

"Remarketing Account" means with respect to a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Remarketing Agent" means with respect to a series of Weekly Rate Bonds, initially the Person designated as such in the Pricing Certificate therefor, or any successor appointed pursuant to Section 9.9(a) hereof.

"Remarketing Agreement" means with respect to a series of Weekly Rate Bonds, the Remarketing Agreement dated as of the Settlement Date therefor, between the Board and the Remarketing Agent therefor, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent.

"Resolution" means this resolution of the Board authorizing the issuance of the Series 2024 Bonds.

"Reverse Security Repurchase Agreement" means an agreement under which the Board sells and after a specified time buys back any of the securities, obligations, or participation certificates listed in paragraphs (1) through (4) of the definition of Direct Security Repurchase Agreement.

"Series 1994A Bond" or "Series 1994A Bonds" means the State of Texas Veterans' Housing Assistance Program, Fund II Series 1994A Bonds, initially dated October 1, 1994.

"Series 2024 Bond" or "Series 2024 Bonds" means the State of Texas Veterans Bonds, Taxable Series 2024, authorized pursuant to this Resolution.

"Settlement Date" means with respect to a series of Series 2024 Bonds, the date of initial delivery of such Series 2024 Bonds to the Initial Purchaser thereof.

"SOFR" means the 30-calendar-day compounded average of the "Secured Overnight Financing Rate" as published on the website of the Federal Reserve Bank of New York, or any successor source for such rate identified as such by the Federal Reserve Bank of New York or any successor administrator of the Secured Overnight Financing Rate.

"State" means the State of Texas.

"Tender Agent" means with respect to a series of Weekly Rate Bonds, any Person acting as Tender Agent therefor pursuant to the terms of this Resolution.

"Tender Agent Agreement" means if required with respect to a series of Weekly Rate Bonds, the agreement dated as of the Settlement Date therefor between the Board and the Tender Agent therefor, as the same may be amended or supplemented from time to time, or any similar agreement entered into with a successor Tender Agent.

"Undelivered Bonds" means any Series 2024 Bond so designated in accordance with the provisions of Section 9.4(e) or Section 9.4(g)(ii) hereof.

"Underwriters" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the members of the underwriting syndicate therefor.

"Variable Rate Bond" or "Variable Rate Bonds" means Series 2024 Bonds other than Weekly Rate Bonds, the interest rate on which is not fixed, but is variable or adjustable by any formula, agreement or otherwise as set forth in the Pricing Certificate or Purchase Contract for such Series 2024 Bonds.

"Veterans" has the meaning given such term in the Constitutional Provision.

"Weekly Interest Rate" means a variable interest rate on Weekly Rate Bonds established in accordance with Section 9.2 hereof.

"Weekly Interest Rate Period" means each period during which a Weekly Interest Rate is in effect.

"Weekly Rate Bond" or "Weekly Rate Bonds" means Series 2024 Bonds subject to a Weekly Interest Rate Period.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS; ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds. To provide money for the purpose of augmenting Fund II, the Series 2024 Bonds are hereby authorized and shall be issued, in one or more series and installments, as general obligations of the State in the original aggregate principal amount not to exceed Two Hundred Fifty Million Dollars ($250,000,000), as determined by an Authorized Representative and set forth in a Purchase Contract or Pricing Certificate. The Series 2024 Bonds shall be entitled "STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024"; provided that unless the entire principal amount authorized for the Series 2024 Bonds is issued in a single series or in the discretion of an Authorized Representative, the series designation for each separate series shall include a different capital letter after "2024," as set forth in the related Pricing Certificate or Purchase Contract.

Section 2.2. Form, Maturities, Interest Rates and Numbering. Each series of Series 2024 Bonds authorized hereby initially shall be dated as set forth in the related Pricing Certificate or Purchase Contract, and shall be issued and delivered in the form of fully registered bonds, without coupons, each payable to the Holder thereof, all in the manner hereinafter provided. The principal of Series 2024 Bonds shall mature, subject to prior redemption, on the dates and in the amounts set forth in the related Pricing Certificate or Purchase Contract; provided, however, that (i) the aggregate principal amount of all installments and series of Series 2024 Bonds shall not exceed $250,000,000, and (ii) the final maturity of the Series 2024 Bonds shall occur not later than December 1, 2055; and provided, further, that during any period in which ownership of a series of the Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with existing arrangements between the Board and the securities depository. Weekly Rate Bonds shall bear interest at the Weekly Interest Rate therefor, provided that from and after the Fixed Rate Conversion Date, such Series 2024 Bonds shall bear interest at a Fixed Interest Rate. Fixed Rate Bonds shall bear interest at the Fixed Interest Rate or Rates set forth in the related Pricing Certificate or Purchase Contract or as determined pursuant to Section 9.3(a) hereof. Variable Rate Bonds shall bear interest as provided in the related Pricing Certificate or Purchase Contract. Each series of Weekly Rate Bonds shall be numbered consecutively from WR-1 upward by the Registrar, and no two Weekly Rate Bonds of the same series shall be given the same number. Each series of Fixed Rate Bonds shall be numbered consecutively from FR-1 upward by the Registrar, and no two Fixed Rate Bonds of the same series shall be given the same number. Each series of Variable Rate Bonds shall be numbered consecutively from VR-1 upward by the

Registrar, and no two such Series 2024 Bonds shall be given the same number. Notwithstanding the foregoing, the Initial Series 2024 Bond for any series of Series 2024 Bonds shall be numbered T-1. Unless otherwise specified in the related Pricing Certificate or Purchase Contract, the Board shall cause CUSIP numbers to be assigned to, and reproduced on, the Series 2024 Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of such Bonds.

Section 2.3. Execution. Each of the Series 2024 Bonds shall be executed by and on behalf of the Board as general obligations of the State with the manual or facsimile signatures of the Chairwoman of the Board and the Executive Secretary of the Board, and the manual or facsimile seal of the Board shall be placed thereon. The facsimile signatures of the Chairwoman and Executive Secretary of the Board and the facsimile seal of the Board shall have the same effect as if each of said Bonds had been manually signed by such officers and said seal had been manually impressed on each such Bond. Series 2024 Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Board shall bind the State and the Board, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

Section 2.4. Approval by Attorney General; Registration by Comptroller. After any Initial Series 2024 Bonds shall have been executed, it shall be the duty of the Authorized Representatives to deliver such Series 2024 Bonds to the Attorney General for examination and approval, and after such Series 2024 Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Series 2024 Bonds thus registered shall remain in the custody of the Chairwoman of the Board or subject to her order, until the delivery thereof to the Initial Purchaser thereof.

Section 2.5. Form of Bond. The form of all Weekly Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Weekly Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The form of all Fixed Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Fixed Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit B hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. The form of all Variable Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Variable Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit C hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. At the direction of an Authorized Representative, a portion of the text of Series 2024 Bonds may be printed on the back of the bond certificates, in which event the following phrase shall be inserted in the place where such text would otherwise appear: "Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth at this place."

Section 2.6. Registration, Transfer and Exchange. (a) With respect to each series of Series 2024 Bonds, the Board shall keep or cause to be kept at the designated corporate trust office of the Person named in the related Pricing Certificate or Purchase Contract, or at the designated office of any other banking institution named in accordance with the provisions of Section 5.2(a) hereof (in any event, a "Registrar"), books or records of the registration and transfer of such Series 2024 Bonds (each, a "Bond Register"), and each Registrar shall act as registrar and transfer agent to keep such Bond Register and make such transfers and registrations under such reasonable regulations as the Board may prescribe, and to convert and exchange or replace the applicable Series 2024 Bonds; and the Registrar shall make such transfers and registrations as herein provided. It shall be the duty of a Registrar to obtain from the Holder of each applicable Series 2024 Bond and record in the related Bond Register the address of such Holder to which payments with respect to the applicable Series 2024 Bonds shall be mailed, as herein provided. Each Registrar shall keep the related Bond Register confidential and, unless otherwise required by law, shall not permit their inspection by any entity other than the Board or its designee, which shall have the right to inspect such Bond Register during regular business hours of such Registrar. Registration of each Series 2024 Bond may be transferred in the applicable Bond Register only upon presentation and surrender of such Series 2024 Bond to the applicable Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to such Registrar, evidencing the assignment of such Series 2024 Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Series 2024 Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Series 2024 Bond or any portion thereof, a new substitute Series 2024 Bond or Series 2024 Bonds of the same series and maturity shall be issued in conversion and exchange therefor in the manner herein provided.

(b) The entity in whose name any Series 2024 Bond shall be registered in the related Bond Register at any time shall be treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Series 2024 Bond shall be overdue, and the Board and the applicable Paying Agent and Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of and premium, if any, and interest on any such Series 2024 Bond shall be made only to such Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond to the extent of the sum or sums so paid.

(c) Unless otherwise set forth in a Pricing Certificate or Purchase Contract, the Board hereby appoints the Comptroller in Austin, Texas, or any banking institution named in accordance with the provisions of Section 5.2(a) hereof (in either case, the "Paying Agent"), to act as the paying agent for paying the principal of and premium, if any, and interest on the Series 2024 Bonds, all as provided in this Resolution. Each Paying Agent shall keep proper records of all payments made by the Board and such Paying Agent with respect to the applicable Series 2024 Bonds, as provided in this Resolution. For any Series 2024 Bond that has a CUSIP number, the applicable Paying Agent shall provide the CUSIP number for such Series 2024 Bond with each payment of interest on and the principal or the redemption price of such Series 2024 Bond, specifying the amount paid in respect of such CUSIP number.

(d) Each Series 2024 Bond may be converted into and exchanged for fully registered bonds in the manner set forth herein. Each Series 2024 Bond may, upon surrender thereof to the applicable Registrar, together with a written request therefor duly executed by the Holder or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Registrar, at the option of the Holder or such assignee or assignees, as appropriate, be converted into and exchanged for a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate and in any Authorized Denomination which may be requested in writing by such Holder or such assignee or assignees, in an aggregate principal amount equal to the principal amount of the Series 2024 Bond or Series 2024 Bonds so surrendered, and payable to the appropriate Holder, assignee, or assignees, as the case may be. If only a portion of any Series 2024 Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate, in any Authorized Denomination at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. If any Series 2024 Bond or portion thereof is assigned and transferred or converted, each Series 2024 Bond issued in exchange therefor shall have the same series, principal maturity date and bear interest at the same rate as the Series 2024 Bond for which it is being exchanged. Each substitute Series 2024 Bond shall bear a number to distinguish it from each other Series 2024 Bond. Each Registrar shall convert and exchange or replace Series 2024 Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Series 2024 Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Series 2024 Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided, however, that any Series 2024 Bond delivered in conversion of and exchange for or replacement of another Series 2024 Bond prior to the first scheduled Interest Payment Date of the related series of Series 2024 Bonds shall be dated the same date as such Series 2024 Bond, but each substitute Series 2024 Bond so delivered on or after such first scheduled Interest Payment Date shall be dated as of the Interest Payment Date preceding the date on which such substitute Series 2024 Bond is delivered, unless such Series 2024 Bond is delivered on an Interest Payment Date therefor, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Series 2024 Bond the interest on the Series 2024 Bond for which it is being exchanged has not been paid, then such Series 2024 Bond shall be dated as of the date to which such interest has been paid in full; and provided, further, that any Series 2024 Bond issued in exchange for an Initial Series 2024 Bond shall be dated the date specified in the related Pricing Certificate or Purchase Contract. On each substitute Series 2024 Bond issued in conversion of and exchange for or replacement of any Series 2024 Bond or Series 2024 Bonds there shall be printed a Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the applicable Registrar shall, before the delivery of any such Series 2024 Bond, date such Series 2024 Bond in the manner set forth above, and manually sign and date the Registrar's Authentication Certificate, and no such Series 2024 Bond shall be deemed to be issued or Outstanding unless such Registrar's Authentication Certificate is so executed and dated. Each Registrar promptly shall cancel all applicable Series 2024 Bonds surrendered for transfer, conversion and exchange or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or Person so as to accomplish the foregoing conversion and exchange or replacement of any Series 2024 Bond or portion thereof, and each Registrar shall provide for the execution and

delivery of substitute Series 2024 Bonds in the manner prescribed herein. Pursuant to Chapter 1201, and particularly Sections 1201.061 through 1201.063 and 1201.067 thereof, the duty of conversion and exchange or replacement of Series 2024 Bonds as aforesaid is hereby imposed upon the related Registrar, and, upon the execution and dating of the above described Registrar's Authentication Certificate, the transferred, converted and exchanged or replaced Series 2024 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2024 Bonds which originally were delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller. Except in the case of tenders of Weekly Rate Bonds pursuant to Section 9.4 hereof or of the remarketing of Purchased Bonds, neither the Board nor any Registrar shall be required (i) to issue, transfer, replace or exchange any Series 2024 Bond subject to redemption in whole or in part during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of such series of Series 2024 Bonds and ending at the close of business on the day of such mailing, or (ii) to replace, transfer or exchange any Series 2024 Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within 30 calendar days; except that at the option of the Holder of at least $1,000,000 in principal amount of a series of Series 2024 Bonds, the applicable Registrar shall be required to transfer or exchange any such Series 2024 Bond of such Holder which has been selected, in whole or in part, for redemption upon surrender thereof. A Registrar may make such arrangements as it deems appropriate for notation on each new Series 2024 Bond issued in exchange for or upon the transfer of the Series 2024 Bond so selected for redemption of an appropriate legend to the effect that such new Series 2024 Bond has been so selected for redemption.

(e) All Series 2024 Bonds issued in conversion and exchange or replacement of any other Series 2024 Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2024 Bonds to be payable only to the Holders thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2024 Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, (vii) shall be authenticated, and (viii) shall provide that the principal of and interest on such Series 2024 Bonds shall be payable, all as provided, and in the manner required or indicated, in this Resolution.

(f) The Board shall pay each Registrar's reasonable and standard or customary fees and charges for making transfers of Series 2024 Bonds, but the Holder of any related Series 2024 Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Holder of any Series 2024 Bond requesting any conversion and exchange shall pay the applicable Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Series 2024 Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Series 2024 Bond or Series 2024 Bonds or any portion or portions thereof in any Authorized Denomination, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Series 2024 Bond that has been redeemed in part prior to maturity, as provided in this Resolution, such fees and charges will be paid by the Board.

Section 2.7. Damaged and Missing Bonds. (a) In the event any Outstanding Series 2024 Bond is damaged, mutilated, lost, stolen, or destroyed, the applicable Registrar shall cause to be printed, executed, authenticated and delivered, a new Series 2024 Bond of the same series, principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Series 2024 Bond in the manner hereinafter provided.

(b) Application for replacement of a damaged, mutilated, lost, stolen, or destroyed Series 2024 Bond shall be made by the Holder thereof to the applicable Registrar. In every case of loss, theft, or destruction of a Series 2024 Bond, the Holder applying for a replacement Series 2024 Bond shall furnish to the Board and to the applicable 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 Series 2024 Bond, the Holder shall furnish to the Board and to the applicable Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2024 Bond, as the case may be. In every case of damage or mutilation of a Series 2024 Bond, the Holder shall surrender to the applicable Registrar for cancellation the Series 2024 Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Series 2024 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of and premium, if any, or interest on the Series 2024 Bond, the Board 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 Series 2024 Bond, provided security or indemnity is furnished as provided above in this Section.

(d) Prior to the issuance of any replacement Series 2024 Bond pursuant to the provisions of this Section, the applicable Registrar shall charge the Holder of such Series 2024 Bond with all legal, printing, and other expenses in connection therewith. Every replacement Series 2024 Bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2024 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Board whether or not the lost, stolen, or destroyed Series 2024 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 Series 2024 Bonds duly issued under this Resolution.

(e) In accordance with Section 1201.062 of Chapter 1201, this Section shall constitute authority for the issuance of any such replacement Series 2024 Bond without the necessity of further action by the Board or any other body or Person, and the duty of the replacement of such Series 2024 Bond is hereby authorized and imposed upon the applicable Registrar, and such Registrar shall authenticate and deliver such replacement Series 2024 Bonds in the form and manner and with the effect, as provided in Section 2.6(d) of this Resolution for Series 2024 Bonds issued in conversion and exchange for other Series 2024 Bonds.

Section 2.8. Sale and Delivery of Series 2024 Bonds. The Series 2024 Bonds may be sold publicly or privately on a negotiated basis, as determined by the Authorized Representatives to assure that the Series 2024 Bonds are sold on advantageous terms. Pursuant to Chapter 1371, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board in connection with other matters relating to the issuance of the Series 2024 Bonds. In such capacity, the Authorized Representatives, acting for and on behalf of the Board, shall

determine the date of issuance and sale of each series of the Series 2024 Bonds, and are also hereby severally authorized and directed to approve, execute and deliver the related Purchase Contract or Pricing Certificate, and to approve the principal amounts and maturities of such Series 2024 Bonds and whether such Series 2024 Bonds shall be issued initially as Fixed Rate Bonds, Weekly Rate Bonds or Variable Rate Bonds, the redemption provisions and such other terms applicable to such Series 2024 Bonds, the Purchase Contract or Pricing Certificate to be approved by the Authorized Representative executing the Purchase Contract or Pricing Certificate, such approval to be conclusively evidenced by such Authorized Representative's execution thereof; provided that (i) the final maturity and aggregate principal amount of such Series 2024 Bonds shall comply with Section 2.2 hereof, and (ii) the interest rate on such Series 2024 Bonds shall not exceed the Ceiling Rate, subject to the unqualified approving opinion as to the legality of such Series 2024 Bonds of the Attorney General and of Bond Counsel. The Authorized Representatives and all other officers, agents and representatives of the Board are hereby authorized to do any and all other things necessary or desirable to satisfy the conditions set out in the Purchase Contract or otherwise required by the Initial Purchaser and to provide for the issuance and delivery of Series 2024 Bonds. One definitive Series 2024 Bond for each series and maturity date, in the principal amount for such series and maturity date as set forth in the related Purchase Contract or Pricing Certificate, shall be delivered to or as directed by the Initial Purchaser thereof. It is further provided, however, that notwithstanding the foregoing provisions, a series of Series 2024 Bonds shall not be delivered unless prior to delivery such Series 2024 Bonds have been rated by a Rating Agency in one of the four highest rating categories for long-term obligations or in one of the three highest rating categories for short-term obligations, as required by Chapter 1371.

Section 2.9. Preliminary Official Statement and Official Statement. For any Series 2024 Bonds to be sold initially in a public offering, prior to the execution of the Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, (i) if requested by the Initial Purchaser thereof, shall cause a preliminary official statement (the "Preliminary Official Statement") to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate, and each Authorized Representative is hereby authorized for and on behalf of the Board to approve and deem final the Preliminary Official Statement as of its date, except for such omissions as are permitted by the Rule (as defined in Section 8.1 hereof); within seven business days after the execution of the related Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause the final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes as the Chairwoman of the Board may approve, such approval to be conclusively evidenced by her execution thereof, to be provided to the Underwriters in compliance with the Rule, or (ii) if such Initial Purchaser does not request a Preliminary Official Statement, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause an official statement to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate.

Section 2.10. Book-Entry System. As provided in Section 2.8 of this Resolution, each series of Series 2024 Bonds initially shall be delivered against payment to the Initial Purchaser thereof. The Series 2024 Bonds so delivered to such Initial Purchaser shall be registered in accordance with the instructions of such Initial Purchaser. Each Initial Purchaser shall be required to promptly surrender any Initial Series 2024 Bond received by such Initial Purchaser for exchange.

Series 2024 Bonds issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as Holder, and held in the custody or on behalf of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC or its designee for each series and maturity and of the Series 2024 Bonds. Beneficial owners of Series 2024 Bonds will not receive physical delivery of Series 2024 Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Series 2024 Bonds as provided herein, all transfers of beneficial ownership interests therein will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2024 Bonds is to receive, hold or deliver any Series 2024 Bond certificate.

With respect to Series 2024 Bonds registered in the name of Cede & Co., as nominee of DTC, none of the Board or the applicable Paying Agent or Registrar shall have any responsibility or obligation to any DTC Participant or to any Person on whose behalf a DTC Participant holds an interest in the Series 2024 Bonds. Without limiting the immediately preceding sentence, none of the Board or any Paying Agent or Registrar shall have any 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 Series 2024 Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Bond Register, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, and (iii) the payment to any DTC Participant or any other Person, other than a Holder, of any amount with respect to principal of and premium, if any, or interest on the Series 2024 Bonds.

Replacement Series 2024 Bonds may be issued directly to beneficial owners of Series 2024 Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Series 2024 Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Board and the applicable Paying Agent and Registrar), or (ii) the Board has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that DTC is incapable of discharging its duties as securities depository for the Series 2024 Bonds, or (iii) the Board has determined (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that the interests of the beneficial owners of the Series 2024 Bonds might be adversely affected if such book entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the Board shall use its best efforts to attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed, authenticated and delivered replacement Series 2024 Bonds, in certificated form, to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. In the event that the Board makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Series 2024 Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Series 2024 Bonds in certificated form to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. The Board undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Series 2024 Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), the requirements in

this Resolution of holding, registering, delivering, exchanging or transferring Series 2024 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of DTC (or such successor securities depository) as to holding, registering, delivering, exchanging or transferring the book entry to produce the same effect.

Whenever, during the term of the Weekly Rate Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Weekly Rate Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Weekly Rate Bonds, payment of the Purchase Price thereof shall be made to DTC (or any successor securities depository), and no surrender of Weekly Rate Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Weekly Rate Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Weekly Rate Bonds were purchased pursuant to a remarketing. The Board and each Registrar, Paying Agent, Tender Agent, Liquidity Provider and Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

If at any time DTC ceases to hold the Series 2024 Bonds, all references herein to DTC shall be of no further force or effect.

Anything to the contrary contained herein notwithstanding, this Section 2.10 shall not apply to a series of the Series 2024 Bonds if so provided in a Pricing Certificate.

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption. (a) Series 2024 Bonds (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the dates and in the respective principal amounts set forth in the related Purchase Contract or Pricing Certificate, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption. The principal amount of Series 2024 Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Series 2024 Bonds of the same series and having the same stated maturity which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the applicable Registrar for cancellation, or (2) shall have been acquired and canceled by such Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any redemption provision set forth below and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

(b) The Weekly Rate Bonds (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. In the case of any such redemption, the Board shall select the maturity or maturities of the Weekly Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(c) Any series of Series 2024 Bonds issued as other than Weekly Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods and at the redemption prices set forth in the related Purchase Contract or Pricing Certificate, plus accrued interest to the date fixed for redemption

(d) Converted Fixed Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods specified by an Authorized Representative, in whole at any time or in part from time to time, at the redemption prices (expressed as a percentage of principal amount) determined by such Authorized Representative, plus accrued interest, if any, to the redemption date. In the case of any such redemption, the Board shall select the maturity or maturities of the Fixed Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(e) In the case of any redemption of less than all of the Series 2024 Bonds of a particular series and maturity, the particular Series 2024 Bonds within each such series and maturity to be redeemed shall be selected by the applicable Registrar by lot in such manner as such Registrar shall deem fair and appropriate; provided that during any period in which ownership of such Series 2024 Bonds is determined only by a book entry at a securities depository, if less than the entire principal amount Outstanding of all Series 2024 Bonds of the same series and maturity is to be redeemed, the interests to be redeemed of the beneficial owners of such Series 2024 Bonds shall be selected in accordance with the arrangements between the Board and the securities depository.

(f) Anything in this Section 3.1 to the contrary notwithstanding, in the event of any (i) optional redemption of Weekly Rate Bonds, Purchased Bonds of the same series shall be selected first for such redemption to the extent there are any such Purchased Bonds, provided that the Board may select the maturity or maturities of Purchased Bonds to be so redeemed and the amounts thereof in Authorized Denominations, and (ii) mandatory sinking fund redemption of Weekly Rate Bonds, Purchased Bonds of the same series and maturity being redeemed shall be selected first for such redemption to the extent there are any such Purchased Bonds.

Section 3.2. Notice of Redemption. At least 30 days prior to the date fixed for any redemption of Series 2024 Bonds, a written notice of such redemption shall be sent by first class mail, postage prepaid by the Registrar to the Holders of the applicable series of Series 2024 Bonds to be redeemed on such date. All notices of redemption shall state: (1) the date of redemption and general mailing of such notices; (2) the redemption price; (3) the identification (including complete official name and series designation and issue date), the CUSIP number, if any, certificate number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Series 2024 Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable on each such Series 2024 Bond, and that interest thereon shall cease to accrue from and after such date; and (5) the name and address of the applicable Paying Agent, including the name and telephone number of a contact person and the place where such Series 2024 Bonds are to be surrendered for payment of the redemption price. By the date fixed for any such redemption, due provision shall be made by the Board with the applicable Paying Agent for the payment of the required redemption price for such Series 2024 Bonds or the portions thereof which are to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, such Series 2024 Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their

scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being Outstanding except for the right of the Holders thereof to receive the redemption price therefor from the applicable Paying Agent out of the funds provided for such payment. The applicable Registrar shall record in the related Bond Register all such redemptions of principal of the Series 2024 Bonds or any portion thereof. If only a portion of any Series 2024 Bond shall be redeemed, a substitute Series 2024 Bond or Series 2024 Bonds, having the same series and maturity date, bearing interest at the same rate, in any Authorized Denomination which may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder thereof upon the surrender thereof for cancellation, at the expense of the Board, all as provided in this Resolution. For all purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Series 2024 Bonds shall relate, in the case of any Series 2024 Bond redeemed or to be redeemed only in part, to the portion of the principal of such Series 2024 Bond that has been or is to be redeemed.

In addition to the notice of redemption required above, the applicable Registrar shall send notice of redemption by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any Holder of $1,000,000 or more in principal amount of the applicable series of Series 2024 Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a Holder of such Series 2024 Bonds. In addition, in the event of a redemption caused by an advance refunding of Series 2024 Bonds, the applicable Registrar shall send a second notice of redemption to all Holders of such Series 2024 Bonds at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. A Registrar shall also send a notice of redemption to the Holder of any applicable Series 2024 Bond called for redemption who has not sent such Series 2024 Bond in for redemption sixty (60) days after the redemption date.

Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this Section or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Series 2024 Bonds.

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II. The Comptroller (as successor to the Treasurer of the State) has established in the State Treasury the "Veterans' Housing Assistance Fund II," referred to herein as "Fund II." The Board hereby confirms and ratifies the establishment of Fund II and agrees to maintain Fund II until all Bonds have been paid in full.

Section 4.2. Deposits to Fund II. Fund II is and shall be comprised of, and where feasible it is the duty of the Board, and the officers of the Board are hereby authorized and directed, to deposit into Fund II, the following:

(i) any interest of the Board in Home Loans made from money in Fund II pursuant to the Program including proceeds of any insurance thereon or on the homes;

(ii) the proceeds derived from the sale or other disposition of the Board's interest in Home Loans;

(iii) the money attributable to any Bonds (except Expenses Attributable to Bonds) issued and sold by the Board to provide money for Fund II which shall include, but shall not be limited to, the proceeds from the issuance and sale of such Bonds;

(iv) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans;

(v) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Bonds to comply with the person's bid and accept and pay for such Bonds;

(vi) payments received by the Board under bond enhancement agreements with respect to the Bonds;

(vii) interest received from investments of any such money; and

(viii) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II.

The Board may deposit other moneys to the credit of Fund II, including moneys transferred by the Board from the Veterans' Land Fund and Fund I, which are eligible under the Constitution and applicable laws of the State for such deposit or transfer.

Section 4.3. Home Loans. (a) Money in Fund II, including the proceeds from the sale of Bonds, may be used by the Board in the making of Home Loans as provided in the Act, the payment of Expenses Attributable to Home Loans and Expenses Attributable to Bonds, and, as herein provided, the payment of the principal of and premium, if any, and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds; provided, that the language of this paragraph shall not be construed to prevent the investment of the moneys in Fund II when permitted by the Constitutional Provision or the Act.

(b) The Board will fix interest rates to be charged Veterans receiving Home Loans from the Board which will assure that the proceeds from payments and repayments of Home Loans, together with other legally available moneys, including, without limitation, anticipated transfers from the Veterans' Land Fund or Fund I, will exceed the amount of payments the Board is required to make from Fund II for the payment of interest on and principal of the Bonds as such come due and mature, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and to the extent permitted by the Constitution and applicable laws of the State, the Board covenants to transfer such amounts from the Veterans' Land Fund and Fund I as are necessary to cause available amounts in Fund II to be sufficient for such payment.

Section 4.4. Source of Payment. (a) The principal of and interest on the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal

of or interest on the Series 2024 Bonds, shall be and are hereby made general obligations of the State pursuant to the Constitutional Provision, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on each of the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2024 Bonds, when due the resources of the Board to the extent herein provided and the full faith and credit of the State are hereby pledged.

(b) All payments of the principal of and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, shall be made from Fund II; provided, that if the Legislature of the State shall later provide additional sources from which the principal of or the interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, may be paid, the Board, its officers, the Comptroller and all other officers and employees of the State are hereby authorized and requested, and, to the extent that they are under the jurisdiction of this Board, directed to take all steps necessary to accomplish the use of such additional funds for such purpose, without releasing the continuing right of the Holders to the present sources prescribed by the Constitutional Provision and the Act for the payment of such principal and interest.

(c) The Board recognizes the absolute and ultimate obligation of the State to provide during each Fiscal Year all moneys necessary to pay the principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and recognizes that the Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, "there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or come due during that fiscal year or to make bond enhancement payments with respect to those bonds."

Section 4.5. Other Uses of Fund II Moneys. (a) The Constitutional Provision provides that receipts of all kinds of Fund II determined by the Board not to be required for the payment of principal of and interest on Bonds or other general obligation bonds hereafter authorized by the Constitution of the State to provide money for Fund II, including payments by the Board under bond enhancement agreements with respect to principal of or interest on Bonds and such other general obligation bonds, may be used by the Board, to the extent not inconsistent with the proceedings authorizing such bonds, to (1) make temporary transfers to either the Veterans' Land Fund or Fund I to avoid a temporary cash deficiency in that fund or make a transfer to either of those funds for the purposes of that fund; (2) pay the principal of and interest on general obligation bonds issued to provide money for either the Veterans' Land Fund or Fund I or make bond enhancement payments with respect to such bonds; or (3) pay the principal of and interest on revenue bonds of the Board or make bond enhancement payments with respect to such bonds. In accordance with the Constitutional Provision, the Board reserves the right to use the moneys in Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

(b) The Constitutional Provision also provides that if the Board determines that assets from Fund II are not required for the purposes of Fund II, the Board may (i) transfer the assets to either the Veterans' Land Fund or Fund I, (ii) use the assets to secure revenue bonds issued by the Board under the Constitutional Provision, (iii) use the assets to plan and design, operate, maintain, enlarge or improve veterans cemeteries, or (iv) use the assets to plan and design, construct, acquire, own, operate, maintain, enlarge, improve, furnish, or equip veterans homes. In accordance with the Constitutional Provision, the Board reserves the right to use the assets from Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

Section 4.6. Program Administration. The Program may be administered on behalf of the Board by one or more administrators, each of which shall be a nationally recognized institution with previous experience in the administration of mortgage lending programs, and whose duties shall be specified in an agreement between the Board and the administrator named therein. Currently, the Program administrators are Gateway Mortgage Group, LLC as "Loan Origination Administrator" and Nationstar Mortgage LLC as "Master Servicer." Home Loans may (i) be originated by the Board, or (ii) be originated and serviced through qualified lending institutions in the State, which shall be subject to the approval of the Board.

Section 4.7. Investments. The moneys of Fund II which are not immediately committed to the payment of principal of and interest on the Bonds, the making of Home Loans as herein provided, or the payment of expenses as herein provided may be invested in Eligible Investments until such funds are needed for such purposes.

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures. (a) The Board hereby covenants that it shall establish procedures with the Comptroller whereby sufficient moneys shall be withdrawn from Fund II and forwarded to each Paying Agent for the payment of interest on and principal of the Series 2024 Bonds coming due on each interest or principal payment date. In addition, the Board covenants that as of each principal payment date and Interest Payment Date for a series of Series 2024 Bonds it will make available to the applicable Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

If the date for the payment of the principal of or interest on the Series 2024 Bonds is a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section 5.2. Paying Agent and Registrar. (a) The Board covenants with the Holders that at all times while the Series 2024 Bonds are Outstanding, the Board will provide a competent and legally qualified Paying Agent and Registrar for each series of Series 2024 Bonds under this Resolution,

and that the Paying Agent and Registrar for such series shall be one entity, except during any period when such Series 2024 Bonds are registered only by means of a book entry at a securities depository. The Board reserves the right to, and may, at its option, change any Paying Agent or Registrar upon not less than 30 days written notice to such Paying Agent or Registrar. In the event that an entity at any time acting as Paying Agent or Registrar (or the successor thereto by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will appoint promptly a competent and legally qualified national or state banking institution which shall be an entity organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and, if the previous Paying Agent or Registrar was a banking institution, whose qualifications substantially are similar to the previous Paying Agent or Registrar, as appropriate, to act as Paying Agent or Registrar under this Resolution. Upon any change in a Registrar, the previous Registrar promptly shall transfer and deliver the related Bond Register (or a copy thereof), along with all other pertinent books and records relating to the applicable Series 2024 Bonds, to the new Registrar designated and appointed by the Board. Upon any change in a Paying Agent, the previous Paying Agent promptly shall transfer and deliver the records regarding payments of principal of and interest on the applicable Series 2024 Bonds (or a copy thereof) it has kept and maintained, along with all other pertinent books and records relating to payments made regarding such Series 2024 Bonds, to the new Paying Agent designated and appointed by the Board. Upon any change in Paying Agent or Registrar, the Board promptly will cause a written notice thereof to be sent by the new Registrar to each applicable Holder by first class mail, postage prepaid, which notice also shall give the address of the new Paying Agent or Registrar, as appropriate. By accepting the position and performing as such, each Paying Agent and 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 and Registrar.

In addition, the Board hereby covenants with the Holders that it will (i) pay the reasonable and standard or customary fees and charges of each Paying Agent for its services with respect to the payment of the principal of and interest on the Series 2024 Bonds, when due, and (ii) pay the fees and charges of each Registrar for services with respect to the transfer of registration of Series 2024 Bonds solely to the extent provided in Section 2.6(f), and with respect to the conversion and exchange of Series 2024 Bonds solely to the extent provided in Section 2.6(f).

Section 5.3. Tax Covenants. The Board does not intend to issue the Series 2024 Bonds in a manner such that the Series 2024 Bonds would constitute obligations described in Section 103(a) of the Internal Revenue Code of 1986 (as amended, the "Code"), and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code. Accordingly, the Board covenants to take such actions, or refrain from such actions as to assure that the Series 2024 Bonds are not obligations described in Section 103(a) of the Code.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders. (a) The Holders of a series of Series 2024 Bonds aggregating a majority in principal amount of the aggregate principal amount

of such Series 2024 Bonds at the time Outstanding (but not including in any case Series 2024 Bonds which may then be held or owned by or for the account of the Board) shall have the right from time to time to approve an amendment of this Resolution affecting such Series 2024 Bonds which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions contained in this Resolution or in such Series 2024 Bonds so as to:

(i) make any change in the maturity of any of the Series 2024 Bonds of such series;

(ii) reduce the rate of interest borne by any of the Series 2024 Bonds of such series;

(iii) reduce the amount of the principal payable on any of the Series 2024 Bonds of such series;

(iv) modify the terms of payment of principal of or interest on such Series 2024 Bonds, or any of them, or impose any conditions with respect to such payment;

(v) change the minimum percentage of the principal amount of such Series 2024 Bonds necessary for consent to such amendment; or

(vi) affect the rights of the Holders of less than all of the Series 2024 Bonds of such series then Outstanding,

unless such amendment or amendments be approved by the Holders of all of such Series 2024 Bonds at the time Outstanding.

(b) If at any time the Board shall desire to amend this Resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or the City of Austin, Texas, once during each calendar week for at least four successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Board and the designated office of the Registrar for inspection by all holders of such Series 2024 Bonds. Such publication is not required, however, if notice in writing is given to each Holder of the applicable series of Series 2024 Bonds.

(c) Whenever at any time, within one year from the date of this publication of said notice or other service of written notice, the Board shall receive an instrument or instruments executed by the Holders of a majority in aggregate principal amount of Series 2024 Bonds of the applicable series then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Registrar, the Board may adopt the amendatory resolution in substantially the same form.

(d) Any consent given by the Holder of a Series 2024 Bond pursuant to the provisions of this Resolution shall be irrevocable for a period of six months from the date of the first publication or mailing of the notice provided for in this Resolution, and shall be conclusive and binding upon all future Holders of the same Series 2024 Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication or mailing of such notice by the holder who gave such consent, or by a successor in title, by filing notice of such revocation with

the Registrar and the Board, but such revocation shall not be effective if the Holders of a majority in aggregate principal amount of the Series 2024 Bonds of the applicable series Outstanding as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(e) For the purposes of this Section, proof of ownership of any Series 2024 Bond shall be established by the registration of any such Series 2024 Bond on the Bond Register kept and maintained by the applicable Registrar.

Section 6.2. Amendment of Resolution Without Consent of Holders. The foregoing provisions of this Article notwithstanding, the Board may, without the consent of the Holders, pursuant to amendatory resolution, from time to time:

(i) impose conditions or restrictions additional to, but not in diminution of, those contained in this Resolution, respecting the issuance of Bonds;

(ii) undertake covenants additional to but not inconsistent with those contained in this Resolution;

(iii) correct any ambiguity or correct or supplement any inconsistent or defective provision contained in this Resolution or any amendatory resolution;

(iv) adopt amendments to this Resolution that become effective as to a series of Series 2024 Bonds following a mandatory tender of all of such Series 2024 Bonds then Outstanding; or

(v) adopt amendments to this Resolution that, in the opinion of Bond Counsel, do not adversely affect the Holders.

Section 6.3. Effect of Amendatory Resolutions. Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations of the Board under this Resolution and all the holders of Outstanding Series 2024 Bonds of the applicable series shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

Section 6.4. Bonds May Bear Notation of Changes. Series 2024 Bonds of the applicable series authenticated and delivered after the execution of any amendatory resolution pursuant to this Article may bear a notation in form approved by the applicable Registrar as to any matter provided for in such amendatory resolution. If the Board or the applicable Registrar shall so determine, new Series 2024 Bonds of the applicable series so modified as to conform, in the opinion of the Board and such Registrar, to any such amendatory resolution may be prepared and executed by the Board and authenticated and delivered by such Registrar in exchange for Series 2024 Bonds of the applicable series then Outstanding.

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid. Any Fixed Rate Bond shall be deemed to be paid and no longer Outstanding when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, 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 by irrevocably depositing with a paying agent, in trust and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Defeasance Obligations, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of such paying agent for such Fixed Rate Bonds, with respect to which such deposit is made, shall have been paid or the payment thereof provided for. At such time as a Fixed Rate Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such money or Defeasance Obligations.

Section 7.2. Application of Trust Money. (a) The deposit under clause (ii) of Section 7.1 shall be deemed a payment of a Fixed Rate Bond as aforesaid when proper notice of redemption of such Bond shall have been given, in accordance with this Resolution. Any money so deposited with a paying agent as provided in this Section may at the discretion of the Board also be invested in Defeasance Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Obligations in possession of a paying agent pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board.

(b) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the particular Fixed Rate Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Fixed Rate Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Obligations have been so set aside in trust.

(c) Notwithstanding anything elsewhere in this Resolution contained, if money or Defeasance Obligations have been deposited or set aside with a paying agent pursuant to this Section for the payment of Fixed Rate Bonds and such Fixed Rate Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Section shall be made without the consent of the Holder of each Fixed Rate Bond affected thereby.

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access website of the MSRB, with the web address as of the date hereof of www.emma.msrb.org.

"MSRB" means the Municipal Securities Rulemaking Board.

"Other Obligated Person" means a Person that is the mortgagor with respect to at least 20% in aggregate principal amount of the Home Loans in Fund II.

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

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

Section 8.2. Annual Reports. The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the Board of the general type included in each final Official Statement authorized by Section 2.9 of this Resolution, being the information described in Exhibit D hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit D hereto, (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, and (3) submitted through EMMA, in an electronic format with accompanying identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Board shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available.

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

If the Board changes the accounting principles under which its financial statements to be provided are prepared, it will provide notice of such change to the MSRB, including identification of the new accounting principles and such additional information as may be required under the Rule.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on EMMA or filed with the SEC.

The Board represents that no Veteran eligible to participate in the Program is an "obligated person" (as defined in the Rule) for whom financial information or operating data would be presented in the final Official Statement authorized by Section 2.9 of this Resolution.

Section 8.3. Event Notices. The Board shall notify the MSRB, in a timely manner but in any event within ten Business Days, of any of the following events with respect to a series of Series 2024 Bonds subject to the Rule:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults, if material;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) 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 such Series 2024 Bonds, or other material events affecting the tax status of such Series 2024 Bonds;

(G) Modifications to rights of holders of such Series 2024 Bonds, if material;

(H) Series 2024 Bond calls of the applicable series, if material, and tender offers;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of such Series 2024 Bonds, if material;

(K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar event of the Board;

(M) Consummation of a merger, consolidation or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, or than pursuant to its terms, if material; and

(N) Appointment of a successor Paying Agent or Registrar or change in the name of the applicable Paying Agent or Registrar, if material.

As used in clause (L) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Board 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 Board, or if jurisdiction has been assumed by leaving the Board and official or officers of the Board 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 Board.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with Section 8.2 of this Resolution by the time required by such Section.

Section 8.4. Limitations, Disclaimers and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Board remains an "obligated person" with respect to a series of Series 2024 Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 8.3 of any Series 2024 Bond calls and defeasance of the applicable series that cause the Board to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2024 Bonds, 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 Board undertakes to provide only the financial information, operating data, financial 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 Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2024 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2024 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER FROM NEGLIGENCE 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.

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

The provisions of this Article may be amended by the Board 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 Board, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2024 Bonds in the primary offering of a series of Series 2024 Bonds 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 Resolution that authorizes such an amendment) of the Outstanding Series 2024 Bonds of the applicable series consent to such amendment or (b) a Person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the applicable series of Series 2024 Bonds. If the Board so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.2 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.

Anything in this Resolution to the contrary notwithstanding, the provisions of this Article may be modified for a particular series of Series 2024 Bonds as set forth in the Pricing Certificate relating thereto.

Section 8.5. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an "obligated person" (as defined in the Rule) for whom financial information and operating data would be presented in any final official statement relating to a series of Series 2024 Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Veteran eligible to participate in the Program would be an Other Obligated Person.

Section 8.6. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Home Loan that would cause any Person to become an Other Obligated Person.

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment. (a) General. Each Outstanding Weekly Rate Bond shall bear interest at the Weekly Interest Rate therefor, each Fixed Rate Bond shall bear interest at the Fixed Interest Rate therefor, each Purchased Bond shall bear interest at the Purchased Bond Rate therefor, and each Variable Rate Bond shall bear interest as provided in the related Purchase Contract or Pricing Certificate; provided, however, that in no event shall the interest rate on any Series 2024 Bond exceed the Ceiling Rate; and provided further that in no event shall the Purchased Bond Rate exceed the Maximum Purchased Bond Rate. Unless provided to the contrary in the related Purchase Contract or Pricing Certificate, each Series 2024 Bond shall bear interest from its date (except for an Initial Series 2024 Bond that is not a Fixed Rate Bond, which shall bear interest from the Settlement Date), and interest on each Series 2024 Bond for each Interest Accrual Period shall be payable on each Interest Payment Date applicable to such Series 2024 Bond; provided, however, that the Holder (other than a Liquidity Provider) of a Weekly Rate Bond shall be paid interest thereon for an Interest Accrual Period only in the amount that would have accrued thereon at the Weekly Interest Rate, regardless of whether such Weekly Rate Bond was a Purchased Bond during any portion of such Interest Accrual Period, and the amount, if any, accrued as interest on such Weekly Rate Bond at the Purchased Bond Rate in excess of the amount required to be paid to such Holder shall be paid by the Board to a Liquidity Provider in accordance with the related Liquidity Facility.

(b) Payment and Calculation of Interest. Interest on the Series 2024 Bonds shall be paid in arrears. Interest on Weekly Rate Bonds (including Purchased Bonds) shall be computed on the basis of a 365/366-day year, for the number of days actually elapsed. Interest on Fixed Rate Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months. Interest on Variable Rate Bonds shall be computed as set forth in the related Purchase Contract or Pricing Certificate.

(c) Ceiling Rate. Anything to the contrary contained herein notwithstanding, the maximum rate of interest on the Series 2024 Bonds at any time shall be the Ceiling Rate.

(d) Purchased Bonds. All Purchased Bonds shall bear interest at the Purchased Bond Rate therefor, which shall be payable at such times, in such amounts and in such manner as is provided in the related Liquidity Facility. The maximum rate of interest permitted on Purchased Bonds shall be the Maximum Purchased Bond Rate. Any determination of the Purchased Bond Rate pursuant to a Liquidity Facility shall be conclusive and binding on the Board. Anything contained in this Resolution notwithstanding, it is the express intention of the Board that the purchase of Purchased Bonds by the Comptroller, as Liquidity Provider pursuant to a Liquidity Facility, shall not extinguish the debt represented by such Purchased Bonds, which under such circumstances shall remain Outstanding and unpaid for all purposes of this Resolution.

Section 9.2. Determination of Weekly Interest Rate. (a) Weekly Rate Bonds shall bear interest at the Weekly Interest Rate, which shall be determined by the applicable Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day, provided that the first Weekly Interest Rate for a series of Weekly Rate Bonds shall be determined by the Initial Purchaser thereof on the date of execution of the related Purchase Contract in the manner set forth in this paragraph. The first Weekly Interest Rate for a series of Weekly Rate Bonds shall apply to the period commencing on the Settlement Date therefor and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate for a series of Weekly Rate Bonds shall be the rate of interest per annum determined by the Remarketing Agent therefor (based on then prevailing market conditions) to be the minimum interest rate which, if borne by such Weekly Rate Bonds, would enable such Remarketing Agent to sell such Weekly Rate Bonds on such date of determination at a price (without regarding accrued interest) equal to the principal amount thereof. In the event that such Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by such Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by such Remarketing Agent, or in the event that the Weekly Interest Rate determined by such Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the most recently available SOFR rate plus 0.25% per annum, or if such rate is no longer available, or no such rate was so made available for the week preceding the date of determination, 100% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(b) The first Interest Rate Period for a series of Weekly Rate Bonds shall commence on the Settlement Date and shall be a Weekly Interest Rate Period. The initial Weekly Interest Rate to

be borne by such Weekly Rate Bonds shall be determined by the Initial Purchaser thereof in the manner set forth in the preceding paragraph.

(c) Notices. On each date on which a Remarketing Agent determines the interest rate on any Weekly Rate Bond, such Remarketing Agent shall give the Board and the applicable Tender Agent, Paying Agent and Liquidity Provider notice by facsimile or e-mail transmission of the interest rate determined by such Remarketing Agent on such date. Upon telephonic request, such Remarketing Agent will give any Holder of the applicable series of Weekly Rate Bonds notice of the interest rate on such Weekly Rate Bonds owned by such Holder.

(d) Binding Effect. Each determination of the interest rate for the Weekly Rate Bonds, as provided herein, shall be conclusive and binding upon the owners of the Weekly Rate Bonds, the Board and the applicable Remarketing Agent, Tender Agent, Liquidity Provider and Paying Agent. Upon telephonic request to a Remarketing Agent from the Board, the Paying Agent, the applicable Liquidity Provider or any Holder of any Weekly Rate Bond of the applicable series, the Remarketing Agent shall inform such Person of the interest rate then in effect on such Weekly Rate Bonds. Failure of such Remarketing Agent to give any notice described in this Section, or any defect therein, shall not affect the interest rate to be borne by any of any Weekly Rate Bonds of the applicable series nor in any way change the rights of the Holders of such Weekly Rate Bonds to tender their Weekly Rate Bonds for purchase in accordance with this Resolution.

Section 9.3. Fixed Interest Rate. (a) Determination of Fixed Interest Rate. During a Fixed Interest Rate Period, each Series 2024 Bond shall bear interest at the Fixed Interest Rate therefor. The Fixed Interest Rate for each stated maturity of Series 2024 Bonds issued as Weekly Rate Bonds shall be determined by the applicable Remarketing Agent on a Business Day not less than 15 days prior to the effective date of the Fixed Interest Rate Period therefor. The Fixed Interest Rate for each stated maturity shall be the rate of interest per annum determined by such Remarketing Agent (based on then prevailing market conditions) to be the minimum interest rate, if any, at which such Remarketing Agent will agree to purchase the applicable series of Series 2024 Bonds on such effective date for resale at a price (without regarding accrued interest) equal to the principal amount thereof. If, for any reason, the Fixed Interest Rate for each stated maturity is not so determined for such Series 2024 Bonds by such Remarketing Agent at least 15 days prior to the first day of the Fixed Interest Rate Period therefor, then such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as provided in Section 9.2, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with Section 9.2 until such time as the interest rate on such Series 2024 Bonds shall have been adjusted to a Fixed Interest Rate, and such Series 2024 Bonds shall continue to be subject to purchase upon notice from the Holders thereof as described in Section 9.4(a). The related Liquidity Facility shall be terminated as to such Fixed Rate Bonds.

(b) Adjustment to Fixed Interest Rate Period.

(i) At any time, the Board, by written direction to the applicable Registrar, Tender Agent, Paying Agent, Liquidity Provider and Remarketing Agent, may elect that a series of Weekly Rate Bonds shall be subject to a Fixed Interest Rate Period. The direction of the Board required by the first sentence of this paragraph (i) shall specify the effective date of the Fixed Interest Rate Period, which date shall be (A) a Business Day not earlier than the 30th day following the second Business

Day after receipt by the applicable Registrar of such direction, and (B) the day immediately following the last day of a Weekly Interest Rate Period.

(ii) Such direction of the Board shall be accompanied by a form of the notice to be mailed by the applicable Registrar to the Holders of the series of Weekly Rate Bonds to be converted as provided in Section 9.3(c).

(iii) If the Board shall deliver to the applicable Registrar, Remarketing Agent and Tender Agent on or prior to the date that the interest rate for the Fixed Interest Rate Period is determined a notice to the effect that the Board elects to rescind its election to have the series of Weekly Rate Bonds to be converted become subject to a Fixed Interest Rate Period, then such Series 2024 Bonds shall not become subject to a Fixed Interest Rate Period, and such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as in effect prior to such event.

(c) Notice of Adjustment to Fixed Interest Rate Period. The applicable Registrar shall give notice by first class mail of an adjustment to a Fixed Interest Rate Period to the Holders of the series of Weekly Rate Bonds to be converted not less than 30 days prior to the effective date of such Fixed Interest Rate Period. Such notice shall state: (1) that the Interest Rate Period on such Series 2024 Bonds shall be adjusted to a Fixed Interest Rate Period unless the Board shall elect, on or prior to the date of determination of the Fixed Interest Rate, to rescind its election to cause the adjustment of the Interest Rate Period on such Series 2024 Bonds to the Fixed Interest Rate Period, in which case such Series 2024 Bonds shall continue to bear interest at a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, (2) the effective date of the Fixed Interest Rate Period, (3) that such Series 2024 Bonds are subject to mandatory tender for purchase on such effective date and the purchase price applicable thereto, (4) that the related Liquidity Facility will be terminated as of the effective date of such Fixed Interest Rate Period, and (5) if ownership of such Series 2024 Bonds is no longer determined only by a book entry at a securities depository for the Series 2024 Bonds, information with respect to the required delivery of bond certificates and payment of purchase price under Section 9.4(f) hereof.

(d) If the Board elects to convert a series of Weekly Rate Bonds to Fixed Rate Bonds, then the written direction furnished by the Board to the applicable Liquidity Provider, Registrar, Tender Agent and Remarketing Agent shall be made by registered or certified mail, or by e-mail or fax, confirmed by registered or certified mail. Any such direction of the Board shall be accompanied by a copy of the notice required to be given by the applicable Registrar pursuant to Section 9.3(c) hereof.

Section 9.4. Purchase of Weekly Rate Bonds. (a) Optional Tender for Purchase. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, a Beneficial Owner (through its DTC Participant) may tender his interest in a Weekly Rate Bond of such series on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the applicable Tender Agent at its designated corporate trust office for delivery

of notices, with a copy to the applicable Remarketing Agent, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states the principal amount of such Weekly Rate Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to such Tender Agent. Any notice delivered to such Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Such Tender Agent shall promptly (but no later than the next Business Day) send a copy of any notice delivered to it pursuant to this Section 9.4(a) by fax or other electronic means to the applicable Remarketing Agent and Liquidity Provider. On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Series 2024 Bonds by causing the DTC Participant through which such Beneficial Owner owns such Series 2024 Bonds to transfer its interest in such Series 2024 Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the applicable Tender Agent with DTC.

If ownership of a series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Series 2024 Bonds, a Holder of a Weekly Rate Bond of such series may tender its Series 2024 Bond by delivery of the notice described above by the time set forth above and shall also deliver such Series 2024 Bond to the Tender Agent on the date specified for purchase.

(b) Mandatory Tender for Purchase on First Day of Fixed Interest Rate Period. A series of Weekly Rate Bonds shall be subject to mandatory tender for purchase on the first day of the Fixed Interest Rate Period therefor, or on the day which would have been the first day of such Fixed Interest Rate Period had the event specified in Section 9.3(b)(iii) not occurred which resulted in the interest rate on such Series 2024 Bonds not being adjusted, at a purchase price, payable in immediately available funds, equal to the principal amount of such Series 2024 Bonds, plus accrued interest (if any).

(c) Mandatory Tender for Purchase Upon Termination, Expiration, Suspension, Modification or Replacement of Liquidity Facility. If at any time the Registrar for a series of Weekly Rate Bonds shall give notice in accordance with Section 9.7 that such Weekly Rate Bonds which, at such time, are subject to purchase under the related Liquidity Facility as then in effect, shall on the date specified in such notice cease to be subject to purchase from such Liquidity Facility as a result of (A) the termination or expiration of the term of such Liquidity Facility, or (B) such Liquidity Facility being suspended, replaced or modified with the effect that the purchase price of such Series 2024 Bonds is no longer payable from such Liquidity Facility (in each case, whether or not any Alternate Liquidity Facility has been obtained), then on the Business Day the Board specifies to such Registrar that is at least five days and no more than 15 days (or, if no such date is specified, the fifth calendar day (or the immediately preceding Business Day if such day is not a Business Day)) preceding any termination, expiration, suspension, modification or replacement of such Liquidity Facility each such Series 2024 Bond or Series 2024 Bonds shall be purchased or deemed purchased as provided herein. The purchase price for such Series 2024 Bonds shall be equal to the principal amount thereof, plus accrued interest (if any).

(d) Mandatory Tender for Purchase Following Event of Default Under Liquidity Facility. All Weekly Rate Bonds of a series shall be subject to mandatory tender for purchase on the tenth day

(or the next succeeding Business Day if such day is not a Business Day) following receipt by the applicable Tender Agent of notice from the applicable Liquidity Provider that an "Event of Default" has occurred under the applicable Liquidity Facility and directing the mandatory purchase of such Weekly Rate Bonds. No later than the third Business Day following receipt of such notice described above, such Tender Agent shall give notice by first class mail, postage prepaid, to the Holders of such Series 2024 Bonds, the Board and the applicable Remarketing Agent stating that an "Event of Default" has occurred under the Liquidity Facility and that such Series 2024 Bonds are subject to mandatory tender for purchase.

(e) Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of a series of Weekly Rate Bonds in accordance with Section 9.4(b) or Section 9.4(c), the applicable Registrar shall include notice of a mandatory tender for purchase as a part of the notice given pursuant to Section 9.3(c) or Section 9.7 hereof. Each notice of mandatory tender for purchase shall state (A) in the case of a mandatory tender for purchase pursuant to Section 9.4(c) hereof, that the applicable Liquidity Facility will expire, terminate, be suspended, be replaced or be modified and that the purchase price of such Weekly Rate Bonds shall no longer be payable from such Liquidity Facility then in effect and that any rating applicable thereto may be reduced or withdrawn; (B) in the case of a mandatory tender for purchase pursuant to Section 9.4(d) hereof, that an "Event of Default" has occurred under such Liquidity Facility; (C) that the purchase price of any Weekly Rate Bond so subject to mandatory purchase shall be payable only upon (i) if ownership of such Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, surrender of such Weekly Rate Bond to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange or (ii) if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, registration of the ownership rights in such Weekly Rate Bond to the applicable Tender Agent on the records of DTC; (D) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such Weekly Rate Bonds by the applicable Remarketing Agent or through the applicable Liquidity Facility or otherwise, all Weekly Rate Bonds so subject to mandatory tender for purchase shall be purchased on the mandatory purchase date, and that if any Holder of a Weekly Rate Bond subject to mandatory tender for purchase shall not surrender such Weekly Rate Bond to the applicable Tender Agent for purchase (or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, effect the transfer of ownership rights to the applicable Tender Agent on the records of DTC) on such mandatory purchase date, and moneys sufficient to pay the purchase price thereof are on deposit with the applicable Tender Agent, then such Weekly Rate Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Holder thereof shall have no rights under this Resolution other than to receive payment of the purchase price thereof; and (E) in the event that moneys sufficient to pay the purchase price of such Weekly Rate Bonds have not been provided to the applicable Tender Agent either through the remarketing of such Weekly Rate Bonds or from the applicable Liquidity Facility or otherwise, that such Weekly Rate Bonds shall not be purchased or deemed purchased and shall bear interest at the rate described in Section 9.15 hereof. In connection with any mandatory tender for purchase of Weekly Rate Bonds in accordance with Section 9.4(c) hereof as a result of the replacement, termination or expiration

of a Liquidity Facility, such notice also shall contain the information required by Section 9.7. The Board shall provide the applicable Registrar with a form of any such notice.

(f) Delivery of Tendered Weekly Rate Bonds. Subject to the provisions of Section 2.10 hereof if ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, for payment of the purchase price of any such Weekly Rate Bond required to be purchased pursuant to this Section 9.4 on the date specified, such Weekly Rate Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. In the event any such Weekly Rate Bond is delivered after 10:00 a.m., New York City time, on such date, payment of the purchase price of such Weekly Rate Bond need not be made until the Business Day following the date of delivery of such Weekly Rate Bond, but such Weekly Rate Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

(g) Irrevocable Notice Deemed to be Tender of Weekly Rate Bond; Undelivered Bonds.

(i) The giving of notice by an owner of a Weekly Rate Bond as provided in Section 9.4(a) hereof shall constitute the irrevocable tender for purchase of each such Weekly Rate Bond with respect to which such notice shall have been given, regardless of whether such Weekly Rate Bond is delivered to the applicable Tender Agent for purchase on the relevant purchase date as provided in Section 9.4 hereof provided that moneys sufficient to pay the purchase price of such Weekly Rate Bonds are on deposit with the applicable Tender Agent for such purpose.

(ii) A Tender Agent may refuse to accept delivery of any Weekly Rate Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Weekly Rate Bond as herein described. If any owner of a Weekly Rate Bond who shall have given notice of tender of purchase pursuant to Section 9.4(a) hereof, if ownership of the related series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to deliver such Weekly Rate Bond to the applicable Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Weekly Rate Bond properly endorsed, or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to cause its beneficial ownership to be transferred to the applicable Tender Agent on the records of DTC, and moneys sufficient to pay the purchase price thereof are on deposit with such Tender Agent for such purpose, such Weekly Rate Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 9.4(e) hereof) are available for payment to the owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under this Resolution; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the applicable Tender Agent for the benefit of the owner thereof (provided that the owner shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper

endorsement) of such Undelivered Bond to such Tender Agent at its designated office for delivery of Weekly Rate Bonds. Any funds held by such Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 9.5. Amendments to Liquidity Facility. Except with the consent of all the Holders of a series of Weekly Rate Bonds, neither the Board nor the applicable Tender Agent shall permit any amendment, supplement, modification or waiver to the applicable Liquidity Facility that would result in the rating assigned to such Weekly Rate Bonds by the applicable Rating Agency being withdrawn or reduced below that in effect prior to such amendment, supplement, modification or waiver.

Section 9.6. Alternate Liquidity Facility. If at any time there shall be delivered to a Tender Agent (i) an Alternate Liquidity Facility, (ii) written evidence from the applicable Rating Agency stating the ratings of the applicable series of Weekly Rate Bonds after substitution of such Alternate Liquidity Facility, or a statement of the Board that no ratings have been obtained, and (iii) an opinion of counsel to the effect that such Alternate Liquidity Facility is a valid and enforceable obligation of the issuer or provider thereof, then such Tender Agent shall accept such Alternate Liquidity Facility and, if the applicable Liquidity Facility then in effect is a letter of credit, promptly surrender such Liquidity Facility to the Liquidity Provider that issued such Liquidity Facility in accordance with its terms for cancellation. Anything in this Resolution to the contrary notwithstanding, following satisfaction of the requirements set forth in this Section 9.6 and the mandatory tender for purchase of a series of Weekly Rate Bonds pursuant to Section 9.4(c) hereof in connection with the provision of any Alternate Liquidity Facility, (i) such Alternate Liquidity Facility may at any time thereafter specified by the Board to the applicable Tender Agent become the Liquidity Facility for such Weekly Rate Bonds for all purposes of this Resolution, and (ii) the Liquidity Facility replaced by such Alternate Liquidity Facility may be terminated at any time after such replacement.

Section 9.7. Notice of Termination or Other Change in Liquidity Facility. The applicable Registrar shall give notice by mail to the Holders of a series of Weekly Rate Bonds on or before the 15th day preceding (i) the expiration of any applicable Liquidity Facility in accordance with its terms, or (ii) any termination, replacement or modification of the terms of the applicable Liquidity Facility, which notice shall, to the extent applicable, (1) state the date of such replacement, termination, expiration or modification and the date of the proposed substitution of the Alternate Liquidity Facility (if any), and (2) state the date that such Weekly Rate Bonds will be purchased pursuant to Section 9.4(c) hereof as a result of such replacement, termination, expiration or modification. The Board shall provide the applicable Registrar with written notice of any information required to enable such Registrar to give the foregoing notice and shall provide such Registrar with the form of such notice at least five days before such notice is required to be given.

Section 9.8. Remarketing Agent and Tender Agent. (a) Subject to execution of a Remarketing Agreement, the initial Remarketing Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Remarketing Agent subject to the conditions set forth in Section 9.9(a) hereof. Each Remarketing Agent shall designate its designated office (other than the initial Remarketing Agent whose designated office is listed in Section 9.16 hereof) and signify its acceptance of the duties and

obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board under which such Remarketing Agent will agree, particularly, to keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Board at all reasonable times.

(b) The initial Tender Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Tender Agent, subject to the conditions set forth in Section 9.9(b) hereof. Each Tender Agent shall designate its designated office(s) for delivery of notices and delivery of Weekly Rate Bonds and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. By acceptance of its appointment hereunder, each Tender Agent agrees:

(i) to hold all Weekly Rate Bonds delivered to it pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the respective owners which shall have so delivered such Weekly Rate Bonds until moneys representing the purchase price of such Weekly Rate Bonds shall have been delivered to or for the account of or to the order of such owners;

(ii) to establish and maintain a separate segregated trust fund designated as the "State of Texas Veterans Bonds, Taxable Series 2024 Bond Purchase Fund" (each, a "Bond Purchase Fund") (with the specific series designation to replace "2024," if applicable), and to establish and maintain therein a remarketing account (the "Remarketing Account") and a liquidity facility account (the "Purchase Account"), until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the Person which shall have so delivered such moneys until the Weekly Rate Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(iv) to hold all moneys delivered to it by the Board for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the owners or former owners who shall deliver Weekly Rate Bonds to it for purchase until the Weekly Rate Bonds purchased with such moneys shall have been canceled;

(v) to hold all Weekly Rate Bonds registered in the name of the new owners thereof which have been delivered to it by the applicable Registrar for delivery to the applicable Remarketing Agent in accordance with the provisions of this Resolution; and

(vi) to keep such books and records as shall be consistent with standard industry practice and to make such books and records available for inspection by the Board, the applicable Liquidity Provider and the applicable Remarketing Agent at all reasonable times.

Section 9.9. <u>Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal</u>.

(a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority, having a combined capital stock, surplus and undivided profits of at least $250,000,000

and authorized by law to perform all the duties imposed upon it by this Resolution. Any successor Remarketing Agent shall have, or be a subsidiary of another entity or a partnership which includes as a general partner an entity which shall have, senior unsecured long-term debt which shall be rated, so long as the Weekly Rate Bonds shall be rated by the Rating Agency, at least Baa3/P-3 (or its equivalent) or otherwise qualified by the Rating Agency. A Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Board and the applicable Tender Agent, Liquidity Provider, Paying Agent and Registrar with at least 30 days' (or such number of days as is required by the applicable Remarketing Agreement) prior written notice. A Remarketing Agent may be removed at any time, at the direction of the Board with the written consent of the applicable Liquidity Provider, by an instrument signed by the Board and filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent at least 30 days prior to the effective date of such removal. In the event that a Remarketing Agent has resigned or been removed and no successor Remarketing Agent has been appointed by the Board, the applicable Tender Agent shall perform, or engage a Person to perform, the duties of such Remarketing Agent until a successor Remarketing Agent has been appointed by the Board.

(b) Each Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to exercise corporate trust powers and otherwise perform all the duties imposed upon it by this Resolution. A Tender Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. A Tender Agent may be removed at any time by an instrument signed by the Board, filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the Board and the successor Tender Agent shall have accepted such appointment.

(c) Upon the effective date of resignation or removal of a Tender Agent, such Tender Agent shall deliver any Weekly Rate Bonds and moneys held by it in such capacity to its successor.

(d) So long as any series of Weekly Rate Bonds are Outstanding, the same entity shall be the Tender Agent and Registrar therefor.

Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds. (a) The Tender Agent for a series of Weekly Rate Bonds shall determine timely and proper delivery of Weekly Rate Bonds of such series pursuant to this Resolution and the proper endorsement of such Weekly Rate Bonds. Such determination shall be binding on the owners of such Weekly Rate Bonds, the Board, the applicable Remarketing Agent and the applicable Liquidity Provider, absent manifest error. Such Tender Agent shall give notice by telephone, e-mail or fax, promptly confirmed by a written notice if given by telephone, to the Board and the applicable Registrar, Remarketing Agent and Liquidity Provider specifying the principal amount of Weekly Rate Bonds, if any, as to which it shall receive notice of tender for purchase in accordance with Section 9.4(a) hereof.

(b) Weekly Rate Bonds required to be purchased in accordance with Section 9.4 hereof shall be purchased from the owners thereof, on the date and at the purchase price at which such Weekly

Rate Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Weekly Rate Bonds remarketed to any Person pursuant to Section 9.11 hereof and furnished to the applicable Tender Agent by the purchasers or by the applicable Remarketing Agent for deposit into the Remarketing Account of the applicable Bond Purchase Fund;

(ii) moneys furnished to such Tender Agent for deposit into the Purchase Account of the applicable Bond Purchase Fund representing moneys received from draws on the applicable Liquidity Facility; and

(iii) moneys furnished to such Tender Agent for deposit into the applicable Bond Purchase Fund representing moneys provided by the Board in its discretion.

A Tender Agent may establish separate accounts or sub-accounts within the Bond Purchase Fund for such purposes as such Tender Agent may deem appropriate.

(c) (i) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, the applicable Registrar shall authenticate a new Series 2024 Bond or Series 2024 Bonds of such series in an aggregate principal amount equal to the principal amount of Series 2024 Bonds purchased in accordance with Section 9.10(b) hereof, whether or not the Weekly Rate Bonds so purchased are presented by the owners thereof, bearing a number or numbers not contemporaneously outstanding. Every Series 2024 Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2024 Bonds of the same series duly issued hereunder. The applicable Registrar shall maintain a record of the Weekly Rate Bonds purchased as provided in this Section, together with the names and addresses of the former owners thereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership in such Weekly Rate Bonds is tendered at the option of the owner of such beneficial interest (acting through its DTC Participant) in accordance with Section 9.4(a) hereof (including transfer of the beneficial ownership interest of the tendering owner to the account of the applicable Tender Agent at DTC), the applicable Tender Agent shall transfer ownership of such beneficial ownership on the records of DTC as provided in Section 9.12 hereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership interest in such Weekly Rate Bonds is subject to mandatory tender in accordance with Section 9.4 hereof, the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

(ii) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, in the event any such Weekly Rate Bonds purchased as provided in this Section shall not be presented to the applicable Tender Agent, such Tender Agent shall segregate and hold the moneys for the purchase price of such Weekly Rate Bonds in trust for the benefit of the former owners of such Weekly Rate Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Weekly Rate Bonds. Any moneys which such Tender Agent shall segregate and hold in trust for the payment of the purchase price of any Weekly Rate Bond and remaining unclaimed for three years after the date of purchase shall, subject to the unclaimed property laws of the State and upon the Board's written request to such Tender Agent, be paid to the Board. After the payment of such unclaimed moneys to the Board, the former owner of such Weekly Rate Bond shall look only to the Board for the payment thereof, and the Board shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, if such Weekly Rate Bonds are subject to mandatory tender in accordance with the terms of this Resolution, then the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates. (a) Upon notice of the tender for purchase of Weekly Rate Bonds, the applicable Remarketing Agent shall offer for sale and use its best efforts to sell such Weekly Rate Bonds, any such sale to be made on the date of such purchase in accordance with Section 9.4 hereof at the price determined in accordance with Section 9.4 hereof. Each Remarketing Agent agrees that while a Liquidity Facility is in effect it shall not sell knowingly any Series 2024 Bonds tendered to it for purchase pursuant to Section 9.4 hereof to the Board, or to any Person who controls, is controlled by, or is under common control with, the Board. In addition, each Remarketing Agent shall offer for sale and use its best efforts to sell any applicable Weekly Rate Bonds that are Purchased Bonds.

(b) Each Remarketing Agent shall determine the rate of interest to be borne by the applicable Series 2024 Bonds during each Interest Rate Period and shall furnish to the Board and the applicable Registrar on the Business Day of determination each rate of interest so determined by e-mail, telephone or fax, promptly confirmed in writing if given by telephone, or shall make such information available to the Board and such Registrar by other readily accessible electronic means.

(c) Each Remarketing Agent shall advise the applicable Tender Agent and Liquidity Provider in writing or by telephone (promptly confirmed by e-mail or fax if given by telephone) not later than the Business Day preceding the Business Day on which any applicable Weekly Rate Bonds are to be purchased pursuant to Section 9.4 hereof of the aggregate principal amount of such Weekly Rate Bonds subject to purchase that have not been remarketed as of such time, provided that such Remarketing Agent may continue to remarket such Weekly Rate Bonds thereafter. Each Remarketing Agent shall give e-mail or telephonic notice, promptly confirmed by a written notice if given by telephone, to the applicable Registrar and Tender Agent on each date on which

applicable Weekly Rate Bonds shall have been purchased pursuant to Section 9.10(b) hereof, specifying the principal amount of Series 2024 Bonds, if any, sold by it pursuant to Section 9.11(a) hereof along with, if the applicable series of Series 2024 Bonds are not registered as described in Section 2.10 hereof, a list of such purchasers showing the names and denominations in which such Series 2024 Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. Each Remarketing Agent will transfer the proceeds received from the purchasers named in such notice to the applicable Tender Agent by 10:00 a.m., New York City time, on the Business Day on which such Weekly Rate Bonds are purchased.

Section 9.12. Delivery of Series 2024 Bonds. (a) Weekly Rate Bonds purchased with moneys described in clause (i) of Section 9.10(b) hereof shall be made available by the applicable Tender Agent to the applicable Remarketing Agent for delivery to the purchasers thereof against payment therefor.

(b) Except as otherwise provided in a Liquidity Facility, Weekly Rate Bonds purchased with moneys described in clause (ii) of Section 9.10(b) hereof shall be held by the applicable Tender Agent on behalf of the applicable Liquidity Provider as Purchased Bonds, and shall not be released following the remarketing thereof unless such Tender Agent has received written confirmation from such Liquidity Provider that the applicable Liquidity Facility has been reinstated with respect to such Series 2024 Bonds.

(c) Weekly Rate Bonds purchased with moneys described in clause (iii) of Section 9.10(b) hereof shall be canceled.

(d) Series 2024 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 9.13. Delivery of Proceeds of Sale. The proceeds of the sale by a Remarketing Agent of any applicable Weekly Rate Bonds delivered to it by any Holder shall be turned over to the applicable Tender Agent.

Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds. Each Tender Agent, on each day on which applicable Weekly Rate Bonds are required to be purchased pursuant to Section 9.4 hereof, is directed to make drawings under the applicable Liquidity Facility by such times and in such manner as shall be required to receive in immediately available funds on such date amounts sufficient (based upon the amount on deposit in the Remarketing Account of the applicable Bond Purchase Fund by 10:00 a.m., New York City time, on such day) to pay the purchase price plus accrued interest, if any, of Weekly Rate Bonds tendered for purchase or required to be purchased pursuant to the provisions of this Resolution and that have not been remarketed by the applicable Remarketing Agent, and to deposit the proceeds of such drawings or cause such proceeds to be deposited in the Purchase Account of the applicable Bond Purchase Fund pending application of such moneys to the payment of the purchase price of such Weekly Rate Bonds. In determining the amount of any such purchase price then due, such Tender Agent shall not take into consideration any purchase price due on such Weekly Rate Bonds held by the Board or any affiliate thereof, and no drawings under such Liquidity Facility shall be made or be used to pay the purchase price of any Purchased Bonds or Weekly Rate Bonds held by the Board or any affiliate thereof.

Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds. If payment of the purchase price of any Weekly Rate Bond shall not be made to the Holder thereof on any date such Weekly Rate Bond has been tendered for purchase pursuant to Section 9.4 hereof, such Weekly Rate Bond shall be returned by the applicable Tender Agent to the Holder thereof, and shall continue to bear interest at a Weekly Interest Rate determined as provided in Section 9.2 hereof.

Section 9.16. Notices. (a) Except as otherwise expressly provided in this Resolution or set forth in the applicable Purchase Contract or Pricing Certificate, it shall be sufficient service of any notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, return receipt requested, postage prepaid, or by overnight delivery service, addressed as follows or delivered by facsimile to the numbers provided as follows:

If to the Board:	Veterans' Land Board of the State of Texas 1700 North Congress Avenue, Room 740C Austin, Texas 78701-1496 Attn: Director of VLB Bond Funds Management Telephone: (512) 475-4004 Facsimile: (512) 463-5081
If to a Tender Agent or Registrar:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Remarketing Agent:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Liquidity Provider:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Paying Agent:	Comptroller of Public Accounts Treasury Operations Attention: Funds Transfer 208 E. 10th Street Austin, Texas 78701 Telephone: (512) 463-5905 E-mail: funds.transfer@cpa.texas.gov
If to a Rating Agency:	as set forth in the applicable Purchase Contract or Pricing Certificate

Except as otherwise provided or directed herein, a duplicate copy of each notice, certificate or other communication given hereunder by the Board, a Liquidity Provider, a Paying Agent, a Registrar, a Remarketing Agent or a Tender Agent to any one of the others or the Holders shall also be given to all of the others. The Board, a Liquidity Provider, a Paying Agent, a Registrar, a Remarketing Agent or a Tender Agent may, by notice given hereunder, designate any further or

different addresses or telephone numbers to which subsequent notices, certificates or other communications shall be sent.

(b) The Board shall provide to the applicable Rating Agency notice in writing or by telephone or fax, promptly confirmed in writing, of

(i) any resignation or removal of any applicable Paying Agent, Registrar, Tender Agent or Remarketing Agent, and the appointment of any successor thereto;

(ii) any conversion of an applicable series of Weekly Rate Bonds to Fixed Rate Bonds;

(iii) any termination, expiration, replacement, suspension or modification of the applicable Liquidity Facility;

(iv) the payment in full of the applicable series of Weekly Rate Bonds;

(v) any mandatory tender of the applicable series of Weekly Rate Bonds; and

(vi) any amendment or material change to this Resolution.

(c) The Board shall provide or cause to be provided to each Rating Agency such information as is reasonably requested in order to maintain its rating on the applicable series of Weekly Rate Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution. Nothing in this Resolution or in the Series 2024 Bonds, express or implied, shall give to any Person, other than the Board and each Paying Agent, Registrar, Tender Agent, Liquidity Provider and Remarketing Agent and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Resolution.

Section 10.2. Bonds to Rank Equally. None of the Bonds shall be entitled to priority over any other Bond in the application of moneys in Fund II, nor in the application of moneys appropriated by the Legislature of the State or otherwise made available by law for the payment of principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this Resolution that all Bonds shall rank equally.

Section 10.3. Enforcement. All rights available to the Holders under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers and employees, and by other officers of the State to the end that the principal of and interest on the Series 2024 Bonds may be paid promptly, are hereby recognized and reserved to and for the Holders.

Section 10.4. Separability Clause. In case any provision in this Resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 10.5. Governing Law. This Resolution shall be construed in accordance with and governed by the laws of the State.

Section 10.6. Open Meeting. It is hereby officially found and determined that the meeting at which the Series 2024 Bonds were authorized was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

Section 10.7. References to Liquidity Provider. Any provision of this Resolution regarding the consent of, or notice to, or mandating the direction of action by, a Liquidity Provider shall, except as expressly provided, be deemed ineffective (i) if the applicable Liquidity Facility is no longer in effect and no amount is due and owing under such Liquidity Facility, or (ii) as long as such Liquidity Provider has failed to honor a properly presented and conforming drawing under such Liquidity Facility; provided, that except as otherwise expressly set forth herein, for as long as any Purchased Bonds are Outstanding, the applicable Liquidity Provider shall be afforded all the rights and privileges granted hereunder to Holders of the Weekly Rate Bonds of the applicable series.

Section 10.8. Liquidity Facilities Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to cause to be issued a Liquidity Facility in accordance with the "Resolution of the Veterans' Land Board of the State of Texas Authorizing Liquidity Facilities Relating to Bonds Issued or to be Issued in Connection with the Veterans' Land Program or the Veterans' Housing Assistance Program, and Providing for Other Matters Relating to the Subject" adopted by the Board on this date or in any comparable resolution adopted by the Board hereafter.

Section 10.9. Remarketing Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Remarketing Agreement.

Section 10.10. Tender Agent Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, if requested by the Tender Agent for such series, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Tender Agent Agreement.

Section 10.11. Authorization of Additional Acts. The officers, employees, and agents of the Board, and each of them, shall be and each is expressly authorized, empowered, and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in connection with the proposed issuance of the Series 2024 Bonds, including without limitation (a) the filing of a notice of intention to issue bonds with the Bond Review Board of the

State, and (b) the submission of a transcript of proceedings for approval of the Attorney General, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, instrument, or other paper, and any such actions heretofore carried out by such officers, employees, and agents of the Board are hereby ratified, approved, and confirmed. Prior to each Settlement Date, the Authorized Representatives and Bond Counsel are hereby authorized to approve any technical changes or corrections to this Resolution, or to any of the instruments authorized by this Resolution, necessary in order to (i) correct any ambiguity or mistake or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from the Rating Agency, or (iii) obtain the approval of the Series 2024 Bonds by the Attorney General.

Section 10.12. Bond Enhancement Agreement Certificate. Notwithstanding anything to the contrary contained in the "Resolution of the Veterans' Land Board of the State of Texas Authorizing Interest Rate Swap Transactions Relating to Bonds Issued or to be Issued in Connection with Veterans' Housing Assistance Program Bonds and Veterans' Land Program Bonds; and Providing for Other Matters Relating to the Subject" adopted by the Board on this date, or in any comparable resolution adopted by the Board hereafter, no certificates shall be required for any floating-to-fixed rate interest rate swap transaction entered into in connection with the anticipated issuance of any series of Weekly Rate Bonds.

Section 10.13. Prior Resolution. This Resolution shall supersede and replace in its entirety that certain resolution adopted by the Board on July 24, 2023, relating to the Series 2024 Bonds.

ADOPTED AND APPROVED this the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwoman
Veterans' Land Board of the State of Texas

ATTEST:

/s/ Anthony W. Dale
Executive Secretary
Veterans' Land Board of the State of Texas

EXHIBIT A

FORM OF WEEKLY RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. WR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER: [3]
_____, ____	Variable	_____, 2024	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the Issuer, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "Holder") the principal amount of _____ DOLLARS and to pay interest thereon, from [the Settlement Date][4] [the bond date stated above][5] to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (defined below), with said interest being payable on each Interest Payment Date (computed on the basis of a 365/366-day year, for the number of days actually elapsed).

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

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1 To be included in any Series 2024 Bond registered in the name of Cede & Co.
2 Series designation to be added if necessary.
3 To be omitted from the Initial Series 2024 Bond of any series.
4 To be included in the Initial Series 2024 Bond of any series.
5 To be included in all Weekly Rate Bonds except an Initial Series 2024 Bond.

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, at the close of business on the Business Day immediately preceding each Interest Payment Date (including each redemption date) (each, a "Record Date") by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the Holder hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on any Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds to the Liquidity Provider (in the case of any Purchased Bond) and to any Holder of $1,000,000 or more in aggregate principal amount of Bonds requesting such payment and providing the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the Holder of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____[6] Dollars ($_____)[6] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in Authorized Denominations as described in the Resolution.

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

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[6] The original aggregate principal amount of a series of the Series 2024 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") governed by the Constitutional Provision, which fund shall be comprised of (a) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (b) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (c) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (d) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (e) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (f) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (g) interest received from investments of any such money, and (h) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS will initially be issued as Weekly Rate Bonds bearing interest at a Weekly Interest Rate. Thereafter, each Bond, at the election of the Board, may be changed to a Fixed Rate Bond bearing interest at a Fixed Interest Rate determined by the Remarketing Agent in accordance with the Resolution; provided, however, that in no event shall the interest rate on any Bond, including Purchased Bonds, exceed the Ceiling Rate. In addition, the interest rate on Purchased Bonds shall not exceed the Maximum Purchased Bond Rate. The terms of this Bond shall not apply to Fixed Rate Bonds, and as used in this Bond, the term "Bond" or "Bonds" shall not include Fixed Rate Bonds.

THE WEEKLY INTEREST RATE for the Bonds shall be determined by the Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. The interest rate so determined shall be effective at the times set forth in the Resolution.

IN DETERMINING each Weekly Interest Rate for the Bonds, the Remarketing Agent shall set such rates at the respective interest rates that, in the sole and exclusive judgment of the Remarketing Agent, would equal (but not exceed) the interest rates necessary to enable the Remarketing Agent to sell such Bonds (exclusive of accrued interest, if any) on the relevant determination date, at a price equal to the principal amount thereof; provided, however, that such interest rate shall not exceed the Ceiling Rate.

NOTWITHSTANDING anything to the contrary contained herein, this Bond, if held by or for the account of the Liquidity Provider as a Purchased Bond, shall bear interest at the Purchased

Bond Rate, payable at the times and in the manner and calculated on the basis provided in the Liquidity Facility; provided, however, that the Purchased Bond Rate shall not exceed the Maximum Purchased Bond Rate as provided in the Resolution.

THE BONDS (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the first Business Day of the months and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[7]

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][8] which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. [In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][8]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][8], the particular Bonds [within each such maturity][8] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds is to be redeemed, the interests to be redeemed of the beneficial owners of the Bonds [of such maturity][9] shall be selected in accordance with the arrangements between the Board and the securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

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[7] The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of a series of Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates.

[8] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

[9] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the same maturity date,][9] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (a) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (b) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (c) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

ANY BONDS, subject to the requirements regarding timely notice and delivery, will be purchased, in accordance with the provisions of the Resolution, on the demand of the Holder thereof as provided in the Resolution and delivery to the Tender Agent of such Bond, endorsed in blank by the Holder thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent, executed in blank by the Holder thereof (the Tender Agent being able to refuse to accept delivery of any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided). THE TIMELY DELIVERY OF A PROPERLY COMPLETED TENDER REQUEST NOTICE SHALL CONSTITUTE AN IRREVOCABLE TENDER OF THE BONDS COVERED THEREBY.

THE BONDS WILL BE SUBJECT to mandatory tender for purchase on the Business Days and under the circumstances specified in the Resolution.

EACH BOND SHALL BE SUBJECT to mandatory tender for purchase on the Fixed Rate Conversion Date.

IF THE HOLDER HEREOF FAILS TO DELIVER THIS BOND OR ANY PORTION HEREOF TO THE TENDER AGENT AFTER GIVING NOTICE OF AN OPTIONAL TENDER, OR UPON A MANDATORY TENDER, AND MONEYS SUFFICIENT TO PAY THE PURCHASE PRICE OF THIS BOND ARE ON DEPOSIT WITH THE TENDER AGENT, THIS BOND OR PORTION HEREOF SHALL BE DEEMED TO HAVE PURCHASED, AND THEREAFTER NO FURTHER INTEREST SHALL ACCRUE ON THIS BOND OR SUCH PORTION. THE HOLDER HEREOF SHALL THEREAFTER HAVE RECOURSE SOLELY TO THE FUNDS HELD BY THE TENDER AGENT FOR THE PURCHASE OF THIS BOND, AND THE TENDER AGENT SHALL NOT RECOGNIZE ANY FURTHER TRANSFER HEREOF.

WHENEVER, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Bonds, payment of the purchase price thereof shall be made to DTC (or any successor securities depository) and no surrender of Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. The Board and the Registrar, the Paying Agent, the Tender Agent, the Liquidity Provider and the Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Except in the case of tenders of Bonds pursuant to the Resolution or of the remarketing of Purchased Bonds, neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to

replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same Interest Mode, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

[UNLESS THE COMPTROLLER'S REGISTRATION CERTIFICATE hereon has been executed by the Comptroller by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][10]

[UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][11]

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[10] To be included in an Initial Series 2024 Bond only.

[11] To be included in all Series 2024 Bonds of a series other than the Initial Series 2024 Bond.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO WEEKLY RATE BONDS OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit A, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the heading "MATURITY DATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the Settlement Date to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (as defined below)" shall be replaced with the following "from the Settlement Date to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments set forth below and bearing interest at the per annum rate of interest per annum determined pursuant to the Resolution (as defined below):

Date	Principal Amount

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT B

FORM OF FIXED RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. FR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER:
_____, ____	_____%	_____, 20____	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the State of Texas, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner"), the principal amount of _____ DOLLARS and to pay interest thereon, from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on _____ 1, 20___, and semiannually on each June 1 and December 1 thereafter (computed on the basis of a 360-day year consisting of twelve 30-day months) (each, an "Interest Payment Date").

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, (i) at the close of business on the fifteenth day of the calendar month

[1] To be included in any Series 2024 Bond registered in the name of Cede & Co.
[2] Series designation to be added if necessary.

immediately preceding each Interest Payment Date, or (ii) in the case of a redemption of Bonds prior to maturity, the fifteenth day prior to the mailing of the applicable notice of redemption (each, a "Record Date"), by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the registered owner hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on this Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds upon request of the registered owner hereof, provided such registered owner is the registered owner of $1,000,000 or more in aggregate principal amount of Bonds and provides the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the registered owner of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

IF THE DATE for the payment of the principal of or interest on this Bond shall not be a Business Day, then the date for such payment shall be the next succeeding Business Day 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 of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____ Dollars[3] ($_____)[3] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of any integral multiple of $5,000 (each, an "Authorized Denomination").

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to

[3] For Converted Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here; for Series 2024 Bonds issued as Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here.

provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") created by the Constitutional Provision, which fund shall be comprised of (1) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (2) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (3) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (4) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (5) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (6) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (7) interest received from investments of any such money, and (8) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS are subject to scheduled mandatory sinking fund redemption, and shall be redeemed on the dates and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[4]

*Stated maturity

[4] For Converted Fixed Rate Bonds, the remaining amounts set forth in the applicable Purchase Contract or Pricing Certificate should be included in the table, and additional tables shall be added if there is more than one stated maturity of such Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates; for Series 2024 Bonds issued as Fixed Rate Bonds, the amounts set forth in the Purchase Contract or Pricing Certificate shall be set forth here.

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][5] which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (2) shall have been acquired and canceled by the Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any optional redemption and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS shall be subject to redemption and may be redeemed prior to the scheduled maturities thereof, at the option and direction of the Board, at any time and from time to time on and after _____ 1, 20___, in whole or in part, at the redemption prices set forth below (expressed as a percentage of the principal amount of the Bonds or portions thereof to be redeemed), plus accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price

[In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][5]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][5], the particular Bonds [within such maturity][5] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds [of the same maturity are to be redeemed][5], the interests to be redeemed of the beneficial owners of the Bonds of such maturity shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the

[5] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

same stated maturity,][6] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (1) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for

[6] Bracketed text to be deleted if there only one stated maturity of the series of Series 2024 Bonds.

redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION
ATTACHED TO ALL FIXED RATE BONDS
OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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.

NOTE TO PRINTER:

*¶s not to be on bond

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit B, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the headings "MATURITY DATE" and "INTEREST RATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above" shall be replaced with the following "from the bond date stated above to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments and bearing interest at the per annum rates of interest per annum set forth below:

Date	Principal Amount	Interest Rate

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT C

FORM OF VARIABLE RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][18]

NO. R- ____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE SERIES 2024[19]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER: [20]
_____, ____	Variable	_____, 2024	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the Issuer, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "Holder") the principal amount of _____ DOLLARS and to pay interest thereon, from [the Settlement Date][21] [the bond date stated above][22] to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (defined below), with said interest being payable on each Interest Payment Date (computed on the basis of _____.[23]

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

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18 To be included in any Series 2024 Bond registered in the name of Cede & Co.
19 Series designation to be added if applicable.
20 To be omitted from the Initial Series 2024 Bond of any series or if indicated in the related Pricing Certificate.
21 To be included in the Initial Series 2024 Bond of any series.
22 To be included in all Variable Rate Bonds except an Initial Series 2024 Bond.
23 Text specified in related Pricing Certificate to be added here.

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, at the close of business on the Business Day immediately preceding each Interest Payment Date (including each redemption date) (each, a "Record Date") by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the Holder hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on any Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds to the Liquidity Provider (in the case of any Purchased Bond) and to any Holder of $1,000,000 or more in aggregate principal amount of Bonds requesting such payment and providing the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the Holder of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____[24] Dollars ($_____)[7] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of _____[25] (each, an "Authorized Denomination").

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to

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[24] The original aggregate principal amount of a series of the Series 2024 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

[25] The Authorized Denominations set forth in the related Pricing Certificate should be set forth here.

provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") governed by the Constitutional Provision, which fund shall be comprised of (a) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (b) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (c) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (d) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (e) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (f) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (g) interest received from investments of any such money, and (h) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.[26]

THE BONDS shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on _____[27] and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[28]

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal

[26] Additional paragraphs from the related Pricing Certificate describing interest on the series of Series 2024 Bonds should be added here.

[27] Text specified in related Pricing Certificate to be added here.

[28] The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of the series of Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates.

amount of any Bonds [of the same stated maturity][29] which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.[30]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][31], the particular Bonds [within each such maturity][14] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds is to be redeemed, the interests to be redeemed of the beneficial owners of the Bonds [of such maturity][14] shall be selected in accordance with the arrangements between the Board and the securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the same maturity date,][14] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (a) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (b) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (c) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered

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[29] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

[30] Optional redemption provisions, if any, specified in the related Pricing Certificate to be added here.

[31] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

WHENEVER, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Bonds, payment of the purchase price thereof shall be made to DTC (or any successor securities depository) and no surrender of Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. The Board and the Registrar, the Paying Agent, the Tender Agent, the Liquidity Provider and the Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the

Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same Interest Mode, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount

of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.[32]

[UNLESS THE COMPTROLLER'S REGISTRATION CERTIFICATE hereon has been executed by the Comptroller by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][33]

[UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][34]

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[32] Additional text or revisions as set forth in the related Pricing Certificate to be included as specified in such Pricing Certificate.

[33] To be included in an Initial Series 2024 Bond only.

[34] To be included in all Series 2024 Bonds of a series other than the Initial Series 2024 Bond.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO VARIABLE RATE BONDS OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

_____

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 8.2 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in Appendix B to the Official Statement relating to each series of Series 2024 Bonds subject to the Rule.

Accounting Principles

The accounting principles referred to in such Section are 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 law or regulation.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott, Jr.	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written resolution

> BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, regarding meetings of the Board.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the ____ day of _____, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 d - Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Tax-Exempt Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed $250,000,000 and providing for other matters relating to the subject.

RECOMMENDATION: Staff recommends that the Board authorize the issuance up to $250,000,000 in new-money tax-exempt general obligation bonds in the Veterans Housing Assistance Program (VHAP) between June 26, 2024, and June 24, 2025. In addition, staff recommends that the final maturity of the bonds not exceed December 1, 2057, and that the bond True Interest Cost not exceed 6.00%.

Summary

VLB is limited by federal tax law to a maximum of $250 million in new-money tax-exempt general obligation bond issuance per calendar year, and demand is such that staff expects to continue to issue $250 million per calendar year for the foreseeable future. Staff annually requests for Board approval of a resolution authorizing the issuance of up to $250 million in tax-exempt new-money general obligation bonds for a one-year period.

In July 2023, the Board approved a one-year resolution authorizing the issuance of up to $250 million in tax-exempt new-money general obligation bonds in the VHAP during 2024. As interest rates have increased, demand has slowed, and staff has been able to make loan purchases with the bond proceeds that were issued during summer 2023. As we are coming upon the expiration of last year's approval, we are expecting to issue new-money tax-exempt general obligation bonds in late summer or fall of 2024. If new-money tax-exempt general obligation bonds are issued in calendar year 2024, staff would return to the board for approval for authority to issue similar tax-exempt bonds in calendar year 2025.

The bond issues are typically structured as synthetic fixed-rate bonds created by issuing variable-rate bonds that are effectively converted to fixed-rate bonds using a floating-to-fixed interest rate swap. A synthetic fixed-rate bond is a financial structure engineered to simulate the characteristics of a fixed-rate bond while using other financial instruments.

A synthetic fixed-rate bond combines two key components:

- Variable rate bond: VLB issues variable-rate bonds which represent the floating interest rate component.
- Floating-to-Fixed Interest Rate Swap: VLB and a counterparty agree to exchange cash flows where one payment is based on a floating or variable interest rate and the other payment is based on a fixed interest rate. This provides the fixed interest rate component as VLB's payment is based on the fixed rate.

The purpose of synthetic fixed-rate bonds are for various reasons, including:

- Lower cost of financing: The synthetic fixed-rate bond structure generally provides a 1% to 1.25% lower cost of financing compared to a traditional fixed-rate housing bond structure.
- Borrowing costs or costs of issuance (COI): The structure allows the VLB to pay minimal up-front costs when issuing bonds compared to traditional bonds.
- Hedging: Managing interest rate risk by creating a synthetic fixed-rate position.

The Board has used this structure almost exclusively in the past. Staff works with the Board's financial advisor and bond counsel prior to each issuance to determine the structure best suited to meet the Board's current financing needs considering market conditions and other factors at that time.

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

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relating to

State of Texas
Veterans Bonds,
Series 2024

Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions 2
Section 1.2. Effect of Headings and Table of Contents 10

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS;
ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds 10
Section 2.2. Form, Maturities, Interest Rates and Numbering 10
Section 2.3. Execution 11
Section 2.4. Approval by Attorney General; Registration by Comptroller 11
Section 2.5. Form of Bond 11
Section 2.6. Registration, Transfer and Exchange 12
Section 2.7. Damaged and Missing Bonds 15
Section 2.8. Sale and Delivery of Series 2024 Bonds 16
Section 2.9. Preliminary Official Statement and Official Statement 16
Section 2.10. Book-Entry System 17

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption 18
Section 3.2. Notice of Redemption 20

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II 21
Section 4.2. Deposits to Fund II 21
Section 4.3. Home Loans 22
Section 4.4. Source of Payment 22
Section 4.5. Other Uses of Fund II Moneys 23
Section 4.6. Program Administration 23
Section 4.7. Investments 23

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures 24
Section 5.2. Paying Agent and Registrar 24
Section 5.3. Tax Covenants 25

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders 30
Section 6.2. Amendment of Resolution Without Consent of Holders 31
Section 6.3. Effect of Amendatory Resolutions 31
Section 6.4. Bonds May Bear Notation of Changes 32

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid 32
Section 7.2. Application of Trust Money 32

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions 33
Section 8.2. Annual Reports 33
Section 8.3. Event Notices 34
Section 8.4. Limitations, Disclaimers and Amendments 35
Section 8.5. Continuing Disclosure Relating to Other Obligated Persons 36
Section 8.6. Agreement Regarding Assumption of Certain Home Loans 36

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment 36
Section 9.2. Determination of Weekly Interest Rate 37
Section 9.3. Fixed Interest Rate 38
Section 9.4. Purchase of Weekly Rate Bonds 40
Section 9.5. Amendments to Liquidity Facility 43
Section 9.6. Alternate Liquidity Facility 43
Section 9.7. Notice of Termination or Other Change in Liquidity Facility 43
Section 9.8. Remarketing Agent and Tender Agent 44

Section 9.9. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal 45
Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds 46
Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates 47
Section 9.12. Delivery of Series 2024 Bonds 48
Section 9.13. Delivery of Proceeds of Sale 48
Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds 48
Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds 49
Section 9.16. Notices 49

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution 50
Section 10.2. Bonds to Rank Equally 51
Section 10.3. Enforcement 51
Section 10.4. Separability Clause 51
Section 10.5. Governing Law 51
Section 10.6. Open Meeting 51
Section 10.7. References to Liquidity Provider 51
Section 10.8. Liquidity Facilities Authorized 51
Section 10.9. Remarketing Agreements Authorized 51
Section 10.10. Tender Agent Agreements Authorized 52
Section 10.11. Authorization of Additional Acts 52
Section 10.12. Bond Enhancement Agreement Certificate 52
Section 10.13. Prior Resolution 52

EXHIBIT A – FORM OF WEEKLY RATE BOND A-1

EXHIBIT B – FORM OF FIXED RATE BOND B-1

EXHIBIT C – FORM OF VARIABLE RATE BOND C-1

EXHIBIT D – DESCRIPTION OF ANNUAL FINANCIAL INFORMATION D-1

EXHIBIT D – DESCRIPTION OF ANNUAL FINANCIAL INFORMATION D-1

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to the provisions of Article III, Section 49-b (the "Constitutional Provision") of the Constitution (the "State Constitution") of the State of Texas (the "State"), and implemented by Chapter 162, Texas Natural Resources Code, as amended (the "Act"), the Veterans' Land Board (the "Board") of the State has been authorized, subject to the limitations set forth in the Constitutional Provision, to issue general obligation bonds ("Bonds") of the State from time to time for the purpose of providing funding for the Veterans' Housing Assistance Fund II ("Fund II"), which fund is to be used for the purpose of making home mortgage loans to Veterans (as such term is defined in the Act); and

WHEREAS, pursuant to the provisions of subsection (w) of the Constitutional Provision, adopted by vote of the people of the State on November 6, 2001, as amended by vote of the people of the State on November 3, 2009, the Board has been authorized to issue Bonds, as well as general obligation bonds (together with the Bonds, "Veterans Bonds") of the State for the purpose of providing funding for the Veterans' Housing Assistance Fund or the Veterans' Land Fund, from time to time in an aggregate principal amount outstanding at any one time not to exceed the aggregate principal amount of Veterans Bonds previously authorized by prior amendments to the State Constitution; and

WHEREAS, prior amendments to the State Constitution have authorized $4 billion in aggregate principal amount of Veterans Bonds to be issued; and

WHEREAS, less than $3.5 billion (including unamortized net original issue premium) in aggregate principal amount of Veterans Bonds is currently outstanding or authorized; and

WHEREAS, the Board has determined that it is necessary and desirable at this time that up to $250,000,000 in aggregate principal amount of Bonds (hereinafter defined as the "Series 2024 Bonds") be issued in one or more series and installments for the purpose of augmenting Fund II; and

WHEREAS, pursuant to the Constitutional Provision, the Act and Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board hereby determines to issue the Series 2024 Bonds; and

WHEREAS, the Board hereby finds that the purpose for which the Board may issue the Series 2024 Bonds constitutes "public works," as contemplated by Chapter 1371;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. (a) For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires:

(i) "This Resolution" means this resolution as originally adopted or as it may from time to time be supplemented or amended by one or more resolutions supplemental hereto adopted pursuant to the applicable provisions hereof.

(ii) All references in this Resolution to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Resolution as originally adopted. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or other subdivision.

(iii) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. Reference to any named Person means that party and its successors and assigns.

(b) The following terms have the meanings assigned to them below whenever they are used in this Resolution:

"Act" means Chapter 162, Texas Natural Resources Code, as amended.

"Alternate Liquidity Facility" means a letter of credit, standby bond purchase agreement or any other agreement or agreements used to provide liquidity support for a series of Series 2024 Bonds, satisfactory to the Board and the Remarketing Agent therefor and containing administrative provisions reasonably satisfactory to the Tender Agent therefor, issued and delivered to such Tender Agent in accordance with Section 9.6 hereof.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means (i) for Weekly Rate Bonds, (A) prior to the final redemption pursuant to Section 3.1(a) hereof, $100,000 and any integral multiple of $5,000 in excess thereof, or (B) thereafter, any integral multiple of $5,000, (ii) for Fixed Rate Bonds, $5,000 and any integral multiple thereof, and (iii) for Variable Rate Bonds, the amount set forth in the Purchase Contract or Pricing Certificate therefor.

"Authorized Representative" means any of the following: the Chairwoman of the Board, the Executive Secretary of the Board, the Director of VLB Bond Funds Management of the Board, the Assistant Director of VLB Bond Funds Management of the Board and any other officer or employee of the Board appointed by the Board to serve as an "Authorized Representative" hereunder.

"Beneficial Owner" means, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, any Person who acquires a beneficial ownership in such Series 2024 Bonds.

"Board" means the Veterans' Land Board of the State.

"Bond" or "Bonds" means general obligation bonds of the State authorized by the Constitutional Provision and issued for the benefit of Fund II.

"Bond Counsel" means Bracewell LLP or any other attorney or firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers and appointed by the Board.

"Bond Purchase Fund" means for any series of Series 2024 Bonds the fund so designated that is established with the Tender Agent therefor pursuant to Section 9.8(b)(ii) hereof.

"Bond Register" has the meaning set forth in Section 2.6 hereof.

"Business Day" means with respect to a series of Series 2024 Bonds, any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Board and the applicable Tender Agent, Remarketing Agent, Paying Agent, Registrar or Liquidity Provider are located, or in which the office of such Liquidity Provider from which payments are made pursuant to the applicable Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Ceiling Rate" means the lesser of (i) fifteen percent (15%) per annum and (ii) a per annum rate equal to the maximum net effective interest rate permitted to be paid on the Series 2024 Bonds (prescribed by Chapter 1204, Texas Government Code, as amended, or any successor provision), currently fifteen percent (15%).

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

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

"Comptroller" means the Texas Comptroller of Public Accounts.

"Constitutional Provision" means Article III, Section 49-b of the Constitution of the State, as adopted on November 9, 1999, as it may be amended from time to time.

"Defeasance Obligations" means (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States, (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 Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves the proceedings authorizing the issuance of

refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent.

"Direct Security Repurchase Agreement" means an agreement under which the Board buys, holds for a specified time, and then sells back any of the following securities, obligations, or participation certificates:

(1) United States government securities;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations; or

(4) any other investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns, or any successor securities depository for a series of Series 2024 Bonds.

"DTC Participant" means the securities 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.

"Eligible Investments" means:

(1) Direct Security Repurchase Agreements and Reverse Security Repurchase Agreements made with state or national banks domiciled in the State or with primary dealers as approved by the Federal Reserve System;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations;

(4) bankers' acceptances that:

(i) are eligible for purchase by members of the Federal Reserve System;

(ii) do not exceed 270 days to maturity; and

(iii) are issued by a bank that has received the highest short term credit rating by a nationally recognized investment rating firm;

(5) commercial paper that:

(i) does not exceed 270 days to maturity; and

(ii) has received the highest short term credit rating by a nationally recognized investment rating firm;

(6) contracts written by the Board in which the Board grants the purchaser the right to purchase securities in the Board's marketable securities portfolio at a specified price over a specified period and for which the Board is paid a fee and specifically prohibits naked option or uncovered option trading;

(7) obligations of a state or an agency, county, city, or other political subdivision of a state, including revenue bonds issued under Chapter 164, Texas Natural Resources Code, as amended, and mutual funds composed of these obligations;

(8) an investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States;

(9) an investment, account, depository receipt, or deposit that is fully:

(i) insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a successor organization to one of those organizations; or

(ii) secured by securities described by paragraph (2), (3), or (8) of this definition;

(10) a collateralized mortgage obligation fully secured by securities or mortgages issued or guaranteed by the Government National Mortgage Association or any entity described by paragraph (3) of this definition;

(11) a security or evidence of indebtedness issued by the Farm Credit System Financial Assistance Corporation, the Private Export Funding Corporation, or the Export Import Bank; and

(12) any other investment authorized for investment of State funds by the Comptroller under applicable law;

provided, however, that the term "Eligible Investments" does not include any investments that may from time to time not be authorized under the laws of the State for investment of moneys in Fund II; and provided, further, that the term "Eligible Investments" also includes all investments that may from time to time be authorized under the laws of the State for investment of moneys in Fund II.

"Expenses Attributable to Bonds" means the expenses of issuing, selling, delivering and administering the Bonds, including without limitation, fees, expenses and other payments by the Board (excluding payments by the Board with respect to principal of or interest on the Bonds) payable under any bond enhancement agreement with respect to principal of or interest on the Bonds.

"Expenses Attributable to Home Loans" means the expenses incurred in connection with originating, processing, servicing, and administering the Home Loans.

"Favorable Opinion of Bond Counsel" means with respect to a series of Series 2024 Bonds, an opinion of Bond Counsel, addressed to the Board and the applicable Remarketing Agent, Liquidity Provider and Tender Agent to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and this Resolution and will not adversely affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon original issuance of the Series 2024 Bonds or other customary exceptions acceptable to the recipient thereof).

"Fiscal Year" means the period of time beginning in each calendar year on September 1, and ending August 31 of the calendar year next following, or the fiscal year for the State, as may hereinafter be established by law.

"Fixed Interest Rate" means (i) with respect to a Series 2024 Bond originally issued as a Weekly Rate Bond, the non-variable interest rate established in accordance with Section 9.3 hereof, and (ii) with respect to a Series 2024 Bond originally issued as a Fixed Rate Bond, the non-variable interest rate set forth in the related Purchase Contract or Pricing Certificate.

"Fixed Interest Rate Period" means with respect to a series of Series 2024 Bonds, the period of time during which such Series 2024 Bonds bear interest at a Fixed Interest Rate.

"Fixed Rate Bond" or "Fixed Rate Bonds" means any Series 2024 Bonds issued bearing interest at a Fixed Interest Rate.

"Fixed Rate Conversion Date" means with respect to a series of Weekly Rate Bonds, the date on which the interest rate on each of such Series 2024 Bonds converts to a Fixed Interest Rate.

"Fund I" means the Veterans' Housing Assistance Fund created by the former Article III, Section 49-b-1 of the Constitution of the State, and currently governed by the Constitutional Provision.

"Fund II" means the Veterans' Housing Assistance Fund II created by the former Article III, Section 49-b-2 of the Constitution of the State and currently governed by the Constitutional Provision, established pursuant to the resolution of the Board authorizing the issuance of the Series 1994A Bonds and confirmed and ratified by Section 4.1 of this Resolution.

"Holder" means a Person in whose name a Series 2024 Bond is registered in the Bond Register.

"Home Loan" or "Home Loans" means the home mortgage loans (including qualified home improvement loans) made by the Board pursuant to the Constitutional Provision and the Act.

"Initial Purchaser" means (i) with respect to a series of Series 2024 Bonds sold in connection with a public offering, the manager of the Underwriters relating thereto, or (ii) with respect to a series of Series 2024 Bonds sold privately, the purchaser or purchasers thereof.

"Initial Series 2024 Bond" means with respect to a series of Series 2024 Bonds, the Series 2024 Bond registered by the Comptroller.

"Interest Accrual Period" means with respect to a series of Series 2024 Bonds, the period from and including each Interest Payment Date to and excluding the next Interest Payment Date therefor; the initial Interest Accrual Period shall begin on (and include) the Settlement Date therefor and the final Interest Accrual Period shall end on the day next preceding the maturity date of such Series 2024 Bonds.

"Interest Payment Date" means (i) with respect to any Weekly Interest Rate Period, (A) the first Business Day of each month, commencing on the first such day following the applicable Settlement Date, (B) for a series of Weekly Rate Bonds, the Fixed Rate Conversion Date therefor, if any, and (C) the maturity date of a series of Series 2024 Bonds; and (ii) with respect to any Fixed Interest Rate Period, each June 1 and December 1, commencing the June 1 or December 1 immediately following the Fixed Rate Conversion Date or the Settlement Date, as the case may be, by at least 30 days.

"Interest Rate Period" means any Weekly Interest Rate Period or Fixed Interest Rate Period.

"Liquidity Facility" means for a series of Weekly Rate Bonds, initially the documents described in the related Pricing Certificate or Purchase Contract, as the same may be amended or supplemented from time to time, and, upon the effectiveness of an Alternate Liquidity Facility, means such Alternate Liquidity Facility.

"Liquidity Provider" means for a series of Weekly Rate Bonds, initially the Person designated in the related Pricing Certificate or Purchase Contract, and upon the effectiveness of an Alternate Liquidity Facility, means the bank or banks or other financial institution or financial institutions or other entity that is then a party to the Liquidity Facility. In the case of any Alternate Liquidity Facility to which more than one bank, financial institution or other entity is a party, notices required by this Resolution to be given to the Liquidity Provider may be given to the bank or financial institution under such Liquidity Facility appointed to act as agent for all such banks or financial institutions.

"Maximum Purchased Bond Rate" means for a series of Weekly Rate Bonds, the maximum interest rate for Purchased Bonds permitted under the Liquidity Facility therefor, but in no event to exceed the Ceiling Rate.

"Outstanding" means, when used with reference to a Bond or Bonds and as of a particular date, such Bond or Bonds not canceled except a Bond or Bonds for the payment or redemption of which provision has been made.

"Paying Agent" means with respect to a series of Series 2024 Bonds, the Comptroller unless otherwise set forth in the related Pricing Certificate or Purchase Contract, or any successor appointed by the Board pursuant to Section 5.2(a) hereof to perform the paying agent duties hereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

"Pricing Certificate" means a certificate executed by an Authorized Representative setting forth certain provisions relating to a series of Series 2024 Bonds.

"Program" means the Veterans' Housing Assistance Program established pursuant to the Act.

"Purchase Account" means for a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Purchase Contract" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the bond purchase contract between the Board and the Underwriters, authorized under Section 2.8 hereof, regarding the sale of such Series 2024 Bonds.

"Purchased Bond" or "Purchased Bonds" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Purchased Bond Rate" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Rating Agency" means with respect to a series of Series 2024 Bonds, initially, the statistical rating organization designated as such in the related Pricing Certificate or Purchase Contract or if such entity ceases to assign a rating to such Series 2024 Bonds, any substitute statistical rating organization so designated by the Board, which at the time has a credit rating assigned to such Series 2024 Bonds at the request of the Board.

"Record Date" means (a) with respect to any Interest Payment Date in respect of any Weekly Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to any Interest Payment Date in respect of any Fixed Interest Rate Period, the 15th day of the month immediately preceding such Interest Payment Date or, in the event that an Interest Payment Date shall occur less than 15 days after the Fixed Rate Conversion Date, such date.

"Registrar" means with respect to a series of Series 2024 Bonds, initially the Person designated as such in the Purchase Contract or Pricing Certificate therefor, or any successor entity appointed by the Board pursuant to Section 5.2(a) hereof to perform the duties of registrar and transfer agent hereunder.

"Remarketing Account" means with respect to a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Remarketing Agent" means with respect to a series of Weekly Rate Bonds, initially the Person designated as such in the Pricing Certificate therefor, or any successor appointed pursuant to Section 9.9(a) hereof.

"Remarketing Agreement" means with respect to a series of Weekly Rate Bonds, the Remarketing Agreement dated as of the Settlement Date therefor, between the Board and the Remarketing Agent therefor, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent.

"Resolution" means this resolution of the Board authorizing the issuance of the Series 2024 Bonds.

"Reverse Security Repurchase Agreement" means an agreement under which the Board sells and after a specified time buys back any of the securities, obligations, or participation certificates listed in paragraphs (1) through (4) of the definition of Direct Security Repurchase Agreement.

"Series 1994A Bond" or "Series 1994A Bonds" means the State of Texas Veterans' Housing Assistance Program, Fund II Series 1994A Bonds, initially dated October 1, 1994.

"Series 2024 Bond" or "Series 2024 Bonds" means the State of Texas Veterans Bonds, Series 2024, authorized pursuant to this Resolution.

"Settlement Date" means with respect to a series of Series 2024 Bonds, the date of initial delivery of such Series 2024 Bonds to the Initial Purchaser thereof.

"SIFMA Index" means the index based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established by the Securities Industry and Financial Markets Association, formerly The Bond Market Association.

"State" means the State of Texas.

"Tender Agent" means with respect to a series of Weekly Rate Bonds, any Person acting as Tender Agent therefor pursuant to the terms of this Resolution.

"Tender Agent Agreement" means if required with respect to a series of Weekly Rate Bonds, the agreement dated as of the Settlement Date therefor between the Board and the Tender Agent therefor, as the same may be amended or supplemented from time to time, or any similar agreement entered into with a successor Tender Agent.

"Undelivered Bonds" means any Series 2024 Bond so designated in accordance with the provisions of Section 9.4(e) or Section 9.4(g)(ii) hereof.

"Underwriters" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the members of the underwriting syndicate therefor.

"Variable Rate Bond" or "Variable Rate Bonds" means Series 2024 Bonds other than Weekly Rate Bonds, the interest rate on which is not fixed, but is variable or adjustable by any formula, agreement or otherwise as set forth in the Pricing Certificate or Purchase Contract for such Series 2024 Bonds.

"Veterans" has the meaning given such term in the Constitutional Provision.

"Weekly Interest Rate" means a variable interest rate on Weekly Rate Bonds established in accordance with Section 9.2 hereof.

"Weekly Interest Rate Period" means each period during which a Weekly Interest Rate is in effect.

"Weekly Rate Bond" or "Weekly Rate Bonds" means Series 2024 Bonds subject to a Weekly Interest Rate Period.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS; ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds. To provide money for the purpose of augmenting Fund II, the Series 2024 Bonds are hereby authorized and shall be issued, in one or more series and installments, as general obligations of the State in the original aggregate principal amount not to exceed Two Hundred Fifty Million Dollars ($250,000,000), as determined by an Authorized Representative and set forth in a Purchase Contract or Pricing Certificate. The Series 2024 Bonds shall be entitled "STATE OF TEXAS VETERANS BONDS, SERIES 2024"; provided that unless the entire principal amount authorized for the Series 2024 Bonds is issued in a single series or in the discretion of an Authorized Representative, the series designation for each separate series shall include a different capital letter after "2024," as set forth in the related Pricing Certificate or Purchase Contract.

Section 2.2. Form, Maturities, Interest Rates and Numbering. Each series of Series 2024 Bonds authorized hereby initially shall be dated as set forth in the related Pricing Certificate or Purchase Contract, and shall be issued and delivered in the form of fully registered bonds, without coupons, each payable to the Holder thereof, all in the manner hereinafter provided. The principal of Series 2024 Bonds shall mature, subject to prior redemption, on the dates and in the amounts set forth in the related Pricing Certificate or Purchase Contract; provided, however, that (i) the aggregate principal amount of all installments and series of Series 2024 Bonds shall not exceed $250,000,000, and (ii) the final maturity of the Series 2024 Bonds shall occur not later than December 1, 2055; and provided, further, that during any period in which ownership of a series of the Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with existing arrangements between the Board and the securities depository. Weekly Rate Bonds shall bear interest at the Weekly Interest Rate therefor, provided that from and after

the Fixed Rate Conversion Date, such Series 2024 Bonds shall bear interest at a Fixed Interest Rate. Fixed Rate Bonds shall bear interest at the Fixed Interest Rate or Rates set forth in the related Pricing Certificate or Purchase Contract or as determined pursuant to Section 9.3(a) hereof. Variable Rate Bonds shall bear interest as provided in the related Pricing Certificate or Purchase Contract. Each series of Weekly Rate Bonds shall be numbered consecutively from WR-1 upward by the Registrar, and no two Weekly Rate Bonds of the same series shall be given the same number. Each series of Fixed Rate Bonds shall be numbered consecutively from FR-1 upward by the Registrar, and no two Fixed Rate Bonds of the same series shall be given the same number. Each series of Variable Rate Bonds shall be numbered consecutively from VR-1 upward by the Registrar, and no two such Series 2024 Bonds shall be given the same number. Notwithstanding the foregoing, the Initial Series 2024 Bond for any series of Series 2024 Bonds shall be numbered T-1. Unless otherwise specified in the related Pricing Certificate or Purchase Contract, the Board shall cause CUSIP numbers to be assigned to, and reproduced on, the Series 2024 Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of such Bonds.

Section 2.3. Execution. Each of the Series 2024 Bonds shall be executed by and on behalf of the Board as general obligations of the State with the manual or facsimile signatures of the Chairwoman of the Board and the Executive Secretary of the Board, and the manual or facsimile seal of the Board shall be placed thereon. The facsimile signatures of the Chairwoman and Executive Secretary of the Board and the facsimile seal of the Board shall have the same effect as if each of said Bonds had been manually signed by such officers and said seal had been manually impressed on each such Bond. Series 2024 Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Board shall bind the State and the Board, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

Section 2.4. Approval by Attorney General; Registration by Comptroller. After any Initial Series 2024 Bonds shall have been executed, it shall be the duty of the Authorized Representatives to deliver such Series 2024 Bonds to the Attorney General for examination and approval, and after such Series 2024 Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Series 2024 Bonds thus registered shall remain in the custody of the Chairwoman of the Board or subject to his order, until the delivery thereof to the Initial Purchaser thereof.

Section 2.5. Form of Bond. The form of all Weekly Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Weekly Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The form of all Fixed Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Fixed Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit B hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. The form of all Variable Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Variable Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be,

respectively, substantially as set forth in Exhibit C hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. At the direction of an Authorized Representative, a portion of the text of Series 2024 Bonds may be printed on the back of the bond certificates, in which event the following phrase shall be inserted in the place where such text would otherwise appear: "Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth at this place."

Section 2.6. Registration, Transfer and Exchange. (a) With respect to each series of Series 2024 Bonds, the Board shall keep or cause to be kept at the designated corporate trust office of the Person named in the related Pricing Certificate or Purchase Contract, or at the designated office of any other banking institution named in accordance with the provisions of Section 5.2(a) hereof (in any event, a "Registrar"), books or records of the registration and transfer of such Series 2024 Bonds (each, a "Bond Register"), and each Registrar shall act as registrar and transfer agent to keep such Bond Register and make such transfers and registrations under such reasonable regulations as the Board may prescribe, and to convert and exchange or replace the applicable Series 2024 Bonds; and the Registrar shall make such transfers and registrations as herein provided. It shall be the duty of a Registrar to obtain from the Holder of each applicable Series 2024 Bond and record in the related Bond Register the address of such Holder to which payments with respect to the applicable Series 2024 Bonds shall be mailed, as herein provided. Each Registrar shall keep the related Bond Register confidential and, unless otherwise required by law, shall not permit their inspection by any entity other than the Board or its designee, which shall have the right to inspect such Bond Register during regular business hours of such Registrar. Registration of each Series 2024 Bond may be transferred in the applicable Bond Register only upon presentation and surrender of such Series 2024 Bond to the applicable Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to such Registrar, evidencing the assignment of such Series 2024 Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Series 2024 Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Series 2024 Bond or any portion thereof, a new substitute Series 2024 Bond or Series 2024 Bonds of the same series and maturity shall be issued in conversion and exchange therefor in the manner herein provided.

(b) The entity in whose name any Series 2024 Bond shall be registered in the related Bond Register at any time shall be treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Series 2024 Bond shall be overdue, and the Board and the applicable Paying Agent and Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of and premium, if any, and interest on any such Series 2024 Bond shall be made only to such Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond to the extent of the sum or sums so paid.

(c) Unless otherwise set forth in a Pricing Certificate or Purchase Contract, the Board hereby appoints the Comptroller in Austin, Texas, or any banking institution named in accordance with the provisions of Section 5.2(a) hereof (in either case, the "Paying Agent"), to act as the paying agent for paying the principal of and premium, if any, and interest on the Series 2024 Bonds, all

as provided in this Resolution. Each Paying Agent shall keep proper records of all payments made by the Board and such Paying Agent with respect to the applicable Series 2024 Bonds, as provided in this Resolution. For any Series 2024 Bond that has a CUSIP number, the applicable Paying Agent shall provide the CUSIP number for such Series 2024 Bond with each payment of interest on and the principal or the redemption price of such Series 2024 Bond, specifying the amount paid in respect of such CUSIP number.

(d) Each Series 2024 Bond may be converted into and exchanged for fully registered bonds in the manner set forth herein. Each Series 2024 Bond may, upon surrender thereof to the applicable Registrar, together with a written request therefor duly executed by the Holder or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Registrar, at the option of the Holder or such assignee or assignees, as appropriate, be converted into and exchanged for a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate and in any Authorized Denomination which may be requested in writing by such Holder or such assignee or assignees, in an aggregate principal amount equal to the principal amount of the Series 2024 Bond or Series 2024 Bonds so surrendered, and payable to the appropriate Holder, assignee, or assignees, as the case may be. If only a portion of any Series 2024 Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate, in any Authorized Denomination at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. If any Series 2024 Bond or portion thereof is assigned and transferred or converted, each Series 2024 Bond issued in exchange therefor shall have the same series, principal maturity date and bear interest at the same rate as the Series 2024 Bond for which it is being exchanged. Each substitute Series 2024 Bond shall bear a number to distinguish it from each other Series 2024 Bond. Each Registrar shall convert and exchange or replace Series 2024 Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Series 2024 Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Series 2024 Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided, however, that any Series 2024 Bond delivered in conversion of and exchange for or replacement of another Series 2024 Bond prior to the first scheduled Interest Payment Date of the related series of Series 2024 Bonds shall be dated the same date as such Series 2024 Bond, but each substitute Series 2024 Bond so delivered on or after such first scheduled Interest Payment Date shall be dated as of the Interest Payment Date preceding the date on which such substitute Series 2024 Bond is delivered, unless such Series 2024 Bond is delivered on an Interest Payment Date therefor, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Series 2024 Bond the interest on the Series 2024 Bond for which it is being exchanged has not been paid, then such Series 2024 Bond shall be dated as of the date to which such interest has been paid in full; and provided, further, that any Series 2024 Bond issued in exchange for an Initial Series 2024 Bond shall be dated the date specified in the related Pricing Certificate or Purchase Contract. On each substitute Series 2024 Bond issued in conversion of and exchange for or replacement of any Series 2024 Bond or Series 2024 Bonds there shall be printed a Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the applicable Registrar shall, before the delivery of any such Series 2024 Bond, date such Series 2024 Bond in the manner set forth above, and manually sign and date the Registrar's Authentication Certificate,

and no such Series 2024 Bond shall be deemed to be issued or Outstanding unless such Registrar's Authentication Certificate is so executed and dated. Each Registrar promptly shall cancel all applicable Series 2024 Bonds surrendered for transfer, conversion and exchange or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or Person so as to accomplish the foregoing conversion and exchange or replacement of any Series 2024 Bond or portion thereof, and each Registrar shall provide for the execution and delivery of substitute Series 2024 Bonds in the manner prescribed herein. Pursuant to Chapter 1201, and particularly Sections 1201.061 through 1201.063 and 1201.067 thereof, the duty of conversion and exchange or replacement of Series 2024 Bonds as aforesaid is hereby imposed upon the related Registrar, and, upon the execution and dating of the above described Registrar's Authentication Certificate, the transferred, converted and exchanged or replaced Series 2024 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2024 Bonds which originally were delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller. Except in the case of tenders of Weekly Rate Bonds pursuant to Section 9.4 hereof or of the remarketing of Purchased Bonds, neither the Board nor any Registrar shall be required (i) to issue, transfer, replace or exchange any Series 2024 Bond subject to redemption in whole or in part during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of such series of Series 2024 Bonds and ending at the close of business on the day of such mailing, or (ii) to replace, transfer or exchange any Series 2024 Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within 30 calendar days; except that at the option of the Holder of at least $1,000,000 in principal amount of a series of Series 2024 Bonds, the applicable Registrar shall be required to transfer or exchange any such Series 2024 Bond of such Holder which has been selected, in whole or in part, for redemption upon surrender thereof. A Registrar may make such arrangements as it deems appropriate for notation on each new Series 2024 Bond issued in exchange for or upon the transfer of the Series 2024 Bond so selected for redemption of an appropriate legend to the effect that such new Series 2024 Bond has been so selected for redemption.

(e) All Series 2024 Bonds issued in conversion and exchange or replacement of any other Series 2024 Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2024 Bonds to be payable only to the Holders thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2024 Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, (vii) shall be authenticated, and (viii) shall provide that the principal of and interest on such Series 2024 Bonds shall be payable, all as provided, and in the manner required or indicated, in this Resolution.

(f) The Board shall pay each Registrar's reasonable and standard or customary fees and charges for making transfers of Series 2024 Bonds, but the Holder of any related Series 2024 Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Holder of any Series 2024 Bond requesting any conversion and exchange shall pay the applicable Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Series 2024 Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Series 2024 Bond or Series 2024 Bonds

or any portion or portions thereof in any Authorized Denomination, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Series 2024 Bond that has been redeemed in part prior to maturity, as provided in this Resolution, such fees and charges will be paid by the Board.

Section 2.7. Damaged and Missing Bonds. (a) In the event any Outstanding Series 2024 Bond is damaged, mutilated, lost, stolen, or destroyed, the applicable Registrar shall cause to be printed, executed, authenticated and delivered, a new Series 2024 Bond of the same series, principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Series 2024 Bond in the manner hereinafter provided.

(b) Application for replacement of a damaged, mutilated, lost, stolen, or destroyed Series 2024 Bond shall be made by the Holder thereof to the applicable Registrar. In every case of loss, theft, or destruction of a Series 2024 Bond, the Holder applying for a replacement Series 2024 Bond shall furnish to the Board and to the applicable 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 Series 2024 Bond, the Holder shall furnish to the Board and to the applicable Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2024 Bond, as the case may be. In every case of damage or mutilation of a Series 2024 Bond, the Holder shall surrender to the applicable Registrar for cancellation the Series 2024 Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Series 2024 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of and premium, if any, or interest on the Series 2024 Bond, the Board 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 Series 2024 Bond, provided security or indemnity is furnished as provided above in this Section.

(d) Prior to the issuance of any replacement Series 2024 Bond pursuant to the provisions of this Section, the applicable Registrar shall charge the Holder of such Series 2024 Bond with all legal, printing, and other expenses in connection therewith. Every replacement Series 2024 Bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2024 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Board whether or not the lost, stolen, or destroyed Series 2024 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 Series 2024 Bonds duly issued under this Resolution.

(e) In accordance with Section 1201.062 of Chapter 1201, this Section shall constitute authority for the issuance of any such replacement Series 2024 Bond without the necessity of further action by the Board or any other body or Person, and the duty of the replacement of such Series 2024 Bond is hereby authorized and imposed upon the applicable Registrar, and such Registrar shall authenticate and deliver such replacement Series 2024 Bonds in the form and manner and with the effect, as provided in Section 2.6(d) of this Resolution for Series 2024 Bonds issued in conversion and exchange for other Series 2024 Bonds.

Section 2.8. Sale and Delivery of Series 2024 Bonds. The Series 2024 Bonds may be sold publicly or privately on a negotiated basis, as determined by the Authorized Representatives to assure that the Series 2024 Bonds are sold on advantageous terms. Pursuant to Chapter 1371, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board in connection with other matters relating to the issuance of the Series 2024 Bonds. In such capacity, the Authorized Representatives, acting for and on behalf of the Board, shall determine the date of issuance and sale of each series of the Series 2024 Bonds, and are also hereby severally authorized and directed to approve, execute and deliver the related Purchase Contract or Pricing Certificate, and to approve the principal amounts and maturities of such Series 2024 Bonds and whether such Series 2024 Bonds shall be issued initially as Fixed Rate Bonds, Weekly Rate Bonds or Variable Rate Bonds, the redemption provisions and such other terms applicable to such Series 2024 Bonds, the Purchase Contract or Pricing Certificate to be approved by the Authorized Representative executing the Purchase Contract or Pricing Certificate, such approval to be conclusively evidenced by such Authorized Representative's execution thereof; provided that (i) the final maturity and aggregate principal amount of such Series 2024 Bonds shall comply with Section 2.2 hereof, and (ii) the interest rate on such Series 2024 Bonds shall not exceed the Ceiling Rate, subject to the unqualified approving opinion as to the legality of such Series 2024 Bonds of the Attorney General and of Bond Counsel. The Authorized Representatives and all other officers, agents and representatives of the Board are hereby authorized to do any and all other things necessary or desirable to satisfy the conditions set out in the Purchase Contract or otherwise required by the Initial Purchaser and to provide for the issuance and delivery of Series 2024 Bonds. One definitive Series 2024 Bond for each series and maturity date, in the principal amount for such series and maturity date as set forth in the related Purchase Contract or Pricing Certificate, shall be delivered to or as directed by the Initial Purchaser thereof. It is further provided, however, that notwithstanding the foregoing provisions, a series of Series 2024 Bonds shall not be delivered unless prior to delivery such Series 2024 Bonds have been rated by a Rating Agency in one of the four highest rating categories for long-term obligations or in one of the three highest rating categories for short-term obligations, as required by Chapter 1371.

Section 2.9. Preliminary Official Statement and Official Statement. For any Series 2024 Bonds to be sold initially in a public offering, prior to the execution of the Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, (i) if requested by the Initial Purchaser thereof, shall cause a preliminary official statement (the "Preliminary Official Statement") to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate, and each Authorized Representative is hereby authorized for and on behalf of the Board to approve and deem final the Preliminary Official Statement as of its date, except for such omissions as are permitted by the Rule (as defined in Section 8.1 hereof); within seven business days after the execution of the related Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause the final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes as the Chairwoman of the Board may approve, such approval to be conclusively evidenced by his execution thereof, to be provided to the Underwriters in compliance with the Rule, or (ii) if such Initial Purchaser does not request a Preliminary Official Statement, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause an official statement to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate.

Section 2.10. Book-Entry System. As provided in Section 2.8 of this Resolution, each series of Series 2024 Bonds initially shall be delivered against payment to the Initial Purchaser thereof. The Series 2024 Bonds so delivered to such Initial Purchaser shall be registered in accordance with the instructions of such Initial Purchaser. Each Initial Purchaser shall be required to promptly surrender any Initial Series 2024 Bond received by such Initial Purchaser for exchange. Series 2024 Bonds issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as Holder, and held in the custody or on behalf of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC or its designee for each series and maturity and of the Series 2024 Bonds. Beneficial owners of Series 2024 Bonds will not receive physical delivery of Series 2024 Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Series 2024 Bonds as provided herein, all transfers of beneficial ownership interests therein will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2024 Bonds is to receive, hold or deliver any Series 2024 Bond certificate.

With respect to Series 2024 Bonds registered in the name of Cede & Co., as nominee of DTC, none of the Board or the applicable Paying Agent or Registrar shall have any responsibility or obligation to any DTC Participant or to any Person on whose behalf a DTC Participant holds an interest in the Series 2024 Bonds. Without limiting the immediately preceding sentence, none of the Board or any Paying Agent or Registrar shall have any 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 Series 2024 Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Bond Register, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, and (iii) the payment to any DTC Participant or any other Person, other than a Holder, of any amount with respect to principal of and premium, if any, or interest on the Series 2024 Bonds.

Replacement Series 2024 Bonds may be issued directly to beneficial owners of Series 2024 Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Series 2024 Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Board and the applicable Paying Agent and Registrar), or (ii) the Board has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that DTC is incapable of discharging its duties as securities depository for the Series 2024 Bonds, or (iii) the Board has determined (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that the interests of the beneficial owners of the Series 2024 Bonds might be adversely affected if such book entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the Board shall use its best efforts to attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed, authenticated and delivered replacement Series 2024 Bonds, in certificated form, to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. In the event that the Board makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Series 2024 Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Series 2024 Bonds in certificated form to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. The Board undertakes no obligation to make any

investigation to determine the occurrence of any events that would permit the Board to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Series 2024 Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), the requirements in this Resolution of holding, registering, delivering, exchanging or transferring Series 2024 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of DTC (or such successor securities depository) as to holding, registering, delivering, exchanging or transferring the book entry to produce the same effect.

Whenever, during the term of the Weekly Rate Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Weekly Rate Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Weekly Rate Bonds, payment of the Purchase Price thereof shall be made to DTC (or any successor securities depository), and no surrender of Weekly Rate Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Weekly Rate Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Weekly Rate Bonds were purchased pursuant to a remarketing. The Board and each Registrar, Paying Agent, Tender Agent, Liquidity Provider and Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

If at any time DTC ceases to hold the Series 2024 Bonds, all references herein to DTC shall be of no further force or effect.

Anything to the contrary contained herein notwithstanding, this Section 2.10 shall not apply to a series of the Series 2024 Bonds if so provided in a Pricing Certificate.

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption. (a) Series 2024 Bonds (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the dates and in the respective principal amounts set forth in the related Purchase Contract or Pricing Certificate, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption. The principal amount of Series 2024 Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Series 2024 Bonds of the same series and having the same stated maturity which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the applicable Registrar for cancellation, or (2) shall have been acquired and canceled by such Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any redemption provision set forth below and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

(b) The Weekly Rate Bonds (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. In the case of any such redemption, the Board shall select the maturity or maturities of the Weekly Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(c) Any series of Series 2024 Bonds issued as other than Weekly Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods and at the redemption prices set forth in the related Purchase Contract or Pricing Certificate, plus accrued interest to the date fixed for redemption

(d) Converted Fixed Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods specified below, in whole at any time or in part from time to time, at the redemption prices (expressed as a percentage of principal amount) hereinafter indicated, plus accrued interest, if any, to the redemption date:

Length of Fixed Interest Rate Period (expressed in years)	Redemption Prices
greater than 15	after 10 years at 102%, declining by 1% every year to 100%
less than or equal to 15 and greater than 10	after 7 years at 102%, declining by 1% every year to 100%
less than or equal to 10 and greater than 7	after 5 years at 102%, declining by 1% every year to 100%
less than or equal to 7 and greater than 4	after 3 years at 101%, declining by 1% after a year to 100%
less than or equal to 4	after 2 years at 100%

In the case of any such redemption, the Board shall select the maturity or maturities of the Fixed Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(e) In the case of any redemption of less than all of the Series 2024 Bonds of a particular series and maturity, the particular Series 2024 Bonds within each such series and maturity to be redeemed shall be selected by the applicable Registrar by lot in such manner as such Registrar shall deem fair and appropriate; provided that during any period in which ownership of such Series 2024 Bonds is determined only by a book entry at a securities depository, if less than the entire principal amount Outstanding of all Series 2024 Bonds of the same series and maturity is to be redeemed, the interests to be redeemed of the beneficial owners of such Series 2024 Bonds shall be selected in accordance with the arrangements between the Board and the securities depository.

(f) Anything in this Section 3.1 to the contrary notwithstanding, in the event of any (i) optional redemption of Weekly Rate Bonds, Purchased Bonds of the same series shall be selected first for such redemption to the extent there are any such Purchased Bonds, provided that the Board may

select the maturity or maturities of Purchased Bonds to be so redeemed and the amounts thereof in Authorized Denominations, and (ii) mandatory sinking fund redemption of Weekly Rate Bonds, Purchased Bonds of the same series and maturity being redeemed shall be selected first for such redemption to the extent there are any such Purchased Bonds.

Section 3.2. Notice of Redemption. At least 30 days prior to the date fixed for any redemption of Series 2024 Bonds, a written notice of such redemption shall be sent by first class mail, postage prepaid by the Registrar to the Holders of the applicable series of Series 2024 Bonds to be redeemed on such date. All notices of redemption shall state: (1) the date of redemption and general mailing of such notices; (2) the redemption price; (3) the identification (including complete official name and series designation and issue date), the CUSIP number, if any, certificate number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Series 2024 Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable on each such Series 2024 Bond, and that interest thereon shall cease to accrue from and after such date; and (5) the name and address of the applicable Paying Agent, including the name and telephone number of a contact person and the place where such Series 2024 Bonds are to be surrendered for payment of the redemption price. By the date fixed for any such redemption, due provision shall be made by the Board with the applicable Paying Agent for the payment of the required redemption price for such Series 2024 Bonds or the portions thereof which are to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, such Series 2024 Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being Outstanding except for the right of the Holders thereof to receive the redemption price therefor from the applicable Paying Agent out of the funds provided for such payment. The applicable Registrar shall record in the related Bond Register all such redemptions of principal of the Series 2024 Bonds or any portion thereof. If only a portion of any Series 2024 Bond shall be redeemed, a substitute Series 2024 Bond or Series 2024 Bonds, having the same series and maturity date, bearing interest at the same rate, in any Authorized Denomination which may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder thereof upon the surrender thereof for cancellation, at the expense of the Board, all as provided in this Resolution. For all purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Series 2024 Bonds shall relate, in the case of any Series 2024 Bond redeemed or to be redeemed only in part, to the portion of the principal of such Series 2024 Bond that has been or is to be redeemed.

In addition to the notice of redemption required above, the applicable Registrar shall send notice of redemption by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any Holder of $1,000,000 or more in principal amount of the applicable series of Series 2024 Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a Holder of such Series 2024 Bonds. In addition, in the event of a redemption caused by an advance refunding of Series 2024 Bonds, the applicable Registrar shall send a second notice of redemption to all Holders of such Series 2024 Bonds at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national

information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. A Registrar shall also send a notice of redemption to the Holder of any applicable Series 2024 Bond called for redemption who has not sent such Series 2024 Bond in for redemption sixty (60) days after the redemption date.

Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this Section or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Series 2024 Bonds.

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II. The Comptroller (as successor to the Treasurer of the State) has established in the State Treasury the "Veterans' Housing Assistance Fund II," referred to herein as "Fund II." The Board hereby confirms and ratifies the establishment of Fund II and agrees to maintain Fund II until all Bonds have been paid in full.

Section 4.2. Deposits to Fund II. Fund II is and shall be comprised of, and where feasible it is the duty of the Board, and the officers of the Board are hereby authorized and directed, to deposit into Fund II, the following:

(i) any interest of the Board in Home Loans made from money in Fund II pursuant to the Program including proceeds of any insurance thereon or on the homes;

(ii) the proceeds derived from the sale or other disposition of the Board's interest in Home Loans;

(iii) the money attributable to any Bonds (except Expenses Attributable to Bonds) issued and sold by the Board to provide money for Fund II which shall include, but shall not be limited to, the proceeds from the issuance and sale of such Bonds;

(iv) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans;

(v) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Bonds to comply with the person's bid and accept and pay for such Bonds;

(vi) payments received by the Board under bond enhancement agreements with respect to the Bonds;

(vii) interest received from investments of any such money; and

(viii) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II.

The Board may deposit other moneys to the credit of Fund II, including moneys transferred by the Board from the Veterans' Land Fund and Fund I, which are eligible under the Constitution and applicable laws of the State for such deposit or transfer.

Section 4.3. Home Loans. (a) Money in Fund II, including the proceeds from the sale of Bonds, may be used by the Board in the making of Home Loans as provided in the Act, the payment of Expenses Attributable to Home Loans and Expenses Attributable to Bonds, and, as herein provided, the payment of the principal of and premium, if any, and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds; provided, that the language of this paragraph shall not be construed to prevent the investment of the moneys in Fund II when permitted by the Constitutional Provision or the Act.

(b) The Board will fix interest rates to be charged Veterans receiving Home Loans from the Board which will assure that the proceeds from payments and repayments of Home Loans, together with other legally available moneys, including, without limitation, anticipated transfers from the Veterans' Land Fund or Fund I, will exceed the amount of payments the Board is required to make from Fund II for the payment of interest on and principal of the Bonds as such come due and mature, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and to the extent permitted by the Constitution and applicable laws of the State, the Board covenants to transfer such amounts from the Veterans' Land Fund and Fund I as are necessary to cause available amounts in Fund II to be sufficient for such payment.

Section 4.4. Source of Payment. (a) The principal of and interest on the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2024 Bonds, shall be and are hereby made general obligations of the State pursuant to the Constitutional Provision, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on each of the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2024 Bonds, when due the resources of the Board to the extent herein provided and the full faith and credit of the State are hereby pledged.

(b) All payments of the principal of and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, shall be made from Fund II; provided, that if the Legislature of the State shall later provide additional sources from which the principal of or the interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, may be paid, the Board, its officers, the Comptroller and all other officers and employees of the State are hereby authorized and requested, and, to the extent that they are under the jurisdiction of this Board, directed to take all steps necessary to accomplish the use of such additional funds for such purpose, without releasing the continuing right of the Holders to the present sources prescribed by the Constitutional Provision and the Act for the payment of such principal and interest.

(c) The Board recognizes the absolute and ultimate obligation of the State to provide during each Fiscal Year all moneys necessary to pay the principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to

principal of or interest on the Bonds, and recognizes that the Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, "there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or come due during that fiscal year or to make bond enhancement payments with respect to those bonds."

Section 4.5. Other Uses of Fund II Moneys. (a) The Constitutional Provision provides that receipts of all kinds of Fund II determined by the Board not to be required for the payment of principal of and interest on Bonds or other general obligation bonds hereafter authorized by the Constitution of the State to provide money for Fund II, including payments by the Board under bond enhancement agreements with respect to principal of or interest on Bonds and such other general obligation bonds, may be used by the Board, to the extent not inconsistent with the proceedings authorizing such bonds, to (1) make temporary transfers to either the Veterans' Land Fund or Fund I to avoid a temporary cash deficiency in that fund or make a transfer to either of those funds for the purposes of that fund; (2) pay the principal of and interest on general obligation bonds issued to provide money for either the Veterans' Land Fund or Fund I or make bond enhancement payments with respect to such bonds; or (3) pay the principal of and interest on revenue bonds of the Board or make bond enhancement payments with respect to such bonds. In accordance with the Constitutional Provision, the Board reserves the right to use the moneys in Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

(b) The Constitutional Provision also provides that if the Board determines that assets from Fund II are not required for the purposes of Fund II, the Board may (i) transfer the assets to either the Veterans' Land Fund or Fund I, (ii) use the assets to secure revenue bonds issued by the Board under the Constitutional Provision, (iii) use the assets to plan and design, operate, maintain, enlarge or improve veterans cemeteries, or (iv) use the assets to plan and design, construct, acquire, own, operate, maintain, enlarge, improve, furnish, or equip veterans homes. In accordance with the Constitutional Provision, the Board reserves the right to use the assets from Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

Section 4.6. Program Administration. The Program may be administered on behalf of the Board by one or more administrators, each of which shall be a nationally recognized institution with previous experience in the administration of mortgage lending programs, and whose duties shall be specified in an agreement between the Board and the administrator named therein. Currently, the Program administrators are Gateway Mortgage Group, LLC as "Loan Origination Administrator" and Nationstar Mortgage LLC as "Master Servicer." Home Loans may (i) be originated by the Board, or (ii) be originated and serviced through qualified lending institutions in the State, which shall be subject to the approval of the Board.

Section 4.7. Investments. The moneys of Fund II which are not immediately committed to the payment of principal of and interest on the Bonds, the making of Home Loans as herein provided, or the payment of expenses as herein provided may be invested in Eligible Investments until such funds are needed for such purposes.

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures. (a) The Board hereby covenants that it shall establish procedures with the Comptroller whereby sufficient moneys shall be withdrawn from Fund II and forwarded to each Paying Agent for the payment of interest on and principal of the Series 2024 Bonds coming due on each interest or principal payment date. In addition, the Board covenants that as of each principal payment date and Interest Payment Date for a series of Series 2024 Bonds it will make available to the applicable Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

If the date for the payment of the principal of or interest on the Series 2024 Bonds is a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section 5.2. Paying Agent and Registrar. (a) The Board covenants with the Holders that at all times while the Series 2024 Bonds are Outstanding, the Board will provide a competent and legally qualified Paying Agent and Registrar for each series of Series 2024 Bonds under this Resolution, and that the Paying Agent and Registrar for such series shall be one entity, except during any period when such Series 2024 Bonds are registered only by means of a book entry at a securities depository. The Board reserves the right to, and may, at its option, change any Paying Agent or Registrar upon not less than 30 days written notice to such Paying Agent or Registrar. In the event that an entity at any time acting as Paying Agent or Registrar (or the successor thereto by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will appoint promptly a competent and legally qualified national or state banking institution which shall be an entity organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and, if the previous Paying Agent or Registrar was a banking institution, whose qualifications substantially are similar to the previous Paying Agent or Registrar, as appropriate, to act as Paying Agent or Registrar under this Resolution. Upon any change in a Registrar, the previous Registrar promptly shall transfer and deliver the related Bond Register (or a copy thereof), along with all other pertinent books and records relating to the applicable Series 2024 Bonds, to the new Registrar designated and appointed by the Board. Upon any change in a Paying Agent, the previous Paying Agent promptly shall transfer and deliver the records regarding payments of principal of and interest on the applicable Series 2024 Bonds (or a copy thereof) it has kept and maintained, along with all other pertinent books and records relating to payments made regarding such Series 2024 Bonds, to the new Paying Agent designated and appointed by the Board. Upon any change in Paying Agent or Registrar, the Board promptly will cause a written notice thereof to be sent by the new Registrar to each applicable Holder by first class mail, postage prepaid, which notice also shall give the address of the new Paying Agent or Registrar, as appropriate. By accepting the position and performing as such, each Paying Agent

and 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 and Registrar.

In addition, the Board hereby covenants with the Holders that it will (i) pay the reasonable and standard or customary fees and charges of each Paying Agent for its services with respect to the payment of the principal of and interest on the Series 2024 Bonds, when due, and (ii) pay the fees and charges of each Registrar for services with respect to the transfer of registration of Series 2024 Bonds solely to the extent provided in Section 2.6(f), and with respect to the conversion and exchange of Series 2024 Bonds solely to the extent provided in Section 2.6(f).

Section 5.3. Tax Covenants. (a) Definitions. The following terms shall have the meanings given below when used in this Section 5.3:

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Contract for Deed Exception" shall mean the exception from certain Home Loan eligibility requirements available with respect to a mortgagor possessing land under a contract for deed, as provided in Section 143(i)(l)(C) of the Code.

"Costs of Issuance" shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

"Investment Proceeds" is defined in section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

"Net Proceeds" means Proceeds of an issue reduced by amounts in a reasonably required reserve or replacement fund.

"Origination Agreement" means any agreement between the Board and a Participant providing for the origination of Home Loans by the Participant.

"Participant" means any entity that originates Home Loans through its participation in the Program.

"Proceeds" is defined in section 1.148-1(b) of the Regulations and, generally, means any Sale Proceeds, Investment Proceeds and Transferred Proceeds.

"Program Guide" means the Mortgage Origination, Sale and Servicing Guide and the program guidelines referred to therein.

"Qualified Veteran" means "qualified veteran" as defined in Section 143(l)(4) of the Code.

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Sale Proceeds" is defined in section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation and accrued interest other than Pre-Issuance Accrued Interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in section 1.148-4(b)(4) of the Regulations.

"Single Family Residence" means any "residence" described in Section 6a.103A-2(d)(4) of the Regulations and includes two-, three- and four-family residences described in Section 6a.103A-1(b)(6) of the Regulations.

"Transferred Proceeds" means (i) with respect to an issue of Series 2024 Bonds, yield as determined in accordance with Section 143(g)(2)(C) of the Code and (ii) with respect to the Home Loans allocable to an issue of Series 2024 Bonds, the effective rate of mortgage interest as determined in accordance with Section 143(g)(2)(B) of the Code.

"Yield" means yield as determined in accordance with Sections 143(g) and 148(h) of the Code, and the applicable provisions of Sections 1.148-1 through 1.148-10 of the Regulations.

(b) General Tax Covenant. The Board covenants not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the interest on any Series 2024 Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Board covenants to comply with section 103 and 141, 143, and 146 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Board in connection with an issue of Series 2024 Bonds. The Board will not be required to comply with any of the federal tax covenants set forth in this Section 5.3 if the Board has received a Favorable Opinion of Bond Counsel regarding such noncompliance.

(c) Use of Proceeds. The Board covenants that at least 95% of the Net Proceeds of each series of Series 2024 Bonds will be used to finance Home Loans for Qualified Veterans. The Board further covenants that (i) no portion of the proceeds of a series of Series 2024 Bonds will be used in a way that would cause such Series 2024 Bonds to meet the private business use tests set forth in Section 141(b)(1) and (2) of the Code and applicable Regulations thereunder and (ii) no portion of the proceeds of a series of Series 2024 Bonds will be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(d) Mortgage Eligibility Requirements.

(i) The Board covenants: (A) to attempt in good faith to meet, with respect to each Home Loan, before the execution thereof, the mortgage eligibility requirements of Section 143(c), (g), (i)(1) and (l) of the Code (as more fully described below in this Section), by placing restrictions in the Origination Agreement that permit the origination and purchase of Home Loans only in accordance with such requirements and by establishing reasonable procedures to ensure compliance with such requirements including investigation by the Participants and the Program administrator (or its agent) to determine that each Home Loan meets such requirements; and (B) to correct any failure to meet such requirements within a reasonable period after such failure is first discovered by causing the non-qualifying Home Loan to be accelerated or to be replaced with a Home Loan that meets such requirements if the non-qualifying Home Loan defect cannot be cured within such reasonable period.

(ii) The Board covenants to require, and the Origination Agreement and the Program Guide require, with respect to each Home Loan, a certification of the mortgagor and other appropriate evidence demonstrating that the mortgagor is a Qualified Veteran. In determining whether a person is a Qualified Veteran, the Board may rely on copies of the mortgagor's Certificate of Discharge indicating that the mortgagor served on active duty at some time, and stating the date on which the mortgagor left active service, provided that neither the Board nor the Participant originating the Home Loan knows or has reason to believe that such certificate is false.

(iii) The Board covenants to require, and the Origination Agreement and the Program Guide require, with respect to each Home Loan, a certification of the mortgagor and other appropriate evidence demonstrating that the residence being financed with the proceeds of such Home Loan is a Single Family Residence located within the State that the mortgagor reasonably expects to occupy as his or her principal residence within a reasonable time (e.g., 60 days) after the financing is provided.

(iv) The Board covenants to require, and the Origination Agreement and the Program Guide require, with respect to each Home Loan, a certification of the mortgagor and other appropriate evidence demonstrating that, in accordance with Section 143(i) of the Code, the Home Loan is not made for the purpose of acquiring or replacing an existing mortgage (i.e., that the mortgagor does not have an existing mortgage (whether or not paid off) on the residence securing the Home Loan at any time prior to the execution of the Home Loan), except for a mortgage falling within the Contract for Deed Exception or a mortgage securing a construction period loan or a bridge loan or other similar temporary initial financing having a term of 24 months or less. The Board further covenants not to permit the assumption of any Home Loan unless the requirements described in this Section 5.3(d) are met with respect to such assumption.

(v) The Board covenants to require, and the Origination Agreement and the Program Guide require, that each Home Loan include provision for acceleration in the event that the Board discovers that any of such mortgage eligibility requirements described in this Section 5.3(d) have not been met with respect to such Home Loan.

(vi) The following terms used in this Section 5.3(d) shall have the respective meanings set forth in Section 143 of the Code and applicable Regulations thereunder: mortgage, principal residence, residence and single-family residence.

(e) Mortgage Rate. The Board will take all actions necessary to ensure that the blended Yield on the Home Loans properly allocable under Sections 1.148-1 through 1.148-10 of the Regulations to an issue of Series 2024 Bonds will not exceed the Yield on such issue of Series 2024 Bonds (all as computed by or on behalf of the Board in accordance with Section 143(g) of the Code and Sections 1.148-1 and 1.148-10 of the Regulations) by more than 1.125%. To the extent that the Yield on the Home Loans allocable to an issue of Series 2024 Bonds exceeds the Yield on such issue of Series 2024 Bonds by more than 1.125%, the Department will make "yield reduction payments" to the federal government as set forth in Section 1.148-5(c) of the Regulations.

(f) No Arbitrage Covenant. The Board covenants that it will make such use of the Gross Proceeds of an issue of Series 2024 Bonds and related revenues, regulate investments of proceeds of any issue of Series 2024 Bonds and related revenues, and take such other and further action as may be required so that an issue of Series 2024 Bonds will not be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(g) Rebate of Arbitrage Profits. Pursuant to Section 143(g)(3)(D) of the Code, the Board hereby elects to pay to the United States any amounts described in Section 143(g)(3)(A) of the Code. The Board will pay to the United States such amounts at the times described in, and in such manner and accompanied by such forms or other information as is or may be required by the Regulations. Specifically, the Board will (i) maintain records regarding the investment of the Proceeds of each issue of Series 2024 Bonds as may be required to calculate the amount earned on the investment of the Proceeds of such issue of Series 2024 Bonds separately from records of amounts on deposit in the funds and accounts of the Board allocable to other bond issues of the Board or moneys that do not represent Proceeds of any bonds of the Board, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the Proceeds of such issue of Series 2024 Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of such issue of Series 2024 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Board will not 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 arrangements with respect to the proceeds of an issue of Series 2024 Bonds which results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield on such issue of Series 2024 Bonds not been relevant to either party.

(h) Limitations on Issuance Costs. The Board covenants that the Costs of Issuance financed with the proceeds of an issue of Series 2024 Bonds will not exceed two percent of the Sale Proceeds of such issue of Series 2024 Bonds.

(i) No Federal Guaranty. The Board covenants not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause any Series 2024 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b) of the Code.

(j) Information Reporting. The Board covenants to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the

calendar quarter in which an issue of Series 2024 Bonds is issued, an information statement concerning such issue of Series 2024 Bonds, all under and in accordance with Section 149(e) of the Code, and to file or cause to be filed such additional information reports as may be required by Section 149(e) of the Code. The Board further covenants to file or cause to be filed with the Secretary of the Treasury the information required by Treas. Reg. § 1.103A-2(k)(2)(ii) regarding the borrowers of the Proceeds of an issue of Series 2024 Bonds (using the format set forth in Treas. Reg. § 1.103A-2(k)(3)(iii)) not later than the fifteenth day of the second calendar month after the close of each reporting period. For purposes of the preceding sentence, a reporting period with respect to an issue of Series 2024 Bonds is the one-year period beginning the first day of the month in which the related Settlement Date occurs and ending the last day of the month preceding the month in which such Settlement Date occurs.

(k) Changes in Use of Mortgage Property. The Board acknowledges that the provisions of Section 150(b) of the Code (relating to changes in use of property financed with the proceeds of private activity bonds) will apply to the Home Loans, and covenants to advise each mortgagor with respect to a Home Loan of such provisions.

(l) Volume Limitation. The aggregate amount of the Series 2024 Bonds increased by the aggregate amount of all other "qualified veterans' mortgage bonds" issued by the Board during calendar year 2024 does not exceed (a) the aggregate amount of qualified veterans' mortgage bonds issued by the Board during the period beginning on January 1, 1979, and ending on June 22, 1984 (not including the amount of any qualified veterans' mortgage bonds actually issued during the calendar year, or the applicable proportion of 1984, in such period for which the amount of such bonds was the lowest), divided by (b) the number (not to exceed five) of calendar years after 1978 and before 1985 during which the Board issued qualified veterans' mortgage bonds (excluding any qualified veterans' mortgage bonds issued after June 22, 1984).

(m) Hedge Bonds. The Board covenants that not more than 50 percent of the Sale Proceeds of an issue of Series 2024 Bonds will be invested in nonpurpose investments 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 Board reasonably expects that at least 85 percent of the spendable proceeds of such issue of Series 2024 Bonds will be used to carry out the governmental purposes of such issue of Series 2024 Bonds within the three year period beginning on the Settlement Date of the issue of Series 2024 Bonds.

(n) Record Retention. The Board will retain all pertinent and material records relating to the use and expenditure of the Proceeds of an issue of Series 2024 Bonds until three years after the last such issue of Series 2024 Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Board to retrieve and reproduce such books and records in the event of an examination of any issue of Series 2024 Bonds by the Internal Revenue Service.

(o) Continuing Obligation. Anything in this Resolution to the contrary notwithstanding, the Board's obligations under the covenants and provisions of this Section 5.3 will survive the defeasance and discharge of an issue of Series 2024 Bonds for as long as such matters are relevant to the excludability of interest on such issue of the Series 2024 Bonds from gross income for federal income tax purposes.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders. (a) The Holders of a series of Series 2024 Bonds aggregating a majority in principal amount of the aggregate principal amount of such Series 2024 Bonds at the time Outstanding (but not including in any case Series 2024 Bonds which may then be held or owned by or for the account of the Board) shall have the right from time to time to approve an amendment of this Resolution affecting such Series 2024 Bonds which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions contained in this Resolution or in such Series 2024 Bonds so as to:

(i) make any change in the maturity of any of the Series 2024 Bonds of such series;

(ii) reduce the rate of interest borne by any of the Series 2024 Bonds of such series;

(iii) reduce the amount of the principal payable on any of the Series 2024 Bonds of such series;

(iv) modify the terms of payment of principal of or interest on such Series 2024 Bonds, or any of them, or impose any conditions with respect to such payment;

(v) change the minimum percentage of the principal amount of such Series 2024 Bonds necessary for consent to such amendment; or

(vi) affect the rights of the Holders of less than all of the Series 2024 Bonds of such series then Outstanding,

unless such amendment or amendments be approved by the Holders of all of such Series 2024 Bonds at the time Outstanding.

(b) If at any time the Board shall desire to amend this Resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or the City of Austin, Texas, once during each calendar week for at least four successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Board and the designated office of the Registrar for inspection by all holders of such Series 2024 Bonds. Such publication is not required, however, if notice in writing is given to each Holder of the applicable series of Series 2024 Bonds.

(c) Whenever at any time, within one year from the date of this publication of said notice or other service of written notice, the Board shall receive an instrument or instruments executed by

the Holders of a majority in aggregate principal amount of Series 2024 Bonds of the applicable series then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Registrar, the Board may adopt the amendatory resolution in substantially the same form.

(d) Any consent given by the Holder of a Series 2024 Bond pursuant to the provisions of this Resolution shall be irrevocable for a period of six months from the date of the first publication or mailing of the notice provided for in this Resolution, and shall be conclusive and binding upon all future Holders of the same Series 2024 Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication or mailing of such notice by the holder who gave such consent, or by a successor in title, by filing notice of such revocation with the Registrar and the Board, but such revocation shall not be effective if the Holders of a majority in aggregate principal amount of the Series 2024 Bonds of the applicable series Outstanding as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(e) For the purposes of this Section, proof of ownership of any Series 2024 Bond shall be established by the registration of any such Series 2024 Bond on the Bond Register kept and maintained by the applicable Registrar.

Section 6.2. Amendment of Resolution Without Consent of Holders. The foregoing provisions of this Article notwithstanding, the Board may, without the consent of the Holders, pursuant to amendatory resolution, from time to time:

(i) impose conditions or restrictions additional to, but not in diminution of, those contained in this Resolution, respecting the issuance of Bonds;

(ii) undertake covenants additional to but not inconsistent with those contained in this Resolution;

(iii) correct any ambiguity or correct or supplement any inconsistent or defective provision contained in this Resolution or any amendatory resolution;

(iv) adopt amendments to this Resolution that become effective as to a series of Series 2024 Bonds following a mandatory tender of all of such Series 2024 Bonds then Outstanding; or

(v) adopt amendments to this Resolution that, in the opinion of Bond Counsel, do not adversely affect the Holders.

Section 6.3. Effect of Amendatory Resolutions. Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations of the Board under this Resolution and all the holders of Outstanding Series 2024 Bonds of the applicable series shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

Section 6.4. Bonds May Bear Notation of Changes. Series 2024 Bonds of the applicable series authenticated and delivered after the execution of any amendatory resolution pursuant to this Article may bear a notation in form approved by the applicable Registrar as to any matter provided for in such amendatory resolution. If the Board or the applicable Registrar shall so determine, new Series 2024 Bonds of the applicable series so modified as to conform, in the opinion of the Board and such Registrar, to any such amendatory resolution may be prepared and executed by the Board and authenticated and delivered by such Registrar in exchange for Series 2024 Bonds of the applicable series then Outstanding.

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid. Any Fixed Rate Bond shall be deemed to be paid and no longer Outstanding when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, 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 by irrevocably depositing with a paying agent, in trust and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Defeasance Obligations, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of such paying agent for such Fixed Rate Bonds, with respect to which such deposit is made, shall have been paid or the payment thereof provided for. At such time as a Fixed Rate Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such money or Defeasance Obligations.

Section 7.2. Application of Trust Money. (a) The deposit under clause (ii) of Section 7.1 shall be deemed a payment of a Fixed Rate Bond as aforesaid when proper notice of redemption of such Bond shall have been given, in accordance with this Resolution. Any money so deposited with a paying agent as provided in this Section may at the discretion of the Board also be invested in Defeasance Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Obligations in possession of a paying agent pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board.

(b) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the particular Fixed Rate Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Fixed Rate Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Obligations have been so set aside in trust.

(c) Notwithstanding anything elsewhere in this Resolution contained, if money or Defeasance Obligations have been deposited or set aside with a paying agent pursuant to this Section for the payment of Fixed Rate Bonds and such Fixed Rate Bonds shall not have in fact been actually paid

in full, no amendment to the provisions of this Section shall be made without the consent of the Holder of each Fixed Rate Bond affected thereby.

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access website of the MSRB, with the web address as of the date hereof of www.emma.msrb.org.

"MSRB" means the Municipal Securities Rulemaking Board.

"Other Obligated Person" means a Person that is the mortgagor with respect to at least 20% in aggregate principal amount of the Home Loans in Fund II.

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

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

Section 8.2. Annual Reports. The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the Board of the general type included in each final Official Statement authorized by Section 2.9 of this Resolution, being the information described in Exhibit D hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit D hereto, (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, and (3) submitted through EMMA, in an electronic format with accompanying identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Board shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available.

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

If the Board changes the accounting principles under which its financial statements to be provided are prepared, it will provide notice of such change to the MSRB, including identification of the new accounting principles and such additional information as may be required under the Rule.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on EMMA or filed with the SEC.

The Board represents that no Veteran eligible to participate in the Program is an "obligated person" (as defined in the Rule) for whom financial information or operating data would be presented in the final Official Statement authorized by Section 2.9 of this Resolution.

Section 8.3. Event Notices. The Board shall notify the MSRB, in a timely manner but in any event within ten Business Days, of any of the following events with respect to a series of Series 2024 Bonds subject to the Rule:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults, if material;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) 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 such Series 2024 Bonds, or other material events affecting the tax status of such Series 2024 Bonds;

(G) Modifications to rights of holders of such Series 2024 Bonds, if material;

(H) Series 2024 Bond calls of the applicable series, if material, and tender offers;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of such Series 2024 Bonds, if material;

(K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar event of the Board;

(M) Consummation of a merger, consolidation or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, or than pursuant to its terms, if material; and

(N) Appointment of a successor Paying Agent or Registrar or change in the name of the applicable Paying Agent or Registrar, if material.

As used in clause (L) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Board 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 Board, or if jurisdiction has been assumed by leaving the Board and

official or officers of the Board 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 Board.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with Section 8.2 of this Resolution by the time required by such Section.

Section 8.4. Limitations, Disclaimers and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Board remains an "obligated person" with respect to a series of Series 2024 Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 8.3 of any Series 2024 Bond calls and defeasance of the applicable series that cause the Board to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2024 Bonds, 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 Board undertakes to provide only the financial information, operating data, financial 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 Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2024 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2024 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER FROM NEGLIGENCE 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.

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

The provisions of this Article may be amended by the Board 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 Board, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2024 Bonds in the primary offering of a series of Series 2024 Bonds 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 Resolution that authorizes

such an amendment) of the Outstanding Series 2024 Bonds of the applicable series consent to such amendment or (b) a Person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the applicable series of Series 2024 Bonds. If the Board so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.2 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.

Anything in this Resolution to the contrary notwithstanding, the provisions of this Article may be modified for a particular series of Series 2024 Bonds as set forth in the Pricing Certificate relating thereto.

Section 8.5. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an "obligated person" (as defined in the Rule) for whom financial information and operating data would be presented in any final official statement relating to a series of Series 2024 Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Veteran eligible to participate in the Program would be an Other Obligated Person.

Section 8.6. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Home Loan that would cause any Person to become an Other Obligated Person.

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment. (a) General. Each Outstanding Weekly Rate Bond shall bear interest at the Weekly Interest Rate therefor, each Fixed Rate Bond shall bear interest at the Fixed Interest Rate therefor, each Purchased Bond shall bear interest at the Purchased Bond Rate therefor, and each Variable Rate Bond shall bear interest as provided in the related Purchase Contract or Pricing Certificate; provided, however, that in no event shall the interest rate on any Series 2024 Bond exceed the Ceiling Rate; and provided further that in no event shall the Purchased Bond Rate exceed the Maximum Purchased Bond Rate. Unless provided to the contrary in the related Purchase Contract or Pricing Certificate, each Series 2024 Bond shall bear interest from its date (except for an Initial Series 2024 Bond that is not a Fixed Rate Bond, which shall bear interest from the Settlement Date), and interest on each Series 2024 Bond for each Interest Accrual Period shall be payable on each Interest Payment Date applicable to such Series 2024 Bond; provided, however, that the Holder (other than a Liquidity Provider) of a Weekly Rate Bond shall be paid interest thereon for an Interest Accrual Period only in the amount that would have accrued thereon at the Weekly Interest Rate, regardless of whether such Weekly Rate Bond was a Purchased Bond during any portion of such Interest Accrual Period, and the amount, if any, accrued as interest on such Weekly Rate Bond at the Purchased Bond Rate in excess of the amount required to be paid to such Holder shall be paid by the Board to a Liquidity Provider in accordance with the related Liquidity Facility.

(b) Payment and Calculation of Interest. Interest on the Series 2024 Bonds shall be paid in arrears. Interest on Weekly Rate Bonds (including Purchased Bonds) shall be computed on the basis of a 365/366-day year, for the number of days actually elapsed. Interest on Fixed Rate Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months. Interest on Variable Rate Bonds shall be computed as set forth in the related Purchase Contract or Pricing Certificate.

(c) Ceiling Rate. Anything to the contrary contained herein notwithstanding, the maximum rate of interest on the Series 2024 Bonds at any time shall be the Ceiling Rate.

(d) Purchased Bonds. All Purchased Bonds shall bear interest at the Purchased Bond Rate therefor, which shall be payable at such times, in such amounts and in such manner as is provided in the related Liquidity Facility. The maximum rate of interest permitted on Purchased Bonds shall be the Maximum Purchased Bond Rate. Any determination of the Purchased Bond Rate pursuant to a Liquidity Facility shall be conclusive and binding on the Board.

Section 9.2. Determination of Weekly Interest Rate. (a) Weekly Rate Bonds shall bear interest at the Weekly Interest Rate, which shall be determined by the applicable Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day, provided that the first Weekly Interest Rate for a series of Weekly Rate Bonds shall be determined by the Initial Purchaser thereof on the date of execution of the related Purchase Contract in the manner set forth in this paragraph. The first Weekly Interest Rate for a series of Weekly Rate Bonds shall apply to the period commencing on the Settlement Date therefor and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate for a series of Weekly Rate Bonds shall be the rate of interest per annum determined by the Remarketing Agent therefor (based on then prevailing market conditions) to be the minimum interest rate which, if borne by such Weekly Rate Bonds, would enable such Remarketing Agent to sell such Weekly Rate Bonds on such date of determination at a price (without regarding accrued interest) equal to the principal amount thereof. In the event that such Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by such Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by such Remarketing Agent, or in the event that the Weekly Interest Rate determined by such Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the most recently available SIFMA Index plus 0.25% per annum, or if such index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(b) The first Interest Rate Period for a series of Weekly Rate Bonds shall commence on the Settlement Date and shall be a Weekly Interest Rate Period. The initial Weekly Interest Rate to be borne by such Weekly Rate Bonds shall be determined by the Initial Purchaser thereof in the manner set forth in the preceding paragraph.

(c) Notices. On each date on which a Remarketing Agent determines the interest rate on any Weekly Rate Bond, such Remarketing Agent shall give the Board and the applicable Tender Agent, Paying Agent and Liquidity Provider notice by facsimile or e-mail transmission of the interest rate determined by such Remarketing Agent on such date. Upon telephonic request, such Remarketing Agent will give any Holder of the applicable series of Weekly Rate Bonds notice of the interest rate on such Weekly Rate Bonds owned by such Holder.

(d) Binding Effect. Each determination of the interest rate for the Weekly Rate Bonds, as provided herein, shall be conclusive and binding upon the owners of the Weekly Rate Bonds, the Board and the applicable Remarketing Agent, Tender Agent, Liquidity Provider and Paying Agent. Upon telephonic request to a Remarketing Agent from the Board, the Paying Agent, the applicable Liquidity Provider or any Holder of any Weekly Rate Bond of the applicable series, the Remarketing Agent shall inform such Person of the interest rate then in effect on such Weekly Rate Bonds. Failure of such Remarketing Agent to give any notice described in this Section, or any defect therein, shall not affect the interest rate to be borne by any of any Weekly Rate Bonds of the applicable series nor in any way change the rights of the Holders of such Weekly Rate Bonds to tender their Weekly Rate Bonds for purchase in accordance with this Resolution.

Section 9.3. Fixed Interest Rate. (a) Determination of Fixed Interest Rate. During a Fixed Interest Rate Period, each Series 2024 Bond shall bear interest at the Fixed Interest Rate therefor. The Fixed Interest Rate for each stated maturity of Series 2024 Bonds issued as Weekly Rate Bonds shall be determined by the applicable Remarketing Agent on a Business Day not less than 15 days prior to the effective date of the Fixed Interest Rate Period therefor. The Fixed Interest Rate for each stated maturity shall be the rate of interest per annum determined by such Remarketing Agent (based on then prevailing market conditions) to be the minimum interest rate, if any, at which such Remarketing Agent will agree to purchase the applicable series of Series 2024 Bonds on such effective date for resale at a price (without regarding accrued interest) equal to the principal amount thereof. If, for any reason, the Fixed Interest Rate for each stated maturity is not so determined for such Series 2024 Bonds by such Remarketing Agent at least 15 days prior to the first day of the Fixed Interest Rate Period therefor, then such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as provided in Section 9.2, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with Section 9.2 until such time as the interest rate on such Series 2024 Bonds shall have been adjusted to a Fixed Interest Rate, and such Series 2024 Bonds shall continue to be subject to purchase upon notice from the Holders thereof as described in Section 9.4(a). The related Liquidity Facility shall be terminated as to such Fixed Rate Bonds.

(b) Adjustment to Fixed Interest Rate Period.

(i) At any time, the Board, by written direction to the applicable Registrar, Tender Agent, Paying Agent, Liquidity Provider and Remarketing Agent, may elect, subject to Section 9.3(e), that a series of Weekly Rate Bonds shall be subject to a Fixed Interest Rate Period. The direction of the Board required by the first sentence of this paragraph (i) shall specify the effective date of

the Fixed Interest Rate Period, which date shall be (A) a Business Day not earlier than the 30th day following the second Business Day after receipt by the applicable Registrar of such direction, and (B) the day immediately following the last day of a Weekly Interest Rate Period.

(ii) Such direction of the Board shall be accompanied by a Favorable Opinion of Bond Counsel and by a form of the notice to be mailed by the applicable Registrar to the Holders of the series of Weekly Rate Bonds to be converted as provided in Section 9.3(c).

(iii) If the Board shall deliver to the applicable Registrar, Remarketing Agent and Tender Agent on or prior to the date that the interest rate for the Fixed Interest Rate Period is determined a notice to the effect that the Board elects to rescind its election to have the series of Weekly Rate Bonds to be converted become subject to a Fixed Interest Rate Period, then such Series 2024 Bonds shall not become subject to a Fixed Interest Rate Period, and such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as in effect prior to such event.

(c) Notice of Adjustment to Fixed Interest Rate Period. The applicable Registrar shall give notice by first class mail of an adjustment to a Fixed Interest Rate Period to the Holders of the series of Weekly Rate Bonds to be converted not less than 30 days prior to the effective date of such Fixed Interest Rate Period. Such notice shall state: (1) that the Interest Rate Period on such Series 2024 Bonds shall be adjusted to a Fixed Interest Rate Period unless (x) Bond Counsel fails to deliver to the Board, the applicable Tender Agent and the applicable Remarketing Agent a Favorable Opinion of Bond Counsel as to such adjustment in the Interest Rate Period on the effective date of such adjustment, or (y) the Board shall elect, on or prior to the date of determination of the Fixed Interest Rate, to rescind its election to cause the adjustment of the Interest Rate Period on such Series 2024 Bonds to the Fixed Interest Rate Period, in which case such Series 2024 Bonds shall continue to bear interest at a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, (2) the effective date of the Fixed Interest Rate Period, (3) that such Series 2024 Bonds are subject to mandatory tender for purchase on such effective date and the purchase price applicable thereto, (4) that the related Liquidity Facility will be terminated as of the effective date of such Fixed Interest Rate Period, and (5) if ownership of such Series 2024 Bonds is no longer determined only by a book entry at a securities depository for the Series 2024 Bonds, information with respect to the required delivery of bond certificates and payment of purchase price under Section 9.4(f) hereof.

(d) If the Board elects to convert a series of Weekly Rate Bonds to Fixed Rate Bonds, then the written direction furnished by the Board to the applicable Liquidity Provider, Registrar, Tender Agent and Remarketing Agent shall be made by registered or certified mail, or by e-mail or fax, confirmed by registered or certified mail. Any such direction of the Board shall be accompanied by a copy of the notice required to be given by the applicable Registrar pursuant to Section 9.3(c) hereof.

(e) Notwithstanding anything herein to the contrary, in connection with any conversion of a series of Weekly Rate Bonds to Fixed Rate Bonds, the Board shall cause to be provided to the applicable Tender Agent and Remarketing Agent a Favorable Opinion of Bond Counsel on the effective date of such conversion. In the event that Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel on any such date, then the Interest Rate Period on such Series 2024 Bonds shall not be adjusted, and such Series 2024 Bonds shall continue to be Weekly Rate Bonds.

In any event, if notice of such adjustment has been mailed to the Holders of such Series 2024 Bonds and Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel on the effective date as herein described, such Series 2024 Bonds shall continue to be subject to mandatory purchase on the date which would have been the effective date of such adjustment as provided in this Section.

Section 9.4. Purchase of Weekly Rate Bonds. (a) Optional Tender for Purchase. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, a Beneficial Owner (through its DTC Participant) may tender his interest in a Weekly Rate Bond of such series on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the applicable Tender Agent at its designated corporate trust office for delivery of notices, with a copy to the applicable Remarketing Agent, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states the principal amount of such Weekly Rate Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to such Tender Agent. Any notice delivered to such Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Such Tender Agent shall promptly (but no later than the next Business Day) send a copy of any notice delivered to it pursuant to this Section 9.4(a) by fax or other electronic means to the applicable Remarketing Agent and Liquidity Provider. On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Series 2024 Bonds by causing the DTC Participant through which such Beneficial Owner owns such Series 2024 Bonds to transfer its interest in such Series 2024 Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the applicable Tender Agent with DTC.

If ownership of a series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Series 2024 Bonds, a Holder of a Weekly Rate Bond of such series may tender its Series 2024 Bond by delivery of the notice described above by the time set forth above and shall also deliver such Series 2024 Bond to the Tender Agent on the date specified for purchase.

(b) Mandatory Tender for Purchase on First Day of Fixed Interest Rate Period. A series of Weekly Rate Bonds shall be subject to mandatory tender for purchase on the first day of the Fixed Interest Rate Period therefor, or on the day which would have been the first day of such Fixed Interest Rate Period had one of the events specified in Section 9.3(b)(iii) or Section 9.3(e) not occurred which resulted in the interest rate on such Series 2024 Bonds not being adjusted, at a purchase price, payable in immediately available funds, equal to the principal amount of such Series 2024 Bonds, plus accrued interest (if any).

(c) Mandatory Tender for Purchase Upon Termination, Expiration, Suspension, Modification or Replacement of Liquidity Facility. If at any time the Registrar for a series of Weekly Rate Bonds shall give notice in accordance with Section 9.7 that such Weekly Rate Bonds which, at

such time, are subject to purchase under the related Liquidity Facility as then in effect, shall on the date specified in such notice cease to be subject to purchase from such Liquidity Facility as a result of (A) the termination or expiration of the term of such Liquidity Facility, or (B) such Liquidity Facility being suspended, replaced or modified with the effect that the purchase price of such Series 2024 Bonds is no longer payable from such Liquidity Facility (in each case, whether or not any Alternate Liquidity Facility has been obtained), then on the Business Day the Board specifies to such Registrar that is at least five days and no more than 15 days (or, if no such date is specified, the fifth calendar day (or the immediately preceding Business Day if such day is not a Business Day)) preceding any termination, expiration, suspension, modification or replacement of such Liquidity Facility each such Series 2024 Bond or Series 2024 Bonds shall be purchased or deemed purchased as provided herein. The purchase price for such Series 2024 Bonds shall be equal to the principal amount thereof, plus accrued interest (if any).

(d) Mandatory Tender for Purchase Following Event of Default Under Liquidity Facility. All Weekly Rate Bonds of a series shall be subject to mandatory tender for purchase on the tenth day (or the next succeeding Business Day if such day is not a Business Day) following receipt by the applicable Tender Agent of notice from the applicable Liquidity Provider that an "Event of Default" has occurred under the applicable Liquidity Facility and directing the mandatory purchase of such Weekly Rate Bonds. No later than the third Business Day following receipt of such notice described above, such Tender Agent shall give notice by first class mail, postage prepaid, to the Holders of such Series 2024 Bonds, the Board and the applicable Remarketing Agent stating that an "Event of Default" has occurred under the Liquidity Facility and that such Series 2024 Bonds are subject to mandatory tender for purchase.

(e) Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of a series of Weekly Rate Bonds in accordance with Section 9.4(b) or Section 9.4(c), the applicable Registrar shall include notice of a mandatory tender for purchase as a part of the notice given pursuant to Section 9.3(c) or Section 9.7 hereof. Each notice of mandatory tender for purchase shall state (A) in the case of a mandatory tender for purchase pursuant to Section 9.4(c) hereof, that the applicable Liquidity Facility will expire, terminate, be suspended, be replaced or be modified and that the purchase price of such Weekly Rate Bonds shall no longer be payable from such Liquidity Facility then in effect and that any rating applicable thereto may be reduced or withdrawn; (B) in the case of a mandatory tender for purchase pursuant to Section 9.4(d) hereof, that an "Event of Default" has occurred under such Liquidity Facility; (C) that the purchase price of any Weekly Rate Bond so subject to mandatory purchase shall be payable only upon (i) if ownership of such Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, surrender of such Weekly Rate Bond to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange or (ii) if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, registration of the ownership rights in such Weekly Rate Bond to the applicable Tender Agent on the records of DTC; (D) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such Weekly Rate Bonds by the applicable Remarketing Agent or through the applicable Liquidity Facility or otherwise, all Weekly Rate Bonds so subject to mandatory tender for purchase shall be purchased on the

mandatory purchase date, and that if any Holder of a Weekly Rate Bond subject to mandatory tender for purchase shall not surrender such Weekly Rate Bond to the applicable Tender Agent for purchase (or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, effect the transfer of ownership rights to the applicable Tender Agent on the records of DTC) on such mandatory purchase date, and moneys sufficient to pay the purchase price thereof are on deposit with the applicable Tender Agent, then such Weekly Rate Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Holder thereof shall have no rights under this Resolution other than to receive payment of the purchase price thereof; and (E) in the event that moneys sufficient to pay the purchase price of such Weekly Rate Bonds have not been provided to the applicable Tender Agent either through the remarketing of such Weekly Rate Bonds or from the applicable Liquidity Facility or otherwise, that such Weekly Rate Bonds shall not be purchased or deemed purchased and shall bear interest at the rate described in Section 9.15 hereof. In connection with any mandatory tender for purchase of Weekly Rate Bonds in accordance with Section 9.4(c) hereof as a result of the replacement, termination or expiration of a Liquidity Facility, such notice also shall contain the information required by Section 9.7. The Board shall provide the applicable Registrar with a form of any such notice.

(f) Delivery of Tendered Weekly Rate Bonds. Subject to the provisions of Section 2.10 hereof if ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, for payment of the purchase price of any such Weekly Rate Bond required to be purchased pursuant to this Section 9.4 on the date specified, such Weekly Rate Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. In the event any such Weekly Rate Bond is delivered after 10:00 a.m., New York City time, on such date, payment of the purchase price of such Weekly Rate Bond need not be made until the Business Day following the date of delivery of such Weekly Rate Bond, but such Weekly Rate Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

(g) Irrevocable Notice Deemed to be Tender of Weekly Rate Bond; Undelivered Bonds.

(i) The giving of notice by an owner of a Weekly Rate Bond as provided in Section 9.4(a) hereof shall constitute the irrevocable tender for purchase of each such Weekly Rate Bond with respect to which such notice shall have been given, regardless of whether such Weekly Rate Bond is delivered to the applicable Tender Agent for purchase on the relevant purchase date as provided in Section 9.4 hereof provided that moneys sufficient to pay the purchase price of such Weekly Rate Bonds are on deposit with the applicable Tender Agent for such purpose.

(ii) A Tender Agent may refuse to accept delivery of any Weekly Rate Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Weekly Rate Bond as herein described. If any owner of a Weekly Rate Bond who shall have given notice of tender of purchase pursuant to Section 9.4(a) hereof, if ownership of the related series of Weekly Rate Bonds is not determined only by a book entry at a

securities depository for such Weekly Rate Bonds, shall fail to deliver such Weekly Rate Bond to the applicable Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Weekly Rate Bond properly endorsed, or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to cause its beneficial ownership to be transferred to the applicable Tender Agent on the records of DTC, and moneys sufficient to pay the purchase price thereof are on deposit with such Tender Agent for such purpose, such Weekly Rate Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 9.4(e) hereof) are available for payment to the owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under this Resolution; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the applicable Tender Agent for the benefit of the owner thereof (provided that the owner shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to such Tender Agent at its designated office for delivery of Weekly Rate Bonds. Any funds held by such Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 9.5. Amendments to Liquidity Facility. Except with the consent of all the Holders of a series of Weekly Rate Bonds, neither the Board nor the applicable Tender Agent shall permit any amendment, supplement, modification or waiver to the applicable Liquidity Facility that would result in the rating assigned to such Weekly Rate Bonds by the applicable Rating Agency being withdrawn or reduced below that in effect prior to such amendment, supplement, modification or waiver.

Section 9.6. Alternate Liquidity Facility. If at any time there shall be delivered to a Tender Agent (i) an Alternate Liquidity Facility, (ii) a Favorable Opinion of Bond Counsel, (iii) written evidence from the applicable Rating Agency stating the ratings of the applicable series of Weekly Rate Bonds after substitution of such Alternate Liquidity Facility, or a statement of the Board that no ratings have been obtained, and (iv) an opinion of counsel to the effect that such Alternate Liquidity Facility is a valid and enforceable obligation of the issuer or provider thereof, then such Tender Agent shall accept such Alternate Liquidity Facility and, if the applicable Liquidity Facility then in effect is a letter of credit, promptly surrender such Liquidity Facility to the Liquidity Provider that issued such Liquidity Facility in accordance with its terms for cancellation. Anything in this Resolution to the contrary notwithstanding, following satisfaction of the requirements set forth in this Section 9.6 and the mandatory tender for purchase of a series of Weekly Rate Bonds pursuant to Section 9.4(c) hereof in connection with the provision of any Alternate Liquidity Facility, (i) such Alternate Liquidity Facility may at any time thereafter specified by the Board to the applicable Tender Agent become the Liquidity Facility for such Weekly Rate Bonds for all purposes of this Resolution, and (ii) the Liquidity Facility replaced by such Alternate Liquidity Facility may be terminated at any time after such replacement.

Section 9.7. Notice of Termination or Other Change in Liquidity Facility. The applicable Registrar shall give notice by mail to the Holders of a series of Weekly Rate Bonds on or before the 15th day preceding (i) the expiration of any applicable Liquidity Facility in accordance with its terms, or (ii) any termination, replacement or modification of the terms of the applicable

Liquidity Facility, which notice shall, to the extent applicable, (1) state the date of such replacement, termination, expiration or modification and the date of the proposed substitution of the Alternate Liquidity Facility (if any), and (2) state the date that such Weekly Rate Bonds will be purchased pursuant to Section 9.4(c) hereof as a result of such replacement, termination, expiration or modification. The Board shall provide the applicable Registrar with written notice of any information required to enable such Registrar to give the foregoing notice and shall provide such Registrar with the form of such notice at least five days before such notice is required to be given.

Section 9.8. Remarketing Agent and Tender Agent. (a) Subject to execution of a Remarketing Agreement, the initial Remarketing Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Remarketing Agent subject to the conditions set forth in Section 9.9(a) hereof. Each Remarketing Agent shall designate its designated office (other than the initial Remarketing Agent whose designated office is listed in Section 9.16 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board under which such Remarketing Agent will agree, particularly, to keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Board at all reasonable times.

(b) The initial Tender Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Tender Agent, subject to the conditions set forth in Section 9.9(b) hereof. Each Tender Agent shall designate its designated office(s) for delivery of notices and delivery of Weekly Rate Bonds and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. By acceptance of its appointment hereunder, each Tender Agent agrees:

(i) to hold all Weekly Rate Bonds delivered to it pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the respective owners which shall have so delivered such Weekly Rate Bonds until moneys representing the purchase price of such Weekly Rate Bonds shall have been delivered to or for the account of or to the order of such owners;

(ii) to establish and maintain a separate segregated trust fund designated as the "State of Texas Veterans Bonds, Series 2024 Bond Purchase Fund" (each, a "Bond Purchase Fund") (with the specific series designation to replace "2024," if applicable), and to establish and maintain therein a remarketing account (the "Remarketing Account") and a liquidity facility account (the "Purchase Account"), until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the Person which shall have so delivered such moneys until the Weekly Rate Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(iv) to hold all moneys delivered to it by the Board for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the owners

or former owners who shall deliver Weekly Rate Bonds to it for purchase until the Variable Rate Bonds purchased with such moneys shall have been canceled;

(v) to hold all Weekly Rate Bonds registered in the name of the new owners thereof which have been delivered to it by the applicable Registrar for delivery to the applicable Remarketing Agent in accordance with the provisions of this Resolution; and

(vi) to keep such books and records as shall be consistent with standard industry practice and to make such books and records available for inspection by the Board, the applicable Liquidity Provider and the applicable Remarketing Agent at all reasonable times.

Section 9.9. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal.

(a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority, having a combined capital stock, surplus and undivided profits of at least $250,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. Any successor Remarketing Agent shall have, or be a subsidiary of another entity or a partnership which includes as a general partner an entity which shall have, senior unsecured long-term debt which shall be rated, so long as the Weekly Rate Bonds shall be rated by the Rating Agency, at least Baa3/P-3 (or its equivalent) or otherwise qualified by the Rating Agency. A Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Board and the applicable Tender Agent, Liquidity Provider, Paying Agent and Registrar with at least 30 days' (or such number of days as is required by the applicable Remarketing Agreement) prior written notice. A Remarketing Agent may be removed at any time, at the direction of the Board with the written consent of the applicable Liquidity Provider, by an instrument signed by the Board and filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent at least 30 days prior to the effective date of such removal. In the event that a Remarketing Agent has resigned or been removed and no successor Remarketing Agent has been appointed by the Board, the applicable Tender Agent shall perform, or engage a Person to perform, the duties of such Remarketing Agent until a successor Remarketing Agent has been appointed by the Board.

(b) Each Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to exercise corporate trust powers and otherwise perform all the duties imposed upon it by this Resolution. A Tender Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. A Tender Agent may be removed at any time by an instrument signed by the Board, filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the Board and the successor Tender Agent shall have accepted such appointment.

(c) Upon the effective date of resignation or removal of a Tender Agent, such Tender Agent shall deliver any Weekly Rate Bonds and moneys held by it in such capacity to its successor.

(d) So long as any series of Weekly Rate Bonds are Outstanding, the same entity shall be the Tender Agent and Registrar therefor.

Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds. (a) The Tender Agent for a series of Weekly Rate Bonds shall determine timely and proper delivery of Weekly Rate Bonds of such series pursuant to this Resolution and the proper endorsement of such Weekly Rate Bonds. Such determination shall be binding on the owners of such Weekly Rate Bonds, the Board, the applicable Remarketing Agent and the applicable Liquidity Provider, absent manifest error. Such Tender Agent shall give notice by telephone, e-mail or fax, promptly confirmed by a written notice if given by telephone, to the Board and the applicable Registrar, Remarketing Agent and Liquidity Provider specifying the principal amount of Weekly Rate Bonds, if any, as to which it shall receive notice of tender for purchase in accordance with Section 9.4(a) hereof.

(b) Weekly Rate Bonds required to be purchased in accordance with Section 9.4 hereof shall be purchased from the owners thereof, on the date and at the purchase price at which such Weekly Rate Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Weekly Rate Bonds remarketed to any Person pursuant to Section 9.11 hereof and furnished to the applicable Tender Agent by the purchasers or by the applicable Remarketing Agent for deposit into the Remarketing Account of the applicable Bond Purchase Fund;

(ii) moneys furnished to such Tender Agent for deposit into the Purchase Account of the applicable Bond Purchase Fund representing moneys received from draws on the applicable Liquidity Facility; and

(iii) moneys furnished to such Tender Agent for deposit into the applicable Bond Purchase Fund representing moneys provided by the Board in its discretion.

A Tender Agent may establish separate accounts or sub-accounts within the Bond Purchase Fund for such purposes as such Tender Agent may deem appropriate.

(c) (i) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, the applicable Registrar shall authenticate a new Series 2024 Bond or Series 2024 Bonds of such series in an aggregate principal amount equal to the principal amount of Series 2024 Bonds purchased in accordance with Section 9.10(b) hereof, whether or not the Weekly Rate Bonds so purchased are presented by the owners thereof, bearing a number or numbers not contemporaneously outstanding. Every Series 2024 Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2024 Bonds of the same series duly issued hereunder. The applicable Registrar shall maintain a record of the Weekly Rate Bonds purchased as provided in this Section, together with the names and addresses of the former owners thereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership in such Weekly Rate Bonds is tendered at the option of the owner of such beneficial interest (acting through its DTC Participant) in accordance with Section 9.4(a) hereof (including transfer of the beneficial ownership interest of the tendering owner

to the account of the applicable Tender Agent at DTC), the applicable Tender Agent shall transfer ownership of such beneficial ownership on the records of DTC as provided in Section 9.12 hereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership interest in such Weekly Rate Bonds is subject to mandatory tender in accordance with Section 9.4 hereof, the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

(ii) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, in the event any such Weekly Rate Bonds purchased as provided in this Section shall not be presented to the applicable Tender Agent, such Tender Agent shall segregate and hold the moneys for the purchase price of such Weekly Rate Bonds in trust for the benefit of the former owners of such Weekly Rate Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Weekly Rate Bonds. Any moneys which such Tender Agent shall segregate and hold in trust for the payment of the purchase price of any Weekly Rate Bond and remaining unclaimed for three years after the date of purchase shall, subject to the unclaimed property laws of the State and upon the Board's written request to such Tender Agent, be paid to the Board. After the payment of such unclaimed moneys to the Board, the former owner of such Weekly Rate Bond shall look only to the Board for the payment thereof, and the Board shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, if such Weekly Rate Bonds are subject to mandatory tender in accordance with the terms of this Resolution, then the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates. (a) Upon notice of the tender for purchase of Weekly Rate Bonds, the applicable Remarketing Agent shall offer for sale and use its best efforts to sell such Weekly Rate Bonds, any such sale to be made on the date of such purchase in accordance with Section 9.4 hereof at the price determined in accordance with Section 9.4 hereof. Each Remarketing Agent agrees that while a Liquidity Facility is in effect it shall not sell knowingly any Series 2024 Bonds tendered to it for purchase pursuant to Section 9.4 hereof to the Board, or to any Person who controls, is controlled by, or is under common control with, the Board. In addition, each Remarketing Agent shall offer for sale and use its best efforts to sell any applicable Weekly Rate Bonds that are Purchased Bonds.

(b) Each Remarketing Agent shall determine the rate of interest to be borne by the applicable Series 2024 Bonds during each Interest Rate Period and shall furnish to the Board and the applicable Registrar on the Business Day of determination each rate of interest so determined by e-mail, telephone or fax, promptly confirmed in writing if given by telephone, or shall make such information available to the Board and such Registrar by other readily accessible electronic means.

(c) Each Remarketing Agent shall advise the applicable Tender Agent and Liquidity Provider in writing or by telephone (promptly confirmed by e-mail or fax if given by telephone) not later than the Business Day preceding the Business Day on which any applicable Weekly Rate Bonds are to be purchased pursuant to Section 9.4 hereof of the aggregate principal amount of such Weekly Rate Bonds subject to purchase that have not been remarketed as of such time, provided that such Remarketing Agent may continue to remarket such Weekly Rate Bonds thereafter. Each Remarketing Agent shall give e-mail or telephonic notice, promptly confirmed by a written notice if given by telephone, to the applicable Registrar and Tender Agent on each date on which applicable Weekly Rate Bonds shall have been purchased pursuant to Section 9.10(b) hereof, specifying the principal amount of Series 2024 Bonds, if any, sold by it pursuant to Section 9.11(a) hereof along with, if the applicable series of Series 2024 Bonds are not registered as described in Section 2.10 hereof, a list of such purchasers showing the names and denominations in which such Series 2024 Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. Each Remarketing Agent will transfer the proceeds received from the purchasers named in such notice to the applicable Tender Agent by 10:00 a.m., New York City time, on the Business Day on which such Weekly Rate Bonds are purchased.

Section 9.12. Delivery of Series 2024 Bonds. (a) Weekly Rate Bonds purchased with moneys described in clause (i) of Section 9.10(b) hereof shall be made available by the applicable Tender Agent to the applicable Remarketing Agent for delivery to the purchasers thereof against payment therefor.

(b) Except as otherwise provided in a Liquidity Facility, Weekly Rate Bonds purchased with moneys described in clause (ii) of Section 9.10(b) hereof shall be held by the applicable Tender Agent on behalf of the applicable Liquidity Provider as Purchased Bonds, and shall not be released following the remarketing thereof unless such Tender Agent has received written confirmation from such Liquidity Provider that the applicable Liquidity Facility has been reinstated with respect to such Series 2024 Bonds.

(c) Weekly Rate Bonds purchased with moneys described in clause (iii) of Section 9.10(b) hereof shall be canceled.

(d) Series 2024 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 9.13. Delivery of Proceeds of Sale. The proceeds of the sale by a Remarketing Agent of any applicable Weekly Rate Bonds delivered to it by any Holder shall be turned over to the applicable Tender Agent.

Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds. Each Tender Agent, on each day on which applicable Weekly Rate Bonds are required to be purchased

pursuant to Section 9.4 hereof, is directed to make drawings under the applicable Liquidity Facility by such times and in such manner as shall be required to receive in immediately available funds on such date amounts sufficient (based upon the amount on deposit in the Remarketing Account of the applicable Bond Purchase Fund by 10:00 a.m., New York City time, on such day) to pay the purchase price plus accrued interest, if any, of Weekly Rate Bonds tendered for purchase or required to be purchased pursuant to the provisions of this Resolution and that have not been remarketed by the applicable Remarketing Agent, and to deposit the proceeds of such drawings or cause such proceeds to be deposited in the Purchase Account of the applicable Bond Purchase Fund pending application of such moneys to the payment of the purchase price of such Weekly Rate Bonds. In determining the amount of any such purchase price then due, such Tender Agent shall not take into consideration any purchase price due on such Weekly Rate Bonds held by the Board or any affiliate thereof, and no drawings under such Liquidity Facility shall be made or be used to pay the purchase price of any Purchased Bonds or Weekly Rate Bonds held by the Board or any affiliate thereof.

Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds. If payment of the purchase price of any Weekly Rate Bond shall not be made to the Holder thereof on any date such Weekly Rate Bond has been tendered for purchase pursuant to Section 9.4 hereof, such Weekly Rate Bond shall be returned by the applicable Tender Agent to the Holder thereof, and shall continue to bear interest at a Weekly Interest Rate determined as provided in Section 9.2 hereof.

Section 9.16. Notices. (a) Except as otherwise expressly provided in this Resolution or set forth in the applicable Purchase Contract or Pricing Certificate, it shall be sufficient service of any notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, return receipt requested, postage prepaid, or by overnight delivery service, addressed as follows or delivered by facsimile to the numbers provided as follows:

If to the Board:	Veterans' Land Board of the State of Texas 1700 North Congress Avenue, Room 740C Austin, Texas 78701-1496 Attn: Director of VLB Bond Funds Management Telephone: (512) 475-4004 Facsimile: (512) 463-5081
If to a Tender Agent or Registrar:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Remarketing Agent:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Liquidity Provider:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Paying Agent:	Comptroller of Public Accounts Treasury Operations

Manager, Cash and Securities Management
208 E. 10th Street
Austin, Texas 78701
Telephone: (512) 463-5905
E-mail: funds.transfer@cpa.texas.gov

If to a Rating Agency: as set forth in the applicable Purchase Contract or Pricing Certificate

Except as otherwise provided or directed herein, a duplicate copy of each notice, certificate or other communication given hereunder by the Board, a Liquidity Provider, a Paying Agent, a Registrar, a Remarketing Agent or a Tender Agent to any one of the others or the Holders shall also be given to all of the others. The Board, a Liquidity Provider, a Paying Agent, a Registrar, a Remarketing Agent or a Tender Agent may, by notice given hereunder, designate any further or different addresses or telephone numbers to which subsequent notices, certificates or other communications shall be sent.

(b) The Board shall provide to the applicable Rating Agency notice in writing or by telephone or fax, promptly confirmed in writing, of

(i) any resignation or removal of any applicable Paying Agent, Registrar, Tender Agent or Remarketing Agent, and the appointment of any successor thereto;

(ii) any conversion of an applicable series of Weekly Rate Bonds to Fixed Rate Bonds;

(iii) any termination, expiration, replacement, suspension or modification of the applicable Liquidity Facility;

(iv) the payment in full of the applicable series of Weekly Rate Bonds;

(v) any mandatory tender of the applicable series of Weekly Rate Bonds; and

(vi) any amendment or material change to this Resolution.

(c) The Board shall provide or cause to be provided to each Rating Agency such information as is reasonably requested in order to maintain its rating on the applicable series of Weekly Rate Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution. Nothing in this Resolution or in the Series 2024 Bonds, express or implied, shall give to any Person, other than the Board and each Paying Agent, Registrar, Tender Agent, Liquidity Provider and Remarketing Agent and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Resolution.

Section 10.2. Bonds to Rank Equally. None of the Bonds shall be entitled to priority over any other Bond in the application of moneys in Fund II, nor in the application of moneys appropriated by the Legislature of the State or otherwise made available by law for the payment of principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this Resolution that all Bonds shall rank equally.

Section 10.3. Enforcement. All rights available to the Holders under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers and employees, and by other officers of the State to the end that the principal of and interest on the Series 2024 Bonds may be paid promptly, are hereby recognized and reserved to and for the Holders.

Section 10.4. Separability Clause. In case any provision in this Resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 10.5. Governing Law. This Resolution shall be construed in accordance with and governed by the laws of the State.

Section 10.6. Open Meeting. It is hereby officially found and determined that the meeting at which the Series 2024 Bonds were authorized was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

Section 10.7. References to Liquidity Provider. Any provision of this Resolution regarding the consent of, or notice to, or mandating the direction of action by, a Liquidity Provider shall, except as expressly provided, be deemed ineffective (i) if the applicable Liquidity Facility is no longer in effect and no amount is due and owing under such Liquidity Facility, or (ii) as long as such Liquidity Provider has failed to honor a properly presented and conforming drawing under such Liquidity Facility; provided, that except as otherwise expressly set forth herein, for as long as any Purchased Bonds are Outstanding, the applicable Liquidity Provider shall be afforded all the rights and privileges granted hereunder to Holders of the Weekly Rate Bonds of the applicable series.

Section 10.8. Liquidity Facilities Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to cause to be issued a Liquidity Facility in accordance with the "Resolution of the Veterans' Land Board of the State of Texas Authorizing Liquidity Facilities Relating to Bonds Issued or to be Issued in Connection with the Veterans' Land Program or the Veterans' Housing Assistance Program, and Providing for Other Matters Relating to the Subject" adopted by the Board on this date.

Section 10.9. Remarketing Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Remarketing Agreement.

Section 10.10. Tender Agent Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, if requested by the Tender Agent for such series, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Tender Agent Agreement.

Section 10.11. Authorization of Additional Acts. The officers, employees, and agents of the Board, and each of them, shall be and each is expressly authorized, empowered, and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in connection with the proposed issuance of the Series 2024 Bonds, including without limitation (a) the filing of a notice of intention to issue bonds with the Bond Review Board of the State, and (b) the submission of a transcript of proceedings for approval of the Attorney General, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, instrument, or other paper, and any such actions heretofore carried out by such officers, employees, and agents of the Board are hereby ratified, approved, and confirmed. Prior to each Settlement Date, the Authorized Representatives and Bond Counsel are hereby authorized to approve any technical changes or corrections to this Resolution, or to any of the instruments authorized by this Resolution, necessary in order to (i) correct any ambiguity or mistake or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from the Rating Agency, or (iii) obtain the approval of the Series 2024 Bonds by the Attorney General.

Section 10.12. Bond Enhancement Agreement Certificate. Notwithstanding anything to the contrary contained in the "Resolution of the Veterans' Land Board of the State of Texas Authorizing Interest Rate Swap Transactions Relating to Bonds Issued or to be Issued in Connection with Veterans' Housing Assistance Program Bonds and Veterans' Land Program Bonds; and Providing for Other Matters Relating to the Subject" adopted by the Board on this date, no certificates shall be required for any floating-to-fixed rate interest rate swap transaction entered into in connection with the anticipated issuance of any series of Weekly Rate Bonds.

Section 10.13. Prior Resolution. This Resolution shall supersede and replace in its entirety that certain resolution adopted by the Board on July 24, 2023, relating to the Series 2024 Bonds.

ADOPTED AND APPROVED this the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwoman
Veterans' Land Board of the State of Texas

ATTEST:

/s/ Anthony W. D ale
Executive Secretary
Veterans' Land Board of the
State of Texas

EXHIBIT A

FORM OF WEEKLY RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. WR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER: [3]
_____, ____	Variable	_____, 2024	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the Issuer, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "Holder") the principal amount of _____ DOLLARS and to pay interest thereon, from [the Settlement Date][4] [the bond date stated above][5] to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (defined below), with said interest being payable on each Interest Payment Date (computed on the basis of a 365/366-day year, for the number of days actually elapsed).

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

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1 To be included in any Series 2024 Bond registered in the name of Cede & Co.
2 Series designation to be added if necessary.
3 To be omitted from the Initial Series 2024 Bond of any series.
4 To be included in the Initial Series 2024 Bond of any series.
5 To be included in all Weekly Rate Bonds except an Initial Series 2024 Bond.

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, at the close of business on the Business Day immediately preceding each Interest Payment Date (including each redemption date) (each, a "Record Date") by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the Holder hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on any Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds to the Liquidity Provider (in the case of any Purchased Bond) and to any Holder of $1,000,000 or more in aggregate principal amount of Bonds requesting such payment and providing the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the Holder of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____[6] Dollars ($_____)[6] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in Authorized Denominations as described in the Resolution.

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

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[6] The original aggregate principal amount of a series of the Series 2024 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") governed by the Constitutional Provision, which fund shall be comprised of (a) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (b) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (c) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (d) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (e) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (f) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (g) interest received from investments of any such money, and (h) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS will initially be issued as Weekly Rate Bonds bearing interest at a Weekly Interest Rate. Thereafter, each Bond, at the election of the Board, may be changed to a Fixed Rate Bond bearing interest at a Fixed Interest Rate determined by the Remarketing Agent in accordance with the Resolution; provided, however, that in no event shall the interest rate on any Bond, including Purchased Bonds, exceed the Ceiling Rate. In addition, the interest rate on Purchased Bonds shall not exceed the Maximum Purchased Bond Rate. The terms of this Bond shall not apply to Fixed Rate Bonds, and as used in this Bond, the term "Bond" or "Bonds" shall not include Fixed Rate Bonds.

THE WEEKLY INTEREST RATE for the Bonds shall be determined by the Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. The interest rate so determined shall be effective at the times set forth in the Resolution.

IN DETERMINING each Weekly Interest Rate for the Bonds, the Remarketing Agent shall set such rates at the respective interest rates that, in the sole and exclusive judgment of the Remarketing Agent, would equal (but not exceed) the interest rates necessary to enable the Remarketing Agent to sell such Bonds (exclusive of accrued interest, if any) on the relevant determination date, at a price equal to the principal amount thereof; provided, however, that such interest rate shall not exceed the Ceiling Rate.

NOTWITHSTANDING anything to the contrary contained herein, this Bond, if held by or for the account of the Liquidity Provider as a Purchased Bond, shall bear interest at the Purchased

Bond Rate, payable at the times and in the manner and calculated on the basis provided in the Liquidity Facility; provided, however, that the Purchased Bond Rate shall not exceed the Maximum Purchased Bond Rate as provided in the Resolution.

THE BONDS (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the first Business Day of the months and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[7]

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][8] which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. [In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][8]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][8], the particular Bonds [within each such maturity][8] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds is to be redeemed, the interests to be redeemed of the beneficial owners of the Bonds [of such maturity][9] shall be selected in accordance with the arrangements between the Board and the securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

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[7] The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of a series of Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates.

[8] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

[9] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the same maturity date,][9] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (a) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (b) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (c) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

ANY BONDS, subject to the requirements regarding timely notice and delivery, will be purchased, in accordance with the provisions of the Resolution, on the demand of the Holder thereof as provided in the Resolution and delivery to the Tender Agent of such Bond, endorsed in blank by the Holder thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent, executed in blank by the Holder thereof (the Tender Agent being able to refuse to accept delivery of any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided). THE TIMELY DELIVERY OF A PROPERLY COMPLETED TENDER REQUEST NOTICE SHALL CONSTITUTE AN IRREVOCABLE TENDER OF THE BONDS COVERED THEREBY.

THE BONDS WILL BE SUBJECT to mandatory tender for purchase on the Business Days and under the circumstances specified in the Resolution.

EACH BOND SHALL BE SUBJECT to mandatory tender for purchase on the Fixed Rate Conversion Date.

IF THE HOLDER HEREOF FAILS TO DELIVER THIS BOND OR ANY PORTION HEREOF TO THE TENDER AGENT AFTER GIVING NOTICE OF AN OPTIONAL TENDER, OR UPON A MANDATORY TENDER, AND MONEYS SUFFICIENT TO PAY THE PURCHASE PRICE OF THIS BOND ARE ON DEPOSIT WITH THE TENDER AGENT, THIS BOND OR PORTION HEREOF SHALL BE DEEMED TO HAVE PURCHASED, AND THEREAFTER NO FURTHER INTEREST SHALL ACCRUE ON THIS BOND OR SUCH PORTION. THE HOLDER HEREOF SHALL THEREAFTER HAVE RECOURSE SOLELY TO THE FUNDS HELD BY THE TENDER AGENT FOR THE PURCHASE OF THIS BOND, AND THE TENDER AGENT SHALL NOT RECOGNIZE ANY FURTHER TRANSFER HEREOF.

WHENEVER, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Bonds, payment of the purchase price thereof shall be made to DTC (or any successor securities depository) and no surrender of Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. The Board and the Registrar, the Paying Agent, the Tender Agent, the Liquidity Provider and the Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Except in the case of tenders of Bonds pursuant to the Resolution or of the remarketing of Purchased Bonds, neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to

replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same Interest Mode, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

[UNLESS THE COMPTROLLER'S REGISTRATION CERTIFICATE hereon has been executed by the Comptroller by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][10]

[UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][11]

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[10] To be included in an Initial Series 2024 Bond only.

[11] To be included in all Series 2024 Bonds of a series other than the Initial Series 2024 Bond.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO WEEKLY RATE BONDS OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit A, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the heading "MATURITY DATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the Settlement Date to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (as defined below)" shall be replaced with the following "from the Settlement Date to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments set forth below and bearing interest at the per annum rate of interest per annum determined pursuant to the Resolution (as defined below):

Date	Principal Amount

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT B

FORM OF FIXED RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. FR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER:
_____, ____	_____%	_____, 20____	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the State of Texas, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner"), the principal amount of _____ DOLLARS and to pay interest thereon, from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on _____ 1, 20___, and semiannually on each June 1 and December 1 thereafter (computed on the basis of a 360-day year consisting of twelve 30-day months) (each, an "Interest Payment Date").

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, (i) at the close of business on the fifteenth day of the calendar month

[1] To be included in any Series 2024 Bond registered in the name of Cede & Co.
[2] Series designation to be added if necessary.

immediately preceding each Interest Payment Date, or (ii) in the case of a redemption of Bonds prior to maturity, the fifteenth day prior to the mailing of the applicable notice of redemption (each, a "Record Date"), by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the registered owner hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on this Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds upon request of the registered owner hereof, provided such registered owner is the registered owner of $1,000,000 or more in aggregate principal amount of Bonds and provides the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the registered owner of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

IF THE DATE for the payment of the principal of or interest on this Bond shall not be a Business Day, then the date for such payment shall be the next succeeding Business Day 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 of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____ Dollars[3] ($_____)[3] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of any integral multiple of $5,000 (each, an "Authorized Denomination").

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to

[3] For Converted Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here; for Series 2024 Bonds issued as Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here.

provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") created by the Constitutional Provision, which fund shall be comprised of (1) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (2) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (3) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (4) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (5) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (6) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (7) interest received from investments of any such money, and (8) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS are subject to scheduled mandatory sinking fund redemption, and shall be redeemed on the dates and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[4]

*Stated maturity

[4] For Converted Fixed Rate Bonds, the remaining amounts set forth in the applicable Purchase Contract or Pricing Certificate should be included in the table, and additional tables shall be added if there is more than one stated maturity of such Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates; for Series 2024 Bonds issued as Fixed Rate Bonds, the amounts set forth in the Purchase Contract or Pricing Certificate shall be set forth here.

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][5] which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (2) shall have been acquired and canceled by the Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any optional redemption and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS shall be subject to redemption and may be redeemed prior to the scheduled maturities thereof, at the option and direction of the Board, at any time and from time to time on and after _____ 1, 20___, in whole or in part, at the redemption prices set forth below (expressed as a percentage of the principal amount of the Bonds or portions thereof to be redeemed), plus accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price

[In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][5]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][5], the particular Bonds [within such maturity][5] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds [of the same maturity are to be redeemed][5], the interests to be redeemed of the beneficial owners of the Bonds of such maturity shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the

[5] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

same stated maturity,][6] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (1) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for

[6] Bracketed text to be deleted if there only one stated maturity of the series of Series 2024 Bonds.

redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION
ATTACHED TO ALL FIXED RATE BONDS
OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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.

NOTE TO PRINTER:

*¶s not to be on bond

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit B, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the headings "MATURITY DATE" and "INTEREST RATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above" shall be replaced with the following "from the bond date stated above to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments and bearing interest at the per annum rates of interest per annum set forth below:

Date	Principal Amount	Interest Rate

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT C

FORM OF VARIABLE RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][18]

NO. R- ____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
SERIES 2024[19]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER:[20]
_____, ____	Variable	_____, 2024	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the Issuer, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "Holder") the principal amount of _____ DOLLARS and to pay interest thereon, from [the Settlement Date][21] [the bond date stated above][22] to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (defined below), with said interest being payable on each Interest Payment Date (computed on the basis of _____.[23]

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

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18 To be included in any Series 2024 Bond registered in the name of Cede & Co.
19 Series designation to be added if applicable.
20 To be omitted from the Initial Series 2024 Bond of any series or if indicated in the related Pricing Certificate.
21 To be included in the Initial Series 2024 Bond of any series.
22 To be included in all Variable Rate Bonds except an Initial Series 2024 Bond.
23 Text specified in related Pricing Certificate to be added here.

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, at the close of business on the Business Day immediately preceding each Interest Payment Date (including each redemption date) (each, a "Record Date") by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the Holder hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on any Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds to the Liquidity Provider (in the case of any Purchased Bond) and to any Holder of $1,000,000 or more in aggregate principal amount of Bonds requesting such payment and providing the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the Holder of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____[24] Dollars ($_____)[7] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of _____[25] (each, an "Authorized Denomination").

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to

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[24] The original aggregate principal amount of a series of the Series 2024 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

[25] The Authorized Denominations set forth in the related Pricing Certificate should be set forth here.

provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") governed by the Constitutional Provision, which fund shall be comprised of (a) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (b) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (c) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (d) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (e) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (f) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (g) interest received from investments of any such money, and (h) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.[26]

THE BONDS shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on _____[27] and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[28]

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal

[26] Additional paragraphs from the related Pricing Certificate describing interest on the series of Series 2024 Bonds should be added here.

[27] Text specified in related Pricing Certificate to be added here.

[28] The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of the series of Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates.

amount of any Bonds [of the same stated maturity][29] which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.[30]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][31], the particular Bonds [within each such maturity][14] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds is to be redeemed, the interests to be redeemed of the beneficial owners of the Bonds [of such maturity][14] shall be selected in accordance with the arrangements between the Board and the securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the same maturity date,][14] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (a) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (b) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (c) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered

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[29] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

[30] Optional redemption provisions, if any, specified in the related Pricing Certificate to be added here.

[31] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

WHENEVER, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Bonds, payment of the purchase price thereof shall be made to DTC (or any successor securities depository) and no surrender of Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. The Board and the Registrar, the Paying Agent, the Tender Agent, the Liquidity Provider and the Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the

Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same Interest Mode, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount

of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.[32]

[UNLESS THE COMPTROLLER'S REGISTRATION CERTIFICATE hereon has been executed by the Comptroller by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][33]

[UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][34]

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[32] Additional text or revisions as set forth in the related Pricing Certificate to be included as specified in such Pricing Certificate.

[33] To be included in an Initial Series 2024 Bond only.

[34] To be included in all Series 2024 Bonds of a series other than the Initial Series 2024 Bond.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO VARIABLE RATE BONDS OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

_____

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 8.2 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in Appendix B to the Official Statement relating to each series of Series 2024 Bonds subject to the Rule.

Accounting Principles

The accounting principles referred to in such Section are 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 law or regulation.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written resolution

> BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, regarding meetings of the Board.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the ____ day of _____, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 e - Consideration and possible action on a resolution of the Veterans Land Board of the State of Texas authorizing the redemption of certain outstanding bonds, and other related matters.

Recommendation: Staff recommends the Board approve the redemption of certain bond series.

Summary

Staff seeks approval for the redemption of the following bond series: Series 2004A, Series 2005B, Series 2015A, Series 2016, Series 2017, Series 2020, Series 2021, and Series 2022. The listed series of bonds would be redeemed either in conjunction with a taxable bond issue or using available cash on hand.

For the bonds series issued from 2015 and later, these bonds would be redeemed in conjunction with a taxable refunding and all or a portion of the currently outstanding tax-exempt bonds would be replaced with similarly structured taxable bonds to increase the flexibility in the use of proceeds by removing the IRS limitations and increasing the amount of proceeds available to the program.

The Series 2004A and Series 2005B bonds have accumulated sufficient cash on hand to fully redeem the outstanding bonds. For these two bond series, only a very small portion of borrowers of home mortgages in the Veterans Housing Assistance Program (VHAP) meet the requirements necessary to borrow from pre-2008 tax-exempt bond issues (e.g., the borrower must have entered the service before 1976 and applied for a loan within 30 years of their discharge date), therefore VLB is unable to purchase new loans with mortgage repayments VLB receives.

Currently, the Series 2004A bonds has $12.8 million of bonds remaining and $21.8 million in cash on hand and the Series 2005B bonds has $14.6 million of bonds remaining and $16.9 million in cash on hand. Redemption of these bonds will result in the VLB avoiding future interest expense of approximately $2.5 million for the Series 2004A bonds and $3.2 million for the Series 2005B bonds.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written:

> RESOLUTION OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE REDEMPTION OF CERTAIN BONDS ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551 of the Texas Government Code.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the 25th day of June, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE REDEMPTION OF CERTAIN BONDS ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

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Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

Recitals 1

1. Incorporation of Recitals.....1

2. Exercise of Option to Redeem Bonds.....1

3. Determination of Bonds to Be Redeemed 1

4. Determination of Redemption Dates 1

5. Authorization and Ratification of Additional Acts.....2

6. Open Meeting.....2

7. Effective Date 2

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE REDEMPTION OF CERTAIN BONDS ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, the Veterans' Land Board (the "Board") of the State of Texas has caused to be issued the bonds (collectively, the "Prior Bonds") listed in Exhibit A hereto in connection with the Veterans' Housing Assistance Program pursuant to resolutions (collectively, the "Resolutions") adopted by the Board authorizing the issuance of the Prior Bonds; and

WHEREAS, each Resolution provides that the related series of Bonds is subject to redemption prior to maturity on the first Business Day (as defined in each Resolution) of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest; and

WHEREAS, the Board has determined to exercise its option to redeem Bonds as provided herein;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS, THAT:

1. Incorporation of Recitals. All of the above recitals are found and determined to be true and correct and are incorporated into the body of this Resolution as if copied in their entirety.

2. Exercise of Option to Redeem Bonds. The Board hereby exercises its option pursuant to each Resolution to redeem Bonds at a redemption price equal to the principal amount thereof together with interest accrued thereon to the applicable redemption date.

3. Determination of Bonds to Be Redeemed. The Chairwoman of the Board, the Executive Secretary of the Board, the Director of VLB Bond Funds Management of the Board and the Assistant Director of VLB Bond Funds Management of the Board (collectively, the "Authorized Representatives") are each hereby severally authorized to act on behalf of the Board in determining the Bonds and the principal amounts thereof to be redeemed as in his judgment is in the best interests of the Board

4. Determination of Redemption Dates. The Authorized Representatives are each hereby severally authorized to act on behalf of the Board in establishing a redemption date for any Bonds to be redeemed as in his judgment is in the best interests of the Board.

5. Notice of Redemption. In connection with the redemption of any Prior Bonds, the Authorized Representatives are hereby authorized and directed to cause notice to be given pursuant to each related Resolution that such Prior Bonds have been called for redemption on the applicable redemption date, which notice may be conditioned upon the issuance of refunding bonds on or before such redemption date.

6. Authorization and Ratification of Additional Acts. The Authorized Representatives are hereby severally authorized and directed from time to time and at any time, in the name and on behalf of the Board, to do and perform or cause to be done and performed all acts and things and to execute, deliver, and if requested, attest or affix the seal of the Board to, all certificates, instruments and other papers as they may determine to be necessary or desirable in connection with the redemption of Bonds, such determination to be conclusively evidenced by the performance of such acts and things and the execution and delivery of any such certificate, instrument or other paper, and any such actions heretofore performed or caused to be performed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

7. Open Meeting. It is hereby officially found and determined that the meeting at which this resolution was adopted and approved was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code, as amended.

8. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof.

ADOPTED AND APPROVED on the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwoman, Veterans' Land Board of
the State of Texas

ATTEST:

/s/ Anthony W. Dale
Executive Secretary, Veterans' Land Board of
the State of Texas

EXHIBIT A

PRIOR BONDS

State of Texas Veterans' Housing Assistance Program, Fund II Series 2004A Bonds

State of Texas Veterans' Housing Assistance Program, Fund II Series 2005B Bonds

State of Texas Veterans Bonds, Series 2015A

State of Texas Veterans Bonds, Series 2016

State of Texas Veterans Bonds, Series 2017

State of Texas Veterans Bonds, Series 2020

State of Texas Veterans Bonds, Series 2021

State of Texas Veterans Bonds, Series 2022

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 5 f - Consideration and possible action on a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Refunding Series 2024 in one or more series in an aggregate principal amount not to exceed $200,000,000.

Recommendation: Staff recommends that the Board authorize the issuance up to $200,000,000 in taxable refunding general obligation bonds in the Veterans Housing Assistance Program (VHAP) between June 26, 2024 and June 24, 2025. Staff recommends that the final maturity of the bonds not exceed December 1, 2051, and that the bond True Interest Cost not exceed 6.00%.

Summary

Historically, VLB has issued variable-rate bonds combined with a floating-to-fixed rate swap which created a synthetic fixed-rate bond. The fixed-leg of the swap rate (which roughly translates to the overall fixed-rate cost for the bonds) for many series of bonds issued by VLB was set in very different market conditions compared to today. With the recent rise in interest rates both in bonds and mortgages, VLB limited the amount of loans it purchased associated with several of its bond series due to federal tax law limitations on earnings for tax-exempt bonds.

The change in interest rates and IRS limitations on tax-exempt bond issuances have effectively restricted the VHAP, but in the current market VLB has an opportunity to convert certain tax-exempt bonds to taxable synthetic-fixed rate bonds at substantially lower interest costs than issuing new taxable synthetic fixed-rate bonds. Moreover, this conversion will allow the VLB to provide below-market interest rate loans to Veterans in-line with the loan rate formula established by the VLB.

There are currently six bond series that are attractive for a full or partial conversion from tax-exempt financing to taxable financing.

Bond Series	Swap (Fixed) Rate
Series 2015A	1.5100%
Series 2016	1.5640%
Series 2017	1.1750%
Series 2020	1.0847%
Series 2021	0.649%
Series 2022	2.0143%

Any newly issued replacement or refunding taxable bonds will be a one-to-one replacement of the current tax-exempt bonds and match exactly the amortizations of the replaced tax-exempt bonds. Additionally, the swaps currently associated with the tax-exempt bonds can be transferred to the new taxable bonds.

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $200,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

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relating to

State of Texas
Veterans Bonds,
Taxable Refunding Series 2024

Adopted and Approved on

June 25, 2024

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions 2
Section 1.2. Effect of Headings and Table of Contents 10

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS;
ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds 10
Section 2.2. Form, Maturities, Interest Rates and Numbering 10
Section 2.3. Execution 11
Section 2.4. Approval by Attorney General; Registration by Comptroller 11
Section 2.5. Form of Bond 11
Section 2.6. Registration, Transfer and Exchange 12
Section 2.7. Damaged and Missing Bonds 15
Section 2.8. Sale and Delivery of Series 2024 Bonds 16
Section 2.9. Preliminary Official Statement and Official Statement 16
Section 2.10. Book-Entry System 17

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption 18
Section 3.2. Notice of Redemption 19

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II 20
Section 4.2. Deposits to Fund II 21
Section 4.3. Home Loans 21
Section 4.4. Source of Payment 22
Section 4.5. Other Uses of Fund II Moneys 22
Section 4.6. Program Administration 23
Section 4.7. Investments 23

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures 23
Section 5.2. Paying Agent and Registrar 24
Section 5.3. Tax Covenants 24

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders 25
Section 6.2. Amendment of Resolution Without Consent of Holders 26
Section 6.3. Effect of Amendatory Resolutions 26
Section 6.4. Bonds May Bear Notation of Changes 26

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid 27
Section 7.2. Application of Trust Money 27

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions 28
Section 8.2. Annual Reports 28
Section 8.3. Event Notices 29
Section 8.4. Limitations, Disclaimers and Amendments 30
Section 8.5. Continuing Disclosure Relating to Other Obligated Persons 31
Section 8.6. Agreement Regarding Assumption of Certain Home Loans 31

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment 31
Section 9.2. Determination of Weekly Interest Rate 32
Section 9.3. Fixed Interest Rate 33
Section 9.4. Purchase of Weekly Rate Bonds 34
Section 9.5. Amendments to Liquidity Facility 38
Section 9.6. Alternate Liquidity Facility 38
Section 9.7. Notice of Termination or Other Change in Liquidity Facility 38
Section 9.8. Remarketing Agent and Tender Agent 38

Section 9.9. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal 39
Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds 40
Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates 42
Section 9.12. Delivery of Series 2024 Bonds 43
Section 9.13. Delivery of Proceeds of Sale 43
Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds 43
Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds 44
Section 9.16. Notices 44

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution 45
Section 10.2. Bonds to Rank Equally 45
Section 10.3. Enforcement 45
Section 10.4. Separability Clause 46
Section 10.5. Governing Law 46
Section 10.6. Open Meeting 46
Section 10.7. References to Liquidity Provider 46
Section 10.8. Liquidity Facilities Authorized 46
Section 10.9. Remarketing Agreements Authorized 46
Section 10.10. Tender Agent Agreements Authorized 46
Section 10.11. Reduction of Available Commitment 46
Section 10.12. 47
Section 10.13. Payment of Refunded Bonds 47
Section 10.14. Partial Transfer of Interest Rate Swap Transactions 47
Section 10.15. Authorization of Additional Acts 47

EXHIBIT A – FORM OF WEEKLY RATE BOND A-1

EXHIBIT B – FORM OF FIXED RATE BOND B-1

EXHIBIT C – DESCRIPTION OF ANNUAL FINANCIAL INFORMATION C-1

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE REFUNDING SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $200,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to the provisions of Article III, Section 49-b (the "Constitutional Provision") of the Constitution (the "State Constitution") of the State of Texas (the "State"), and implemented by Chapter 162, Texas Natural Resources Code, as amended (the "Act"), the Veterans' Land Board (the "Board") of the State has been authorized, subject to the limitations set forth in the Constitutional Provision, to issue general obligation bonds ("Bonds") of the State from time to time for the purpose of providing funding for the Veterans' Housing Assistance Fund II ("Fund II"), which fund is to be used for the purpose of making home mortgage loans ("Home Loans") to Veterans (as such term is defined in the Act); and

WHEREAS, the Board has previously caused to be issued the Bonds (collectively, the "Prior Bonds") identified in Exhibit D hereto for the purpose of augmenting Fund II; and

WHEREAS, there are on deposit in Fund II unexpended proceeds and "recycled" proceeds (in general, amounts representing payments and prepayments of Home Loans not needed to pay debt service on the related Prior Bonds) of the Prior Bonds ("Prior Bond Proceeds"); and

WHEREAS, under federal income tax law, the amount that may be earned on Home Loans funded with the proceeds of tax-exempt Bonds, such as the Prior Bonds, is limited to 1.125% in excess of the yield on the related Bonds (the "Permitted Spread"), and the Board is unable to retain any such amount in excess of the Permitted Spread; and

WHEREAS, as a result of the recent rise in interest rates and the low yield on the Prior Bonds, the amount earned on new Home Loans funded with Prior Bond Proceeds is significantly greater than the Permitted Spread; and

WHEREAS, the amount that may be earned on Home Loans funded with the proceeds of taxable Bonds is not limited; and

WHEREAS, the Board is authorized pursuant to Section 162.046 of the Act to provide by resolution for the issuance of refunding bonds for the purpose of refunding outstanding Bonds; and

WHEREAS, the Board has determined that it is necessary and desirable at this time and in the best interests of the Board that up to $200,000,000 in aggregate principal amount of taxable Bonds (hereinafter defined as the "Series 2024 Bonds") be issued in one or more series and installments for the purpose of refunding Prior Bonds; and

WHEREAS, because the Prior Bonds bear, and the Series 2024 Bonds will bear, interest at a variable rate, the manner in which the refunding of any Prior Bonds is being executed does not make it practicable to determine the maximum amount by which or whether the aggregate amount of payments to be made under a series of Series 2024 Bonds exceeds the aggregate amount of payments that would have been made under the terms of the related Prior Bonds; and

WHEREAS, pursuant to the Constitutional Provision, the Act and Chapter 1207, Texas Government Code, as amended, the Board hereby determines to issue the Series 2024 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. (a) For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires:

(i) "This Resolution" means this resolution as originally adopted or as it may from time to time be supplemented or amended by one or more resolutions supplemental hereto adopted pursuant to the applicable provisions hereof.

(ii) All references in this Resolution to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Resolution as originally adopted. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or other subdivision.

(iii) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. Reference to any named Person means that party and its successors and assigns.

(b) The following terms have the meanings assigned to them below whenever they are used in this Resolution:

"Act" means Chapter 162, Texas Natural Resources Code, as amended.

"Alternate Liquidity Facility" means a letter of credit, standby bond purchase agreement or any other agreement or agreements used to provide liquidity support for a series of Series 2024 Bonds, satisfactory to the Board and the Remarketing Agent therefor and containing administrative provisions reasonably satisfactory to the Tender Agent therefor, issued and delivered to such Tender Agent in accordance with Section 9.6 hereof.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means (i) for Weekly Rate Bonds, (A) prior to the final redemption pursuant to Section 3.1(a) hereof, $100,000 and any integral multiple of $5,000 in

excess thereof, or (B) thereafter, any integral multiple of $5,000, and (ii) for Fixed Rate Bonds, $5,000 and any integral multiple thereof.

"Authorized Representative" means any of the following: the Chairwoman of the Board, the Executive Secretary of the Board, the Director of VLB Bond Funds Management of the Board, the Assistant Director of VLB Bond Funds Management of the Board, and any other officer or employee of the Board appointed by the Board to serve as an "Authorized Representative" hereunder.

"Beneficial Owner" means, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, any Person who acquires a beneficial ownership in such Series 2024 Bonds.

"Board" means the Veterans' Land Board of the State.

"Bond" or "Bonds" means general obligation bonds of the State authorized by the Constitutional Provision and issued for the benefit of Fund II.

"Bond Counsel" means Bracewell LLP or any other attorney or firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers and appointed by the Board.

"Bond Purchase Fund" means for any series of Series 2024 Bonds the fund so designated that is established with the Tender Agent therefor pursuant to Section 9.8(b)(ii) hereof.

"Bond Register" has the meaning set forth in Section 2.6 hereof.

"Business Day" means with respect to a series of Series 2024 Bonds, any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Board and the applicable Tender Agent, Remarketing Agent, Paying Agent, Registrar or Liquidity Provider are located, or in which the office of such Liquidity Provider from which payments are made pursuant to the applicable Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

"Ceiling Rate" means the lesser of (i) fifteen percent (15%) per annum and (ii) a per annum rate equal to the maximum net effective interest rate permitted to be paid on the Series 2024 Bonds (prescribed by Chapter 1204, Texas Government Code, as amended, or any successor provision), currently fifteen percent (15%).

"Chapter 1201" means Chapter 1201, Texas Government Code, as amended.

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

"Comptroller" means the Texas Comptroller of Public Accounts.

"Constitutional Provision" means Article III, Section 49-b of the Constitution of the State, as adopted on November 9, 1999, as it may be amended from time to time.

"Defeasance Obligations" means (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States, (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 Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by the Rating Agency not less than AAA or its equivalent.

"Direct Security Repurchase Agreement" means an agreement under which the Board buys, holds for a specified time, and then sells back any of the following securities, obligations, or participation certificates:

(1) United States government securities;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations; or

(4) any other investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns, or any successor securities depository for a series of Series 2024 Bonds.

"DTC Participant" means the securities 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.

"Eligible Investments" means:

(1) Direct Security Repurchase Agreements and Reverse Security Repurchase Agreements made with state or national banks domiciled in the State or with primary dealers as approved by the Federal Reserve System;

(2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations;

(4) bankers' acceptances that:

(i) are eligible for purchase by members of the Federal Reserve System;

(ii) do not exceed 270 days to maturity; and

(iii) are issued by a bank that has received the highest short term credit rating by a nationally recognized investment rating firm;

(5) commercial paper that:

(i) does not exceed 270 days to maturity; and

(ii) has received the highest short term credit rating by a nationally recognized investment rating firm;

(6) contracts written by the Board in which the Board grants the purchaser the right to purchase securities in the Board's marketable securities portfolio at a specified price over a specified period and for which the Board is paid a fee and specifically prohibits naked option or uncovered option trading;

(7) obligations of a state or an agency, county, city, or other political subdivision of a state, including revenue bonds issued under Chapter 164, Texas Natural Resources Code, as amended, and mutual funds composed of these obligations;

(8) an investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States;

(9) an investment, account, depository receipt, or deposit that is fully:

(i) insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a successor organization to one of those organizations; or

(ii) secured by securities described by paragraph (2), (3), or (8) of this definition;

(10) a collateralized mortgage obligation fully secured by securities or mortgages issued or guaranteed by the Government National Mortgage Association or any entity described by paragraph (3) of this definition;

(11) a security or evidence of indebtedness issued by the Farm Credit System Financial Assistance Corporation, the Private Export Funding Corporation, or the Export Import Bank; and

(12) any other investment authorized for investment of State funds by the Comptroller under applicable law;

provided, however, that the term "Eligible Investments" does not include any investments that may from time to time not be authorized under the laws of the State for investment of moneys in Fund II; and provided, further, that the term "Eligible Investments" also includes all investments that may from time to time be authorized under the laws of the State for investment of moneys in Fund II.

"Expenses Attributable to Bonds" means the expenses of issuing, selling, delivering and administering the Bonds, including without limitation, fees, expenses and other payments by the Board (excluding payments by the Board with respect to principal of or interest on the Bonds) payable under any bond enhancement agreement with respect to principal of or interest on the Bonds.

"Expenses Attributable to Home Loans" means the expenses incurred in connection with originating, processing, servicing, and administering the Home Loans.

"Fiscal Year" means the period of time beginning in each calendar year on September 1, and ending August 31 of the calendar year next following, or the fiscal year for the State, as may hereinafter be established by law.

"Fixed Interest Rate" means with respect to a Series 2024 Bond, the non-variable interest rate established in accordance with Section 9.3 hereof.

"Fixed Interest Rate Period" means with respect to a series of Series 2024 Bonds, the period of time during which such Series 2024 Bonds bear interest at a Fixed Interest Rate.

"Fixed Rate Bond" or "Fixed Rate Bonds" means any Series 2024 Bonds after the Fixed Rate Conversion Date therefor.

"Fixed Rate Conversion Date" means with respect to a series of Series 2024 Bonds, the date on which the interest rate on each of such Series 2024 Bonds converts to a Fixed Interest Rate.

"Fund I" means the Veterans' Housing Assistance Fund created by the former Article III, Section 49-b-1 of the Constitution of the State, and currently governed by the Constitutional Provision.

"Fund II" means the Veterans' Housing Assistance Fund II created by the former Article III, Section 49-b-2 of the Constitution of the State and currently governed by the Constitutional Provision, established pursuant to the resolution of the Board authorizing the issuance of the Series 1994A Bonds and confirmed and ratified by Section 4.1 of this Resolution.

"Holder" means a Person in whose name a Series 2024 Bond is registered in the Bond Register.

"Home Loan" or "Home Loans" means the home mortgage loans (including qualified home improvement loans) made by the Board pursuant to the Constitutional Provision and the Act.

"Initial Purchaser" means the manager of the Underwriters relating to a series of Series 2024 Bonds.

"Initial Series 2024 Bond" means with respect to a series of Series 2024 Bonds, the Series 2024 Bond registered by the Comptroller.

"Interest Accrual Period" means with respect to a series of Series 2024 Bonds, the period from and including each Interest Payment Date to and excluding the next Interest Payment Date therefor; the initial Interest Accrual Period shall begin on (and include) the Settlement Date therefor and the final Interest Accrual Period shall end on the day next preceding the maturity date of such Series 2024 Bonds.

"Interest Payment Date" means (i) with respect to any Weekly Interest Rate Period, (A) the first Business Day of each month, commencing on the first such day following the applicable Settlement Date, (B) for a series of Weekly Rate Bonds, the Fixed Rate Conversion Date therefor, if any, and (C) the maturity date of a series of Series 2024 Bonds; and (ii) with respect to any Fixed Interest Rate Period, each June 1 and December 1, commencing the June 1 or December 1 immediately following the Fixed Rate Conversion Date by at least 30 days.

"Interest Rate Period" means any Weekly Interest Rate Period or Fixed Interest Rate Period.

"Liquidity Facility" means for a series of Weekly Rate Bonds, initially the documents described in the related Pricing Certificate or Purchase Contract, as the same may be amended or supplemented from time to time, and, upon the effectiveness of an Alternate Liquidity Facility, means such Alternate Liquidity Facility.

"Liquidity Provider" means for a series of Weekly Rate Bonds, initially the Person designated in the related Pricing Certificate or Purchase Contract, and upon the effectiveness of an Alternate Liquidity Facility, means the bank or banks or other financial institution or financial institutions or other entity that is then a party to the Liquidity Facility. In the case of any Alternate Liquidity Facility to which more than one bank, financial institution or other entity is a party, notices required by this Resolution to be given to the Liquidity Provider may be given to the bank or financial institution under such Liquidity Facility appointed to act as agent for all such banks or financial institutions.

"Maximum Purchased Bond Rate" means for a series of Weekly Rate Bonds, the maximum interest rate for Purchased Bonds permitted under the Liquidity Facility therefor, but in no event to exceed the Ceiling Rate.

"Outstanding" means, when used with reference to a Bond or Bonds and as of a particular date, such Bond or Bonds not canceled except a Bond or Bonds for the payment or redemption of which provision has been made.

"Paying Agent" means with respect to a series of Series 2024 Bonds, the Comptroller unless otherwise set forth in the related Pricing Certificate or Purchase Contract, or any successor appointed by the Board pursuant to Section 5.2(a) hereof to perform the paying agent duties hereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

"Pricing Certificate" means a certificate executed by an Authorized Representative setting forth certain provisions relating to a series of Series 2024 Bonds.

"Prior Bonds" means the Bonds set forth in Exhibit D hereto.

"Program" means the Veterans' Housing Assistance Program established pursuant to the Act.

"Purchase Account" means for a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Purchase Contract" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the bond purchase contract between the Board and the Underwriters, authorized under Section 2.8 hereof, regarding the sale of such Series 2024 Bonds.

"Purchased Bond" or "Purchased Bonds" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Purchased Bond Rate" with respect to a series of Weekly Rate Bonds, has the meaning ascribed to such term in the Liquidity Facility therefor.

"Rating Agency" means with respect to a series of Series 2024 Bonds, initially, the statistical rating organization designated as such in the related Pricing Certificate or Purchase Contract or if such entity ceases to assign a rating to such Series 2024 Bonds, any substitute statistical rating organization so designated by the Board, which at the time has a credit rating assigned to such Series 2024 Bonds at the request of the Board.

"Record Date" means (a) with respect to any Interest Payment Date in respect of any Weekly Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to any Interest Payment Date in respect of any Fixed Interest Rate Period, the 15th day of the month immediately preceding such Interest Payment Date or, in the event that an Interest Payment Date shall occur less than 15 days after the Fixed Rate Conversion Date, such date.

"Refunded Bonds" means with respect to a series of Series 2024 Bonds, the Prior Bonds designated as such in the Pricing Certificate or Purchase Contract related to such Series 2024 Bonds.

"Registrar" means with respect to a series of Series 2024 Bonds, initially the Person designated as such in the Purchase Contract or Pricing Certificate therefor, or any successor entity appointed by the Board pursuant to Section 5.2(a) hereof to perform the duties of registrar and transfer agent hereunder.

"Remarketing Account" means with respect to a series of Weekly Rate Bonds, the account so designated and established pursuant to Section 9.8(b)(ii) hereof.

"Remarketing Agent" means with respect to a series of Weekly Rate Bonds, initially the Person designated as such in the Pricing Certificate therefor, or any successor appointed pursuant to Section 9.9(a) hereof.

"Remarketing Agreement" means with respect to a series of Weekly Rate Bonds, the Remarketing Agreement dated as of the Settlement Date therefor, between the Board and the Remarketing Agent therefor, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent.

"Resolution" means this resolution of the Board authorizing the issuance of the Series 2024 Bonds.

"Reverse Security Repurchase Agreement" means an agreement under which the Board sells and after a specified time buys back any of the securities, obligations, or participation certificates listed in paragraphs (1) through (4) of the definition of Direct Security Repurchase Agreement.

"Series 1994A Bond" or "Series 1994A Bonds" means the State of Texas Veterans' Housing Assistance Program, Fund II Series 1994A Bonds, initially dated October 1, 1994.

"Series 2024 Bond" or "Series 2024 Bonds" means the State of Texas Veterans Bonds, Taxable Refunding Series 2024, authorized pursuant to this Resolution.

"Settlement Date" means with respect to a series of Series 2024 Bonds, the date of initial delivery of such Series 2024 Bonds to the Initial Purchaser thereof.

"SOFR" means the 30-calendar-day compounded average of the "Secured Overnight Financing Rate" as published on the website of the Federal Reserve Bank of New York, or any successor source for such rate identified as such by the Federal Reserve Bank of New York or any successor administrator of the Secured Overnight Financing Rate.

"State" means the State of Texas.

"Tender Agent" means with respect to a series of Weekly Rate Bonds, any Person acting as Tender Agent therefor pursuant to the terms of this Resolution.

"Tender Agent Agreement" means if required with respect to a series of Weekly Rate Bonds, the agreement dated as of the Settlement Date therefor between the Board and the Tender Agent therefor, as the same may be amended or supplemented from time to time, or any similar agreement entered into with a successor Tender Agent.

"Undelivered Bonds" means any Series 2024 Bond so designated in accordance with the provisions of Section 9.4(e) or Section 9.4(g)(ii) hereof.

"Underwriters" means with respect to a series of Series 2024 Bonds initially sold in a public offering, the members of the underwriting syndicate therefor.

"Veterans" has the meaning given such term in the Constitutional Provision.

"Weekly Interest Rate" means a variable interest rate on Weekly Rate Bonds established in accordance with Section 9.2 hereof.

"Weekly Interest Rate Period" means each period during which a Weekly Interest Rate is in effect.

"Weekly Rate Bond" or "Weekly Rate Bonds" means Series 2024 Bonds subject to a Weekly Interest Rate Period.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2024 BONDS; ISSUANCE AND FORM OF SERIES 2024 BONDS

Section 2.1. Authorization of Series 2024 Bonds. To provide money for the purpose of augmenting Fund II, the Series 2024 Bonds are hereby authorized and shall be issued, in one or more series and installments, as general obligations of the State in the original aggregate principal amount not to exceed Two Hundred Million Dollars ($200,000,000), as determined by an Authorized Representative and set forth in a Purchase Contract or Pricing Certificate, provided that the principal amount, plus any original issue premium, if any, of a series of Series 2024 Bonds shall not exceed the principal amount of the related Refunded Bonds. The Series 2024 Bonds shall be entitled "STATE OF TEXAS VETERANS BONDS, TAXABLE REFUNDING SERIES 2024"; provided that unless the entire principal amount authorized for the Series 2024 Bonds is issued in a single series or in the discretion of an Authorized Representative, the series designation for each separate series shall include a different capital letter after "2024," as set forth in the related Pricing Certificate or Purchase Contract; and provided, further, that if a series of Series 2024 Bonds is issued after December 31, 2024, "2025" shall replace "2024" in the series designation of such series.

Section 2.2. Form, Maturities, Interest Rates and Numbering. Each series of Series 2024 Bonds authorized hereby initially shall be dated as set forth in the related Pricing Certificate or Purchase Contract, and shall be issued and delivered in the form of fully registered bonds, without coupons,

each payable to the Holder thereof, all in the manner hereinafter provided. The principal of Series 2024 Bonds shall mature, subject to prior redemption, on the dates and in the amounts set forth in the related Pricing Certificate or Purchase Contract; provided, however, that (i) the aggregate principal amount of all installments and series of Series 2024 Bonds shall not exceed $200,000,000, (ii) the principal amount of a series of Series 2024 Bonds shall equal the principal amount of the related Refunded Bonds, (iii) the final maturity of a series of Series 2024 Bonds shall occur not later than the latest maturity of the related Refunded Bonds; and provided, further, that during any period in which ownership of a series of the Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with existing arrangements between the Board and the securities depository. Weekly Rate Bonds shall bear interest at the Weekly Interest Rate therefor, provided that from and after the Fixed Rate Conversion Date, such Series 2024 Bonds shall bear interest at a Fixed Interest Rate. Fixed Rate Bonds shall bear interest at the Fixed Interest Rate or Rates set forth in the related Pricing Certificate or Purchase Contract or as determined pursuant to Section 9.3(a) hereof. Each series of Weekly Rate Bonds shall be numbered consecutively from WR-1 upward by the Registrar, and no two Weekly Rate Bonds of the same series shall be given the same number. Each series of Fixed Rate Bonds shall be numbered consecutively from FR-1 upward by the Registrar, and no two Fixed Rate Bonds of the same series shall be given the same number. Notwithstanding the foregoing, the Initial Series 2024 Bond for any series of Series 2024 Bonds shall be numbered T-1. Unless otherwise specified in the related Pricing Certificate or Purchase Contract, the Board shall cause CUSIP numbers to be assigned to, and reproduced on, the Series 2024 Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of such Bonds.

Section 2.3. Execution. Each of the Series 2024 Bonds shall be executed by and on behalf of the Board as general obligations of the State with the manual or facsimile signatures of the Chairwoman of the Board and the Executive Secretary of the Board, and the manual or facsimile seal of the Board shall be placed thereon. The facsimile signatures of the Chairwoman and Executive Secretary of the Board and the facsimile seal of the Board shall have the same effect as if each of said Bonds had been manually signed by such officers and said seal had been manually impressed on each such Bond. Series 2024 Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Board shall bind the State and the Board, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

Section 2.4. Approval by Attorney General; Registration by Comptroller. After any Initial Series 2024 Bonds shall have been executed, it shall be the duty of the Authorized Representatives to deliver such Series 2024 Bonds to the Attorney General for examination and approval, and after such Series 2024 Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Series 2024 Bonds thus registered shall remain in the custody of the Chairwoman of the Board or subject to her order, until the delivery thereof to the Initial Purchaser thereof.

Section 2.5. Form of Bond. The form of all Weekly Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Weekly Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be,

respectively, substantially as set forth in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The form of all Fixed Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2024 Bond that is a Fixed Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit B hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. At the direction of an Authorized Representative, a portion of the text of Series 2024 Bonds may be printed on the back of the bond certificates, in which event the following phrase shall be inserted in the place where such text would otherwise appear: "Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth at this place."

Section 2.6. Registration, Transfer and Exchange. (a) With respect to each series of Series 2024 Bonds, the Board shall keep or cause to be kept at the designated corporate trust office of the Person named in the related Pricing Certificate or Purchase Contract, or at the designated office of any other banking institution named in accordance with the provisions of Section 5.2(a) hereof (in any event, a "Registrar"), books or records of the registration and transfer of such Series 2024 Bonds (each, a "Bond Register"), and each Registrar shall act as registrar and transfer agent to keep such Bond Register and make such transfers and registrations under such reasonable regulations as the Board may prescribe, and to convert and exchange or replace the applicable Series 2024 Bonds; and the Registrar shall make such transfers and registrations as herein provided. It shall be the duty of a Registrar to obtain from the Holder of each applicable Series 2024 Bond and record in the related Bond Register the address of such Holder to which payments with respect to the applicable Series 2024 Bonds shall be mailed, as herein provided. Each Registrar shall keep the related Bond Register confidential and, unless otherwise required by law, shall not permit their inspection by any entity other than the Board or its designee, which shall have the right to inspect such Bond Register during regular business hours of such Registrar. Registration of each Series 2024 Bond may be transferred in the applicable Bond Register only upon presentation and surrender of such Series 2024 Bond to the applicable Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to such Registrar, evidencing the assignment of such Series 2024 Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Series 2024 Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Series 2024 Bond or any portion thereof, a new substitute Series 2024 Bond or Series 2024 Bonds of the same series and maturity shall be issued in conversion and exchange therefor in the manner herein provided.

(b) The entity in whose name any Series 2024 Bond shall be registered in the related Bond Register at any time shall be treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Series 2024 Bond shall be overdue, and the Board and the applicable Paying Agent and Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of and premium, if any, and interest on any such Series 2024 Bond shall be made only to such Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond to the extent of the sum or sums so paid.

(c) Unless otherwise set forth in a Pricing Certificate or Purchase Contract, the Board hereby appoints the Comptroller in Austin, Texas, or any banking institution named in accordance with the provisions of Section 5.2(a) hereof (in either case, the "Paying Agent"), to act as the paying agent for paying the principal of and premium, if any, and interest on the Series 2024 Bonds, all as provided in this Resolution. Each Paying Agent shall keep proper records of all payments made by the Board and such Paying Agent with respect to the applicable Series 2024 Bonds, as provided in this Resolution. For any Series 2024 Bond that has a CUSIP number, the applicable Paying Agent shall provide the CUSIP number for such Series 2024 Bond with each payment of interest on and the principal or the redemption price of such Series 2024 Bond, specifying the amount paid in respect of such CUSIP number.

(d) Each Series 2024 Bond may be converted into and exchanged for fully registered bonds in the manner set forth herein. Each Series 2024 Bond may, upon surrender thereof to the applicable Registrar, together with a written request therefor duly executed by the Holder or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Registrar, at the option of the Holder or such assignee or assignees, as appropriate, be converted into and exchanged for a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate and in any Authorized Denomination which may be requested in writing by such Holder or such assignee or assignees, in an aggregate principal amount equal to the principal amount of the Series 2024 Bond or Series 2024 Bonds so surrendered, and payable to the appropriate Holder, assignee, or assignees, as the case may be. If only a portion of any Series 2024 Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Series 2024 Bond or Series 2024 Bonds having the same series, maturity date, bearing interest at the same rate, in any Authorized Denomination at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. If any Series 2024 Bond or portion thereof is assigned and transferred or converted, each Series 2024 Bond issued in exchange therefor shall have the same series, principal maturity date and bear interest at the same rate as the Series 2024 Bond for which it is being exchanged. Each substitute Series 2024 Bond shall bear a number to distinguish it from each other Series 2024 Bond. Each Registrar shall convert and exchange or replace Series 2024 Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Series 2024 Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Series 2024 Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided, however, that any Series 2024 Bond delivered in conversion of and exchange for or replacement of another Series 2024 Bond prior to the first scheduled Interest Payment Date of the related series of Series 2024 Bonds shall be dated the same date as such Series 2024 Bond, but each substitute Series 2024 Bond so delivered on or after such first scheduled Interest Payment Date shall be dated as of the Interest Payment Date preceding the date on which such substitute Series 2024 Bond is delivered, unless such Series 2024 Bond is delivered on an Interest Payment Date therefor, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Series 2024 Bond the interest on the Series 2024 Bond for which it is being exchanged has not been paid, then such Series 2024 Bond shall be dated as of the date to which such interest has been paid in full; and provided, further, that any Series 2024 Bond issued in exchange for an Initial Series 2024 Bond shall be dated the date specified in the related Pricing Certificate or Purchase Contract. On each substitute Series 2024 Bond issued in conversion of and exchange for or replacement of any

Series 2024 Bond or Series 2024 Bonds there shall be printed a Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the applicable Registrar shall, before the delivery of any such Series 2024 Bond, date such Series 2024 Bond in the manner set forth above, and manually sign and date the Registrar's Authentication Certificate, and no such Series 2024 Bond shall be deemed to be issued or Outstanding unless such Registrar's Authentication Certificate is so executed and dated. Each Registrar promptly shall cancel all applicable Series 2024 Bonds surrendered for transfer, conversion and exchange or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or Person so as to accomplish the foregoing conversion and exchange or replacement of any Series 2024 Bond or portion thereof, and each Registrar shall provide for the execution and delivery of substitute Series 2024 Bonds in the manner prescribed herein. Pursuant to Chapter 1201, and particularly Sections 1201.061 through 1201.063 and 1201.067 thereof, the duty of conversion and exchange or replacement of Series 2024 Bonds as aforesaid is hereby imposed upon the related Registrar, and, upon the execution and dating of the above described Registrar's Authentication Certificate, the transferred, converted and exchanged or replaced Series 2024 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2024 Bonds which originally were delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller. Except in the case of tenders of Weekly Rate Bonds pursuant to Section 9.4 hereof or of the remarketing of Purchased Bonds, neither the Board nor any Registrar shall be required (i) to issue, transfer, replace or exchange any Series 2024 Bond subject to redemption in whole or in part during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of such series of Series 2024 Bonds and ending at the close of business on the day of such mailing, or (ii) to replace, transfer or exchange any Series 2024 Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within 30 calendar days; except that at the option of the Holder of at least $1,000,000 in principal amount of a series of Series 2024 Bonds, the applicable Registrar shall be required to transfer or exchange any such Series 2024 Bond of such Holder which has been selected, in whole or in part, for redemption upon surrender thereof. A Registrar may make such arrangements as it deems appropriate for notation on each new Series 2024 Bond issued in exchange for or upon the transfer of the Series 2024 Bond so selected for redemption of an appropriate legend to the effect that such new Series 2024 Bond has been so selected for redemption.

(e) All Series 2024 Bonds issued in conversion and exchange or replacement of any other Series 2024 Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2024 Bonds to be payable only to the Holders thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2024 Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, (vii) shall be authenticated, and (viii) shall provide that the principal of and interest on such Series 2024 Bonds shall be payable, all as provided, and in the manner required or indicated, in this Resolution.

(f) The Board shall pay each Registrar's reasonable and standard or customary fees and charges for making transfers of Series 2024 Bonds, but the Holder of any related Series 2024 Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Holder of any Series 2024 Bond requesting any conversion and exchange shall pay the applicable Registrar's reasonable and standard or customary fees and charges for

converting and exchanging any Series 2024 Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Series 2024 Bond or Series 2024 Bonds or any portion or portions thereof in any Authorized Denomination, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Series 2024 Bond that has been redeemed in part prior to maturity, as provided in this Resolution, such fees and charges will be paid by the Board.

Section 2.7. Damaged and Missing Bonds. (a) In the event any Outstanding Series 2024 Bond is damaged, mutilated, lost, stolen, or destroyed, the applicable Registrar shall cause to be printed, executed, authenticated and delivered, a new Series 2024 Bond of the same series, principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Series 2024 Bond in the manner hereinafter provided.

(b) Application for replacement of a damaged, mutilated, lost, stolen, or destroyed Series 2024 Bond shall be made by the Holder thereof to the applicable Registrar. In every case of loss, theft, or destruction of a Series 2024 Bond, the Holder applying for a replacement Series 2024 Bond shall furnish to the Board and to the applicable 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 Series 2024 Bond, the Holder shall furnish to the Board and to the applicable Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2024 Bond, as the case may be. In every case of damage or mutilation of a Series 2024 Bond, the Holder shall surrender to the applicable Registrar for cancellation the Series 2024 Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Series 2024 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of and premium, if any, or interest on the Series 2024 Bond, the Board 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 Series 2024 Bond, provided security or indemnity is furnished as provided above in this Section.

(d) Prior to the issuance of any replacement Series 2024 Bond pursuant to the provisions of this Section, the applicable Registrar shall charge the Holder of such Series 2024 Bond with all legal, printing, and other expenses in connection therewith. Every replacement Series 2024 Bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2024 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Board whether or not the lost, stolen, or destroyed Series 2024 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 Series 2024 Bonds duly issued under this Resolution.

(e) In accordance with Section 1201.062 of Chapter 1201, this Section shall constitute authority for the issuance of any such replacement Series 2024 Bond without the necessity of further action by the Board or any other body or Person, and the duty of the replacement of such Series 2024 Bond is hereby authorized and imposed upon the applicable Registrar, and such Registrar shall authenticate and deliver such replacement Series 2024 Bonds in the form and

manner and with the effect, as provided in Section 2.6(d) of this Resolution for Series 2024 Bonds issued in conversion and exchange for other Series 2024 Bonds.

Section 2.8. Sale and Delivery of Series 2024 Bonds. The Series 2024 Bonds may be sold publicly or privately on a negotiated basis, as determined by the Authorized Representatives to assure that the Series 2024 Bonds are sold on advantageous terms. Pursuant to Chapter 1371, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board in connection with other matters relating to the issuance of the Series 2024 Bonds. In such capacity, the Authorized Representatives, acting for and on behalf of the Board, shall determine the date of issuance and sale of each series of the Series 2024 Bonds, and are also hereby severally authorized and directed to approve, execute and deliver the related Purchase Contract or Pricing Certificate, and to approve the principal amounts and maturities of such Series 2024 Bonds and whether such Series 2024 Bonds shall be issued initially as Fixed Rate Bonds or Weekly Rate Bonds, the redemption provisions and such other terms applicable to such Series 2024 Bonds, the Purchase Contract or Pricing Certificate to be approved by the Authorized Representative executing the Purchase Contract or Pricing Certificate, such approval to be conclusively evidenced by such Authorized Representative's execution thereof; provided that (i) the final maturity and aggregate principal amount of such Series 2024 Bonds shall comply with Section 2.2 hereof, and (ii) the interest rate on such Series 2024 Bonds shall not exceed the Ceiling Rate, subject to the unqualified approving opinion as to the legality of such Series 2024 Bonds of the Attorney General and of Bond Counsel. The Authorized Representatives and all other officers, agents and representatives of the Board are hereby authorized to do any and all other things necessary or desirable to satisfy the conditions set out in the Purchase Contract or otherwise required by the Initial Purchaser and to provide for the issuance and delivery of Series 2024 Bonds. One definitive Series 2024 Bond for each series and maturity date, in the principal amount for such series and maturity date as set forth in the related Purchase Contract or Pricing Certificate, shall be delivered to or as directed by the Initial Purchaser thereof.

Section 2.9. Preliminary Official Statement and Official Statement. For any Series 2024 Bonds to be sold initially in a public offering, prior to the execution of the Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, (i) if requested by the Initial Purchaser thereof, shall cause a preliminary official statement (the "Preliminary Official Statement") to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate, and each Authorized Representative is hereby authorized for and on behalf of the Board to approve and deem final the Preliminary Official Statement as of its date, except for such omissions as are permitted by the Rule (as defined in Section 8.1 hereof); within seven business days after the execution of the related Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause the final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes as the Chairwoman of the Board may approve, such approval to be conclusively evidenced by her execution thereof, to be provided to the Underwriters in compliance with the Rule, or (ii) if such Initial Purchaser does not request a Preliminary Official Statement, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause an official statement to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2024 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate.

Section 2.10. Book-Entry System. As provided in Section 2.8 of this Resolution, each series of Series 2024 Bonds initially shall be delivered against payment to the Initial Purchaser thereof. The Series 2024 Bonds so delivered to such Initial Purchaser shall be registered in accordance with the instructions of such Initial Purchaser. Each Initial Purchaser shall be required to promptly surrender any Initial Series 2024 Bond received by such Initial Purchaser for exchange. Series 2024 Bonds issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as Holder, and held in the custody or on behalf of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC or its designee for each series and maturity and of the Series 2024 Bonds. Beneficial owners of Series 2024 Bonds will not receive physical delivery of Series 2024 Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Series 2024 Bonds as provided herein, all transfers of beneficial ownership interests therein will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2024 Bonds is to receive, hold or deliver any Series 2024 Bond certificate.

With respect to Series 2024 Bonds registered in the name of Cede & Co., as nominee of DTC, none of the Board or the applicable Paying Agent or Registrar shall have any responsibility or obligation to any DTC Participant or to any Person on whose behalf a DTC Participant holds an interest in the Series 2024 Bonds. Without limiting the immediately preceding sentence, none of the Board or any Paying Agent or Registrar shall have any 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 Series 2024 Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Bond Register, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, and (iii) the payment to any DTC Participant or any other Person, other than a Holder, of any amount with respect to principal of and premium, if any, or interest on the Series 2024 Bonds.

Replacement Series 2024 Bonds may be issued directly to beneficial owners of Series 2024 Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Series 2024 Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Board and the applicable Paying Agent and Registrar), or (ii) the Board has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that DTC is incapable of discharging its duties as securities depository for the Series 2024 Bonds, or (iii) the Board has determined (which determination is conclusive as to DTC and the beneficial owners of the Series 2024 Bonds) that the interests of the beneficial owners of the Series 2024 Bonds might be adversely affected if such book entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the Board shall use its best efforts to attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed, authenticated and delivered replacement Series 2024 Bonds, in certificated form, to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. In the event that the Board makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Series 2024 Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Series 2024 Bonds in certificated form to the DTC Participants having an interest in the Series 2024 Bonds as shown on the records of DTC provided by DTC to the Board. The Board undertakes no obligation to make any

investigation to determine the occurrence of any events that would permit the Board to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Series 2024 Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), the requirements in this Resolution of holding, registering, delivering, exchanging or transferring Series 2024 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of DTC (or such successor securities depository) as to holding, registering, delivering, exchanging or transferring the book entry to produce the same effect.

Whenever, during the term of the Weekly Rate Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Weekly Rate Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Weekly Rate Bonds, payment of the Purchase Price thereof shall be made to DTC (or any successor securities depository), and no surrender of Weekly Rate Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Weekly Rate Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Weekly Rate Bonds were purchased pursuant to a remarketing. The Board and each Registrar, Paying Agent, Tender Agent, Liquidity Provider and Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

If at any time DTC ceases to hold the Series 2024 Bonds, all references herein to DTC shall be of no further force or effect.

Anything to the contrary contained herein notwithstanding, this Section 2.10 shall not apply to a series of the Series 2024 Bonds if so provided in a Pricing Certificate.

ARTICLE III

REDEMPTION OF SERIES 2024 BONDS

Section 3.1. Redemption. (a) Series 2024 Bonds (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the dates and in the respective principal amounts set forth in the related Purchase Contract or Pricing Certificate, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption. The principal amount of Series 2024 Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Series 2024 Bonds of the same series and having the same stated maturity which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the applicable Registrar for cancellation, or (2) shall have been acquired and canceled by such Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any redemption provision set forth below and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

(b) The Weekly Rate Bonds (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. In the case of any such redemption, the Board shall select the maturity or maturities of the Weekly Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(c) Any series of Series 2024 Bonds issued as other than Weekly Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods and at the redemption prices set forth in the related Purchase Contract or Pricing Certificate, plus accrued interest to the date fixed for redemption

(d) Converted Fixed Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods specified by an Authorized Representative, in whole at any time or in part from time to time, at the redemption prices (expressed as a percentage of principal amount) determined by such Authorized Representative, plus accrued interest, if any, to the redemption date. In the case of any such redemption, the Board shall select the maturity or maturities of the Fixed Rate Bonds to be redeemed and the amounts thereof in Authorized Denominations.

(e) In the case of any redemption of less than all of the Series 2024 Bonds of a particular series and maturity, the particular Series 2024 Bonds within each such series and maturity to be redeemed shall be selected by the applicable Registrar by lot in such manner as such Registrar shall deem fair and appropriate; provided that during any period in which ownership of such Series 2024 Bonds is determined only by a book entry at a securities depository, if less than the entire principal amount Outstanding of all Series 2024 Bonds of the same series and maturity is to be redeemed, the interests to be redeemed of the beneficial owners of such Series 2024 Bonds shall be selected in accordance with the arrangements between the Board and the securities depository.

(f) Anything in this Section 3.1 to the contrary notwithstanding, in the event of any (i) optional redemption of Weekly Rate Bonds, Purchased Bonds of the same series shall be selected first for such redemption to the extent there are any such Purchased Bonds, provided that the Board may select the maturity or maturities of Purchased Bonds to be so redeemed and the amounts thereof in Authorized Denominations, and (ii) mandatory sinking fund redemption of Weekly Rate Bonds, Purchased Bonds of the same series and maturity being redeemed shall be selected first for such redemption to the extent there are any such Purchased Bonds.

Section 3.2. Notice of Redemption. At least 30 days prior to the date fixed for any redemption of Series 2024 Bonds, a written notice of such redemption shall be sent by first class mail, postage prepaid by the Registrar to the Holders of the applicable series of Series 2024 Bonds to be redeemed on such date. All notices of redemption shall state: (1) the date of redemption and general mailing of such notices; (2) the redemption price; (3) the identification (including complete official name and series designation and issue date), the CUSIP number, if any, certificate number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Series 2024 Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable on each such Series 2024 Bond, and that interest thereon shall cease to accrue from and after such date; and (5) the name and address of the applicable Paying Agent, including the name and telephone number of a contact person and the place where such

Series 2024 Bonds are to be surrendered for payment of the redemption price. By the date fixed for any such redemption, due provision shall be made by the Board with the applicable Paying Agent for the payment of the required redemption price for such Series 2024 Bonds or the portions thereof which are to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, such Series 2024 Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being Outstanding except for the right of the Holders thereof to receive the redemption price therefor from the applicable Paying Agent out of the funds provided for such payment. The applicable Registrar shall record in the related Bond Register all such redemptions of principal of the Series 2024 Bonds or any portion thereof. If only a portion of any Series 2024 Bond shall be redeemed, a substitute Series 2024 Bond or Series 2024 Bonds, having the same series and maturity date, bearing interest at the same rate, in any Authorized Denomination which may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder thereof upon the surrender thereof for cancellation, at the expense of the Board, all as provided in this Resolution. For all purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Series 2024 Bonds shall relate, in the case of any Series 2024 Bond redeemed or to be redeemed only in part, to the portion of the principal of such Series 2024 Bond that has been or is to be redeemed.

In addition to the notice of redemption required above, the applicable Registrar shall send notice of redemption by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any Holder of $1,000,000 or more in principal amount of the applicable series of Series 2024 Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a Holder of such Series 2024 Bonds. In addition, in the event of a redemption caused by an advance refunding of Series 2024 Bonds, the applicable Registrar shall send a second notice of redemption to all Holders of such Series 2024 Bonds at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. A Registrar shall also send a notice of redemption to the Holder of any applicable Series 2024 Bond called for redemption who has not sent such Series 2024 Bond in for redemption sixty (60) days after the redemption date.

Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this Section or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Series 2024 Bonds.

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.1. Establishment of Fund II. The Comptroller (as successor to the Treasurer of the State) has established in the State Treasury the "Veterans' Housing Assistance Fund II," referred

to herein as "Fund II." The Board hereby confirms and ratifies the establishment of Fund II and agrees to maintain Fund II until all Bonds have been paid in full.

Section 4.2. Deposits to Fund II. Fund II is and shall be comprised of, and where feasible it is the duty of the Board, and the officers of the Board are hereby authorized and directed, to deposit into Fund II, the following:

(i) any interest of the Board in Home Loans made from money in Fund II pursuant to the Program including proceeds of any insurance thereon or on the homes;

(ii) the proceeds derived from the sale or other disposition of the Board's interest in Home Loans;

(iii) the money attributable to any Bonds (except Expenses Attributable to Bonds) issued and sold by the Board to provide money for Fund II which shall include, but shall not be limited to, the proceeds from the issuance and sale of such Bonds;

(iv) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans;

(v) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Bonds to comply with the person's bid and accept and pay for such Bonds;

(vi) payments received by the Board under bond enhancement agreements with respect to the Bonds;

(vii) interest received from investments of any such money; and

(viii) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II.

The Board may deposit other moneys to the credit of Fund II, including moneys transferred by the Board from the Veterans' Land Fund and Fund I, which are eligible under the Constitution and applicable laws of the State for such deposit or transfer.

Section 4.3. Home Loans. (a) Money in Fund II, including the proceeds from the sale of Bonds, may be used by the Board in the making of Home Loans as provided in the Act, the payment of Expenses Attributable to Home Loans and Expenses Attributable to Bonds, and, as herein provided, the payment of the principal of and premium, if any, and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds; provided, that the language of this paragraph shall not be construed to prevent the investment of the moneys in Fund II when permitted by the Constitutional Provision or the Act.

(b) The Board will fix interest rates to be charged Veterans receiving Home Loans from the Board which will assure that the proceeds from payments and repayments of Home Loans, together with other legally available moneys, including, without limitation, anticipated transfers from the Veterans' Land Fund or Fund I, will exceed the amount of payments the Board is required to make from Fund II for the payment of interest on and principal of the Bonds as such come due and

mature, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and to the extent permitted by the Constitution and applicable laws of the State, the Board covenants to transfer such amounts from the Veterans' Land Fund and Fund I as are necessary to cause available amounts in Fund II to be sufficient for such payment.

Section 4.4. Source of Payment. (a) The principal of and interest on the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2024 Bonds, shall be and are hereby made general obligations of the State pursuant to the Constitutional Provision, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on each of the Series 2024 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2024 Bonds, when due the resources of the Board to the extent herein provided and the full faith and credit of the State are hereby pledged.

(b) All payments of the principal of and interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, shall be made from Fund II; provided, that if the Legislature of the State shall later provide additional sources from which the principal of or the interest on the Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, may be paid, the Board, its officers, the Comptroller and all other officers and employees of the State are hereby authorized and requested, and, to the extent that they are under the jurisdiction of this Board, directed to take all steps necessary to accomplish the use of such additional funds for such purpose, without releasing the continuing right of the Holders to the present sources prescribed by the Constitutional Provision and the Act for the payment of such principal and interest.

(c) The Board recognizes the absolute and ultimate obligation of the State to provide during each Fiscal Year all moneys necessary to pay the principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and recognizes that the Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, "there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or come due during that fiscal year or to make bond enhancement payments with respect to those bonds."

Section 4.5. Other Uses of Fund II Moneys. (a) The Constitutional Provision provides that receipts of all kinds of Fund II determined by the Board not to be required for the payment of principal of and interest on Bonds or other general obligation bonds hereafter authorized by the Constitution of the State to provide money for Fund II, including payments by the Board under bond enhancement agreements with respect to principal of or interest on Bonds and such other general obligation bonds, may be used by the Board, to the extent not inconsistent with the proceedings authorizing such bonds, to (1) make temporary transfers to either the Veterans' Land Fund or Fund I to avoid a temporary cash deficiency in that fund or make a transfer to either of

those funds for the purposes of that fund; (2) pay the principal of and interest on general obligation bonds issued to provide money for either the Veterans' Land Fund or Fund I or make bond enhancement payments with respect to such bonds; or (3) pay the principal of and interest on revenue bonds of the Board or make bond enhancement payments with respect to such bonds. In accordance with the Constitutional Provision, the Board reserves the right to use the moneys in Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

(b) The Constitutional Provision also provides that if the Board determines that assets from Fund II are not required for the purposes of Fund II, the Board may (i) transfer the assets to either the Veterans' Land Fund or Fund I, (ii) use the assets to secure revenue bonds issued by the Board under the Constitutional Provision, (iii) use the assets to plan and design, operate, maintain, enlarge or improve veterans cemeteries, or (iv) use the assets to plan and design, construct, acquire, own, operate, maintain, enlarge, improve, furnish, or equip veterans homes. In accordance with the Constitutional Provision, the Board reserves the right to use the assets from Fund II for such purposes, or for any other purpose from time to time authorized by the Constitutional Provision.

Section 4.6. Program Administration. The Program may be administered on behalf of the Board by one or more administrators, each of which shall be a nationally recognized institution with previous experience in the administration of mortgage lending programs, and whose duties shall be specified in an agreement between the Board and the administrator named therein. Currently, the Program administrators are Gateway Mortgage Group, LLC as "Loan Origination Administrator" and Nationstar Mortgage LLC as "Master Servicer." Home Loans may (i) be originated by the Board, or (ii) be originated and serviced through qualified lending institutions in the State, which shall be subject to the approval of the Board.

Section 4.7. Investments. The moneys of Fund II which are not immediately committed to the payment of principal of and interest on the Bonds, the making of Home Loans as herein provided, or the payment of expenses as herein provided may be invested in Eligible Investments until such funds are needed for such purposes.

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures. (a) The Board hereby covenants that it shall establish procedures with the Comptroller whereby sufficient moneys shall be withdrawn from Fund II and forwarded to each Paying Agent for the payment of interest on and principal of the Series 2024 Bonds coming due on each interest or principal payment date. In addition, the Board covenants that as of each principal payment date and Interest Payment Date for a series of Series 2024 Bonds it will make available to the applicable Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of a series of Series 2024 Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

If the date for the payment of the principal of or interest on the Series 2024 Bonds is a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section 5.2. Paying Agent and Registrar. (a) The Board covenants with the Holders that at all times while the Series 2024 Bonds are Outstanding, the Board will provide a competent and legally qualified Paying Agent and Registrar for each series of Series 2024 Bonds under this Resolution, and that the Paying Agent and Registrar for such series shall be one entity, except during any period when such Series 2024 Bonds are registered only by means of a book entry at a securities depository. The Board reserves the right to, and may, at its option, change any Paying Agent or Registrar upon not less than 30 days written notice to such Paying Agent or Registrar. In the event that an entity at any time acting as Paying Agent or Registrar (or the successor thereto by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will appoint promptly a competent and legally qualified national or state banking institution which shall be an entity organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and, if the previous Paying Agent or Registrar was a banking institution, whose qualifications substantially are similar to the previous Paying Agent or Registrar, as appropriate, to act as Paying Agent or Registrar under this Resolution. Upon any change in a Registrar, the previous Registrar promptly shall transfer and deliver the related Bond Register (or a copy thereof), along with all other pertinent books and records relating to the applicable Series 2024 Bonds, to the new Registrar designated and appointed by the Board. Upon any change in a Paying Agent, the previous Paying Agent promptly shall transfer and deliver the records regarding payments of principal of and interest on the applicable Series 2024 Bonds (or a copy thereof) it has kept and maintained, along with all other pertinent books and records relating to payments made regarding such Series 2024 Bonds, to the new Paying Agent designated and appointed by the Board. Upon any change in Paying Agent or Registrar, the Board promptly will cause a written notice thereof to be sent by the new Registrar to each applicable Holder by first class mail, postage prepaid, which notice also shall give the address of the new Paying Agent or Registrar, as appropriate. By accepting the position and performing as such, each Paying Agent and 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 and Registrar.

In addition, the Board hereby covenants with the Holders that it will (i) pay the reasonable and standard or customary fees and charges of each Paying Agent for its services with respect to the payment of the principal of and interest on the Series 2024 Bonds, when due, and (ii) pay the fees and charges of each Registrar for services with respect to the transfer of registration of Series 2024 Bonds solely to the extent provided in Section 2.6(f), and with respect to the conversion and exchange of Series 2024 Bonds solely to the extent provided in Section 2.6(f).

Section 5.3. Tax Covenants. The Board does not intend to issue the Series 2024 Bonds in a manner such that the Series 2024 Bonds would constitute obligations described in Section 103(a) of the Internal Revenue Code of 1986 (as amended, the "Code"), and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code. Accordingly, the Board

covenants to take such actions, or refrain from such actions as to assure that the Series 2024 Bonds are not obligations described in Section 103(a) of the Code.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders. (a) The Holders of a series of Series 2024 Bonds aggregating a majority in principal amount of the aggregate principal amount of such Series 2024 Bonds at the time Outstanding (but not including in any case Series 2024 Bonds which may then be held or owned by or for the account of the Board) shall have the right from time to time to approve an amendment of this Resolution affecting such Series 2024 Bonds which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions contained in this Resolution or in such Series 2024 Bonds so as to:

(i) make any change in the maturity of any of the Series 2024 Bonds of such series;

(ii) reduce the rate of interest borne by any of the Series 2024 Bonds of such series;

(iii) reduce the amount of the principal payable on any of the Series 2024 Bonds of such series;

(iv) modify the terms of payment of principal of or interest on such Series 2024 Bonds, or any of them, or impose any conditions with respect to such payment;

(v) change the minimum percentage of the principal amount of such Series 2024 Bonds necessary for consent to such amendment; or

(vi) affect the rights of the Holders of less than all of the Series 2024 Bonds of such series then Outstanding,

unless such amendment or amendments be approved by the Holders of all of such Series 2024 Bonds at the time Outstanding.

(b) If at any time the Board shall desire to amend this Resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or the City of Austin, Texas, once during each calendar week for at least four successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Board and the designated office of the Registrar for inspection by all holders of such Series 2024 Bonds. Such publication is not required, however, if notice in writing is given to each Holder of the applicable series of Series 2024 Bonds.

(c) Whenever at any time, within one year from the date of this publication of said notice or other service of written notice, the Board shall receive an instrument or instruments executed by the Holders of a majority in aggregate principal amount of Series 2024 Bonds of the applicable series then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in

substantially the form of the copy thereof on file with the Registrar, the Board may adopt the amendatory resolution in substantially the same form.

(d) Any consent given by the Holder of a Series 2024 Bond pursuant to the provisions of this Resolution shall be irrevocable for a period of six months from the date of the first publication or mailing of the notice provided for in this Resolution, and shall be conclusive and binding upon all future Holders of the same Series 2024 Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication or mailing of such notice by the holder who gave such consent, or by a successor in title, by filing notice of such revocation with the Registrar and the Board, but such revocation shall not be effective if the Holders of a majority in aggregate principal amount of the Series 2024 Bonds of the applicable series Outstanding as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(e) For the purposes of this Section, proof of ownership of any Series 2024 Bond shall be established by the registration of any such Series 2024 Bond on the Bond Register kept and maintained by the applicable Registrar.

Section 6.2. Amendment of Resolution Without Consent of Holders. The foregoing provisions of this Article notwithstanding, the Board may, without the consent of the Holders, pursuant to amendatory resolution, from time to time:

(i) impose conditions or restrictions additional to, but not in diminution of, those contained in this Resolution, respecting the issuance of Bonds;

(ii) undertake covenants additional to but not inconsistent with those contained in this Resolution;

(iii) correct any ambiguity or correct or supplement any inconsistent or defective provision contained in this Resolution or any amendatory resolution;

(iv) adopt amendments to this Resolution that become effective as to a series of Series 2024 Bonds following a mandatory tender of all of such Series 2024 Bonds then Outstanding; or

(v) adopt amendments to this Resolution that, in the opinion of Bond Counsel, do not adversely affect the Holders.

Section 6.3. Effect of Amendatory Resolutions. Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations of the Board under this Resolution and all the holders of Outstanding Series 2024 Bonds of the applicable series shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

Section 6.4. Bonds May Bear Notation of Changes. Series 2024 Bonds of the applicable series authenticated and delivered after the execution of any amendatory resolution pursuant to this Article may bear a notation in form approved by the applicable Registrar as to any matter provided for in such amendatory resolution. If the Board or the applicable Registrar shall so determine, new

Series 2024 Bonds of the applicable series so modified as to conform, in the opinion of the Board and such Registrar, to any such amendatory resolution may be prepared and executed by the Board and authenticated and delivered by such Registrar in exchange for Series 2024 Bonds of the applicable series then Outstanding.

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

Section 7.1. Fixed Rate Bonds Deemed Paid. Any Fixed Rate Bond shall be deemed to be paid and no longer Outstanding when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, 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 by irrevocably depositing with a paying agent, in trust and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Defeasance Obligations, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of such paying agent for such Fixed Rate Bonds, with respect to which such deposit is made, shall have been paid or the payment thereof provided for. At such time as a Fixed Rate Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such money or Defeasance Obligations.

Section 7.2. Application of Trust Money. (a) The deposit under clause (ii) of Section 7.1 shall be deemed a payment of a Fixed Rate Bond as aforesaid when proper notice of redemption of such Bond shall have been given, in accordance with this Resolution. Any money so deposited with a paying agent as provided in this Section may at the discretion of the Board also be invested in Defeasance Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Obligations in possession of a paying agent pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board.

(b) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the particular Fixed Rate Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Fixed Rate Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Obligations have been so set aside in trust.

(c) Notwithstanding anything elsewhere in this Resolution contained, if money or Defeasance Obligations have been deposited or set aside with a paying agent pursuant to this Section for the payment of Fixed Rate Bonds and such Fixed Rate Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Section shall be made without the consent of the Holder of each Fixed Rate Bond affected thereby.

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access website of the MSRB, with the web address as of the date hereof of www.emma.msrb.org.

"MSRB" means the Municipal Securities Rulemaking Board.

"Other Obligated Person" means a Person that is the mortgagor with respect to at least 20% in aggregate principal amount of the Home Loans in Fund II.

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

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

Section 8.2. Annual Reports. The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the Board of the general type included in each final Official Statement authorized by Section 2.9 of this Resolution, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, and (3) submitted through EMMA, in an electronic format with accompanying identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Board shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available.

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

If the Board changes the accounting principles under which its financial statements to be provided are prepared, it will provide notice of such change to the MSRB, including identification of the new accounting principles and such additional information as may be required under the Rule.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on EMMA or filed with the SEC.

The Board represents that no Veteran eligible to participate in the Program is an "obligated person" (as defined in the Rule) for whom financial information or operating data would be presented in the final Official Statement authorized by Section 2.9 of this Resolution.

Section 8.3. Event Notices. The Board shall notify the MSRB, in a timely manner but in any event within ten Business Days, of any of the following events with respect to a series of Series 2024 Bonds subject to the Rule:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults, if material;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) 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 such Series 2024 Bonds, or other material events affecting the tax status of such Series 2024 Bonds;

(G) Modifications to rights of holders of such Series 2024 Bonds, if material;

(H) Series 2024 Bond calls of the applicable series, if material, and tender offers;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of such Series 2024 Bonds, if material;

(K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar event of the Board;

(M) Consummation of a merger, consolidation or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, or than pursuant to its terms, if material; and

(N) Appointment of a successor Paying Agent or Registrar or change in the name of the applicable Paying Agent or Registrar, if material.

As used in clause (L) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Board 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 Board, or if jurisdiction has been assumed by leaving the Board and official or officers of the Board 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 Board.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with Section 8.2 of this Resolution by the time required by such Section.

Section 8.4. Limitations, Disclaimers and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Board remains an "obligated person" with respect to a series of Series 2024 Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 8.3 of any Series 2024 Bond calls and defeasance of the applicable series that cause the Board to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2024 Bonds, 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 Board undertakes to provide only the financial information, operating data, financial 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 Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2024 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2024 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER FROM NEGLIGENCE 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.

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

The provisions of this Article may be amended by the Board 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 Board, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2024 Bonds in the primary offering of a series of Series 2024 Bonds 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 Resolution that authorizes such an amendment) of the Outstanding Series 2024 Bonds of the applicable series consent to such amendment or (b) a Person that is unaffiliated with the Board (such as nationally recognized bond

counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the applicable series of Series 2024 Bonds. If the Board so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.2 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.

Anything in this Resolution to the contrary notwithstanding, the provisions of this Article may be modified for a particular series of Series 2024 Bonds as set forth in the Pricing Certificate relating thereto.

Section 8.5. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an "obligated person" (as defined in the Rule) for whom financial information and operating data would be presented in any final official statement relating to a series of Series 2024 Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Veteran eligible to participate in the Program would be an Other Obligated Person.

Section 8.6. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Home Loan that would cause any Person to become an Other Obligated Person.

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2024 BONDS

Section 9.1. Interest Rates and Payment. (a) General. Each Outstanding Weekly Rate Bond shall bear interest at the Weekly Interest Rate therefor, each Fixed Rate Bond shall bear interest at the Fixed Interest Rate therefor, and each Purchased Bond shall bear interest at the Purchased Bond Rate therefor; provided, however, that in no event shall the interest rate on any Series 2024 Bond exceed the Ceiling Rate; and provided further that in no event shall the Purchased Bond Rate exceed the Maximum Purchased Bond Rate. Unless provided to the contrary in the related Purchase Contract or Pricing Certificate, each Series 2024 Bond shall bear interest from its date (except for an Initial Series 2024 Bond that is not a Fixed Rate Bond, which shall bear interest from the Settlement Date), and interest on each Series 2024 Bond for each Interest Accrual Period shall be payable on each Interest Payment Date applicable to such Series 2024 Bond; provided, however, that the Holder (other than a Liquidity Provider) of a Weekly Rate Bond shall be paid interest thereon for an Interest Accrual Period only in the amount that would have accrued thereon at the Weekly Interest Rate, regardless of whether such Weekly Rate Bond was a Purchased Bond during any portion of such Interest Accrual Period, and the amount, if any, accrued as interest on such Weekly Rate Bond at the Purchased Bond Rate in excess of the amount required to be paid to such Holder shall be paid by the Board to a Liquidity Provider in accordance with the related Liquidity Facility.

(b) Payment and Calculation of Interest. Interest on the Series 2024 Bonds shall be paid in arrears. Interest on Weekly Rate Bonds (including Purchased Bonds) shall be computed on the

basis of a 365/366-day year, for the number of days actually elapsed. Interest on Fixed Rate Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

(c) Ceiling Rate. Anything to the contrary contained herein notwithstanding, the maximum rate of interest on the Series 2024 Bonds at any time shall be the Ceiling Rate.

(d) Purchased Bonds. All Purchased Bonds shall bear interest at the Purchased Bond Rate therefor, which shall be payable at such times, in such amounts and in such manner as is provided in the related Liquidity Facility. The maximum rate of interest permitted on Purchased Bonds shall be the Maximum Purchased Bond Rate. Any determination of the Purchased Bond Rate pursuant to a Liquidity Facility shall be conclusive and binding on the Board. Anything contained in this Resolution notwithstanding, it is the express intention of the Board that the purchase of Purchased Bonds by the Comptroller, as Liquidity Provider pursuant to a Liquidity Facility, shall not extinguish the debt represented by such Purchased Bonds, which under such circumstances shall remain Outstanding and unpaid for all purposes of this Resolution.

Section 9.2. Determination of Weekly Interest Rate. (a) Weekly Rate Bonds shall bear interest at the Weekly Interest Rate, which shall be determined by the applicable Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day, provided that the first Weekly Interest Rate for a series of Weekly Rate Bonds shall be determined by the Initial Purchaser thereof on the date of execution of the related Purchase Contract in the manner set forth in this paragraph. The first Weekly Interest Rate for a series of Weekly Rate Bonds shall apply to the period commencing on the Settlement Date therefor and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate for a series of Weekly Rate Bonds shall be the rate of interest per annum determined by the Remarketing Agent therefor (based on then prevailing market conditions) to be the minimum interest rate which, if borne by such Weekly Rate Bonds, would enable such Remarketing Agent to sell such Weekly Rate Bonds on such date of determination at a price (without regarding accrued interest) equal to the principal amount thereof. In the event that such Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by such Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by such Remarketing Agent, or in the event that the Weekly Interest Rate determined by such Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the most recently available SOFR rate plus 0.25% per annum, or if such rate is no longer available, or no such rate was so made available for the week preceding the date of determination, 100% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(b) The first Interest Rate Period for a series of Weekly Rate Bonds shall commence on the Settlement Date and shall be a Weekly Interest Rate Period. The initial Weekly Interest Rate to be borne by such Weekly Rate Bonds shall be determined by the Initial Purchaser thereof in the manner set forth in the preceding paragraph.

(c) Notices. On each date on which a Remarketing Agent determines the interest rate on any Weekly Rate Bond, such Remarketing Agent shall give the Board and the applicable Tender Agent, Paying Agent and Liquidity Provider notice by facsimile or e-mail transmission of the interest rate determined by such Remarketing Agent on such date. Upon telephonic request, such Remarketing Agent will give any Holder of the applicable series of Weekly Rate Bonds notice of the interest rate on such Weekly Rate Bonds owned by such Holder.

(d) Binding Effect. Each determination of the interest rate for the Weekly Rate Bonds, as provided herein, shall be conclusive and binding upon the owners of the Weekly Rate Bonds, the Board and the applicable Remarketing Agent, Tender Agent, Liquidity Provider and Paying Agent. Upon telephonic request to a Remarketing Agent from the Board, the Paying Agent, the applicable Liquidity Provider or any Holder of any Weekly Rate Bond of the applicable series, the Remarketing Agent shall inform such Person of the interest rate then in effect on such Weekly Rate Bonds. Failure of such Remarketing Agent to give any notice described in this Section, or any defect therein, shall not affect the interest rate to be borne by any of any Weekly Rate Bonds of the applicable series nor in any way change the rights of the Holders of such Weekly Rate Bonds to tender their Weekly Rate Bonds for purchase in accordance with this Resolution.

Section 9.3. Fixed Interest Rate. (a) Determination of Fixed Interest Rate. During a Fixed Interest Rate Period, each Series 2024 Bond shall bear interest at the Fixed Interest Rate therefor. The Fixed Interest Rate for each stated maturity of Series 2024 Bonds issued as Weekly Rate Bonds shall be determined by the applicable Remarketing Agent on a Business Day not less than 15 days prior to the effective date of the Fixed Interest Rate Period therefor. The Fixed Interest Rate for each stated maturity shall be the rate of interest per annum determined by such Remarketing Agent (based on then prevailing market conditions) to be the minimum interest rate, if any, at which such Remarketing Agent will agree to purchase the applicable series of Series 2024 Bonds on such effective date for resale at a price (without regarding accrued interest) equal to the principal amount thereof. If, for any reason, the Fixed Interest Rate for each stated maturity is not so determined for such Series 2024 Bonds by such Remarketing Agent at least 15 days prior to the first day of the Fixed Interest Rate Period therefor, then such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as provided in Section 9.2, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with Section 9.2 until such time as the interest rate on such Series 2024 Bonds shall have been adjusted to a Fixed Interest Rate, and such Series 2024 Bonds shall continue to be subject to purchase upon notice from the Holders thereof as described in Section 9.4(a). The related Liquidity Facility shall be terminated as to such Fixed Rate Bonds.

(b) Adjustment to Fixed Interest Rate Period.

(i) At any time, the Board, by written direction to the applicable Registrar, Tender Agent, Paying Agent, Liquidity Provider and Remarketing Agent, may elect that a series of Weekly Rate Bonds shall be subject to a Fixed Interest Rate Period. The direction of the Board required by the first sentence of this paragraph (i) shall specify the effective date of the Fixed Interest Rate Period,

which date shall be (A) a Business Day not earlier than the 30th day following the second Business Day after receipt by the applicable Registrar of such direction, and (B) the day immediately following the last day of a Weekly Interest Rate Period.

(ii) Such direction of the Board shall be accompanied by a form of the notice to be mailed by the applicable Registrar to the Holders of the series of Weekly Rate Bonds to be converted as provided in Section 9.3(c).

(iii) If the Board shall deliver to the applicable Registrar, Remarketing Agent and Tender Agent on or prior to the date that the interest rate for the Fixed Interest Rate Period is determined a notice to the effect that the Board elects to rescind its election to have the series of Weekly Rate Bonds to be converted become subject to a Fixed Interest Rate Period, then such Series 2024 Bonds shall not become subject to a Fixed Interest Rate Period, and such Series 2024 Bonds shall bear interest at a Weekly Interest Rate as in effect prior to such event.

(c) Notice of Adjustment to Fixed Interest Rate Period. The applicable Registrar shall give notice by first class mail of an adjustment to a Fixed Interest Rate Period to the Holders of the series of Weekly Rate Bonds to be converted not less than 30 days prior to the effective date of such Fixed Interest Rate Period. Such notice shall state: (1) that the Interest Rate Period on such Series 2024 Bonds shall be adjusted to a Fixed Interest Rate Period unless the Board shall elect, on or prior to the date of determination of the Fixed Interest Rate, to rescind its election to cause the adjustment of the Interest Rate Period on such Series 2024 Bonds to the Fixed Interest Rate Period, in which case such Series 2024 Bonds shall continue to bear interest at a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, (2) the effective date of the Fixed Interest Rate Period, (3) that such Series 2024 Bonds are subject to mandatory tender for purchase on such effective date and the purchase price applicable thereto, (4) that the related Liquidity Facility will be terminated as of the effective date of such Fixed Interest Rate Period, and (5) if ownership of such Series 2024 Bonds is no longer determined only by a book entry at a securities depository for the Series 2024 Bonds, information with respect to the required delivery of bond certificates and payment of purchase price under Section 9.4(f) hereof.

(d) If the Board elects to convert a series of Weekly Rate Bonds to Fixed Rate Bonds, then the written direction furnished by the Board to the applicable Liquidity Provider, Registrar, Tender Agent and Remarketing Agent shall be made by registered or certified mail, or by e-mail or fax, confirmed by registered or certified mail. Any such direction of the Board shall be accompanied by a copy of the notice required to be given by the applicable Registrar pursuant to Section 9.3(c) hereof.

Section 9.4. Purchase of Weekly Rate Bonds. (a) Optional Tender for Purchase. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, a Beneficial Owner (through its DTC Participant) may tender his interest in a Weekly Rate Bond of such series on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds,

upon delivery to the applicable Tender Agent at its designated corporate trust office for delivery of notices, with a copy to the applicable Remarketing Agent, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states the principal amount of such Weekly Rate Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to such Tender Agent. Any notice delivered to such Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Such Tender Agent shall promptly (but no later than the next Business Day) send a copy of any notice delivered to it pursuant to this Section 9.4(a) by fax or other electronic means to the applicable Remarketing Agent and Liquidity Provider. On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Series 2024 Bonds by causing the DTC Participant through which such Beneficial Owner owns such Series 2024 Bonds to transfer its interest in such Series 2024 Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the applicable Tender Agent with DTC.

If ownership of a series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Series 2024 Bonds, a Holder of a Weekly Rate Bond of such series may tender its Series 2024 Bond by delivery of the notice described above by the time set forth above and shall also deliver such Series 2024 Bond to the Tender Agent on the date specified for purchase.

(b) Mandatory Tender for Purchase on First Day of Fixed Interest Rate Period. A series of Weekly Rate Bonds shall be subject to mandatory tender for purchase on the first day of the Fixed Interest Rate Period therefor, or on the day which would have been the first day of such Fixed Interest Rate Period had the event specified in Section 9.3(b)(iii) not occurred which resulted in the interest rate on such Series 2024 Bonds not being adjusted, at a purchase price, payable in immediately available funds, equal to the principal amount of such Series 2024 Bonds, plus accrued interest (if any).

(c) Mandatory Tender for Purchase Upon Termination, Expiration, Suspension, Modification or Replacement of Liquidity Facility. If at any time the Registrar for a series of Weekly Rate Bonds shall give notice in accordance with Section 9.7 that such Weekly Rate Bonds which, at such time, are subject to purchase under the related Liquidity Facility as then in effect, shall on the date specified in such notice cease to be subject to purchase from such Liquidity Facility as a result of (A) the termination or expiration of the term of such Liquidity Facility, or (B) such Liquidity Facility being suspended, replaced or modified with the effect that the purchase price of such Series 2024 Bonds is no longer payable from such Liquidity Facility (in each case, whether or not any Alternate Liquidity Facility has been obtained), then on the Business Day the Board specifies to such Registrar that is at least five days and no more than 15 days (or, if no such date is specified, the fifth calendar day (or the immediately preceding Business Day if such day is not a Business Day)) preceding any termination, expiration, suspension, modification or replacement of such Liquidity Facility each such Series 2024 Bond or Series 2024 Bonds shall be purchased or deemed purchased as provided herein. The purchase price for such Series 2024 Bonds shall be equal to the principal amount thereof, plus accrued interest (if any).

(d) Mandatory Tender for Purchase Following Event of Default Under Liquidity Facility. All Weekly Rate Bonds of a series shall be subject to mandatory tender for purchase on the tenth day (or the next succeeding Business Day if such day is not a Business Day) following receipt by the applicable Tender Agent of notice from the applicable Liquidity Provider that an "Event of Default" has occurred under the applicable Liquidity Facility and directing the mandatory purchase of such Weekly Rate Bonds. No later than the third Business Day following receipt of such notice described above, such Tender Agent shall give notice by first class mail, postage prepaid, to the Holders of such Series 2024 Bonds, the Board and the applicable Remarketing Agent stating that an "Event of Default" has occurred under the Liquidity Facility and that such Series 2024 Bonds are subject to mandatory tender for purchase.

(e) Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of a series of Weekly Rate Bonds in accordance with Section 9.4(b) or Section 9.4(c), the applicable Registrar shall include notice of a mandatory tender for purchase as a part of the notice given pursuant to Section 9.3(c) or Section 9.7 hereof. Each notice of mandatory tender for purchase shall state (A) in the case of a mandatory tender for purchase pursuant to Section 9.4(c) hereof, that the applicable Liquidity Facility will expire, terminate, be suspended, be replaced or be modified and that the purchase price of such Weekly Rate Bonds shall no longer be payable from such Liquidity Facility then in effect and that any rating applicable thereto may be reduced or withdrawn; (B) in the case of a mandatory tender for purchase pursuant to Section 9.4(d) hereof, that an "Event of Default" has occurred under such Liquidity Facility; (C) that the purchase price of any Weekly Rate Bond so subject to mandatory purchase shall be payable only upon (i) if ownership of such Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, surrender of such Weekly Rate Bond to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange or (ii) if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, registration of the ownership rights in such Weekly Rate Bond to the applicable Tender Agent on the records of DTC; (D) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such Weekly Rate Bonds by the applicable Remarketing Agent or through the applicable Liquidity Facility or otherwise, all Weekly Rate Bonds so subject to mandatory tender for purchase shall be purchased on the mandatory purchase date, and that if any Holder of a Weekly Rate Bond subject to mandatory tender for purchase shall not surrender such Weekly Rate Bond to the applicable Tender Agent for purchase (or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, effect the transfer of ownership rights to the applicable Tender Agent on the records of DTC) on such mandatory purchase date, and moneys sufficient to pay the purchase price thereof are on deposit with the applicable Tender Agent, then such Weekly Rate Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Holder thereof shall have no rights under this Resolution other than to receive payment of the purchase price thereof; and (E) in the event that moneys sufficient to pay the purchase price of such Weekly Rate Bonds have not been provided to the applicable Tender Agent either through the remarketing of such Weekly Rate Bonds or from the applicable Liquidity Facility or otherwise, that such Weekly Rate Bonds shall not be purchased or deemed purchased and shall bear interest at the rate described in

Section 9.15 hereof. In connection with any mandatory tender for purchase of Weekly Rate Bonds in accordance with Section 9.4(c) hereof as a result of the replacement, termination or expiration of a Liquidity Facility, such notice also shall contain the information required by Section 9.7. The Board shall provide the applicable Registrar with a form of any such notice.

(f) Delivery of Tendered Weekly Rate Bonds. Subject to the provisions of Section 2.10 hereof if ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, for payment of the purchase price of any such Weekly Rate Bond required to be purchased pursuant to this Section 9.4 on the date specified, such Weekly Rate Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the applicable Tender Agent at its designated corporate trust office for delivery of Weekly Rate Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to such Tender Agent, executed in blank by the Holder thereof or his duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. In the event any such Weekly Rate Bond is delivered after 10:00 a.m., New York City time, on such date, payment of the purchase price of such Weekly Rate Bond need not be made until the Business Day following the date of delivery of such Weekly Rate Bond, but such Weekly Rate Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

(g) Irrevocable Notice Deemed to be Tender of Weekly Rate Bond; Undelivered Bonds.

(i) The giving of notice by an owner of a Weekly Rate Bond as provided in Section 9.4(a) hereof shall constitute the irrevocable tender for purchase of each such Weekly Rate Bond with respect to which such notice shall have been given, regardless of whether such Weekly Rate Bond is delivered to the applicable Tender Agent for purchase on the relevant purchase date as provided in Section 9.4 hereof provided that moneys sufficient to pay the purchase price of such Weekly Rate Bonds are on deposit with the applicable Tender Agent for such purpose.

(ii) A Tender Agent may refuse to accept delivery of any Weekly Rate Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Weekly Rate Bond as herein described. If any owner of a Weekly Rate Bond who shall have given notice of tender of purchase pursuant to Section 9.4(a) hereof, if ownership of the related series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to deliver such Weekly Rate Bond to the applicable Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Weekly Rate Bond properly endorsed, or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to cause its beneficial ownership to be transferred to the applicable Tender Agent on the records of DTC, and moneys sufficient to pay the purchase price thereof are on deposit with such Tender Agent for such purpose, such Weekly Rate Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 9.4(e) hereof) are available for payment to the owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under this Resolution; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the

applicable Tender Agent for the benefit of the owner thereof (provided that the owner shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to such Tender Agent at its designated office for delivery of Weekly Rate Bonds. Any funds held by such Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 9.5. Amendments to Liquidity Facility. Except with the consent of all the Holders of a series of Weekly Rate Bonds, neither the Board nor the applicable Tender Agent shall permit any amendment, supplement, modification or waiver to the applicable Liquidity Facility that would result in the rating assigned to such Weekly Rate Bonds by the applicable Rating Agency being withdrawn or reduced below that in effect prior to such amendment, supplement, modification or waiver.

Section 9.6. Alternate Liquidity Facility. If at any time there shall be delivered to a Tender Agent (i) an Alternate Liquidity Facility, (ii) written evidence from the applicable Rating Agency stating the ratings of the applicable series of Weekly Rate Bonds after substitution of such Alternate Liquidity Facility, or a statement of the Board that no ratings have been obtained, and (iii) an opinion of counsel to the effect that such Alternate Liquidity Facility is a valid and enforceable obligation of the issuer or provider thereof, then such Tender Agent shall accept such Alternate Liquidity Facility and, if the applicable Liquidity Facility then in effect is a letter of credit, promptly surrender such Liquidity Facility to the Liquidity Provider that issued such Liquidity Facility in accordance with its terms for cancellation. Anything in this Resolution to the contrary notwithstanding, following satisfaction of the requirements set forth in this Section 9.6 and the mandatory tender for purchase of a series of Weekly Rate Bonds pursuant to Section 9.4(c) hereof in connection with the provision of any Alternate Liquidity Facility, (i) such Alternate Liquidity Facility may at any time thereafter specified by the Board to the applicable Tender Agent become the Liquidity Facility for such Weekly Rate Bonds for all purposes of this Resolution, and (ii) the Liquidity Facility replaced by such Alternate Liquidity Facility may be terminated at any time after such replacement.

Section 9.7. Notice of Termination or Other Change in Liquidity Facility. The applicable Registrar shall give notice by mail to the Holders of a series of Weekly Rate Bonds on or before the 15th day preceding (i) the expiration of any applicable Liquidity Facility in accordance with its terms, or (ii) any termination, replacement or modification of the terms of the applicable Liquidity Facility, which notice shall, to the extent applicable, (1) state the date of such replacement, termination, expiration or modification and the date of the proposed substitution of the Alternate Liquidity Facility (if any), and (2) state the date that such Weekly Rate Bonds will be purchased pursuant to Section 9.4(c) hereof as a result of such replacement, termination, expiration or modification. The Board shall provide the applicable Registrar with written notice of any information required to enable such Registrar to give the foregoing notice and shall provide such Registrar with the form of such notice at least five days before such notice is required to be given.

Section 9.8. Remarketing Agent and Tender Agent. (a) Subject to execution of a Remarketing Agreement, the initial Remarketing Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Remarketing Agent subject to the conditions set forth in Section 9.9(a) hereof. Each Remarketing

Agent shall designate its designated office (other than the initial Remarketing Agent whose designated office is listed in Section 9.16 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board under which such Remarketing Agent will agree, particularly, to keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Board at all reasonable times.

(b) The initial Tender Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Tender Agent, subject to the conditions set forth in Section 9.9(b) hereof. Each Tender Agent shall designate its designated office(s) for delivery of notices and delivery of Weekly Rate Bonds and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. By acceptance of its appointment hereunder, each Tender Agent agrees:

(i) to hold all Weekly Rate Bonds delivered to it pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the respective owners which shall have so delivered such Weekly Rate Bonds until moneys representing the purchase price of such Weekly Rate Bonds shall have been delivered to or for the account of or to the order of such owners;

(ii) to establish and maintain a separate segregated trust fund designated as the "State of Texas Veterans Bonds, Taxable Refunding Series 2024 Bond Purchase Fund" (each, a "Bond Purchase Fund") (with the specific series designation to replace "2024," if applicable), and to establish and maintain therein a remarketing account (the "Remarketing Account") and a liquidity facility account (the "Purchase Account"), until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the Person which shall have so delivered such moneys until the Weekly Rate Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(iv) to hold all moneys delivered to it by the Board for the purchase of Weekly Rate Bonds pursuant to Section 9.4 hereof, as agent and bailee of, and in escrow for the benefit of, the owners or former owners who shall deliver Weekly Rate Bonds to it for purchase until the Weekly Rate Bonds purchased with such moneys shall have been canceled;

(v) to hold all Weekly Rate Bonds registered in the name of the new owners thereof which have been delivered to it by the applicable Registrar for delivery to the applicable Remarketing Agent in accordance with the provisions of this Resolution; and

(vi) to keep such books and records as shall be consistent with standard industry practice and to make such books and records available for inspection by the Board, the applicable Liquidity Provider and the applicable Remarketing Agent at all reasonable times.

Section 9.9. <u>Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal</u>.

(a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority, having a combined capital stock, surplus and undivided profits of at least $250,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. Any successor Remarketing Agent shall have, or be a subsidiary of another entity or a partnership which includes as a general partner an entity which shall have, senior unsecured long-term debt which shall be rated, so long as the Weekly Rate Bonds shall be rated by the Rating Agency, at least Baa3/P-3 (or its equivalent) or otherwise qualified by the Rating Agency. A Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Board and the applicable Tender Agent, Liquidity Provider, Paying Agent and Registrar with at least 30 days' (or such number of days as is required by the applicable Remarketing Agreement) prior written notice. A Remarketing Agent may be removed at any time, at the direction of the Board with the written consent of the applicable Liquidity Provider, by an instrument signed by the Board and filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent at least 30 days prior to the effective date of such removal. In the event that a Remarketing Agent has resigned or been removed and no successor Remarketing Agent has been appointed by the Board, the applicable Tender Agent shall perform, or engage a Person to perform, the duties of such Remarketing Agent until a successor Remarketing Agent has been appointed by the Board.

(b) Each Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to exercise corporate trust powers and otherwise perform all the duties imposed upon it by this Resolution. A Tender Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the Board and the applicable Registrar, Liquidity Provider and Remarketing Agent. A Tender Agent may be removed at any time by an instrument signed by the Board, filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the Board and the successor Tender Agent shall have accepted such appointment.

(c) Upon the effective date of resignation or removal of a Tender Agent, such Tender Agent shall deliver any Weekly Rate Bonds and moneys held by it in such capacity to its successor.

(d) So long as any series of Weekly Rate Bonds are Outstanding, the same entity shall be the Tender Agent and Registrar therefor.

Section 9.10. Notice of Weekly Rate Bonds Delivered for Purchase; Purchase of Weekly Rate Bonds. (a) The Tender Agent for a series of Weekly Rate Bonds shall determine timely and proper delivery of Weekly Rate Bonds of such series pursuant to this Resolution and the proper endorsement of such Weekly Rate Bonds. Such determination shall be binding on the owners of such Weekly Rate Bonds, the Board, the applicable Remarketing Agent and the applicable Liquidity Provider, absent manifest error. Such Tender Agent shall give notice by telephone, e-mail or fax, promptly confirmed by a written notice if given by telephone, to the Board and the applicable Registrar, Remarketing Agent and Liquidity Provider specifying the principal amount of Weekly Rate Bonds, if any, as to which it shall receive notice of tender for purchase in accordance with Section 9.4(a) hereof.

(b) Weekly Rate Bonds required to be purchased in accordance with Section 9.4 hereof shall be purchased from the owners thereof, on the date and at the purchase price at which such Weekly Rate Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Weekly Rate Bonds remarketed to any Person pursuant to Section 9.11 hereof and furnished to the applicable Tender Agent by the purchasers or by the applicable Remarketing Agent for deposit into the Remarketing Account of the applicable Bond Purchase Fund;

(ii) moneys furnished to such Tender Agent for deposit into the Purchase Account of the applicable Bond Purchase Fund representing moneys received from draws on the applicable Liquidity Facility; and

(iii) moneys furnished to such Tender Agent for deposit into the applicable Bond Purchase Fund representing moneys provided by the Board in its discretion.

A Tender Agent may establish separate accounts or sub-accounts within the Bond Purchase Fund for such purposes as such Tender Agent may deem appropriate.

(c) (i) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, the applicable Registrar shall authenticate a new Series 2024 Bond or Series 2024 Bonds of such series in an aggregate principal amount equal to the principal amount of Series 2024 Bonds purchased in accordance with Section 9.10(b) hereof, whether or not the Weekly Rate Bonds so purchased are presented by the owners thereof, bearing a number or numbers not contemporaneously outstanding. Every Series 2024 Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2024 Bonds of the same series duly issued hereunder. The applicable Registrar shall maintain a record of the Weekly Rate Bonds purchased as provided in this Section, together with the names and addresses of the former owners thereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership in such Weekly Rate Bonds is tendered at the option of the owner of such beneficial interest (acting through its DTC Participant) in accordance with Section 9.4(a) hereof (including transfer of the beneficial ownership interest of the tendering owner to the account of the applicable Tender Agent at DTC), the applicable Tender Agent shall transfer ownership of such beneficial ownership on the records of DTC as provided in Section 9.12 hereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, on any date on which beneficial ownership interest in such Weekly Rate Bonds is subject to mandatory tender in accordance with Section 9.4 hereof, the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to

mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

(ii) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2024 Bonds, in the event any such Weekly Rate Bonds purchased as provided in this Section shall not be presented to the applicable Tender Agent, such Tender Agent shall segregate and hold the moneys for the purchase price of such Weekly Rate Bonds in trust for the benefit of the former owners of such Weekly Rate Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Weekly Rate Bonds. Any moneys which such Tender Agent shall segregate and hold in trust for the payment of the purchase price of any Weekly Rate Bond and remaining unclaimed for three years after the date of purchase shall, subject to the unclaimed property laws of the State and upon the Board's written request to such Tender Agent, be paid to the Board. After the payment of such unclaimed moneys to the Board, the former owner of such Weekly Rate Bond shall look only to the Board for the payment thereof, and the Board shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2024 Bonds, if such Weekly Rate Bonds are subject to mandatory tender in accordance with the terms of this Resolution, then the applicable Tender Agent shall transfer beneficial ownership of such Series 2024 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

Section 9.11. Remarketing of Series 2024 Bonds; Notice of Interest Rates. (a) Upon notice of the tender for purchase of Weekly Rate Bonds, the applicable Remarketing Agent shall offer for sale and use its best efforts to sell such Weekly Rate Bonds, any such sale to be made on the date of such purchase in accordance with Section 9.4 hereof at the price determined in accordance with Section 9.4 hereof. Each Remarketing Agent agrees that while a Liquidity Facility is in effect it shall not sell knowingly any Series 2024 Bonds tendered to it for purchase pursuant to Section 9.4 hereof to the Board, or to any Person who controls, is controlled by, or is under common control with, the Board. In addition, each Remarketing Agent shall offer for sale and use its best efforts to sell any applicable Weekly Rate Bonds that are Purchased Bonds.

(b) Each Remarketing Agent shall determine the rate of interest to be borne by the applicable Series 2024 Bonds during each Interest Rate Period and shall furnish to the Board and the applicable Registrar on the Business Day of determination each rate of interest so determined by e-mail, telephone or fax, promptly confirmed in writing if given by telephone, or shall make such information available to the Board and such Registrar by other readily accessible electronic means.

(c) Each Remarketing Agent shall advise the applicable Tender Agent and Liquidity Provider in writing or by telephone (promptly confirmed by e-mail or fax if given by telephone) not later than the Business Day preceding the Business Day on which any applicable Weekly Rate Bonds are to be purchased pursuant to Section 9.4 hereof of the aggregate principal amount of such Weekly Rate Bonds subject to purchase that have not been remarketed as of such time, provided

that such Remarketing Agent may continue to remarket such Weekly Rate Bonds thereafter. Each Remarketing Agent shall give e-mail or telephonic notice, promptly confirmed by a written notice if given by telephone, to the applicable Registrar and Tender Agent on each date on which applicable Weekly Rate Bonds shall have been purchased pursuant to Section 9.10(b) hereof, specifying the principal amount of Series 2024 Bonds, if any, sold by it pursuant to Section 9.11(a) hereof along with, if the applicable series of Series 2024 Bonds are not registered as described in Section 2.10 hereof, a list of such purchasers showing the names and denominations in which such Series 2024 Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. Each Remarketing Agent will transfer the proceeds received from the purchasers named in such notice to the applicable Tender Agent by 10:00 a.m., New York City time, on the Business Day on which such Weekly Rate Bonds are purchased.

Section 9.12. Delivery of Series 2024 Bonds. (a) Weekly Rate Bonds purchased with moneys described in clause (i) of Section 9.10(b) hereof shall be made available by the applicable Tender Agent to the applicable Remarketing Agent for delivery to the purchasers thereof against payment therefor.

(b) Except as otherwise provided in a Liquidity Facility, Weekly Rate Bonds purchased with moneys described in clause (ii) of Section 9.10(b) hereof shall be held by the applicable Tender Agent on behalf of the applicable Liquidity Provider as Purchased Bonds, and shall not be released following the remarketing thereof unless such Tender Agent has received written confirmation from such Liquidity Provider that the applicable Liquidity Facility has been reinstated with respect to such Series 2024 Bonds.

(c) Weekly Rate Bonds purchased with moneys described in clause (iii) of Section 9.10(b) hereof shall be canceled.

(d) Series 2024 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 9.13. Delivery of Proceeds of Sale. The proceeds of the sale by a Remarketing Agent of any applicable Weekly Rate Bonds delivered to it by any Holder shall be turned over to the applicable Tender Agent.

Section 9.14. Draws on Liquidity Facility to Pay Purchase Price of Weekly Rate Bonds. Each Tender Agent, on each day on which applicable Weekly Rate Bonds are required to be purchased pursuant to Section 9.4 hereof, is directed to make drawings under the applicable Liquidity Facility by such times and in such manner as shall be required to receive in immediately available funds on such date amounts sufficient (based upon the amount on deposit in the Remarketing Account of the applicable Bond Purchase Fund by 10:00 a.m., New York City time, on such day) to pay the purchase price plus accrued interest, if any, of Weekly Rate Bonds tendered for purchase or required to be purchased pursuant to the provisions of this Resolution and that have not been remarketed by the applicable Remarketing Agent, and to deposit the proceeds of such drawings or cause such proceeds to be deposited in the Purchase Account of the applicable Bond Purchase Fund pending application of such moneys to the payment of the purchase price of such Weekly Rate Bonds. In determining the amount of any such purchase price then due, such Tender Agent shall not take into consideration any purchase price due on such Weekly Rate Bonds held by the

Board or any affiliate thereof, and no drawings under such Liquidity Facility shall be made or be used to pay the purchase price of any Purchased Bonds or Weekly Rate Bonds held by the Board or any affiliate thereof.

Section 9.15. Insufficient Funds for Purchase of Weekly Rate Bonds. If payment of the purchase price of any Weekly Rate Bond shall not be made to the Holder thereof on any date such Weekly Rate Bond has been tendered for purchase pursuant to Section 9.4 hereof, such Weekly Rate Bond shall be returned by the applicable Tender Agent to the Holder thereof, and shall continue to bear interest at a Weekly Interest Rate determined as provided in Section 9.2 hereof.

Section 9.16. Notices. (a) Except as otherwise expressly provided in this Resolution or set forth in the applicable Purchase Contract or Pricing Certificate, it shall be sufficient service of any notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, return receipt requested, postage prepaid, or by overnight delivery service, addressed as follows or delivered by facsimile to the numbers provided as follows:

If to the Board:	Veterans' Land Board of the State of Texas 1700 North Congress Avenue, Room 740C Austin, Texas 78701-1496 Attn: Director of VLB Bond Funds Management Telephone: (512) 475-4004 Facsimile: (512) 463-5081
If to a Tender Agent or Registrar:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Remarketing Agent:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Liquidity Provider:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Paying Agent:	Comptroller of Public Accounts Treasury Operations Attention: Funds Transfer 208 E. 10th Street Austin, Texas 78701 Telephone: (512) 463-5905 E-mail: funds.transfer@cpa.texas.gov
If to a Rating Agency:	as set forth in the applicable Purchase Contract or Pricing Certificate

Except as otherwise provided or directed herein, a duplicate copy of each notice, certificate or other communication given hereunder by the Board, a Liquidity Provider, a Paying Agent, a

Registrar, a Remarketing Agent or a Tender Agent to any one of the others or the Holders shall also be given to all of the others. The Board, a Liquidity Provider, a Paying Agent, a Registrar, a Remarketing Agent or a Tender Agent may, by notice given hereunder, designate any further or different addresses or telephone numbers to which subsequent notices, certificates or other communications shall be sent.

(b) The Board shall provide to the applicable Rating Agency notice in writing or by telephone or fax, promptly confirmed in writing, of

(i) any resignation or removal of any applicable Paying Agent, Registrar, Tender Agent or Remarketing Agent, and the appointment of any successor thereto;

(ii) any conversion of an applicable series of Weekly Rate Bonds to Fixed Rate Bonds;

(iii) any termination, expiration, replacement, suspension or modification of the applicable Liquidity Facility;

(iv) the payment in full of the applicable series of Weekly Rate Bonds;

(v) any mandatory tender of the applicable series of Weekly Rate Bonds; and

(vi) any amendment or material change to this Resolution.

(c) The Board shall provide or cause to be provided to each Rating Agency such information as is reasonably requested in order to maintain its rating on the applicable series of Weekly Rate Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution. Nothing in this Resolution or in the Series 2024 Bonds, express or implied, shall give to any Person, other than the Board and each Paying Agent, Registrar, Tender Agent, Liquidity Provider and Remarketing Agent and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Resolution.

Section 10.2. Bonds to Rank Equally. None of the Bonds shall be entitled to priority over any other Bond in the application of moneys in Fund II, nor in the application of moneys appropriated by the Legislature of the State or otherwise made available by law for the payment of principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this Resolution that all Bonds shall rank equally.

Section 10.3. Enforcement. All rights available to the Holders under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers and employees, and by other officers of the State to the end that the

principal of and interest on the Series 2024 Bonds may be paid promptly, are hereby recognized and reserved to and for the Holders.

Section 10.4. Separability Clause. In case any provision in this Resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 10.5. Governing Law. This Resolution shall be construed in accordance with and governed by the laws of the State.

Section 10.6. Open Meeting. It is hereby officially found and determined that the meeting at which the Series 2024 Bonds were authorized was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

Section 10.7. References to Liquidity Provider. Any provision of this Resolution regarding the consent of, or notice to, or mandating the direction of action by, a Liquidity Provider shall, except as expressly provided, be deemed ineffective (i) if the applicable Liquidity Facility is no longer in effect and no amount is due and owing under such Liquidity Facility, or (ii) as long as such Liquidity Provider has failed to honor a properly presented and conforming drawing under such Liquidity Facility; provided, that except as otherwise expressly set forth herein, for as long as any Purchased Bonds are Outstanding, the applicable Liquidity Provider shall be afforded all the rights and privileges granted hereunder to Holders of the Weekly Rate Bonds of the applicable series.

Section 10.8. Liquidity Facilities Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to cause to be issued a Liquidity Facility in accordance with the "Resolution of the Veterans' Land Board of the State of Texas Authorizing Liquidity Facilities Relating to Bonds Issued or to be Issued in Connection with the Veterans' Land Program or the Veterans' Housing Assistance Program, and Providing for Other Matters Relating to the Subject" adopted by the Board on this date or in any comparable resolution adopted by the Board hereafter.

Section 10.9. Remarketing Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Remarketing Agreement.

Section 10.10. Tender Agent Agreements Authorized. In connection with the issuance of any series of Weekly Rate Bonds, if requested by the Tender Agent for such series, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board to approve, execute and deliver the related Tender Agent Agreement.

Section 10.11. Reduction of Available Commitment. In connection with the issuance of any series of Series 2024 Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to cause the available commitment under any liquidity facility for the applicable Refunded Bonds to be reduced on the redemption date to reflect the redemption of such Refunded Bonds.

Section 10.12. . Designation and Redemption of Refunded Bonds. In connection with the issuance of any series of Series 2024 Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to designate the related Refunded Bonds and cause the redemption of such Refunded Bonds in accordance with the "Resolution of the Veterans' Land Board of the State of Texas Authorizing the Redemption of Certain Bonds Issued in Connection with the Veterans' Housing Assistance Program; and Providing for Other Matters Relating to the Subject" adopted by the Board on this date.

Section 10.13. Payment of Refunded Bonds. (a) On the Settlement Date for a series of Series 2024 Bonds, the Board shall cause, from the proceeds of such Bonds and other available funds or resources of the Board, an amount sufficient to provide for the payment when due of the redemption price of the applicable Refunded Bonds, to be deposited with Comptroller as paying agent for such Refunded Bonds, such deposit to constitute the making of firm banking and financial arrangements for the discharge and final redemption of such Refunded Bonds within the meaning of Section 1207.033 of Chapter 1207.

(b) If any Refunded Bonds are to be redeemed other than on the Settlement Date for the related Series 2024 Bonds, the deposit made pursuant to this Section 10.13 shall be invested, to the extent, if any, determined to be practicable by an Authorized Representative, in direct obligations of the United States of America that will mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled redemption or payment of such Refunded Bonds. An Authorized Representative may cause the deposit made pursuant to this Section 10,13 to be increased in an amount determined by such Authorized Representative to enable such deposit to be fully invested. Any moneys not so invested shall be held uninvested and collateralized to the extent required by law.

Section 10.14. Partial Transfer of Interest Rate Swap Transactions. Effective on the Settlement Date for a series of Series 2024 Bonds, the Board hereby exercises its right to transfer to such Series 2024 Bonds the portion of each interest rate swap transaction relating to the applicable Refunded Bonds.

Section 10.15. Authorization of Additional Acts. The officers, employees, and agents of the Board, and each of them, shall be and each is expressly authorized, empowered, and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in connection with the proposed issuance of the Series 2024 Bonds, including without limitation (a) the filing of a notice of intention to issue bonds with the Bond Review Board of the State, and (b) the submission of a transcript of proceedings for approval of the Attorney General, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, instrument, or other paper, and any such actions heretofore carried out by such officers, employees, and agents of the Board are hereby ratified, approved, and confirmed. Prior to each Settlement Date, the Authorized Representatives and Bond Counsel are hereby authorized to approve any technical changes or corrections to this Resolution, or to any of the instruments authorized by this Resolution, necessary in order to (i) correct any ambiguity or mistake or more completely document the transactions contemplated and approved by this

Resolution, (ii) obtain a rating from the Rating Agency, or (iii) obtain the approval of the Series 2024 Bonds by the Attorney General.

ADOPTED AND APPROVED this the 25th day of June, 2024.

/s/ Dawn Buckingham, M.D.
Chairwoman
Veterans' Land Board of the State of Texas

ATTEST:

/s/ Anthony W. Dale
Executive Secretary
Veterans' Land Board of the State of Texas

EXHIBIT A

FORM OF WEEKLY RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. WR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE REFUNDING SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER: [3]
_____, ____	Variable	_____, 2024	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the Issuer, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "Holder") the principal amount of _____ DOLLARS and to pay interest thereon, from [the Settlement Date][4] [the bond date stated above][5] to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (defined below), with said interest being payable on each Interest Payment Date (computed on the basis of a 365/366-day year, for the number of days actually elapsed).

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

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1 To be included in any Series 2024 Bond registered in the name of Cede & Co.
2 Series designation to be added if necessary.
3 To be omitted from the Initial Series 2024 Bond of any series.
4 To be included in the Initial Series 2024 Bond of any series.
5 To be included in all Weekly Rate Bonds except an Initial Series 2024 Bond.

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, at the close of business on the Business Day immediately preceding each Interest Payment Date (including each redemption date) (each, a "Record Date") by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the Holder hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on any Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds to the Liquidity Provider (in the case of any Purchased Bond) and to any Holder of $1,000,000 or more in aggregate principal amount of Bonds requesting such payment and providing the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the Holder of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____[6] Dollars ($_____)[6] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1207, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in Authorized Denominations as described in the Resolution.

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

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[6] The original aggregate principal amount of a series of the Series 2024 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") governed by the Constitutional Provision, which fund shall be comprised of (a) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (b) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (c) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (d) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (e) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (f) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (g) interest received from investments of any such money, and (h) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS will initially be issued as Weekly Rate Bonds bearing interest at a Weekly Interest Rate. Thereafter, each Bond, at the election of the Board, may be changed to a Fixed Rate Bond bearing interest at a Fixed Interest Rate determined by the Remarketing Agent in accordance with the Resolution; provided, however, that in no event shall the interest rate on any Bond, including Purchased Bonds, exceed the Ceiling Rate. In addition, the interest rate on Purchased Bonds shall not exceed the Maximum Purchased Bond Rate. The terms of this Bond shall not apply to Fixed Rate Bonds, and as used in this Bond, the term "Bond" or "Bonds" shall not include Fixed Rate Bonds.

THE WEEKLY INTEREST RATE for the Bonds shall be determined by the Remarketing Agent by 4:30 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. The interest rate so determined shall be effective at the times set forth in the Resolution.

IN DETERMINING each Weekly Interest Rate for the Bonds, the Remarketing Agent shall set such rates at the respective interest rates that, in the sole and exclusive judgment of the Remarketing Agent, would equal (but not exceed) the interest rates necessary to enable the Remarketing Agent to sell such Bonds (exclusive of accrued interest, if any) on the relevant determination date, at a price equal to the principal amount thereof; provided, however, that such interest rate shall not exceed the Ceiling Rate.

NOTWITHSTANDING anything to the contrary contained herein, this Bond, if held by or for the account of the Liquidity Provider as a Purchased Bond, shall bear interest at the Purchased

Bond Rate, payable at the times and in the manner and calculated on the basis provided in the Liquidity Facility; provided, however, that the Purchased Bond Rate shall not exceed the Maximum Purchased Bond Rate as provided in the Resolution.

THE BONDS (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the first Business Day of the months and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[7]

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][8] which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS (including Purchased Bonds) shall be subject to redemption prior to maturity on the first Business Day of any month, at the option and direction of the Board, in whole or in part, at a redemption price of par plus accrued interest. [In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][8]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][8], the particular Bonds [within each such maturity][8] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds is to be redeemed, the interests to be redeemed of the beneficial owners of the Bonds [of such maturity][9] shall be selected in accordance with the arrangements between the Board and the securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

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[7] The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of a series of Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates.

[8] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

[9] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the same maturity date,][9] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (a) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (b) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (c) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

ANY BONDS, subject to the requirements regarding timely notice and delivery, will be purchased, in accordance with the provisions of the Resolution, on the demand of the Holder thereof as provided in the Resolution and delivery to the Tender Agent of such Bond, endorsed in blank by the Holder thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent, executed in blank by the Holder thereof (the Tender Agent being able to refuse to accept delivery of any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided). THE TIMELY DELIVERY OF A PROPERLY COMPLETED TENDER REQUEST NOTICE SHALL CONSTITUTE AN IRREVOCABLE TENDER OF THE BONDS COVERED THEREBY.

THE BONDS WILL BE SUBJECT to mandatory tender for purchase on the Business Days and under the circumstances specified in the Resolution.

EACH BOND SHALL BE SUBJECT to mandatory tender for purchase on the Fixed Rate Conversion Date.

IF THE HOLDER HEREOF FAILS TO DELIVER THIS BOND OR ANY PORTION HEREOF TO THE TENDER AGENT AFTER GIVING NOTICE OF AN OPTIONAL TENDER, OR UPON A MANDATORY TENDER, AND MONEYS SUFFICIENT TO PAY THE PURCHASE PRICE OF THIS BOND ARE ON DEPOSIT WITH THE TENDER AGENT, THIS BOND OR PORTION HEREOF SHALL BE DEEMED TO HAVE PURCHASED, AND THEREAFTER NO FURTHER INTEREST SHALL ACCRUE ON THIS BOND OR SUCH PORTION. THE HOLDER HEREOF SHALL THEREAFTER HAVE RECOURSE SOLELY TO THE FUNDS HELD BY THE TENDER AGENT FOR THE PURCHASE OF THIS BOND, AND THE TENDER AGENT SHALL NOT RECOGNIZE ANY FURTHER TRANSFER HEREOF.

WHENEVER, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), tenders of Bonds shall be made pursuant to DTC's (or any successor securities depository's) deliver order procedures or repayment option procedures, as applicable, as are in effect from time to time. Upon remarketing of Bonds, payment of the purchase price thereof shall be made to DTC (or any successor securities depository) and no surrender of Bonds is required. Such sales shall be made through the DTC Participants (which may include the Remarketing Agent) to the new beneficial owners of such Bonds, and the DTC Participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. The Board and the Registrar, the Paying Agent, the Tender Agent, the Liquidity Provider and the Remarketing Agent are not responsible for transfer of payment to the DTC Participants or beneficial owners.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Except in the case of tenders of Bonds pursuant to the Resolution or of the remarketing of Purchased Bonds, neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to

replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same Interest Mode, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

[UNLESS THE COMPTROLLER'S REGISTRATION CERTIFICATE hereon has been executed by the Comptroller by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][10]

[UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.][11]

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[10] To be included in an Initial Series 2024 Bond only.

[11] To be included in all Series 2024 Bonds of a series other than the Initial Series 2024 Bond.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO WEEKLY RATE BONDS OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

_____

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit A, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the heading "MATURITY DATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the Settlement Date to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (as defined below)" shall be replaced with the following "from the Settlement Date to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments set forth below and bearing interest at the per annum rate of interest per annum determined pursuant to the Resolution (as defined below):

Date	Principal Amount

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT B

FORM OF FIXED RATE BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.][1]

NO. FR-____ $_____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE SERIES 2024[2]

MATURITY DATE:	INTEREST RATE:	BOND DATE:	CUSIP NUMBER:
_____, ____	_____%	_____, 20____	_____ ___

ON THE MATURITY DATE SPECIFIED ABOVE, the State of Texas (hereinafter sometimes called the "Issuer"), acting by and through the Veterans' Land Board (the "Board") of the State of Texas, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner"), the principal amount of _____ DOLLARS and to pay interest thereon, from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on _____ 1, 20___, and semiannually on each June 1 and December 1 thereafter (computed on the basis of a 360-day year consisting of twelve 30-day months) (each, an "Interest Payment Date").

THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and premium, if any, on 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 the designated office of the Paying Agent for the Bonds (defined below), which is initially the Comptroller of Public Accounts of the State of Texas in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent to the registered owner hereof as shown by the Registration Books kept and maintained by the Registrar for the Bonds, which is initially _____, (i) at the close of business on the fifteenth day of the calendar month

[1] To be included in any Series 2024 Bond registered in the name of Cede & Co.
[2] Series designation to be added if necessary.

immediately preceding each Interest Payment Date, or (ii) in the case of a redemption of Bonds prior to maturity, the fifteenth day prior to the mailing of the applicable notice of redemption (each, a "Record Date"), by check drawn by the Paying Agent on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent by first class United States mail, postage prepaid, on each such Interest Payment Date, to the registered owner hereof at its address as it appears on the Registration Books kept and maintained by the Registrar, as hereinafter described. The Paying Agent shall make payment of the principal of and premium, if any, or interest on this Bond by wire transfer in immediately available funds to a bank account located within the United States of Federal Reserve Funds upon request of the registered owner hereof, provided such registered owner is the registered owner of $1,000,000 or more in aggregate principal amount of Bonds and provides the necessary wire information to the Paying Agent at least 15 days prior to the applicable Record Date. The Board covenants with the registered owner of this Bond that as of each Interest Payment Date for this Bond it will make available to the Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

UNLESS OTHERWISE DEFINED herein, capitalized words and terms used in this Bond and not otherwise defined shall have the meanings ascribed to such terms in the Resolution (defined below).

IF THE DATE for the payment of the principal of or interest on this Bond shall not be a Business Day, then the date for such payment shall be the next succeeding Business Day 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 of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____ Dollars[3] ($_____)[3] (the "Bonds"), issued for the purpose of making Home Loans to Texas Veterans, all in accordance with the provisions of the Constitutional Provision, the Act and Chapter 1207, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the "Resolution"). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of any integral multiple of $5,000 (each, an "Authorized Denomination").

THE SERIES OF BONDS of which this is one shall be and is hereby made a general obligation of the State of Texas, pursuant to the Constitutional Provision and the Act, and for the faithful performance of all covenants, recitals and stipulations herein contained, and for the faithful performance in proper time and manner of each official or other act required and necessary to

[3] For Converted Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here; for Series 2024 Bonds issued as Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2024 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here.

provide for the prompt payment of principal of and interest on this Bond when due, the full faith and credit of the State of Texas are hereby pledged.

PAYMENTS OF THE PRINCIPAL OF and premium, if any, and interest on this Bond, shall be made primarily from the Veterans' Housing Assistance Fund II ("Fund II") created by the Constitutional Provision, which fund shall be comprised of (1) any interest of the Board in all Home Loans made from money in Fund II pursuant to the Program, including proceeds of any insurance thereon or on the homes, (2) the proceeds derived from the sale or other disposition of the Board's interests in Home Loans, (3) the money attributable to any Housing Assistance Bonds (defined below) (except for certain expenses related to the issuance of Housing Assistance Bonds) issued and sold by the Board to provide money for Fund II which shall include but shall not be limited to the proceeds from the issuance and sale of such Housing Assistance Bonds, (4) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans, (5) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Housing Assistance Bonds to comply with the person's bid and accept and pay for such Housing Assistance Bonds, (6) payments received by the Board under bond enhancement agreements with respect to the Housing Assistance Bonds, (7) interest received from investments of any such money, and (8) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II. The Bonds and all other bonds issued by the Board pursuant to the Constitution of the State to augment Fund II or to refund any such bonds are referred to herein as "Housing Assistance Bonds." The Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and interest on the Housing Assistance Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Texas Constitution, an amount which is sufficient to pay the principal of and interest on such Housing Assistance Bonds that mature or become due during that fiscal year.

THE BONDS are subject to scheduled mandatory sinking fund redemption, and shall be redeemed on the dates and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

Redemption Date	Principal Amount	Redemption Date	Principal Amount[4]

*Stated maturity

[4] For Converted Fixed Rate Bonds, the remaining amounts set forth in the applicable Purchase Contract or Pricing Certificate should be included in the table, and additional tables shall be added if there is more than one stated maturity of such Series 2024 Bonds, with a heading above each table identifying the stated maturity of the Series 2024 Bonds to which such table relates; for Series 2024 Bonds issued as Fixed Rate Bonds, the amounts set forth in the Purchase Contract or Pricing Certificate shall be set forth here.

The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity][5] which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (2) shall have been acquired and canceled by the Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any optional redemption and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

THE BONDS shall be subject to redemption and may be redeemed prior to the scheduled maturities thereof, at the option and direction of the Board, at any time and from time to time on and after _____ 1, 20___, in whole or in part, at the redemption prices set forth below (expressed as a percentage of the principal amount of the Bonds or portions thereof to be redeemed), plus accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price

[In the case of any such redemption, the Board shall select the maturity or maturities of the Bonds to be redeemed and the amounts thereof in Authorized Denominations.][5]

IN THE EVENT of any redemption of less than all of the Bonds [of a particular maturity][5], the particular Bonds [within such maturity][5] to be redeemed are to be selected by the Registrar by lot in such manner as the Registrar shall deem fair and appropriate. During any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if less than the entire principal amount Outstanding of all the Bonds [of the same maturity are to be redeemed][5], the interests to be redeemed of the beneficial owners of the Bonds of such maturity shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption of this Bond, a written notice of such redemption shall be sent by first class mail, postage prepaid, by the Registrar to the Holder hereof. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being Outstanding except for the right of the Holder to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent out of the funds provided for such payment. The Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond [having the

[5] Bracketed text to be deleted if there is only one stated maturity of the series of Series 2024 Bonds.

same stated maturity,][6] in any Authorized Denomination that may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.

IN ADDITION to the notice of redemption required above, the Registrar shall send notice of redemption of Bonds by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any registered owner of $1,000,000 or more in aggregate principal amount of Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a registered owner of the Bonds. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Registrar shall send a second notice of redemption to all registered owners of the Bonds at least 30 days but not more than 90 days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. The Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the 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 transferred and 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 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. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (1) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least $1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for

[6] Bracketed text to be deleted if there only one stated maturity of the series of Series 2024 Bonds.

redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

AS PROVIDED in the Resolution, this Bond, or any portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, bearing interest at the same rate, and in any Authorized Denomination, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. The one requesting such conversion and exchange shall pay the Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in any Authorized Denomination, as described in the previous paragraph, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided herein, such fees and charges will be paid by the Board.

WHENEVER the beneficial ownership of this Bond is determined only by a book entry at a securities depository for the Bonds, the foregoing requirements of registering, holding, delivering, exchanging or transferring this Bond shall be modified to require the appropriate Person to meet the requirements of the securities depository as to registering, holding, delivering, exchanging or transferring the book entry to produce the same effect.

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BOARD reserves the right to amend the Resolution, as deemed necessary or desirable by the Board, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding under the terms and conditions stated in the Resolution. The Board may, without the consent of the registered owners of the Bonds, adopt certain amendments to the Resolution as set forth in the Resolution.

IN THE EVENT of any conflict or inconsistency between the terms and provisions of this Bond and the terms and provisions of the Resolution, the terms and provisions of the Resolution shall control.

IT IS HEREBY CERTIFIED and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it forms a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas and the Resolution, that the series of Bonds of which this is a part does not exceed any Constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by a pledge of the credit of the Issuer and of the funds specified herein.

UNLESS THE REGISTRAR'S AUTHENTICATION CERTIFICATE hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.

IN TESTIMONY HEREOF, this Bond is executed with the manual or facsimile signatures of the Chairwoman of the Board and of the Executive Secretary of the Board, and the seal of said Board impressed, lithographed or printed hereon.

THE STATE OF TEXAS

_____
Chairwoman, Veterans' Land Board
of the State of Texas

_____
Executive Secretary, Veterans'
Land Board of the State of Texas

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION
ATTACHED TO ALL FIXED RATE BONDS
OTHER THAN AN INITIAL SERIES 2024 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

Dated: _____

_____
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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.

NOTE TO PRINTER:

*¶s not to be on bond

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO AN INITIAL SERIES 2024 BOND

OFFICE OF COMPTROLLER	§	
	§	REGISTER NO. _____
STATE OF TEXAS	§	

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 duly registered by the Texas Comptroller of Public Accounts.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:
* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2024 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2024 Bond shall be in the form set forth in this Exhibit B, except that if there is more than one stated maturity of a series of Series 2024 Bonds:

(i) immediately under the name of the Bond, the blank beneath the headings "MATURITY DATE" and "INTEREST RATE" shall be completed with the words "As shown below";

(ii) in the first paragraph of such Initial Series 2024 Bond, the words "ON THE MATURITY DATE SPECIFIED ABOVE" shall be deleted and replaced with the following: "ON THE MATURITY DATES SPECIFIED BELOW".

(iii) in the first paragraph of such Initial Series 2024 Bond, the words "from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above" shall be replaced with the following "from the bond date stated above to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments and bearing interest at the per annum rates of interest per annum set forth below:

Date	Principal Amount	Interest Rate

[Information for such Series 2024 Bonds to be inserted
from Purchase Contract or Pricing Certificate]"

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 8.2 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in Appendix B to the Official Statement relating to each series of Series 2024 Bonds subject to the Rule.

Accounting Principles

The accounting principles referred to in such Section are 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 law or regulation.

EXHIBIT D

PRIOR BONDS

State of Texas Veterans Bonds, Series 2015A

State of Texas Veterans Bonds, Series 2016

State of Texas Veterans Bonds, Series 2017

State of Texas Veterans Bonds, Series 2020

State of Texas Veterans Bonds, Series 2021

State of Texas Veterans Bonds, Series 2022

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, the undersigned Executive Secretary of the Veterans' Land Board (the "Board") of the State of Texas, hereby certify as follows:

1. The Board convened in regular meeting on the 25th day of June, 2024, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Dawn Buckingham, M.D.	Chairwoman
Gerald J. "Jud" Scott, Jr.	Member
James Rothfelder	Member

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written resolution

> BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS VETERANS BONDS, TAXABLE SERIES 2024 IN ONE OR MORE SERIES AND INSTALLMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $200,000,000, AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 2 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; and that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, regarding meetings of the Board.

3. The Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the ____ day of _____, 2024.

_____
Anthony W. Dale, Executive Secretary

(SEAL)

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Bobby Breeden, Director Texas State Veterans Homes

Subject: Agenda Item 6 a - Consideration and possible action to delegate authority to the Executive Secretary to negotiate and execute a management and operations contract for the Ussery-Roan Texas State Veteran Home in Amarillo.

RECOMMENDATION: Staff recommends delegating authority to the Executive Secretary to negotiate and execute a management and operations contract for the Ussery-Roan Texas State Veteran Home in Amarillo.

Summary

The Texas Veterans Land Board owns ten long-term care nursing homes for qualified Veterans, their spouses, and Gold Star parents. To be eligible for residency, applicants must have a doctor's note stating the need for skilled nursing care and have resided in the state for at least one day. Veterans must have served at least 90 days, have a DD214 and be honorably discharged.

The State Veterans Homes owned by the Veterans Land Board have the total capacity to serve 1,300 residents. Texas State Veterans Homes are owned by the state of Texas and are regulated by both the Texas Health and Human Services Commission as well as the U.S. Department of Veterans Affairs (VA). Third-party operators manage the day-to-day operations of the Veterans homes. The Texas Veterans Land Board oversees the operators and has an on-site representative in each home.

The current operator of the Ussery-Roan Texas State Veteran Home in Amarillo is ML Healthcare. The current three-year management and operations contract expires on September 30, 2024. The VLB staff, in cooperation with the GLO Procurement Team, are conducting a statewide procurement to solicit bids for a new contract beginning on August 1, 2024, for a three-year term.

Staff recommends delegating authority to the Executive Secretary to execute a contract with the entity selected through the procurement process. As of the date of this memo, the VLB Board is scheduled to meet one last time in FY 2024 on July 30, 2024. The contract must be executed no later than the end of fiscal year 2024, August 31, 2024. The following scheduled

meeting of the VLB will be on November 12, 2024. This proposal will mitigate the need for a special called meeting to approve a contract prior to the end of the fiscal year.

Timeline:
April 29, 2024: Solicitation posted for public notice and submission
June 3, 2024: Deadline for solicitation responses
June 19, 2024: Internal deadline to select winning bid
June 24, 2024: Notice of award to selected vendor
June 25, 2024: VLB Special Called Meeting
June 25, 2024: Begin Negotiation Period
July 10, 2024: Target end of contract negotiation and execution
July 10, 2024: Begin transition phase
August 31, 2024: End of Fiscal Year 2024
September 1, 2024: Selected vendor assumes responsibility for management and operations.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Darren Fitz Gerald, Director of Veterans Affairs

Subject: Agenda Item 6 b - Consideration and possible action on a contract renewal for the pharmaceutical services provider for Texas State Veterans Homes.

RECOMMENDATION: Staff recommends the Board approve the renewal of the contract with Omnicare as the pharmaceutical services provider for the Texas State Veterans Homes.

Summary

Staff projects this contract renewal with Omnicare to cost approximately $25 million over three years. This estimate incorporates current monthly cost trends, adjustments for inflation, and increased costs due to the overall increase in census and the increased capacity with the opening of the Tuskegee Airmen home in Fort Worth. Staff reviewed the existing contract, made changes as needed in the best interest of serving our Veterans, and coordinated with Contract Management.

The current contract expires on August 31, 2024. The pharmacy provider, Omnicare, has been the contracted provider since November 1, 2021. Their pricing model is consistent with industry standards and when compared with the prior vendor, Omnicare has provided a better value in average pharmacy cost per resident per month. For the period November 2021 through December 2023, the pharmacy cost per resident per month was $291 with Omnicare. This same cost was $317 per month during the previous vendor's contract. This resulted in an approximate cost savings of $30,000 per month with Omnicare.

PHARMACEUTICAL SERVICES CONTRACT
GLO CONTRACT NO. 22-008-000-C938

THE GENERAL LAND OFFICE (the "GLO") and the **VETERANS LAND BOARD** ("VLB") (collectively the "Board") and **OMNICARE PHARMACY OF TEXAS 1, LP**, Texas Identification Number (TIN) **17607165549** ("Provider"), each a "Party" and collectively "the Parties," enter into the following contract for services (the "Contract") pursuant to applicable provisions of Texas Government Code, Chapter 2155.149, Texas Natural Resources Code, Chapter 164.005 and 38 CFR Part 51, as applicable.

I. DEFINITIONS, INTERPRETIVE PROVISIONS, AND PROJECT DESCRIPTION

1.01 DEFINITIONS

"Additional Services" means all services to be provided by Provider specifically listed in **Attachment A**.

"Administrative and Audit Regulations" means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, which may include Title 2, Part 200 and Title 38 Part 51, Code of Federal Regulations and Chapter 321 and Title 10, Subtitles D and F of the Texas Government Code.

"Aid and Attendance Resident" or "A&A Resident" means a veteran Resident that receives a VA pension because the veteran Resident requires the aid and attendance of another person.

"Amendment" means a written agreement, executed by the Parties' authorized representatives, that documents changes to the Contract.

"Attachment" means documents, terms, conditions, or additional information physically attached to this Contract after the execution page or incorporated by reference herein.

"AWP" means average wholesale price of a drug reported by First DataBank®, Medi-Span®, or other third-party source.

"Brand Drug" means a drug so reported by First DataBank®, Medi-Span®, or other third-party source or as otherwise agreed upon by the Provider and the Board.

"Business Associate Agreement" means a written agreement between the Board and the Provider as required by 45 C.F.R. § 164.504(e).

"Census Information" means certain biographical and medical information pertaining to the Resident.

"C.F.R." means the Code of Federal Regulations.

"Charges" means the fees and charges for Medications and services for which the Board is the Payer or is otherwise responsible for payment to Provider.

"Comptroller" means the Texas Comptroller of Public Accounts.

"Contract" means this entire document, its Attachments and Amendments, and documents expressly incorporated by reference herein.

"Deliverables" means a unit or increment of work—including any item, report, data, document, photograph, drawing, process, computer program or code, or other submission—that is required to be delivered, in whatever form, under the terms of this Contract.

"Equipment" means mobile medication carts appropriate for the packaging system in use by Provider, facsimile machines, and such other equipment as Provider deems necessary for provision of the services to the Board.

"Fiscal Year" means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

"GAAP" means generally accepted accounting principles.

"GASB" means the Governmental Accounting Standards Board.

"General Affirmations" means the terms and conditions in **Attachment C**, attached hereto and incorporated herein for all purposes, that Provider affirms and agrees to by executing this Contract.

"Generic Drug" means drug, whether identified by its chemical, proprietary, or non-proprietary name, that (a) is substitutable for a drug under state law; or (b) if not addressed by state law, is accepted by the U.S. Food and Drug Administration as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient, and (s) is readily available to Pharmacy for dispensing from three or more of the non-affiliated top ten national manufacturers.

"GLO" means the Texas General Land Office and its officers, employees, and designees, acting in their official capacities.

"HHSC" means the Texas Health and Human Services Commission.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and associated statutes, regulations, and rules, including, Title 45 Parts 160 and 164 of the C.F.R.

"HITECH" means the Health Information Technology for Economic and Clinical Health Act, and associated statutes, regulations, and rules.

"HSP" means historically underutilized business subcontracting plan, as described by Chapter 2161 of the Texas Government Code.

"HUB" means historically underutilized business, as defined by Chapter 2161 of the Texas Government Code.

"Inclusion" means a Medication that is covered under the Per Diem Rate.

"Intellectual Property" means patents, rights to apply for patents, trademarks, trade names, service marks, domain names, copyrights and all applications and worldwide registration of such, schematics, industrial models, inventions, know-how, trade secrets, computer software programs, intangible proprietary information, other commercially valuable products of the human intellect, and all federal, state, or international registrations or applications for any of the foregoing.

"Medicaid Pending Resident" means a resident who has submitted an application for assistance to a state Medicaid program and is awaiting a determination as to whether the Resident is Medicaid eligible.

"Medication" means prescription and non-prescription drugs, biological and parenteral nutrition, and intravenous solutions.

"Mentor Protégé" means the Comptroller's leadership program found at https://comptroller.texas.gov/purchasing/vendor/hub/mentor.php.

"Operator" means the entity contracted to manage and operate the Veteran(s) Homes.

"Order" means those Medications, equipment and services so requested by the Board of Provider in accordance with the procedures set forth by Provider for placing such orders.

"OTC" means over-the-counter or stock Medication.

"Payer" means a Person responsible for the payment of Medications and services for a Resident.

"Person" means any natural person, corporation, partnership, limited liability company, trust, government entity and any other type of legal entity.

"Pharmaceutical" means a Prescription signed by a physician prescribing a drug that is not an OTC or a stock medication, to treat a Resident's medical condition.

"Prior Authorization or PA" means an intervention by a third-party Payer that denies or delays payment to Provider for a Medication or service ordered by the Board through its Operator until such time as the third-party Payer investigates the medical necessity of that Order or until such time as the Order is modified to qualify for payment by the third-party Payer.

"Private Pay Resident" means a Resident who has authorized Provider to be their provider of pharmaceutical services and who is not eligible for coverage under a third-party program accepted by Provider.

"Project" means all products and/or services described in **Section 1.03** of this Contract and Attachment A to be provided by Provider.

"Project Manager" means the Board representative responsible for the day-to-day management of the Project and the direction of Board staff and independent contractors performing work relating thereto.

"Prompt Pay Act" means Chapter 2251 of the Texas Government Code.

"Public Information Act" means Chapter 552 of the Texas Government Code.

"Resident" means a person who meets the eligibility requirements and is admitted to the Veterans Home to received skilled nursing care.

"Resident Day" means any portion of any day, except day of discharge, or residence at the facility for a Medicare A and Managed Care Resident, whether or not Provider provided any Medications or services to that Resident.

"Service-Connected" has the meaning prescribed by 38 C.F.R. § 3.1.

"Service-Connected Veteran" means any veteran with a Service-Connected disability rating by the VA. Determination of a service-connected disability rating at 70% or more should be determined by the hospital inquiry or the Service-Connected rating letter provided by the VA.

"Solicitation" means the Board's Request for Proposals No. X0023829B-KM (including any Attachments and addenda), which is incorporated herein by reference for all purposes in its entirety.

"Solicitation Response" means Provider's full and complete response to the Solicitation. The Solicitation Response is incorporated herein by reference for all purposes in its entirety, including any attachments and addenda.

"Stat" means any Order that is received after the established cut-off time and that must be delivered prior to the next cut off time and/or corresponding regularly scheduled delivery time.

"Subcontractor" means a person or entity that contracts with Provider to perform part or all of Provider's obligations under this Contract.

"Travel Regulations" means all applicable statutes, regulations, laws, and Comptroller guidance related to reimbursement for Provider's travel expenses, including: Title 34, Section 5.22, of the Texas Administrative Code; Chapter 660 of the Texas Government Code; the General Appropriations Act; and *Textravel*, the Comptroller's travel regulation guidance available on the Comptroller's website.

"VA" means the United States Department of Veterans Affairs.

"VA Eligible Resident" means A&A Residents, veteran Residents with a Service Connected disability rating between 50% and 60%.

"VA Formulary" means the National Formulary for medications as listed by the VA's Pharmacy Benefits Management Services, as updated by the VA and located at http://www.pbm.va.gov/nationalformulary.asp.

"Veterans Home(s)" means each of the Texas State Veterans Homes located in Amarillo, Big Spring, Bonham, El Paso, Floresville, Houston, McAllen, Temple, and Tyler Texas.

"VLB" means the Veterans Land Board and its officers, employees, and designees, acting in their official capacities.

"WAC" means the Wholesale Acquisition Cost of prescription and non-prescription Medications and items as reported by First DataBank®, MediSpan®, or other third-party source.

1.02 INTERPRETIVE PROVISIONS

(a) The meaning of a defined term applies to its singular and plural forms.

(b) The words "hereof," "herein," "hereunder," and similar words refer to this Contract as a whole and not to any particular provision, section, Attachment, or schedule of this Contract unless otherwise specified.

(c) The word "including" means "including, without limitation."

(d) Unless otherwise expressly provided, a reference to a contract includes subsequent amendments and other modifications thereto executed according to the contract's terms, and a reference to a statute, regulation, ordinance, or other law includes subsequent amendments, renumbering, recodification, and other modifications thereto by the enacting authority.

(e) The captions and headings of this Contract are for convenience of reference only and shall not affect interpretation of this Contract.

(f) The limitations, regulations, and policies contained herein are cumulative, and each must be performed in accordance with its terms without regard to other limitations, regulations, and policies affecting the same matter.

(g) Unless otherwise expressly provided, reference to any Board action by way of consent, approval, or waiver is deemed modified by the phrase "in its sole discretion." Notwithstanding the preceding, the Board shall not unreasonably withhold or delay any such consent, approval, or waiver.

(h) Time is of the essence in this Contract.

(i) If this Contract and any Attachments conflict, such conflicts shall be resolved in the following order of precedence: first, the Contract, then Attachments to the Contract in this order: **Attachment E, Attachment A**, **Attachment B**, **Attachment C**, **Attachment D**, **Attachment F,** the Solicitation, and the Solicitation Response.

1.03 PROJECT

(a) Provider shall provide pharmaceutical services including generic and brand name pharmaceuticals to the Veterans Homes owned by the VLB and a tenth Veterans Home that may open during the term of this Contract in strict accordance with the Scope of Services and Fee Schedule each attached hereto as **Attachment A** and **Attachment B**, respectively.

(b) Provider must perform the Project in accordance with this Contract and all Attachments, the Solicitation and Solicitation Response.

1.04 REPORTING REQUIREMENTS

Provider must timely submit monthly, quarterly, annual, and final reports in portable document format (.pdf) to GLO Project Manager John Berkely via email at John.Berkely@glo.texas.gov. Quarterly reports are due within two (2) weeks of the end of each quarter; the final report is due within sixty (60) days of expiration or termination of the Contract or completion of the Project.

II. TERM

2.01 DURATION

(a) This Contract is effective as of the November 1, 2021 (the "Effective Date") and shall terminate on August 31, 2024. The Board, at its own discretion and subject to applicable limitations in the General Appropriations Act and other law, may extend this Contract for up to one (1) additional three-year term, subject to terms and conditions mutually agreeable to both parties. If renewed, any renewal period shall begin on September 1 and end on August 31, always coinciding with the Board's fiscal year.

(b) This Contract is effective for the term specified herein. Any services Provider performs before the Effective Date (with respect to this Contract) or after the Contract's termination or expiration are performed at Provider's sole risk and the Board may choose not to compensate Provider for such services.

2.02 EARLY TERMINATION

The Board may terminate this Contract by giving Provider written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of a termination notice, Provider must immediately cease work, terminate all subcontracts,

and incur no further expense related to this Contract. Early termination shall be subject to the equitable settlement of the Parties' interests accrued up to the date of termination.

2.03 ABANDONMENT OR DEFAULT

If Provider abandons work or defaults on the Contract, the Board may terminate the Contract without notice.

III. CONSIDERATION

3.01 COMPENSATION

The GLO will compensate Provider, in accordance with **Attachment B**, **Fee Schedule**, in an amount not to exceed **$13,500,000.**

3.02 TRAVEL EXPENSES

(a) The Board will not reimburse Provider for travel expenses of any kind without prior written Board approval. The Board will only reimburse travel expenses directly attributable to Provider's performance of this Contract at the rates established or adopted by the Comptroller of the State of Texas, as outlined in the Travel Regulations.

(b) Subject to the maximum Contract amount authorized herein and upon specific, prior, written approval by the Board, lodging, travel, and other incidental direct expenses may be reimbursed under this Contract for professional or technical personnel who are working away from the cities in which they are permanently assigned and conducting business specifically authorized in the scope of services in **Attachment A**.

(c) The limits for reimbursements are the rates established or adopted by the Comptroller, as outlined in the Travel Regulations. **Provider understands and acknowledges that any travel-expense reimbursement by the Board is not a per diem. The Board will only reimburse actual, allowable expenses in accordance with the Travel Regulations. Provider must submit itemized receipts to support any request for travel-expense reimbursement.**

3.03 INVOICES

Invoices must:

(a) be submitted to vendorinvoices@glo.texas.gov

(b) be supported by documentation (including itemized receipts) that, in the judgment of the Board, allows for full substantiation of the costs incurred; and

(c) **prominently display GLO Contract Number 22-008-000-C938.**

3.04 PAYMENT

The Prompt Pay Act generally applies to payments to Provider. **However, the Prompt Pay Act does not apply if Provider does not send invoices that comply with this Contract to vendorinvoices@glo.texas.gov.** If Provider does not submit invoices in strict accordance with the instructions in this Contract, payment of invoices may be significantly delayed. The Board will not pay interest, fees, or other penalties for late payments resulting from Provider's failure to submit invoices in strict accordance with the instructions in this Contract.

IV. PERFORMANCE, AFFIRMATIONS, AND ASSURANCES

4.01 PERFORMANCE WARRANTY

(a) Provider warrants that it will perform all services under this Contract in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

(b) Provider warrants that all Deliverables it completes under this Contract will meet or exceed the standards of Provider's trade, profession, or industry; meet or exceed the specifications set forth in the Attachments; and be fit for ordinary use, of good quality, and with no material defects.

(c) If Provider submits Deliverables that do not meet specifications, fails to complete Deliverables timely, or fails to perform its obligations under this Contract, the Board may require Provider, at its sole expense, to:

(i) repair or replace Deliverables that do not meet specifications,

(ii) refund payment for Deliverables that do not meet specifications and accept the return of such Deliverables, and

(iii) take necessary action to ensure that future performance and Deliverables meet specifications and conform to the Contract.

4.02 GENERAL AFFIRMATIONS

Provider certifies it has reviewed the **General Affirmations** in **Attachment C** and that Provider is in compliance with all applicable requirements contained therein. Provider affirms and agrees to all conditions contained in **Attachment C**.

4.03 FEDERAL ASSURANCES AND CERTIFICATIONS

To the extent they apply, Provider certifies it has reviewed the Federal Assurances and Certifications in **Attachment D**, and that Provider is in compliance with all the applicable requirements contained therein. **Provider certifies it is in compliance with all other applicable federal laws, rules, or regulations, pertaining to this Contract.**

V. STATE FUNDING

5.01 STATE FUNDING

(a) This Contract shall not be construed as creating any debt on behalf of the State of Texas or the Board in violation of Article III, Section 49, of the Texas Constitution. The Board's obligations hereunder are subject to the availability of state funds. If adequate funds are not appropriated or become unavailable, the Board may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their interests accrued up to the date of termination.

(b) Any claim by Provider for damages under this Contract may not exceed the amount of payment due and owing Provider or the amount of funds appropriated for payment but not yet paid to Provider. **NOTHING IN THIS PROVISION SHALL BE CONSTRUED AS A WAIVER OF THE BOARD'S SOVEREIGN IMMUNITY.**

5.02 RECAPTURE OF FUNDS

The Board may recapture payments, including those for any unapproved expenditures, that it makes to Provider that exceed the maximum allowable rates; are not allowed under applicable laws, rules, or regulations; or are otherwise inconsistent with this Contract.

Provider must refund such recaptured payments within 30 days after the Board issues notice of recapture to Provider.

5.03 OVERPAYMENT

Provider shall be liable to the Board for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Provider shall reimburse such disallowed costs from funds other than those that Provider received under this Contract. Provider must refund disallowed costs and overpayments of funds received under this Contract to the Board within 30 days after the Board issues notice of overpayment to Provider.

VI. OWNERSHIP AND INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND INTELLECTUAL PROPERTY

(a) The Board shall own, and Provider hereby irrevocably assigns to the Board, all ownership rights, title, and interest in and to all Intellectual Property acquired or developed by Provider pursuant to this Contract, including, without limitation, all Intellectual Property in and to reports, drafts of reports, data, drawings, computer programs and codes, and/or any other information or materials acquired or developed by Provider under this Contract. The Board may obtain and hold in its name any and all patents, copyrights, trademarks, service marks, registrations, or such other protections, including extensions and renewals thereof, as may be appropriate to the subject matter.

(b) Provider must give the Board and the State of Texas, as well as any person designated by the Board or the State of Texas, all assistance and execute documents required to perfect the rights granted to the Board herein, without any charge or expense beyond the stated amount payable to Provider for the services authorized under this Contract.

(c) The Board and Provider retain, both during and after the term of this Contract, exclusive ownership of all rights, title, and interest in and to their respective pre-existing Intellectual Property as of the effective date of this Contract.

6.02 COPYRIGHT

(a) Provider agrees and acknowledges that all expressive content subject to copyright protection, including, without limitation, all reports, drafts of reports, drawings, artwork, photographs, video, computer programs and codes, and/or any other expressive content acquired or developed by Provider pursuant to this Contract (individually a "Work" and collectively the "Works") will be made the exclusive property of the Board. Provider acknowledges that each Work is a "work made for hire" under the United States Copyright Act of 1976. All rights in and to each Work, including the copyright to the Work, shall be and remain the sole and exclusive property of the Board.

(b) If, for any reason, any Work or any portion of a Work is not a work made for hire, Provider hereby irrevocably assigns to the Board ownership of all rights, title and interest in and to the Works or such portion of any Work. Such rights, title, and interest include, without limitation, the entire and exclusive copyright in the Works and all rights associated with the copyright, including reproduction rights, distribution rights, the right to prepare translations and other derivative works, and the right to display the Works in all formats and media now known or developed in the future.

(c) Provider must give the Board and the State of Texas, as well as any person designated by the Board or the State of Texas, all assistance required to perfect the rights defined herein that were granted to the Board, without any charge or expense beyond the stated amount payable to Provider for the services authorized under this Contract.

(d) Provider grants to the Board a worldwide, royalty-free, fully paid-up, perpetual, non-exclusive, and irrevocable license to any pre-existing Intellectual Property it has right, title, or interest in, to the extent such license is required to reproduce, publish, publicly display, distribute, or create derivative or new works and otherwise use, exploit, or authorize others to use and exploit any Work or product created under this Contract.

(e) Provider must not use any Work, product, or Intellectual Property acquired for or created pursuant to this Contract for any other purpose than performance of this Contract without the prior written approval of the Board.

6.03 PUBLICATION

Reports, publications, presentations, and all other materials produced by Provider with funding provided in whole or in part under this Contract must carry on the front cover or title page of such items appropriate acknowledgement of financial or other support by the Board and, if applicable, all federal entities providing funds or other support for the Project.

VII. MISCELLANEOUS PROVISIONS

7.01 INSURANCE

For the duration of this Contract, Provider must acquire and maintain insurance and bonds with financially sound and reputable insurers licensed by the Texas Department of Insurance in the type, amount, and form required by **Attachment F** of this Contract, **Required Insurance**. Provider must submit to the Board certificates of insurance and other documents necessary to establish to the Board's satisfaction that Provider carries the types and amounts of insurance specified in this Contract. If the insurance needs change or the Board determines any policy does not comply with the terms of this Contract, Provider must secure such additional policies or coverage that the Board may reasonably request or that are required by law or regulation. If coverage expires during the term of this Contract, Provider must submit renewal certificates to the Board evidencing continuity of coverage.

7.02 TAXES, WORKERS' COMPENSATION, AND UNEMPLOYMENT INSURANCE

(a) Provider shall be solely liable and responsible for payment of Provider's and Provider's employees' taxes of whatever kind, arising out of the execution or performance of the Contract. Provider must comply with all state and federal laws—including laws regarding wages, taxes, insurance, and workers' compensation—that apply to Provider or its employees. The Board and the State of Texas shall not be liable to Provider or its officers, agents, employees, representatives, contractors, assignees, designees, or others for the payment of taxes or the provision of unemployment insurance, workers' compensation, or any benefit available to a state employee or employee of another governmental entity.

(b) Provider shall indemnify, defend, and hold harmless the State of Texas, the Board, and/or their officers, agents, employees, representatives, contractors, assignees, and/or designees from and against any and all liability, actions, claims,

demands, damages, proceedings, or suits and all related costs, attorney fees, and expenses arising out of, connected with, or resulting from tax liability, unemployment insurance, or workers' compensation in the execution or performance of the Contract and any purchase orders issued under the Contract. Provider shall be liable to pay all costs of defense, including attorneys' fees. Provider must coordinate its defense with the Board and the Office of the Texas Attorney General or other Board legal counsel if the Board is a named defendant in any lawsuit arising out of the execution or performance of the Contract. Provider may not agree to the settlement of any such lawsuit or other claim without first obtaining the written consent of the Board and, if applicable, the Office of the Attorney General or other Board legal counsel. The Parties must furnish timely written notice to each other of any action, claim, demand, or suit described herein.

7.03 LEGAL OBLIGATIONS

For the duration of this Contract, Provider must procure and maintain any license, authorization, insurance policy, waiver, permit, qualification, or certification that a federal, state, county, or city statute, ordinance, law, or regulation requires Provider to hold to provide the goods or services required by this Contract. Provider must pay all taxes, assessments, fees, premiums, permit fees, and license fees required by law. Provider must pay any such government obligations not paid by its Subcontractors during performance of this Contract.

7.04 INDEMNITY

Provider shall indemnify, defend, and hold harmless the State of Texas, the Board, and their officers, agents, employees, representatives, contractors, assignees, and designees from any liability, actions, claims, demands, damage, or suits and all related costs, attorney fees, and expenses arising out of, or resulting from any acts or omissions of Provider or its agents, employees, Subcontractors, order fulfillers, or Subcontractors' suppliers in the execution or performance of the Contract and any purchase orders issued under the Contract. Provider must coordinate its defense with the Board and the Office of the Texas Attorney General or other Board legal counsel if the Board is a named defendant in any lawsuit arising out of the execution or performance of the Contract. Provider may not agree to settle any such lawsuit without the concurrence of the Office of the Texas Attorney General or other Board legal counsel. The Parties must furnish timely written notice to each other of any action, claim, demand, or suit described herein.

7.05 INTELLECTUAL PROPERTY INFRINGEMENT

(a) Provider shall indemnify, defend, and hold harmless the State of Texas, the Board, and/or their officers, agents, employees, representatives, contractors, assignees, and/or designees from and against any and all liability, actions, claims, demands, damages, proceedings, or suits and all related costs, attorney fees, and expenses arising out of, connected with, or resulting from infringement of any United States patent, copyright, trade or service mark, or any other intellectual or intangible property right that occurs in the execution or performance of the Contract and any purchase orders issued under the Contract. Provider shall be liable to pay all costs of defense, including attorney fees. Provider must coordinate its defense with the Board and the Office of the Texas Attorney General or other Board legal counsel if the Board is a named defendant in any lawsuit arising out of the execution or performance of the Contract. Provider may

not agree to settle any such lawsuit without the concurrence of the Board and, if applicable, the Office of the Texas Attorney General or other Board legal counsel. The Parties must furnish timely written notice to each other of any action, claim, demand, or suit described herein.

(b) If Provider becomes aware of an actual or potential claim of Intellectual Property infringement caused by or resulting from Provider's performance of this Contract or the Board provides Provider with notice of such claim, Provider must, at Provider's sole expense: (i) procure for the Board the right to continue to use the affected portion of the product or service or (ii) modify or replace the affected portion of the product or service with a functionally equivalent or superior product or service so that the Board's use is non-infringing.

7.06 ASSIGNMENT AND SUBCONTRACTS

Provider must not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the prior written consent of the Board. Any attempted assignment, transfer, or delegation in violation of this provision is void and without effect. Notwithstanding this provision, it is mutually understood and agreed that Provider may subcontract with others for some or all of the services to be performed. In any approved subcontracts, Provider must legally bind such Subcontractor to perform and make such Subcontractor subject to all the duties, requirements, and obligations of Provider as specified in this Contract. Nothing in this Contract shall be construed to relieve Provider of the responsibility for ensuring that the goods delivered and/or the services rendered by Provider and/or any of its Subcontractors comply with all the terms and provisions of this Contract. Provider will provide written notification to the Board of any such Subcontractor performing fifteen percent (15%) or more of the work under this Contract. Such notification must include the name and Texas Identification Number of Subcontractor, the task(s) being performed, and the number of Subcontractor employees expected to work on the task.

7.07 HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS) / MENTOR PROTÉGÉ PROGRAM

Provider must notify the Board of HUB Subcontractors performing under this Contract through the submission of an HSP to the Board for approval. During the term of the Contract, Provider must submit monthly compliance reports (Prime Contractor Progress Assessment Report) to HUB@glo.texas.gov detailing any HUB Subcontractor participation. Provider must submit proposed modifications to its HSP to the Board for prior approval through an HSP Change Order. Provider may not modify its HSP without the Board's prior written approval. If Provider modifies its HSP without the Board's prior written approval, the Board may initiate remedial action as provided in Chapter 2161 of the Texas Government Code.

7.08 RELATIONSHIP OF THE PARTIES

Provider is associated with the Board only for the purposes and to the extent specified in this Contract. Provider is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Provider or any other party. Provider shall be solely responsible for, and the Board shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage;

accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

7.09 COMPLIANCE WITH OTHER LAWS

In its performance of this Contract, Provider must comply with all applicable federal, state, and local laws, statutes, ordinances, and regulations, including federal and state anti-kickback statutes and safe harbors to such statutes and associated rules and regulations. Provider is deemed to know of and understand all applicable laws, statutes, ordinances, and regulations.

7.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail (postage paid, certified, return receipt requested) or with a common carrier (overnight, signature required) to the appropriate address below:

GLO
Texas General Land Office & Texas Veterans Land Board
1700 N. Congress Avenue, 7th Floor
Austin, Texas 78701
Attention: Contract Management Division

Provider
Omnicare Pharmacy of Texas 1, LP
14450 Trinity Blvd. Ste. 200
Fort Worth, Texas 76155
Attention: Matthew Lerner

Notice given in any other manner shall be deemed effective only upon receipt by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

7.11 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

7.12 FORCE MAJEURE

Except with respect to the obligation of payments under this Contract, if either of the Parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected Party (collectively referred to as a "Force Majeure"), then, while so prevented, the affected Party's obligation to comply with such covenant shall be suspended, and the affected Party shall not be liable for damages for failure to comply with such covenant. In any such event, the Party claiming Force Majeure must promptly notify the other Party of the Force Majeure event in writing, and, if possible, such notice must set forth the extent and duration thereof. The Party claiming Force Majeure must exercise due diligence to prevent, eliminate, or overcome such Force Majeure event when it is possible to do so and must resume performance at the earliest possible date. However, if nonperformance continues for more than thirty (30) days, the Board may terminate this Contract immediately upon written notification to Provider.

7.13 ENTIRE CONTRACT AND MODIFICATION

This Contract, its Attachments, its Amendments, and any purchase order issued in conjunction with this Contract constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the subject matter hereof. Any additional or conflicting terms in any Attachment, Amendment, or purchase order shall be harmonized with this Contract to the extent possible. Except as provided herein, this Contract may be amended only by a mutual, written agreement executed by authorized representatives of the Parties.

7.14 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute one and the same Contract.

7.15 DISPUTE RESOLUTION

Except as otherwise provided by statute, rule, or regulation, Provider must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE BOARD.**

7.16 GOVERNING LAW, VENUE, AND SOVEREIGN IMMUNITY

The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless a specific venue is otherwise identified in a statute that directly names or otherwise identifies its applicability to the Board. Provider irrevocably waives any objection—including any objection to personal jurisdiction—it has or may have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any related document. **NOTHING IN THE CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE BOARD OR THE STATE OF TEXAS.**

7.17 BOOKS AND RECORDS

Provider shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the GLO/VLB, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives sufficient information to determine Provider's compliance with this Contract and all applicable state, federal, and local laws, rules, regulations, and statutes.

7.18 INSPECTION AND AUDIT

(a) All records related to this Contract, including records of Provider and its Subcontractors, shall be subject to the Administrative and Audit Regulations.

(b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, an entity that is the

subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. If work performed under this Contract is federally funded, the Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection. Provider shall ensure that this clause concerning the authority to audit funds received indirectly by Subcontractors through Provider and the requirement to cooperate is included in any subcontract it awards.

(c) State agencies authorized to audit and inspect Provider and its records, Subcontractors, and Subcontractors' records include the GLO/VLB, the GLO/VLB's contracted examiners, the State Auditor's Office, the Texas Attorney General's Office, the Texas Comptroller of Public Accounts, and their authorized designees. With regard to any federal funding, federal agencies authorized to audit and inspect Provider and its records, Subcontractors, and Subcontractors' records include any relevant federal agency, the Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, and their authorized designees.

7.19 RECORDS RETENTION

Each Party must retain in its records the Contract and all documents related to the Contract. Unless a longer retention period is specified by applicable law or regulation, the Parties may destroy the Contract and related documents only after the seventh anniversary of the date: the Contract is completed, terminates, or expires; or the date when all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the Contract or related documents are resolved.

7.20 CONFIDENTIALITY/HIPAA & TEXAS MEDICAL RECORDS PRIVACY ACT COMPLIANCE

To the extent permitted by law, Provider and the Board shall keep all information, in whatever form produced, prepared, observed, or received by Provider or the Board, confidential to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by Provider or the Board; or (c) information that Provider or the Board is otherwise required to keep confidential by this Contract. Provider must not advertise that it is doing business with the Board, use this Contract as a marketing or sales tool, or make any communications or announcements relating to this Contract through press releases, social media, or other public relations efforts without the prior written consent of the Board.

Provider shall comply with HIPAA, HITECH, the Texas Medical Records Privacy Act, Tex. Health & Safety Code Chapter 181, and any associated statutes, regulations, and rules. Provider shall execute and abide by the terms of the Business Associate Agreement attached hereto as **Attachment E** and incorporated herein.

7.21 PUBLIC RECORDS

The Board shall post this Contract to the Board's website. Provider understands that the Board will comply with the Texas Public Information Act (Texas Government Code Chapter 552, the "PIA"), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas (the "Attorney General"). Information, documentation, and other material in connection with this Contract may be subject to public disclosure pursuant to the PIA. In accordance with Section 2252.907 of the Texas Government

Code, Provider is required to make any information created or exchanged with the Board or the State of Texas pursuant to the Contract, and not otherwise excepted from disclosure under the PIA, available to the Board in portable document file (".pdf") format or any other format agreed upon between the Parties that is accessible by the public at no additional charge to the Board or the State of Texas. By failing to mark any information that believes to be excepted from disclosure as "confidential" or a "trade secret," Provider waives any and all claims it may make against the Board for releasing such information without prior notice to. The Attorney General will ultimately determine whether any information may be withheld from release under the PIA. Provider shall notify the Board's Office of General Counsel within twenty-four (24) hours of receipt of any third-party written requests for information and forward a copy of said written requests to PIALegal@glo.texas.gov. If a request for information was not written, Provider shall forward the third party's contact information to the above-designated e-mail address.

7.22 SURVIVAL OF TERMS AND CONDITIONS

The terms and conditions of this Contract related to the following subjects shall survive the termination of this Contract: definitions; interpretive provisions; consideration; warranties; General Affirmations, Federal Assurances; state funding, prohibition on debts created on behalf of the State of Texas and/or the Board, recapture of state funds, and overpayment of state funds; limitation of any Provider claim for damages to the amount of funds appropriated for payment but not yet paid to Provider; ownership, Intellectual Property, and copyright; records retention requirements; inspection and audit; confidentiality/HIPAA and Texas Medical Privacy Act compliance; public records; insurance; taxes; workers' compensation; unemployment insurance; Provider's obligation to procure and maintain, at its sole expense, all government licenses, authorizations, insurance, waivers, permits, and/or qualifications necessary for Provider or any Subcontractors to provide the goods or services described in this Contract; indemnification and liability; infringement of Intellectual Property rights; assignment and subcontracting; relationship of the Parties; compliance with laws; notices; governing law and venue; severability; dispute resolution; merger and integration; invoice and fee verification; property rights; default; and amendment. Terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of this Contract shall so survive.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE FOR GLO CONTRACT NO. 22-008-000-C938
SERVICES CONTRACT

GENERAL LAND OFFICE & VETERANS LAND BOARD	**OMNICARE PHARMACY OF TEXAS 1, LP**
_____	_____
Mark A. Havens, Chief Clerk/ Deputy Land Commissioner Executive Secretary, VLB	Name: _____ Title: _____
Date of execution: _____	Date of execution:_____

OGC_____

DD_____

DGC _____

GC_____

ATTACHED TO THIS CONTRACT:

ATTACHMENT A – Scope of Services

ATTACHMENT B – Fee Schedule

ATTACHMENT C – General Affirmations

ATTACHMENT D – Federal Assurances and Certifications

ATTACHMENT E – Business Associate Agreement

ATTACHMENT F – Required Insurance

INCORPORATED BY REFERENCE:

SOLICITATION

SOLICITATION RESPONSE

ATTACHMENTS FOLLOW

SCOPE OF SERVICES

1.1 Resident Classification

Provider shall provide pharmaceutical services to all Residents as directed by Operator staff. Primary Resident Classifications are as follows:

- Veteran Residents
  - Veteran Residents not eligible for A&A coverage and have no Service-Connected disability rating;
  - Veteran A&A Residents;
  - Veteran Residents with an Service-Connected disability rating less than 50%;
  - Veteran Residents with an Service-Connected disability rating between 50% and 60%; and
  - Veteran Residents with an Service-Connected disability rating of 70% or above.
- Medicare Part A Residents
  - Veteran Residents (all classifications except veterans with an SCD rating of 70% or above); and
  - Non-veteran Residents.
- Non-veteran Residents (Resident is responsible for medication costs).

Certain Veteran Residents, listed below, are entitled to VA prescription benefits; therefore, their prescriptions are filled at a VA facility. Provider shall only be required to fill prescriptions for the following Resident Classifications (collectively "VA Eligible Veteran Residents") for new orders or under emergency or extraordinary circumstances.

- Veteran A&A Residents - All prescriptions should be filled by the VA;
- Veteran Residents with a Service-Connected disability rating between 50% and 60% - All prescriptions should be filled by the VA; and
- Veteran Residents with a Service-Connected disability rating less than 50% - the VA should fill those prescriptions for medications needed to treat the disability, or disabilities, responsible for the Service-Connected disability rating.

Notwithstanding the preceding, if the VA is unable to fill a prescription for VA Eligible Veteran Residents, Provider must fill the prescription.

The Board or the Operator will provide Provider with a list of VA Eligible Veteran Residents in each respective Veterans Home. Provider shall perform screen checks for VA Eligible Veteran Residents to avoid inadvertently filling their prescriptions. In an emergency case, if requested by the Board through its Operator, Provider must fill VA Eligible Veteran Resident prescriptions on a temporary basis in quantities sufficient to allow the Operator to fill the prescription through the VA.

Provider shall treat charges for Veteran and Non-Veteran Medicare A residents separately in order to comply with CMS consolidated billing requirements. Provider will follow the VA's developed payor source for the seventy percent (70%) Service-Connected Veterans which mirrors the Medicare A consolidated billing payor source. Provider shall set up separate payor sources for tracking these resident categories in addition to the VA Eligible Residents.

1.2 Co-Located Pharmacies and Distribution Processes

For handling emergency prescriptions, Providers shall make use of its nine (9) long-term care pharmacies located throughout the State of Texas (each a "Pharmacy" and collectively the "Pharmacies") co-located in close proximity to Texas State Veterans Homes. Provider shall utilize, to the extent possible, its pharmacy nearest to each home for distribution to each individual home.

1.3 Hours of Operation

At a minimum Provider must provide pharmaceutical services during normal business hours (8:00 a.m. to 5:00 pm CST, Monday through Friday) In addition, Provider must also provide emergency after-hours, weekend, and holiday service. Emergency service must be available twenty-four (24) hours per day, seven (7) days per week. For "emergency service" orders, time is of the essence.

1.4 Pick-up and Delivery/Shipping

a) Provider shall make routine deliveries to each Texas State Veterans Home in accordance with Provider's Solicitation Response, but at a minimum of three times per week. The regular schedule and delivery locations are to be determined after consultation with the Board and with the Operator. Routine deliveries shall be made within reasonable times and without unreasonable delay. For routine deliveries, "reasonable time" means that the orders will be delivered within seventy-two (72) hours of receipt of the order.

b) All Stat and emergency deliveries will be in addition to Provider's routine deliveries. Provider agrees that for Stat and emergency orders time is of the essence. Provider may utilize local contracted pharmacies for emergency prescription orders.

c) Upon delivery, all delivery containers shall contain a delivery receipt which shall be reviewed and signed by the Operator's designated licensed nurse. Provider's delivery agent will, at a minimum, request signatures for the following documents:

- Delivery receipts for non-controlled substances;
- Delivery receipts for controlled substances; and
- Signature sheets for Stat and emergency deliveries.

d) Provider shall maintain all medications in the proper manufacturer's recommended environmental climate control levels. Refrigerated medications shall be delivered in insulated containers with "cold packs" to keep the medications at the required temperatures. The insulated containers will be placed within the delivery container and will be signed for by Operator staff.

e) Provider shall advise the Operator immediately of any delays or deviations from the above-specified delivery and shipping requirements. If Provider anticipates or encounters a medication delay lasting longer than forty-eight (48) hours, Provider's pharmacist shall contact the Operator or the prescribing physician to arrange for an alternative therapy.

f) If special conditions occur, such as manufacturer drug allotments, Provider is responsible for making every effort to obtain the requested drug from the manufacturer or from any other source. In the event that a drug is not available, Provider's pharmacist shall contact the Operator of the prescribing physician to arrange for an alternative therapy.

g) Provider will utilize the delivery procedures currently in place due to the COVID-19 pandemic for as long as required to ensure the health, welfare and safety of individuals. Provider shall comply with any and all COVID-19 safety protocols implemented at each Texas State Veterans Home.

1.5 Packaging

Provider shall utilize a thirty-day (30) blister card system for the packaging of medication. The blister card packaging and labeling shall conform with federal, state, and local law. All blister card labels shall include patient name, name of drug (both generic and trade name including tall-man lettering), dosage amount, lot number, expiration date, manufacturer name, physician name, pharmacist's initials, precautions, and time of administration. The thirty-day blister cards will be dispensed with the amount of medication as prescribed by the physician, whether it is a thirty-day supply or a lesser amount. Provider shall utilize the thirty-day blister card system for both prescription and over-the-counter medications. All blister cards will have a tamper evidence closure and will be sealed to prevent moisture of other factors from interfering with the therapeutic value of the medications.

Controlled substances shall be packaged in thirty (30) day blister cards containing the number of doses to be administered by the Operator. Controlled substances that require refrigeration shall be maintained in a secure container in the refrigerator at the facility.

Provider shall abide by and follow all required state and federal laws, rules and regulations pertaining to the dispensing of controlled substances and narcotic medications.

Dispensing quantities of prescription medications shall not exceed a thirty (30) day supply, unless specifically requested by the ordering clinician.

Prior to each delivery a Provider pharmacist shall visually check the blister cards.

1.6 Returns

a) As permitted by federal and state law, Operator or the Board may return eligible medications for credit.

b) Unused medications may be returned to Provider in the event of discharge, death, or discontinuation, with the following exceptions:

- If the safety seal is broken on ointments, creams, liquids, or eye drops;
- Inhalers not in the original safety packaging;

- Reconstituted products;
- Flu vaccines;
- Refrigerated items that are not returned in a cooler;
- Soiled, damaged, or manipulated products/blister cards;
- Self-administration and teaching medications;
- TPN or pre-mixed medications;
- IV supplies;
- Syringed medications prepared at Provider's pharmacy;
- Medications dispensed more than 60 days before being returned;
- Compounded medications;
- Controlled substances (except as allowed by federal regulations); and
- Medications that are written upon or defaced by facility staff.

Controlled substances cannot be returned to the pharmacy for credit EXCEPT:

- An item incorrectly ordered by the facility and/or incorrectly prepared by the pharmacy; and
- A correctly ordered and prepared item was refused upon pharmacy delivery (i.e., order was discontinued or resident expired before the item was delivered).

For controlled substances that may not be returned, Provider shall assist Operator in completing the forms required for the destruction of controlled substances.

c) If a medication is eligible for credit, credit will be issued upon the following criteria:

- All return medications will be returned and handled according to all state and federal rules and regulations; and
- Return medication forms will be provided to the Operator or to the Board for documentation purposes.

Credit (in the amount initially charged) will be issued for properly returned medications.

1.7 Medication Carts and Equipment

a) Provider shall provide medication and treatment carts as required to provide pharmacy services at the Texas State Veterans Homes at no charge to the GLO/VLB.

b) Any and all equipment provided by Provider for use at any Texas State Veterans Home, including without limitation, medication carts, crash carts, treatment carts, scanners, fax machines, and any other equipment necessary for the provision of pharmacy services, shall remain the property of Provider, which ownership shall be marked accordingly. The equipment shall be used for pharmacy services only.

c) In the event that any Provider provided medication cart, fax machine, or other equipment requires maintenance, and upon notification from the Operator or from the Board, Provider will deploy staff to the facility to perform the required maintenance on-site. If the maintenance cannot be performed on-site, Provider will provide interim equipment and will transport the equipment off-site for maintenance or replacement. Replacement equipment shall be of the same type and style as that which was removed.

1.8 Emergency Kits and Leave of Absence Medications/Travel Packs

a) Provider shall provide, for immediate administration, tamper-resistant emergency drug kits/E-boxes and c-boxes, containing medication not otherwise obtainable at the time required, to alleviate pain, infection, modify dangerous behavior, or preserve life. Kits shall be available and stored in such a manner that is within the parameters of all state statutes and federal regulations and rules. Kits shall be inventoried monthly. Provider shall collaborate with the Operator's staff to establish and update the list of medications to be maintained in the emergency kits.

b) Provider shall provide leave of absence medications in conventional properly-labeled prescription containers within 48 hours.

1.9 Formulary Management

a) VA Formulary and Generics First Approach. Provider shall match the VA Formulary and substitute generic drugs when available unless directed by the physician to "Dispense as Written." Provider will work, on an ongoing basis, with the Operator, the Operator's medical director or with the Board (only in instances where appropriate and compliant with all applicable laws and regulations) to be certain formulary medications are clinically suitable and represent the lowest cost alternative to Texas State Veterans Homes. Provider shall utilize generics with at least an AB rating and the manufacturer will remain consistent whenever possible. When brand-name medications become generically available, Provider shall use its best efforts to generically substitute these new generic items, whenever possible, within 7-10 days from that brand-named medication becoming generically available.

b) RxClaim Clinical Edits. Where clinically appropriate, branded medications may have a pharmacy operating system edit in place to prompt for a short supply, length of therapy limit or require a Prior Authorization to dispense the medication.

c) Focus on Cost & Utilization. Provider shall address utilization of specific, high cost, high utilization agents through quantity limits (e.g., Low Molecular Weight Heparins, blood Modifiers); Prior Authorizations (e.g., appetite stimulants); dosage form modifications (e.g., Vancomycin capsules to compounded oral solution) and length of therapy.

d) Therapeutic Interchange Program. Provider shall develop specific interchange protocols built upon the principles of evidenced based medicine, clinical integrity, and financial transparency. Provider will utilize a centralized process for developing therapeutic interchange programs that will consider the relative therapeutic interchange programs that will consider the relative therapeutic or pharmaceutical attributes of the drugs subject to the therapeutic interchange and, secondarily, to the relative prices of the drugs subject to the therapeutic interchange. Provider will collaborate with the Operator or with the

GLO/VLB to implement formulary management for drugs paid for by GLO/VLB as part of Medicare A or managed care stays.

e) Preview Pre-Admission Screening Tool. Provider shall assist the Operator with therapeutic interchange opportunities, prior to Resident admission, to a clinically superior or equivalent medication.

f) Facility Specific Formulary. Where allowed by law, Provider will implement a facility specific formulary.

1.10 Billing and Charges

a) The GLO/VLB is responsible for the cost of Medications for all Veteran Residents except for VA Eligible Residents.

b) Medicare Part D and other third-party Payer formulary management. For residents with coverage under a third-party prescription benefit plan, such as Medicare Part D, Medicaid, or a commercial insurer, Provider will coordinate with its dispensing pharmacy to:

- Recommend a covered alternative when a Resident is prescribed a non-covered drug (these recommendations are made on a Resident/situation specific basis);
- Work with the Operator or with the GLO/VLB to submit the appropriate documentation to the Medicare Part D plan to allow payment when a Resident is prescribed a drug subject to a prior authorization ("PA") or medical exceptions for clinical reasons; and
- Assist in resolving claims that are rejected for clinical reasons.

  Where applicable, Provider will provide the prescribing physician all necessary forms mandated for the payer to seek a PA, an exception to a non-formulary status, an exception to a quantity limit or any other applicable exception to the coverage restriction.

c) Prior Authorization. Prescriptions that are rejected by the Payer which necessitate a Prior Authorization and medical exceptions shall be primarily processed by Provider. Provider will generate a form that will provide the prescriber with covered alternatives for the payer. In the event that the prescriber wishes to pursue a Prior Authorization or a medical exception, Provider will provide the prescriber with any necessary forms for the process as mandated by the payer to seek a Prior Authorization, an exception to a non-formulary status, an exception to a quantity limit, or any other applicable exception to the coverage restriction.

d) Medicaid Pending. For Medicaid Pending Residents, Provider shall identify and appropriately bill Residents or the Resident's responsible party with pending Medicaid applications. Identified Residents shall have all charges billed to the responsible party, or their primary coverage with co-pays billed to the responsible party, via a monthly invoice. When the Medicaid application is approved, the charges will be re-billed for the appropriate retroactive coverage date. At that time, any Medicaid non-covered charges, both retroactive and future, may be billed to the GLO/VLB. Provider will attempt to find coverage for Residents upon admission as well as monthly for any outstanding balance accounts.

e) Automatic Split Billing. When a Medicare Part A Resident is discharged from a Texas State Veterans Home for a stay consisting of less than thirty (30) days, Provider's system will act automatically halt the dispensing of medication and will issue a credit memo to the GLO/VLB for the unused portion of the Medicare Part A prescription. The Provider will then automatically generate a charge to the new payer for the unused portion.

f) Non-Covered Medications. Non-covered Medications will be billed to Residents directly by Provider. To the extent that the non-covered Residents later obtain some type of third-party coverage, Provider will work with the Residents to have any newly-covered items re-billed to the appropriate third-party pay source. For a dual-eligible resident who has both Medicare and Medicaid coverage, a non-covered Medication will be billed to the GLO/VLB.

1.11 Electronic Ordering, Electronic Invoicing, and Web-Interface

For electronic ordering, electronic invoicing, and web-interface, Provider will utilize its internal pharmacy dispensing system as described in Provider's Solicitation Response and in accordance with updated industry encryption standards.

1.12 Additional Services

a) COVID-19 Vaccinations. If requested by the Operator, Provider shall provide COVID-19 vaccinations and shall manage the storage, delivery logistics and vaccine administration reporting.

b) Annual Quality Review. If requested by the GLO/VLB, Provider shall provide annual quality review services as outlined and in accordance with Provider's Solicitation Response.

c) Quality Assurance. If requested by the GLO/VLB, Provider shall provide the quality assurance services as outlined and in accordance with Provider's Solicitation Response.

d) Quality Improvement. If requested by the GLO/VLB, Provider shall provide the quality improvement services as outlined and in accordance with the Provider's Solicitation Response.

1.13 Reporting and Analysis

Provider shall develop custom reports, as may be requested by the GLO/VLB. The reports shall contain, at a minimum, the following data:

- A cost analysis on pre-admitted residents;
- An automated electronic daily census extract and payer status change;
- A profile of each resident, physician, payer source, pharmacy, and Texas State Veterans Home;
- A list of high-cost drugs, per facility;
- A summary invoice and detail billing file to support orders filled and charges billed for each home;

Reports shall be provided to the GLO/VLB in Microsoft® Excel®, or compatible, format containing the data fields reasonably requested by the GLO/VLB.

In addition, the following reports are for the GLO/VLB to review at any time:

- Total orders filled in the prior month (new and refills);
- Total number of doses dispensed for formulary brand, non-formulary brand, and generics;
- Total cost for non-formulary vs. formulary orders;
- Percentage of residents on medication by gender;
- Number of prescriptions, per resident, by gender;
- Prescriber profile for each prescriber;
- Top non-formulary prescriptions by prescriber;
- Detail of orders written by class of drug;
- Summary of orders by therapeutic class;
- Percentage of total orders for each prescriber by class of drug;
- Non-formulary orders by class of drug;
- Breakdown of total drug cost by class;
- Top ten psychotropic drugs by cost;
- Top ten non-psychotropic drugs by cost;
- Top OTC medications by cost;
- Quarterly graphs that illustrate utilization patterns;
- Drug history and physician prescribing reports; and
- Any and all other reports requested by the GLO/VLB.

1.14 Quarterly Meetings

Provider shall conduct a quarterly business meeting. In attendance at the quarterly meeting shall be the Provider's pharmacist, designated provider staff, and the designated GLO/VLB staff or the GLO/VLB's On-Site Representative. At the quarterly meeting, Provider will present a Quarterly Business Meeting Report. The Quarterly Business Meeting Report shall consist of, at a minimum, six (6) components: (i) Service and Financial Overview; (ii) Clinical Utilization Review; (iii) Infusion Updates; (iv) Industry Updates and Business Plan Update; and (vi) Open Discussion. The Quarterly Business Meeting will be in addition to the standard quarterly consultant pharmacist meeting.

1.15 HIPAA and Texas Medical Records Privacy Act Compliance

Provider shall comply with the HIPAA, HITECH, and the Texas Medical Records Privacy Act, TEX. HEALTH & SAFETY CODE 181. Provider is required to execute the Business Associate Agreement, incorporated herein as **Attachment E**.

1.16 Drug Discount Coupons

Subject to Provider's participation in the coupon program, the patient's eligibility, and compliance with all applicable terms, conditions, laws and regulations, including all state and federal anti-kickback laws, Provider will honor commonly available pharmacy drug discount coupons when doing so will result in cost savings for the GLO/VLB.

Fee Schedule

1. **Calculations of Charges:** The Charges for Medications shall be established as follows:

   a. Non-IV and Non-TPN Pricing:
      i. Rx Brand: WAC + $1.00
      ii. RX Generic: AWP – 90% + $1.00
      iii. OTC Brand: WAC + 10% + $1.00
      iv. OTC Generic: WAC +15% + $1.00

   b. Bulk House Stock:
      i. Brand: WAC + 10%
      ii. Generic: WAC + 15%

   c. Intravenous (IV) Drug Therapy Pricing: The Board shall compensate Provider for IV Drug Therapy Services at the rates in the table included in Section 3 of this **Attachment B**. IV Supply Per Diem Pricing shall include all IV pumps and disposable IV supplies that are necessary to administer IV medications in compliance Provider's Infusion Policy, FDA, INS, and OSHA requirements and guidelines. These may include, without limitation, IV pumps, infusion sets/tubing, peripheral IV catheters, IV start kits, CVAD dressing change kits, needle-less supplies/connections. Diluents, prefilled IV Flush Syringes, and elastomeric devices are not included in the per diem or per does charges unless otherwise noted.
      i. Per dose charges: The per dose charges shall be applied to each IV dose that is dispensed unless otherwise noted.
      ii. Per diem charges: The per diem fees will be applied to each drug dispensed for each day of service unless otherwise noted. (Example: If a Resident receives 2 different IV antibiotic drugs for 7 days, with drug A administered once per day and drug B administered twice per day, the QD per diem fee will be applied drug A with a quantity of 7 and the BID per diem fee will be applied to drug B with a quantity of 7).

2. **General Terms and Conditions:** The following terms and conditions apply:

   a. Provider understands that Operator is responsible for wastage of Medication as a result of improper storage. Provider shall replace the Medication and shall invoice the Operator for the applicable charges in accordance with the pricing schedule listed in Section of this **Attachment B**.

   b. In providing the Board with the IV Drug Therapy Services listed herein, Provider shall:

      i. Select and prepare parenatal products, as appropriate, and provide and maintain IV administration products as necessary for IV drug therapy;

      ii. Supply an IV drug therapy emergency kit to the facilities and replenish the kit as necessary;

      iii. Provide a copy of the Provider's Infusion Therapy Policy and Procedure Manual to each facility; and

      iv. Provide IV drug therapy services, if available, on a routine basis Monday-Sunday. Provider shall provide IV drug therapy services on an emergency basis, as needed, except for PICC insertion, which is not available after the Provider's weekday hours or on weekends.

Section 3:

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General Affirmations

Provider affirms and agrees to the following provisions:

1. Provider represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Provider; the firm, corporation, partnership, or institution represented by Provider; nor anyone acting for such a firm, corporation, partnership, or institution has (a) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983—Chapter 15 of the Texas Business and Commerce Code—or the federal antitrust laws or (b) directly or indirectly communicated the contents of the Contract or any solicitation response upon which the Contract is based to any competitor or any other person engaged in the same line of business as Provider.
2. Under Section 231.006, Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
3. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the bidder/applicant or each partner, shareholder, or owner with an ownership interest of at least 25% of the business entity submitting the bid or application. Provider certifies it has submitted this information to the Board.
4. If the Contract is for the purchase or lease of computer equipment—as defined by Texas Health and Safety Code, Section 361.952(2)— Provider certifies its compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code and the Texas Commission on Environmental Quality rules in 30 Tex. Admin. Code Chapter 328.
5. Pursuant to Section 2155.003 of the Texas Government Code, Provider represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
6. Payments due under the Contract shall be directly applied toward eliminating any debt or delinquency—including delinquent taxes, delinquent student loan payments, and delinquent child support—that Provider owes to the State of Texas, regardless of when the debt or delinquency arises.
7. Upon the Board's request, Provider must provide copies of its business continuity and disaster recovery plans.
8. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, in accordance with Section 2254.033 of the Texas Government Code, Provider certifies that it does not employ an individual who has been employed by the Board or another state agency at any time during the two years preceding the Provider's submission of its offer to provide consulting services to the Board or that Provider, in its offer to provide consulting services to the Board, disclosed the following: (a) the nature of the Provider's employee's previous employment with the GLO or other state agency; (b) the date such employment was terminated; and (c) the annual rate of compensation for such employment at the time of its termination.
9. If Chapter 2271 of the Texas Government Code applies to this Contract, Provider verifies it does not boycott Israel and will not boycott Israel during the term of this Contract.
10. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Provider understands that all obligations of the Board under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the Board may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the Board in violation of Article III, Section 49(a), of the Texas Constitution.

11. Provider certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control.

12. In accordance with Section 669.003 of the Texas Government Code relating to contracting with the executive head of a state agency, Provider certifies that it (1) is not the executive head of the Board; (2) was not, at any time during the four years before the effective date of the Contract, the executive head of the Board; and (3) does not employ a current or former executive head of the Board.

13. Provider represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or constitute grounds for its termination.

14. Pursuant to Section 2155.004(a) of the Texas Government Code, Provider certifies that neither Provider nor any person or entity represented by Provider has received compensation from the Board to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004, Government Code, the vendor [Provider] certifies that the individual or business entity named in this bid or Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

15. Provider represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.

16. In accordance with Section 2252.901 of the Texas Government Code, for the categories of contracts listed in that section, Provider represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the contract, were employees of the Board during the twelve (12) month period immediately prior to the date of execution of the contract. Solely for professional services contracts as described by Chapter 2254 of the Texas Government Code, Provider further represents and warrants that if a former employee of the Board was employed by Provider within one year of the employee's leaving the Board, then such employee will not perform services on projects with Provider that the employee worked on while employed by the Board.

17. Provider represents and warrants that it has disclosed in writing to the Board all existing or potential conflicts of interest related to Provider's performance of the Contract.

18. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, that occurred after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Provider certifies that the individual or business entity named in this bid or Contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

19. To the extent permitted by law, Provider and the Board shall keep all information, in whatever form produced, prepared, observed, or received by Provider or the Board, confidential to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by Provider or the Board; or (c) information that Provider or the Board is otherwise required to keep confidential by this Contract. Provider must not advertise that it is doing business with the Board, use this Contract as a marketing or sales tool, or make any communications or announcements

relating to this Contract through press releases, social media, or other public relations efforts without the prior written consent of the Board.

20. Each person signing the Contract represents and warrants that he or she is duly authorized to execute and enter into the Contract on behalf of the Party listed directly above his or her signature and to bind that Party to the terms and conditions in the Contract.

21. The state auditor may conduct an audit or investigation of any entity, including Provider and its subcontractors, receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Provider's acceptance of funds directly under the contract, and a Subcontractor's acceptance of funds indirectly through a subcontract under the contract, acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider must include this paragraph concerning the authority to audit funds and the requirement to cooperate with audits and investigations in any subcontract it awards. The Board may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.

22. Provider certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.

23. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Provider certifies its compliance with Texas Health and Safety Code, Chapter 361, Subchapter Z, related to the Television Equipment Recycling Program.

24. Pursuant to Section 572.069 of the Texas Government Code, Provider certifies it has not employed and will not employ a former state officer or employee who, on behalf of the Board, participated in a procurement or contract negotiations involving Provider within two (2) years after the date that the Contract is signed or the procurement is terminated or withdrawn. This certification only applies to former state officers or employees whose state service or employment ceased on or after September 1, 2015.

25. If the Contract is for services, Provider, in performing the Contract, must purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside Texas.

26. Under Section 2155.0061, Government Code, the vendor [Provider] certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

27. Pursuant to GAAP or GASB, as applicable, Provider must keep and maintain full, true, and complete records sufficient to allow the Board, the Texas State Auditor's Office, the United States Government (if applicable), and/or their authorized representatives to determine Provider's compliance with this Contract and all applicable laws, rules, and regulations.

28. All records related to the Contract, including records of Provider and its Subcontractors, are subject to the Administrative and Audit Regulations.

29. State agencies that are authorized to audit and inspect Provider, its records, its Subcontractors, and its Subcontractors' records include the Board, the Board's contracted examiners, the Texas State Auditor's Office, the Texas Attorney General's Office, the Comptroller, and their authorized

designees. With regard to any federal funding, federal agencies that are authorized to audit and inspect Provider, its records, its Subcontractors, and its Subcontractors' records may include any federal agency funding the Contract, the Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, and their authorized designees.

30. The Board shall post this Contract to the Board's website. Provider understands that the Board will comply with the Texas Public Information Act (Texas Government Code Chapter 552, the "PIA"), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas (the "Attorney General"). Information, documentation, and other material in connection with this Contract may be subject to public disclosure pursuant to the PIA. In accordance with Section 2252.907 of the Texas Government Code, Provider is required to make any information created or exchanged with the Board or the State of Texas pursuant to the Contract, and not otherwise excepted from disclosure under the PIA, available to the Board in portable document file (".pdf") format or any other format agreed upon between the Parties that is accessible by the public at no additional charge to the Board or the State of Texas. By failing to mark any information that Provider believes to be excepted from disclosure as "confidential" or a "trade secret," Provider waives any and all claims it may make against the Board for releasing such information without prior notice to Provider. The Attorney General will ultimately determine whether any information may be withheld from release under the PIA. Provider shall notify the Board's Office of General Counsel within twenty-four (24) hours of receipt of any third-party written requests for information and forward a copy of said written requests to PIALegal@glo.texas.gov. If a request for information was not written, Provider shall forward the third party's contact information to the above-designated e-mail address.

31. If the Contract is for consulting services governed by Chapter 2254 of the Texas Government Code, Provider, upon completion of the Contract, must give the Board a compilation, in a digital medium agreed to by the Parties, of all documents, films, recordings, or reports Provider compiled in connection with its performance under the Contract.

32. To the extent Section 552.371 of the Texas Government Code applies to Provider and the Contract, in accordance with Section 552.372 of the Texas Government Code, Provider must (a) preserve all contracting information related to the Contract in accordance with the records retention requirements applicable to the Board for the duration of the Contract, (b) no later than the tenth business day after the date of the Board's request, provide to the Board any contracting information related to the Contract that is in Provider's custody or possession, and (c) on termination or expiration of the Contract, either (i) provide to the Board at no cost all contracting information related to the Contract that is in Provider's custody or possession or (ii) preserve the contracting information related to the Contract in accordance with the records retention requirements applicable to the Board. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J, Chapter 552, Government Code, may apply to the Contract and Provider agrees that the Contract may be terminated if Provider knowingly or intentionally fails to comply with a requirement of that subchapter.

33. If Provider, in its performance of the Contract, has access to a state computer system or database, Provider must complete a cybersecurity training program selected by the Board that is certified under Section 2054.519 of the Texas Government Code. Provider must complete the cybersecurity training program during the initial term of the Contract and during any renewal period. Provider must verify in writing to the Board its completion of the cybersecurity training program.

34. The Board does not tolerate any type of fraud. Board policy promotes consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Provider must report any possible fraud, waste, or abuse that occurs in connection with the Contract to the Board in the manner prescribed by the Board's website, http://glo.texas.gov.

35. Provider certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from the Provider's business. Provider acknowledges that such a vaccine or recovery requirement would make Provider ineligible for a state-funded contract.
36. Pursuant to Government Code Section 2274.0102, Provider certifies that neither it nor its parent company, nor any affiliate of Provider or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2274.0103, or (2) headquartered in any of those countries.
37. If Provider is required to make a verification pursuant to Section 2274.002 of the Texas Government Code, Provider verifies that Provider does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Provider does not make that verification, Provider must notify the Board and state why the verification is not required.
38. If Provider is required to make a verification pursuant to Section 2274.002 of the Texas Government Code, Provider verifies that it (1) does not have a practice, policy, guidance, or directive that discriminates against a "firearm entity" or "firearm trade association" as those terms are defined in Texas Government Code section 2274.001 and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. If Provider does not make that verification, Provider must notify the Board and state why the verification is not required.
39. If Provider is a "professional sports team" as defined by Texas Occupations Code Section 2004.002, Provider will play the United States national anthem at the beginning of each team sporting event held at the Provider's home venue or other venue controlled by Provider for the event. Failure to comply with this obligation constitutes a default of this Contract, and immediately subjects Provider to the penalties for default, such as repayment of money received or ineligibility for additional money. In addition, Provider may be debarred from contracting with the State. The Board or the Attorney General may strictly enforce this provision.

ASSURANCES – NON-CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0007
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.§794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION Omnicare Pharmacy of Texas 1, LP	DATE SUBMITTED

CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 87*

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ''Disclosure Form to Report Lobbying,'' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ''Disclosure Form to Report Lobbying,'' in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT	AWARD NUMBER AND/OR PROJECT NAME
Omnicare Pharmacy of Texas 1, LP	22-008-000-C938

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE DATE

* 24 C.F.R. 87 App. A, available at https://www.gpo.gov/fdsys/granule/CFR-2011-title24-vol1/CFR-2011-title24-vol1-part87-appA. Published Apr. 1, 2011. Accessed Aug. 1, 2018.

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

OMB Number: 4040-0013
Expiration Date: 02/28/2022

1. *Type of Federal Action: a. contract ____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	**2. *Status of Federal Action:** a. bid/offer/application _____ b. initial award c. post-award	**3. *Report Type:** a. initial filing _____ b. material change

4. Name and Address of Reporting Entity: ____ Prime _____Subawardee Name: _____ Street 1: Street 2: City: _____ State: Zip: **Congressional District,** *if known*:	**5. If Reporting Entity in No. 4 is Subawardee,** Enter Name and Address of Prime: **Congressional District,** *if known*:
6. Federal Department/Agency:	**7. Federal Program Name/Description:** CFDA Number, *if applicable*: _____
8. Federal Action Number, *if known:*	**9. Award Amount**, *if known:* **$**
10. a. Name and Address of Lobbying Registrant *(if individual, last name, first name, MI):*	**b. Individuals Performing Services** *(including address if different from No. 10a)* *(last name, first name, MI):*
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	**Signature:**_____ **Print Name:** _____ **Title:** _____ **Telephone No.:**_____**Date:** _____
Federal Use Only	**Authorized for Local Reproduction** **Standard Form - LLL (Rev. 7-97)**

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

BUSINESS ASSOCIATE AGREEMENT

WHEREAS, the **GENERAL LAND OFFICE** and the **VETERANS LAND BOARD** (collectively, "the Board") and **OMNICARE PHARMACY OF TEXAS 1, LP**, Texas Identification Number **17607165549** ("Business Associate"), each a "Party" and collectively "the Parties", have entered into GLO Contract No. **22-008-000-C938** (the "Agreement"); and

WHEREAS, the Congress of the United States enacted the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") which creates a national standard for protecting the privacy and security of patients' Protected Health Information ("PHI"); and

WHEREAS, the United States Department of Health and Human Services ("HHS") promulgated rules for the implementation of HIPAA, and pursuant to the "business associate" provisions of the privacy regulations found in 45 CFR § 160 and §164 Subparts A and E ("Privacy Rule") and security regulations found in 45 CFR § 160 and §164 Subparts A and C ("Security Rule") and pursuant to the Health Information Technology for Economic and Clinical Health Act of 2009, 42 U.S.C. §§ 17931-39 (the "HITECH Act"), The Board is required to enter into agreements with the Board's Business Associates to assure that the Board's Business Associates appropriately safeguard patient information; and

WHEREAS, the State of Texas enacted the Medical Records Privacy Act ("MRPA"), in 2001 and amended the MRPA in 2003 and 2011 creating standards in addition to HIPAA and the HITECH Act for protecting the privacy and security of patients' PHI; and

WHEREAS, the, in the event of a Breach, as defined hereafter, the Board is required under Section 2054.1125(b) of the Texas Government Code to notify the Department of Information Resources, Chief Information Security Officer, and state cybersecurity coordinator not later than 48 hours.

WHEREAS, Business Associate provides pharmacy services for, or on behalf of, the Board requiring the use and disclosure of PHI, pursuant to the terms of the Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. Definitions.

a. All terms used in this Business Associate Agreement defined in the HIPAA Statute, Regulations, and Rules or HITECH Act shall have the meaning ascribed to them in the HIPAA Statute, Regulation, and Rules, or HITECH Act, as applicable.

b. Capitalized terms used in this Business Associate Agreement shall have the following meanings, provided that if any of the following definitions conflicts with the respective definition of such term in the Privacy Regulations, Security Regulations or HITECH Act, the definition in the Privacy Regulations, Security Regulations or HITECH Act shall control:

1. **Breach**. "Breach" shall mean the acquisition, access, use or disclosure of PHI in a manner not permitted under the Privacy Regulations which compromises the security or privacy of the PHI, provided that the following shall not constitute a Breach: (A) any unintentional acquisition, access or use of PHI by a workforce member or agent of Business Associate, if it was made in good faith, within the course and scope of such individual's authority and does not result in further use or disclosure of the PHI; (B) any inadvertent disclosure of PHI by a person authorized to access PHI by Business Associate to another person authorized to

access PHI within the Business Associate organization, provided the PHI is not further used or disclosed; and (C) a disclosure of PHI in which Business Associate has a good faith belief that the unauthorized person to whom the disclosure was made would not reasonably have been able to retain the PHI.

2. **Business Associate**. "Business Associate" shall have the same meaning as the term "business associate" at 45 CFR 160.103 and shall refer herein to **OMNICARE PHARMACY OF TEXAS 1, LP.**

3. **Covered Entity**. "Covered Entity" shall mean, in accordance with 45 CFR § 160.103, (1) A health plan; (2) A health care clearinghouse; (3) A health care provider who transmits any health information in electronic form in connection with a transaction covered by HIPAA, and, in accordance with Tex. Health & Safety Code § 181.001(b)(2), includes any person who engages in the practice of assembling, collecting, analyzing, using, evaluating, storing, or transmitting protected health information, including a business associate, health care payer, governmental unit, information or computer management entity, school, health researcher, health care facility, clinic, health care provider, or person who maintains protected health information on an internet site.

4. **Electronic PHI**. "Electronic PHI" or "ePHI" shall mean PHI which is transmitted by or maintained in electronic media.

5. **GLO**. "GLO" shall mean the General Land Office and shall include the Veterans Land Board.

6. **Hybrid Entity**. "Hybrid Entity" shall mean a single legal entity: (1) that is a Covered Entity; (2) whose business activities include both covered and non-covered functions; and (3) that designates Health Care Components in accordance with 45 CFR § 164.105(a)(2)(iii)(c). The GLO is designated as a Hybrid Entity.

7. **Privacy Rule**. "Privacy Rule" shall mean the standards for privacy of individually identifiable health information found in 45 C.F.R. § 160 & 164.

8. **Protected Health Information ("PHI")**. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR 160.103 as applied to 45 CFR 164.501, and shall refer to information obtained under the Agreement.

9. **Security Rule**. "Security Rule" shall mean the technical requirements and guidelines found in 45 C.F.R. § 160 & 164.

10. **Unsecured PHI**. "Unsecured PHI" shall mean PHI, in any medium, which is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified in guidance issued by HHS.

SECTION 2. Rights and Responsibilities of Business Associate

a. Business Associate shall have the right to use and disclose PHI in order to perform services for or on behalf of the Board, consistent with the terms of this Business Associate Agreement and consistent with the Privacy Rule and Security Rule.

b. In providing services, Business Associate shall use and disclose PHI only as permitted by the terms of this Business Associate Agreement or as required by law and only to the extent that such use and disclosure would not violate the Privacy Rule, Security Rule, or HITECH Act if performed by the Board. Upon the request of Board, Business Associate may use PHI to provide

data aggregation services related to the healthcare operations of the Board as permitted by 45 CFR § 164.504(e)(2)(i)(B).

c. Business Associate may use and disclose PHI received during the performance of the Agreement if necessary for the proper management and administration of the Agreement, provided that Business Associate may disclose PHI to third parties not employed by Business Associate only if (i) the disclosure is required by law, or (ii) Business Associate enters into a business associate agreement with the recipient, if the recipient is a subcontractor, or obtains reasonable assurances from the recipient, if the recipient is not a subcontractor, that (A) the PHI will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the recipient, and (B) the recipient will notify Business Associate of any breach of confidentiality of PHI.

d. To the extent that Business Associate may use or disclose PHI as provided by this Business Associate Agreement and HIPAA, the HITECH Act, or State Law, Business Associate shall make reasonable efforts limit the disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure.

e. Business Associate shall utilize appropriate safeguards in accordance with HIPAA and the HITECH Act to prevent any use or disclosure of PHI not authorized by the terms of this Business Associate Agreement.

f. Business Associate shall utilize administrative, physical, and technical safeguards in accordance with HIPAA and the HITECH Act that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI that Business Associate creates, receives, maintains, or transmits for or on behalf of the Board.

g. Business Associate shall report to the Board On-Site Representative and GLO Privacy Officer: (i) any Breach, use, or disclosure of PHI not permitted under the terms of this Agreement without delay and no later than twenty-four (24) hours after becoming aware of such use or disclosure; and (ii) any unauthorized access, use, disclosure, modification, or destruction of Electronic PHI or interference with systems operations in an information system containing Electronic PHI without delay and no later than twenty-four (24) hours after becoming aware of such incident where each incident affects the Board's PHI. In the event that Business Associate becomes aware of any violation of any HIPAA provision and fails to notify the Board and take corrective action, the Board may immediately terminate the Agreement without prior notice to Business Associate.

h. With respect to any improper uses and disclosures of PHI reported to the Board under Section 2 (g) above that constituted, in Business Associate's determination, a Breach of Unsecured PHI, Business Associate shall also, within six (6) business days of discovering such incident, report to the GLO's Privacy Officer the following: (i) a brief description of the incident, including the date of the incident, the date of the discovery of the incident, and identification of each patient whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, improperly accessed, acquired, used, or disclosed, (ii) a description of the types of Unsecured PHI involved in the incident, (iii) any steps the patient should take to protect himself or herself from harm resulting from the incident, (iv) a brief description of what Business Associate is doing to investigate the incident, mitigate the harm to the patient, and protect against future occurrences; and (v) any other relevant information. Business Associate and the Board shall cooperate with respect to providing any notification of the Breach to the patient as required by the HITECH Act.

i. Business Associate shall enter into business associate agreements, pursuant to the "business associate" provisions of the Privacy Rule found in 45 CFR § 160 and §164 Subparts A and E, with agents and subcontractors to ensure that any agent or subcontractor to whom Business Associate furnishes PHI agrees to the same restrictions and conditions that apply under this Business Associate Agreement to Business Associate with respect to PHI.

j. Business Associate shall take appropriate actions necessary to mitigate any harmful effects known to Business Associate to result from an unauthorized use or disclosure of PHI by Business Associate.

k. Within twenty-four (24) hours of receiving an individual's request for access, Business Associate shall allow a person who is the subject of the PHI, his/her legal representative, or the Board to have access to inspect and copy PHI maintained by the Business Associate. If the Business Associate uses or maintains an electronic health record, Business Associate shall provide such PHI in electronic format, if requested. Copies, if requested must be provided within five (5) business days.

l. To enable the Board to respond to a patient's request to amend the patient's PHI, Business Associate shall make the requested PHI maintained by Business Associate available to the Board within twenty (20) business days of receiving a request from the Board and Business Associate shall amend the patient's PHI as directed by the Board.

m. Business Associate shall (i) maintain a record of its disclosures of PHI according to 45 CFR § 164.528(a)(1), including disclosures not made for the purposes of this Business Associate Agreement, and (ii) within thirty (30) business days of receiving a request for accounting of disclosures, make available to the requestor the following information concerning such disclosures made on or after the date which is six (6) years prior to the request date: the date of disclosure; the name of the recipient and, if known, the recipient's address; a brief description of the PHI disclosed; and a brief statement of the purpose of the disclosure.

n. Business Associate shall make all internal practices, books, and records relating to the use and disclosure of PHI received or created by Business Associate on behalf of the Board available to the Secretary of HHS for the purpose of determining the Board's or Business Associate's compliance with the Privacy Rule or the Security Rule.

o. Business Associate acknowledges that as required by the HITECH Act, Business Associate shall comply with the requirements of the Security Rule and the other applicable requirements imposed on business associates under the HITECH Act.

p. If Business Associate conducts electronically any of the administrative or financial healthcare transactions identified as standard transactions under HIPAA for or on behalf of the Board, Business Associate shall comply with all applicable requirements of the Electronic Transactions and Code Sets Standards promulgated under HIPAA when conducting such standard transactions for or on behalf of Hybrid Entity.

q. Business Associate shall, pursuant to Tex. Health and Safety Code § 181.101, train its employees within ninety (90) days of employment regarding the state and federal law concerning PHI as necessary and appropriate for the employees to carry out their duties. If the duties of an employee are affected by a material change in state or federal law concerning PHI, Business Associate shall train the employee regarding such material change within a reasonable period, but not later than one (1) year after the effective date of the material change. Business Associate

shall require its employees to sign a statement verifying training and retain the statement for six (6) years.

SECTION 3. Obligations of the Board.

a. With respect to the use and/or disclosure of PHI by Business Associate , the Board shall:

   i. Notify Business Associate in writing of any limitation(s) in its notice of privacy practices, if such limitation(s) would impact Business Associate's use or disclosure of PHI;

   ii. Inform Business Associate in writing of any changes in, or revocation of, a patient's authorization to use or disclose the patient's PHI, if such action would impact Business Associate's use or disclosure of PHI; and

   iii. Notify Business Associate in writing of any restrictions on the use or disclosure of PHI to which the Board has agreed, if such restriction would impact Business Associate's use or disclosure of PHI.

SECTION 4. General Provisions.

a. Business Associate shall comply with all applicable federal and state laws, rules, and regulations in its performance of the Agreement. Omission of a law, rule, or regulation from this Business Associate Agreement does not relieve Business Associate of its duty to comply with such law, rule, or regulation.

b. The Board and Business Associate are independent contractors and nothing in this Business Associate Agreement is intended to, nor shall be, construed to create any agency, partnership, employer-employee, or joint venture relationship between them.

c. This Business Associate Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes any prior or contemporaneous verbal or written agreements, communications, and representations relating to the subject matter hereof. Notwithstanding any provision in the Agreement indicating that it is the sole agreement governing the relationship between the parties, including a provision that the Agreement shall constitute the entire agreement between the parties thereof, the terms of this Business Associate Agreement shall be effective and shall govern the relationship between the parties with respect to the subject matter hereof.

d. In the event of any inconsistency between the terms of this Business Associate Agreement and the terms of the Agreement, the terms of this Business Associate Agreement shall prevail with respect to the subject matter hereof notwithstanding any contrary provision in the Agreement.

e. This Business Associate Agreement may be modified or amended only upon mutual written consent of the parties.

f. Business Associate may not assign its rights and obligations under this Business Associate Agreement without the prior written consent of the Board.

g. Any notices to be given hereunder shall be deemed effectively given when personally delivered, received by electronic means (including facsimile, .pdf, or e-mail) or overnight courier, or five (5) calendar days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

If to the Board: General Land Office
P.O. BOX 12783
Austin, TX 78711-2873
Attn: Haley Karstens, GLO Privacy Officer

If to Business Associate : Omnicare Pharmacy of Texas 1, LP
14450 Trinity Blvd. Ste 200
Fort Worth, Texas 76155
Attn: Errin Simpkins-Travers

h. No Third Party Beneficiaries**.** The terms of this Business Associate Agreement are not intended and shall not be construed to confer upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.

i. A reference in this Business Associate Agreement to any section or provision of HIPAA, the HITECH Act, or State Law means the section or provision as in effect or as amended and for which compliance is required.

j. The parties shall amend this Business Associate Agreement from time to time, as is necessary to comply with federal and state laws, rules, and regulations.

k. Notwithstanding anything in this Business Associate Agreement to the contrary, the respective rights and obligations of Business Associate shall survive the termination of this Business Associate Agreement.

l. Any ambiguity in this Business Associate Agreement shall be resolved to permit the parties to comply with HIPAA, the HITECH Act, and State law.

The Term of this Business Associate Agreement will be effective as of the date signed by the last party and shall terminate when all PHI provided by the Board to the Business Associate or created or received by Business Associate on behalf of the Board is destroyed or, if feasible, returned to the Board. Upon termination of the Agreement, Business Associate shall, as directed by the Board, promptly return to the Board or destroy PHI possessed by Business Associate and its agents or subcontractors and retain no copies or back-up records of PHI. If such return or destruction is infeasible, as mutually determined by the Board and Business Associate, the obligations set forth in this Business Associate Agreement with respect to PHI shall survive termination of the Agreement and Business Associate shall limit any further use and disclosure of PHI to the purposes that make the return or destruction of PHI infeasible.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE FOR GLO CONTRACT NO. 22-008-000-C938

BUSINESS ASSOCIATE AGREEMENT

GENERAL LAND OFFICE & VETERANS LAND BOARD

_____

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner;
Executive Secretary, VLB

Date of execution: _____

OMNICARE PHARMACY OF TEXAS 1, LP

_____

Name: _____

Title: _____

Date of execution:_____

OGC ____

ISO ____

DD ____

DGC ____

GC ____

REQUIRED INSURANCE

GENERALLY. Provider shall, at its sole expense, acquire, maintain, and keep in force for the duration of this Contract, insurance in the amounts attached herein and under the requirements specified herein. Furthermore, unless specified or otherwise agreed to by the Board, the required insurance shall be in effect prior to the commencement of work by Provider and shall continue in full force until the earlier as appropriate of (i) the expiration of this Contract; or (ii) such time as the Board notifies Provider that such insurance is no longer required. Any insurance or self-insurance available to the Board shall be in excess of, and non-contributing with, any insurance required from Provider. Provider's insurance policies shall apply on a primary basis. General aggregate limits of Provider's Commercial General Liability policy shall apply per policy. However, if, at any time during the Contract, the Provider's Commercial General Liability policy, an insurer or surety fails to provide insurance to Provider or otherwise fails to comply with the requirements of this Contract, Provider shall immediately notify the Board and replace such insurance or bond with an insurer meeting such requirements. Provider's auto insurance policy shall apply to "any auto."

Approval. Prior approval of the insurance policies by the Board shall be a condition precedent to any payment of consideration under this Contract and insurance must be submitted for review and approval by the Board prior to the commencement of work. Any failure of the Board to timely approve or failure to disapprove the insurance furnished by Provider shall not relieve Provider of Provider's full responsibility to provide the insurance required by this Contract.

Continuing Coverage. The Board's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent to this Contract.

Renewal. Provider shall provide the Board with renewal or replacement certificates no less than ten (10) days before the expiration or replacement of the required insurance.

Additional Insured Endorsement. The Board, its officers, employees, and authorized agents shall be named as additional insureds for all liability arising under this Contract except on Workers' Compensation and Professional Liability policies. In the alternative, Provider may utilize a blanket endorsement for Provider's Commercial General Liability policy, a copy of which must be provided to the Board. Provider represents and warrants to the Board that such blanket endorsement complies with this requirement. **An original additional insured endorsement signed by an authorized insurance company representative must be submitted to the Board to evidence the endorsement of the Board, its officers, employees, and authorized agents as an additional insured on all policies, and the certificate(s) must reference the related GLO Contract Number.**

Subrogation. Each liability insurance policy, except Professional Liability, shall provide for a waiver of subrogation as to the State of Texas, the Board, and their officers,

employees, and authorized agents, and shall be issued by insurance companies authorized to do business in the State of Texas, and currently rated by A.M. Best as "A-" or better.

Policy Cancellation Endorsement. Except for ten (10) days' notice for non-payment of premium, each insurance policy shall be endorsed to specify that without 10 days' prior written notice to the Board, the policy shall not be canceled, non-renewed, or coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to the address specified in this Contract. A copy of this signed endorsement must be attached to this Contract.

Alternative Insurability. Notwithstanding the requirements of this Attachment, the Board reserves the right to consider reasonable alternative methods of insuring the contract in lieu of the insurance policies and/or bonds required. It will be Provider's responsibility to recommend to the Board alternative methods of insuring the Contract. Any alternatives proposed by Provider should be accompanied by a detailed explanation regarding Provider's inability to obtain insurance coverage as described in this Contract. The Board shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

INSURANCE REQUIRED:

$1 MILLION COMMERCIAL GENERAL LIABILITY (EACH OCCURRENCE)
$2 MILLION COMMERCIAL GENERAL LIABILITY (AGGREGATE LIMIT)
$150,000 PROFESSIONAL LIABILITY
$300,000 EXCESS PROFESSIONAL LIABILITY
STATUTORY WORKERS' COMPENSATION & EMPLOYERS LIABILITY
- $1 MILLION EACH ACCIDENT
- $1 MILLION DISEASE EACH EMPLOYEE
- $1 MILLION DISEASE POLICY LIMIT

NOTE: Insurance certificates must be in the form approved by the Texas Attorney General, a sample of which follows this page.

Insurance Certificates must:

(a) be submitted to insurance@GLO.TEXAS.GOV
(b) **prominently display "GLO Contract No. 22-008-000-C938."** and
(c) Name the General Land Office as an additional insured.

Failure to submit required insurance forms as instructed may significantly delay the start of work under the Contract.

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REQUIRED FORM OF CERTIFICATE FOLLOWS THIS PAGE

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25 , 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 6 c - Consideration and possible action on resident room rates in the Texas State Veterans Home program.

RECOMMENDATION: Staff recommends the Board affirm and approve the proposed resident room rates in the supporting document effective July 1, 2024.

Summary

The Board has the authority to set room rates for Texas State Veterans Homes in accordance with Board Policy 110, Authority and Responsibilities, section 110.30, item D.

The Board has made minimal changes to resident room rates over the past six years. The most recent changes were mirror changes in the Veterans basic per diem credit rate. These actions resulted in no out-of-pocket changes for Veterans and due to increases in the basic per diem credit rate, actual costs to Veterans are lower today than they were 10 years ago.

Since 2018, room rates for non-veterans have not changed. At the February 13, 2024, Board meeting the daily room rates for the Tuskegee Airmen Texas State Veterans Home in Fort Worth did not specifically identify a private room, Alzheimer's rate for non-veterans. To ensure staff has Board approval to publish those rates, staff requests that the Board specifically approve the attached daily room rates. This action, if approved, will ratify the current non-Veteran room rates in all homes and add the Fort Worth private room Alzheimer's rate.

Texas State Veterans Home Program Room Rates Effective July 1, 2024

Veterans	Amarillo	Big Spring	Bonham	El Paso	Floresville	Houston	McAllen	Temple	Tyler	Fort Worth
Private Room, Non-A&A	202.80	211.00	211.00	208.00	208.00	269.00	200.00	200.00	255.00	309.00
Private Room, A&A	190.80	199.00	199.00	196.00	196.00	257.00	188.00	188.00	243.00	297.00
Private Room, Alzheimer Unit, Non-A&A	216.80	225.00	225.00	222.00	222.00	281.00	214.00	214.00	267.00	323.00
Private Room, Alzheimer Unit, A&A	204.80	213.00	213.00	210.00	210.00	269.00	202.00	202.00	255.00	311.00
Private Room, Medicaid	149.80	149.80	149.80	147.00	147.00	260.80	147.00	147.00	246.80	259.00
Semi-Private, Non-A&A	149.80	158.00	158.00	155.00	155.00	-	147.00	147.00	-	259.00
Semi-Private, A&A	137.80	146.00	146.00	143.00	143.00	-	135.00	135.00	-	247.00
Semi-Private, Alzheimer Unit, Non-A&A	163.80	172.00	172.00	169.00	169.00	-	161.00	161.00	-	273.00
Semi-Private, Alzheimer Unit, A&A	151.80	160.00	160.00	157.00	157.00	-	149.00	149.00	-	261.00
Semi-Private, Medicaid	149.80	149.80	149.80	147.00	147.00	-	147.00	147.00	-	259.00
Non-Veterans										
Private Room	200.00	200.00	200.00	200.00	200.00	258.00	200.00	200.00	244.00	309.00
Private Room, Alzheimer Unit	214.00	214.00	214.00	214.00	214.00	270.00	214.00	214.00	256.00	323.00
Semi-Private Room	147.00	147.00	147.00	147.00	147.00		147.00	147.00		259.00
Semi-Private Alzheimer Unit	161.00	161.00	161.00	161.00	161.00		161.00	161.00		273.00
Semi-Private Medicaid	149.80	149.80	149.80	147.00	147.00		147.00	147.00		259.00
Semi-Private Medicaid Alzheimer	149.80	149.80	149.80	147.00	147.00		147.00	147.00		259.00
Semi-Private Medicaid Hospice Alzheimer	149.80	149.80	149.80	147.00	147.00		147.00	147.00		259.00

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 7 a - Consideration and possible action on proposed amendments to 40 Texas Administrative Code §178.5, concerning burial eligibility criteria in Texas State Veterans Cemeteries.

RECOMMENDATION: Staff recommends the Board approve the proposed amendments to extend eligibility to Texas Military Forces members killed on state active duty or state training and other duty.

Summary

At its June 25, 2024, meeting and pursuant to the Texas Natural Resources Code, §164.005(f), the Texas State Veterans Cemetery Committee ("Committee") shall vote to set guidelines for determining eligibility for burial in Texas State Veterans Cemeteries ("TSVCs"). These guidelines direct the Board to determine burial eligibility and engage in related rulemaking. These guidelines allow the Board to extend such eligibility to individuals not provided for in laws and regulations associated with the Department of Veterans' Affairs National Cemetery Administration (NCA) to the extent permitted by law, or if such eligibility does not jeopardize future (NCA)-related funding.

On June 12, 2023, the Governor signed the Bishop Evans Act (House Bill 90) to provide death benefits to the families of Texas military forces members killed on state active duty. In response, at its October 19, 2023 meeting, the Board unanimously resolved to allow Texas Military Forces members killed on state active duty or state training and other duty to be interred in TSVCs.

Contingent on the Texas State Cemetery Committee's approval of these guidelines, staff proposes amendments to the Texas Administrative Code, Title 40, Part 5, §178.5. This rule outlines eligibility requirements for interment in TSVCs.

Proposed amendments to this rule follow:

> *For ~~In order to qualify for all funding available from the USDVA through the State Cemetery Program, the Board, for~~ each TSVC, the Board will allow for ~~only~~ the interment of veterans and eligible relatives as defined by the USDVA laws and regulations ~~, as they may be amended from time-to-time~~. In addition, the Board will allow for the interment of Texas Military Forces members killed on state active duty or during state training and other duty, as defined in Chapter 437 of the Texas Government Code.*

Staff anticipates the number of would-be eligible individuals is limited. Staff anticipates an approximate total cost of $1,100 per burial for each Texas Military Forces member. Costs for grave markers, which is currently $550, will be reimbursed by the Texas Military Department through a memorandum of understanding related to these interments. The Cost to the VLB will be approximately $550 per interment.

If approved by the Board, staff will start the rulemaking process and submit the proposed amendments to the Texas Register for public comment. At the end of the notice period staff will seek final approval from the Board to adopt the proposed amendments, either as provided herein, or considering any appropriate, applicable public comment.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 7 b - Consideration and possible action on granting an easement to the City of Lubbock to maintain a water line on West Texas State Veterans Cemetery property.

RECOMMENDATION: Staff recommends the Board approve granting the Executive Secretary authority to execute the below-described easement to limit maintenance and repair expenses.

Summary

Pursuant to authority under the Texas Natural Resources Code, §164.005(g), staff seeks approval to enter into an agreement with the City of Lubbock ("City") related to the ongoing development of the West Texas State Veterans Cemetery. If approved, this action would grant an easement to the City for the domestic water service line on the Cemetery's property.

A draft copy of the easement is attached for reference. The accompanying diagram (referred to as "Exhibit A" in the draft easement) shows the location of the line on the property. As indicated, the easement is 15 feet wide along the property's North/South access, and 10 feet wide when it turns into the Cemetery's administration building. The water pipeline itself is eight inches wide. Pursuant to the easement, the Board will conduct a survey to document additional information.

The easement gives the City free and uninterrupted access to the line for construction, maintenance, and repair purposes. It requires the City to notify the Board prior to performing any such work, save for in emergency situations. It further requires the Board not to construct or allow the construction of anything permanent in nature over the easement area and allows the City to remove such a structure.

The benefit of the easement is that it allows the City to maintain and repair the line, as opposed to the Board, thus limiting the VLB's operational expenses for the Cemetery.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 7 c - Consideration and possible action on accepting property from the City of Abilene for future expansion of the Texas State Veterans Cemetery at Abilene.

RECOMMENDATION: Staff recommends the Board accept a general warranty deed conveying property to be added to the Texas State Veterans Cemetery (TSVC) at Abilene.

Summary

At its June 13, 2024, meeting, the Abilene City Council (City) approved donating approximately 115.35 acres of City-owned land by general warranty deed to the State for the sole purpose, use, and benefit of the Board to enlarge its TSVC in Abilene. A copy of the deed with a description of the property illustrated in Exhibit A follows this memo. The donation followed a request by the Board for land for future expansion of the TSVC.

The deed reserves a mineral interest in the property on behalf of the City; however, the City has waived its right to enter the property and use the surface for the retained mineral interest. In addition, the deed contains a reverter to the City should the Board, in its sole discretion, find the property or any part of it unacceptable or unsuitable for the TSVC's purposes. Furthermore, the conveyance of the property to the Board is subject to certain permitted exceptions listed in Exhibit B of the deed, which is customary in real estate conveyances. The deed has been reviewed by GLO and Board staff and determined to be consistent with GLO and Board rules and policies.

Accepting this property would allow more eligible veterans access to the Board's burial benefits.

At its June 25, 2024, meeting and pursuant to the Texas Natural Resources Code, §164.005(f), the Texas State Veterans Cemetery Committee (Committee) shall vote to set guidelines to determine the location and size of TSVCs. In part, these guidelines direct the Board to make determinations on and accept donations of land to expand existing TSVCs. Contingent on the

Committee's approval of these guidelines, staff recommends the acceptance of this general warranty deed.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL WARRANTY DEED

STATE OF TEXAS	§	
	§	KNOW ALL BY THESE PRESENTS:
COUNTY OF JONES	§	

WHEREAS, The Texas Legislature has authorized the Veterans' Land Board of the State of Texas to plan, design, operate, maintain, enlarge, or improve state Veterans' cemeteries on land duly selected by the Veterans' Land Board of the State of Texas for such cemetery sites; and

WHEREAS, The City of Abilene, Texas was duly selected by the Veterans' Land Board of the State of Texas to provide one such site for such use; and

WHEREAS, The Veterans' Land Board has requested the donation of certain land for the future expansion of the Texas State Veterans' Cemetery in Abilene; and

WHEREAS, The City of Abilene, Texas, as Grantor, is ready to make such land available to the Veterans' Land Board of the State of Texas for the future expansion of the Texas State Veterans' Cemetery in Abilene.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that **THE CITY OF ABILENE, TEXAS**, a municipal corporation whose address is 555 Walnut Street, Abilene, Texas 79601 ("*Grantor*"), acting by and through its duly authorized officials, for and in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY unto the **STATE OF TEXAS**, for the sole purpose, use and benefit of the Texas Veterans Land Board ("*Grantee)* whose mailing address is 1700 North Congress Ave., Austin, Texas 78701, the following described tract of land (the "*Property*"):

> Being a parcel of land consisting of approximately 115.35 acres out of the L. Landant Survey No. 17, Jones County, Texas and being out of a 202-acre tract recorded in Volume 176, Page 542, Deed Records, Jones County, Texas, said 115.35 acres being more particularly described in Exhibit "A", attached hereto and incorporated herein for all purposes.

IT IS EXPRESSLY UNDERSTOOD, ACKNOWLEDGED, and AGREED that Grantor hereby RESERVES and EXCEPTS from this conveyance all interests in and right to remove all oil, gas, sulphur, and other minerals, together with all attendant mineral rights, royalty interests, and development rights, together with any and all rights of leasing, exploration and development, if any, ("*Mineral Interests*") but specifically excluding minerals that form a part of the surface or soil such as sand, iron ore, gravel, uranium, coal, lignite, or limestone, and all rights appurtenant thereto. Provided further that Grantor waives the right to enter onto or use the surface of the Property for the retained Mineral Interests.

TO HAVE AND TO HOLD, subject to the reservations and exceptions herein, the Property, together with all and singular the rights, improvements, and appurtenances thereto in anywise belonging unto the said Grantee, Grantee's successors and assigns forever.

PROVIDED, HOWEVER, that if the property conveyed herein or any part thereof is not acceptable by or ceases in any particular or reason whatsoever to be acceptable to the Veterans' Land Board of the State of Texas in its sole discretion for the purposes indicated herein, the title to the property conveyed hereby shall upon notice of such unacceptable condition in duly recordable form to Grantor, automatically revert to Grantor; and PROVIDED FURTHER, that insofar as allowed by law, and except for any damages and costs proximately cause by acts of omission or commission of the Veterans' Land Board, its agents, employees, or representatives, the Grantor will indemnify and hold harmless the State of Texas for use and benefit of the Veterans' Land Board of the State of Texas, Grantee herein, its successors and assigns from any and all damages, costs, or causes of action whatsoever as a result of having held title to or used the subject property for the purpose of establishing, implementing, expanding, and/or operating a Texas Veterans' Cemetery on part or all of the property conveyed herein.

And Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said Property unto the Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

This conveyance is made subject to the covenants, conditions, reservations, restrictions, rights of way, easements, and leases which appear of record ("*Permitted Exceptions*") listed in Exhibit "B" attached hereto and incorporated herein.

[*Remainder of page intentionally left blank; signature to follow*]

Witness my hand and seal of office effective this _____ day of _____, 2024.

Grantor: **CITY OF ABILENE, TEXAS**

By: _____

Name: _____

Title: _____

Date of Execution: _____, 2024

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20_____,

by _____.
(Representative signing this document)

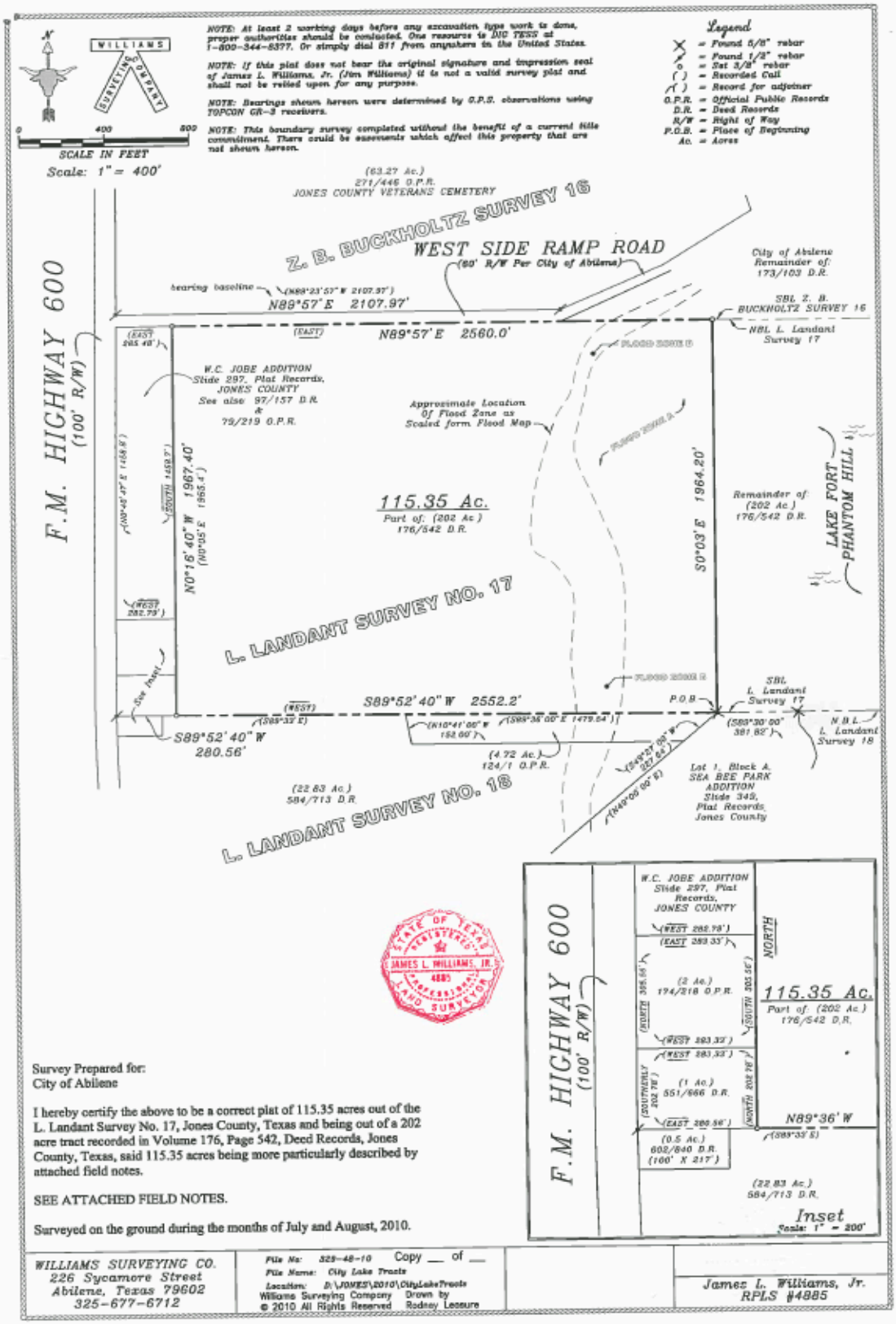
_____
(Notary Signature)

Notary Stamp

Notary Public, State of _____

My commission expires: _____

Exhibit "A"



Survey Prepared for:
City of Abilene

I hereby certify the above to be a correct plat of 115.35 acres out of the L. Landant Survey No. 17, Jones County, Texas and being out of a 202 acre tract recorded in Volume 176, Page 542, Deed Records, Jones County, Texas, said 115.35 acres being more particularly described by attached field notes.

SEE ATTACHED FIELD NOTES.

Surveyed on the ground during the months of July and August, 2010.

WILLIAMS SURVEYING CO. 226 Sycamore Street Abilene, Texas 79602 325-677-6712	File No: 329-48-10 Copy ___ of ___ File Name: City Lake Tracts Location: D:\JONES\2010\CityLakeTracts Williams Surveying Company Drawn by © 2010 All Rights Reserved Rodney Leasure	James L. Williams, Jr. RPLS #4885

FIELD NOTES
115.35 ACRES

BEING 115.35 acres out of the L. Landant Survey No. 17, Jones County, Texas and being out of a 202 acre tract recorded in Volume 176, Page 542, Deed Records, Jones County, Texas, said 115.35 acres being more particularly described as follows:

BEGINNING at a 5/8" rebar found on the SBL of said L. Landant Survey No. 17 at the most Northerly Northwest corner of Lot 1, Block A, Sea Bee Park Addition, recorded in Slide 349, Plat Records of Jones County, Texas for the Southeast corner of this tract;

THENCE S89°52'40"W 2552.2 feet along the SBL of said L. Landant Survey No. 17 to a 3/8" rebar set at the Southeast corner of a 1 acre tract recorded in Volume 551, Page 666, Deed Records, Jones County, Texas for the Southwest corner of this tract;

THENCE N0°16'40"W 1967.40 feet to a 3/8" rebar set on the NBL of said L. Landant Survey No. 17 and the SBL of West Side Ramp Road at the Northeast corner of the W. C. Jobe Addition, recorded in Slide 297, Plat Records, Jones County, Texas for the Northwest corner of this tract;

THENCE N89°57'E 2560.0 feet along the NBL of said L. Landant Survey No. 17 and partly along the SBL of said road to a 3/8" rebar set for the Northeast corner of this tract;

THENCE S0°03'E 1964.20 feet to the place of beginning and containing 115.35 acres of land.

Surveyed on the ground during the months of July and August, 2010.

SEE ATTACHED PLAT

Williams Surveying Company
226 Sycamore Street
Abilene, Texas 79602
Jim@WilliamsSurveying.com
File # 329-48-10-115.35ac

James L. Williams, Jr.
R.P.L.S. # 4885

Exhibit "B"

PERMITTED EXCEPTIONS

1. Oil and Gas Lease to John R. Jordan, recorded in Volume 564, Page 372, Deed Records of Jones County, Texas.

2. Oil and Gas Lease to John R. Jordan, recorded in Volume 566, Page 820, Deed Records of Jones County, Texas.

3. Terms, conditions and stipulations of Agreement between the City of Abilene, Texas and Schkade Brothers Drilling Co., recorded in Volume 573, Page 298, Deed Records of Jones County, Texas.

4. Any and all matters as shown on survey dated July and August, 2010, prepared by James L. Williams, Jr. RPLS No. 4885, including but not limited to: part lying in Flood Zone A and Flood Zone B.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 7 d - Consideration and possible action on general review of VLB rules in Texas Administrative Code, Title 40, Part 5, Chapters 175 – 178.

RECOMMENDATION: Staff recommends the Board approve commencing a review of its rules pursuant to Section 2001.039 of the Texas Government Code through publication in the Texas Register.

Summary

Section 2001.039 of the Texas Government Code requires the Board, as a State agency, to conduct a review of its rules every four years. These rules are in Title 40, Part 5, Chapters 175 – 178 of the Texas Administrative Code. This review requires a determination as to whether to readopt, readopt with amendments, or repeal these chapters. Readopting a chapter with amendments would entail changing or omitting its individual rules.

Contingent upon Board approval, staff will conduct this review as follows:

- Publish notice in the Texas Register ("Register") of the Board's intent to review these chapters to receive public comment;
- After at least 30 days, conclude its review and publish notice in the Register of the Board's determination on adopting, adopting with amendments, or repealing these chapters. During this period, staff will review individual rules, take into consideration any public comment, and make determinations on changing or repealing them;
- Provide Board members for review any proposed changes and/or repeals of individual rules; and then
- Request approval from the Board to publish these proposed changes in the Register for public comment.

Proposed changes to rules may be substantial, to improve their efficacy and to reflect current Board practices and policies. Likewise, proposed changes may be non-substantial, to improve the rules' readability. Rule repeals would be proposed should they be determined to be obsolete or hold no current purpose.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Ray Minjarez, Director of Construction Services

Subject: Agenda Item 8 a – Report on Construction Services.

RECOMMENDATION: This agenda item requires no action from the Board.

Houston Roof:
Kitchell initiated additional roof repairs as of May 13, 2024. Since new repairs began there have been multiple rainstorms but only one new leak reported, and it was fixed within 24 hours. Repairs were reported to be complete as of June 4, 2024. GLO is coordinating final inspection with Kitchell week of July 1, 2024.

Fort Worth Construction:
Bartlett-Cocke General Contractor provided a substantial completion date of June 22, 2024. They now indicate substantial completion is projected for October 2, 2024. Extension of substantial completion date is attributed to procurement of fire and smoke dampers, quality control findings and the general contractor's inability to secure sufficient subcontractors to complete work in the home. GLO met with Bartlett-Cocke General Contractor leadership on June 18, 2024, to express concerns regarding continued project delays and quality control.

This significant proposed change in completion shifts the timeline for furnishing the building to November 2024; safety inspections into December 2024 or January 2025; and initial resident occupancy and HHSC/VA inspections into February 2025 or March 2025.

MEMORANDUM

TEXAS VETERANS LAND BOARD • CHAIRWOMAN DAWN BUCKINGHAM, M.D.

Date: June 25, 2024

To: Dawn Buckingham, M.D., Chairwoman
Judson Scott, Member
James Rothfelder, Member

From: Darren Fitz Gerald, Assistant Executive Secretary

Subject: Agenda Item 9 a - Report on Veterans Land Board operations.

RECOMMENDATION: This agenda item requires no action from the Board.

Promotions:

Bobby Breeden from Program Manager overseeing OSRs in Veterans Homes to Director V overseeing Texas State Veterans Homes division.
Katina Herring from Junior Loan Processor to Loan Processor

Veterans Appreciation Day and Memorial Day
On May 7th Chairwoman Buckingham led a Veteran Appreciation Day where all Veterans employed by the General Land Office and Veterans Land Board were recognized. It was a successful event that coincided with national Military Appreciation Month.

On May 27th the staff and supporting community groups conducted successful Memorial Day ceremonies at each Cemetery and each Veteran Home. The staff appreciates the Board for attending the various ceremonies at the cemeteries.

Continuing Education Course Approved for Texas Real Estate Professionals
On June 12, the Texas Real Estate Commission approved a course to educate Texas real estate professionals on VLB loan programs. Annually real estate licensees must complete 18 hours of continuing education. 10 of those hours are electives. The VLB course offers a free 1-hour course and titled, "Veterans Land Board (VLB) Free Course on Home and Land Loans." The Marketing and Outreach Team will now promote and teach this class.

Texas State Veterans Cemetery Committee:
The committee will meet on June 25, 2024, at 10:00 A.M. in Room 107 of the Stephen F. Austin Building. The meeting is prior to the already scheduled Special Called Meeting of the Texas Veterans Land Board. Once the Texas State Veterans Cemetery Committee completes its business and adjourns, the VLB Board meeting will begin at 11:00 A.M.

The powers of the committee include:

(1) establish the guidelines for determining:
    (A) the location and size of veterans cemeteries; and
    (B) the eligibility for burial in a veterans cemetery; and
(2) select up to seven locations across the state for veterans' cemeteries.

The committee consists of the three members of the Texas Veterans Land Board, the chair of the Texas Veterans Commission, and two representatives of the Veterans community selected by the chair of the Texas Veterans Commission.

The current members of the committee are:

Dawn Buckingham, M.D., Chairwoman of the Texas Veterans Land Board
Laura Koerner, Chairwoman, Texas Veterans Commission, U.S. Navy Veteran
Kevin Barber, Member, Texas Veterans Commission, U.S. Army Veteran
Kitty Meyers, Citizen Member, U.S. Air Force Veteran
James Rothfelder, Member, Texas Veterans Land Board
Jud Scott, Member, Texas Veterans Land Board, U.S. Navy Veteran

<u>Upcoming Dates of Importance:</u>

July 30, 2024 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 A.M.

November 11, 2024 – Veterans Day – events at each Veteran Home and Veteran Cemetery

November 12, 2024 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 A.M.

February 4, 2025 - Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 A.M.

May 13, 2025 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 A.M.

August 5, 2025 - Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 A.M.