

OFFICIAL STATEMENT DATED SEPTEMBER 13, 2017

NEW ISSUE - Book-Entry Only

RATINGS: S&P: "AA+"
Fitch: "AA+"
(See "RATINGS" herein)

Interest to be paid on the Bonds (as defined below) is included in gross income for federal income tax purposes. See "TAX MATTERS" herein.



TEXAS PUBLIC FINANCE AUTHORITY

\$4,085,000

LEASE REVENUE REFUNDING BONDS
(Texas Historical Commission Project),
Taxable Series 2017

Dated Date and Interest Accrual Date: Date of Delivery

Due: February 1, as shown on page ii

The Texas Public Finance Authority (the "Authority") is issuing its Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017 (the "Bonds") as special and limited obligations of the Authority, in the aggregate principal amount shown above. The Bonds are being issued to refund certain outstanding bonds issued by the Authority on behalf of the Texas Historical Commission (the "Historical Commission" or the "Lessee Agency"), relating to the Project (defined herein) which were originally financed with proceeds of the Refunded Bonds as further identified in "SCHEDULE I — SCHEDULE OF REFUNDED BONDS" attached hereto (the "Refunded Bonds") and to pay the Costs of Issuance (defined herein) of the Bonds. (See "PLAN OF FINANCE")

Interest on the Bonds accrues from the date of delivery and will be payable on February 1 and August 1 of each year, commencing February 1, 2018 until maturity. (See "DESCRIPTION OF THE BONDS")

The Bonds are not subject to optional redemption prior to their stated maturity as described herein. (See "DESCRIPTION OF THE BONDS – Redemption")

The Bonds are payable only from certain pledged security, which consists primarily of Rent Payments (defined herein) made pursuant to a lease agreement (the "Lease"), between the Authority and the Lessee Agency. The Lease obligates the Lessee Agency to make Rent Payments sufficient to pay, when due, the principal of, premium, if any, and interest on the Refunded Bonds and on the Bonds subject to the appropriation of funds by the Legislature of the State of Texas. (See "THE LEASE")

THE OBLIGATION OF THE LESSEE AGENCY TO MAKE RENT PAYMENTS UNDER THE LEASE IS SUBJECT TO, AND DEPENDENT UPON, APPROPRIATION BY THE LEGISLATURE OF THE STATE OF TEXAS OF FUNDS NECESSARY TO MAKE SUCH RENT PAYMENTS. THE LEGISLATURE HAS NO OBLIGATION TO MAKE ANY SUCH APPROPRIATIONS. NEITHER THE STATE OF TEXAS NOR ANY AGENCY, POLITICAL CORPORATION, OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS WILL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS, EXCEPT AS DESCRIBED HEREIN WITH RESPECT TO PAYMENTS TO BE MADE BY THE AUTHORITY FROM THE REVENUES PLEDGED FOR SUCH PURPOSE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY, POLITICAL CORPORATION, OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS (INCLUDING THE AUTHORITY AND THE LESSEE AGENCY) WILL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THERE IS NO MORTGAGE OR OTHER SECURITY INTEREST IN THE PROJECT REFINANCED WITH THE PROCEEDS OF THE BONDS. (SEE "DESCRIPTION OF THE BONDS – SOURCE OF PAYMENT OF THE BONDS")

MATURITY SCHEDULE, INTEREST RATES, PRICES, AND OTHER TERMS FOR

THE BONDS (See page ii)

CUSIP Prefix: 882669

The Bonds are offered for delivery when, as, and if issued and accepted by the Underwriter, and subject to the approval of the Attorney General of the State of Texas and the opinion of Escamilla & Poneck, LLP, San Antonio, Texas, Bond Counsel, as to the validity of the issuance of the Bonds under the Constitution and laws of the State. Certain legal matters will be passed upon for the Authority by the General Counsel to the Authority and by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriter by Bickerstaff Heath Delgado Acosta LLP, Austin, Texas. It is expected that the Bonds will be delivered on or about September 28, 2017 (the "Date of Delivery") through the facilities of The Depository Trust Company, New York, New York.

GEORGE K. BAUM & COMPANY

MATURITY SCHEDULE

\$4,085,000
TEXAS PUBLIC FINANCE AUTHORITY
LEASE REVENUE REFUNDING BONDS
(Texas Historical Commission Project),
Taxable Series 2017

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP⁽¹⁾ No. (882669)</u>
2018	\$515,000	2.000%	1.430%	AK0
2019	480,000	2.000	1.697	AL8
2020	465,000	2.000	1.882	AM6
2021	455,000	4.000	2.120	AN4
2022	450,000	4.000	2.270	AP9
2023	440,000	4.000	2.508	AQ7
2024	435,000	4.000	2.658	AR5
2025	425,000	4.000	2.792	AS3
2026	420,000	4.000	2.892	AT1

(Interest accrues from Date of Delivery)

REDEMPTION... The Bonds are not subject to optional redemption prior to their stated maturity. (See "DESCRIPTION OF THE BONDS – Redemption")

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STATE OF TEXAS

Greg Abbott
Governor

Dan Patrick
Lieutenant Governor

Ken Paxton
Attorney General

Glenn Hegar
Comptroller of Public Accounts

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS

- Billy M. Atkinson, Jr. – Chair*
- Ruth C. Schiermeyer – Vice-Chair
- Gerald B. Alley – Secretary
- Ramon Manning – Member
- Walker N. Moody – Member
- Rodney K. Moore – Member
- Robert T. Roddy, Jr. – Member*

*Mr. Atkinson and Mr. Roddy's respective terms expired on February 1, 2017. State law provides that a Board member continues to serve until such Board member's replacement is appointed, qualified and takes the oath of office.

CERTAIN OFFICERS

Lee Deviney, Executive Director
Pamela Scivicque, Director, Business Administration
Kevin Van Oort, General Counsel

CONSULTANTS AND ADVISORS

Financial Advisor.....FirstSouthwest, a Division of Hilltop Securities Inc.
Bond Counsel..... Escamilla & Poneck, LLP
Disclosure Counsel.....McCall, Parkhurst & Horton L.L.P.

FOR ADDITIONAL INFORMATION REGARDING THE AUTHORITY, PLEASE CONTACT:

Lee Deviney
Executive Director
300 W. 15th Street, Suite 411
Austin, Texas 78701
(512) 463-5544

or

Chris W. Allen
Managing Director
FirstSouthwest, a Division of Hilltop Securities Inc.
300 W. Sixth Street, Suite 1940
Austin, Texas 78701
(512) 481-2013

SALE AND DISTRIBUTION OF THE BONDS

This Official Statement, which includes the cover page, schedules and the appendices attached hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Use of Official Statement

No dealer, broker, salesman, or other person has been authorized by the Authority to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create the implication that there has been no change in the affairs of the Authority or the State of Texas since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its respective responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM AS PROVIDED FOR IN "APPENDIX D – BOOK-ENTRY-ONLY SYSTEM," AS SUCH INFORMATION HAS BEEN FURNISHED BY DTC.

Marketability

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21e OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE

FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. (See "LEGAL MATTERS – Forward-Looking Statements") herein.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement, including the schedules and the Appendices hereto. No one is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement (including the schedules and the Appendices). Certain defined terms used in this Summary Statement are defined elsewhere in this Official Statement.

Issuer	Texas Public Finance Authority
Offering	\$4,085,000 Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017.
Maturity	The Bonds mature on February 1 of each of the years and in the principal amounts set forth on page ii of this Official Statement. (See "DESCRIPTION OF THE BONDS")
Interest	Interest on the Bonds accrues from the Date of Delivery and will be payable on February 1 and August 1 of each year, commencing February 1, 2018 until maturity. (See "DESCRIPTION OF THE BONDS")
Redemption	The Bonds are not subject to optional redemption prior to their stated maturity. (See "DESCRIPTION OF THE BONDS – Redemption")
Book-Entry-Only System	The Bonds are initially issuable only to Cede & Co, the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to a book-entry only system (as described herein). No physical delivery of the Bonds will be made to the beneficial owners of the Bonds. Interest on and principal of the Bonds will be paid to Cede & Co., which will distribute the payments to the participating members of DTC for remittance to the beneficial owners of the Bonds. (See "APPENDIX D – BOOK-ENTRY-ONLY SYSTEM")
Purpose	The Bonds are being issued to refund certain outstanding bonds of the Authority issued on behalf of the Lessee Agency (defined herein) and to pay the Costs of Issuance (defined herein) of the Bonds. (See "PLAN OF FINANCE" and "SCHEDULE I – SCHEDULE OF REFUNDED BONDS")
Source of Payment	The Lease (defined herein) of the Lessee Agency is the primary source of payment for the Bonds. The Lease obligates the Lessee Agency to make Rent Payments (defined herein) sufficient to pay the principal of and interest on the Bonds; however, the obligation of the Lessee Agency to make payments under the Lease is subject to, and dependent upon, appropriation by the Legislature of the State of funds necessary to make such payments. The Legislature has no obligation to make such appropriations. There is no mortgage or other security interest in the Project (defined herein) refinanced with the proceeds of the Bonds. (See "PLAN OF FINANCE," "DESCRIPTION OF THE BONDS – Source of Payment of the Bonds" and "– Limited Ability to Re-Lease Project")
Ratings	S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), and Fitch Ratings ("Fitch") have assigned ratings of "AA+" and "AA+," respectively, to the Bonds. (See "RATINGS")
Legality	The issuance of the Bonds is subject to the approval of the Attorney General of the State and the opinion of Escamilla & Poneck, LLP, Bond Counsel, as to the validity of the issuance of the Bonds under the Constitution and laws of the State. (See "LEGAL MATTERS – Legal Opinions")

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OFFICIAL STATEMENT

relating to

\$4,085,000

TEXAS PUBLIC FINANCE AUTHORITY

LEASE REVENUE REFUNDING BONDS

(Texas Historical Commission Project),

Taxable Series 2017

INTRODUCTION

General

This Official Statement, including the cover page, the schedules and the Appendices hereto, provide certain information regarding the issuance by the Texas Public Finance Authority (the "Authority" or "Issuer") of its Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017 (the "Bonds") as special and limited obligations of the Authority in the aggregate principal amount shown above. The Bonds are being issued to refund certain outstanding bonds issued by the Authority on behalf of the Texas Historical Commission (the "Historical Commission" or the "Lessee Agency"), as further identified in "SCHEDULE I – SCHEDULE OF REFUNDED BONDS" attached hereto (the "Refunded Bonds"), relating to the Project (defined herein) which is being refinanced with proceeds of the Bonds, and to pay the Costs of Issuance (defined herein) of the Bonds. Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed to them in "APPENDIX C – DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION."

All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of documents relating to the Authority may be obtained from the Executive Director, Texas Public Finance Authority, 300 West 15th Street, Suite 411, Austin, Texas 78701, (512) 463-5544.

This Official Statement speaks only as of its date, except the Bond Appendix (defined herein) and 2016 CAFR (defined herein), which speak as of the date of their issuance. The information contained herein is subject to change. A copy of this Official Statement will be submitted to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's and the Comptroller's respective undertakings to provide certain information on a continuing basis.

Additionally, at its meeting on August 10, 2017, the Board also authorized the issuance of the Authority's \$21,070,000 State of Texas General Obligation Refunding Bonds, Taxable Series 2017B (the "2017B Bonds") pursuant to a separate resolution and official statement. The 2017B Bonds were priced concurrently with the Bonds. The 2017B Bonds should be reviewed and analyzed independently from the Bonds including the security for payment, the rights of the Bond Owners and other factors.

Security

The Lease of the Lessee Agency obligates it to make or cause to be made Rent Payments sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds subject to the appropriation of funds by the Legislature (See "THE LEASE"). Pursuant to the Resolution, the Authority will pledge to the Bond Owners as security for the payment of the Bonds all right, title, and interest of the Authority in and to the Pledged Security, which, with respect to the Lease, primarily consists of the Pledged Revenues. (See "DESCRIPTION OF THE BONDS – Source of Payment of the Bonds")

PLAN OF FINANCE

Purpose

The Bonds are being issued to refund the Refunded Bonds and to pay the Costs of Issuance (defined herein) of the Bonds. (See "SCHEDULE I — SCHEDULE OF REFUNDED BONDS")

Authority for Issuance

The Bonds are being issued in accordance with the Authorizing Law and pursuant to the bond resolution (the "Resolution") adopted by the Board of Directors of the Authority (the "Board") on August 10, 2017. As permitted by Chapters 1207 and 1371, Texas Government Code, as amended, the Board, in the Resolution, delegated to certain designated officials (the "Pricing Committee") the authority to establish and approve the final terms of sale of the Bonds through the execution of a "Pricing Certificate," which Pricing Certificate was finalized and executed in connection with the sale of the Bonds (the Resolution and the Pricing Certificate are jointly referred to herein as the "Bond Resolution").

Payment of Refunded Bonds

The principal of and interest due on the Refunded Bonds are to be paid on the redemption date of such Refunded Bonds, from funds to be deposited in a separate special escrow account for the Refunded Bonds held with the Texas Treasury Safekeeping Trust Company (the "Escrow Agent") in accordance with the Escrow Agreement for the Refunded Bonds (the "Escrow Agreement") between the Authority and the Escrow Agent. The Bond Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriter, and other available funds of the Authority, the Authority will deposit with the Escrow Agent an amount necessary to accomplish the discharge and final payment of the Refunded Bonds. The Authority's Financial Advisor will provide a Certificate of Sufficiency confirming that such deposit in the Escrow Fund will be sufficient to accomplish the discharge, defeasance and final payment of the Refunded Bonds. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and will be held as cash.

The Authority will give irrevocable instructions to provide notice to the owners of the Refunded Bonds that the Refunded Bonds will be redeemed prior to their stated maturity on their redemption date, on which date money will be made available to redeem the Refunded Bonds from money held under the Escrow Agreement and the Authority will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds.

By the deposit of the cash with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have effected the defeasance of the Refunded Bonds in accordance with applicable law and the resolution authorizing the issuance of the Refunded Bonds. It is the opinion of Bond Counsel that as a result of such defeasance, and in reliance upon the Certificate of Sufficiency of the Financial Advisor, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the cash balance on deposit from time to time in the Escrow Fund which is held for such purpose by the Escrow Agent and the Refunded Bonds will not be deemed as being outstanding obligations of the Authority.

The Escrow Agreement

The following is a summary of certain provisions of the Escrow Agreement. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Escrow Agreement. Copies of the Escrow Agreement are available for examination at the offices of the Authority.

The Escrow Agreement is an agreement by and between the Authority and the Texas Treasury Safekeeping Trust Company, as escrow agent, whereby certain proceeds of the Bonds and other available funds of the Authority will be deposited in the Escrow Fund. Such deposit (a) will be the property of the Escrow Fund as a special trust and irrevocable escrow fund, (b) will be applied in strict conformity with the terms of the Escrow Agreement, and (c) will be applied to the extent needed to pay the principal of and interest on the Refunded Bonds on the redemption date.

In the Escrow Agreement, the Authority represents that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the place of payment for the Refunded Bonds at the times and in the amounts required by such place of payment for the Refunded Bonds and the Authority will have no further responsibilities with respect to the amounts available in the Escrow Fund for payment of the Refunded Bonds.

Sources and Uses of Funds

The proceeds from the sale of the Bonds, together with other lawfully available funds of the Authority, will be applied approximately as follows:

Sources of Funds	
Principal Amount of the Bonds	\$4,085,000.00
Original Issue Premium	198,166.05
Total	<u>\$4,283,166.05</u>
Uses of Funds	
Deposit to Escrow Fund	\$4,149,378.57
Deposit to Interest and Sinking Fund	1,120.55
Costs of Issuance ⁽¹⁾	132,666.93
Total	<u>\$4,283,166.05</u>

⁽¹⁾ Includes Underwriter's Discount.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in book-entry form pursuant to the Book-Entry-Only System described below. Beneficial owners of Bonds will not receive physical delivery of the bond certificates. The Bonds will be issuable in fully registered form and purchases of Bonds are required to be in the denomination of \$5,000 or any integral multiple thereof. The Bonds will bear interest at the respective rates shown on page ii of this Official Statement, calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will mature in the respective principal amounts and on the respective dates shown on page ii of this Official Statement. The Bonds accrue interest from the Date of Delivery and are payable semi-annually on each February 1 and August 1, commencing February 1, 2018 (each an "Interest Payment Date").

Flow of Funds

The Authority will establish an interest and sinking fund for the Bonds (the "Interest and Sinking Fund") which will be administered by the Comptroller of Public Accounts. All money required to be deposited with or paid to the Authority and credited to the Interest and Sinking Fund will be held in trust and, except for funds held for the payment of Bond Obligations (hereinafter defined) that have become due, will be subject to the pledge created by the Resolution.

All Pledged Revenues collected by the Authority will be deposited into the Interest and Sinking Fund. On each Rent Payment Date, the Authority will make Rent Payments on behalf of the Historical Commission by transferring funds from the State Lease Fund Account (or from such other source of funds lawfully available to the Historical Commission as may be directed by the Historical Commission) to the Interest and Sinking Fund in an amount that (taking into account other funds, if any, on deposit in the Interest and Sinking Fund) is sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds next coming due. Upon receipt of written instructions from the Executive Director to transfer funds to the Interest and Sinking Fund from another account of the Authority, or to deposit funds received by the Comptroller of Public Accounts from, or for the account of, the Authority into the Interest and Sinking Fund, the Comptroller of Public Accounts will make such transfer or deposit in accordance with such instructions.

If, after any Rent Payment Date but before the date that payment of the principal of, redemption premium, if any, and interest on the Bonds next comes due following such Rent Payment Date, the Comptroller receives instructions from the Executive Director to transfer funds to the Interest and Sinking Fund from the State Lease Fund Account (or from such other source of funds lawfully available to the Historical Commission as may be directed by the Historical Commission) in order to cure a deficiency in the Interest and Sinking Fund, the Comptroller, upon receipt of such instructions, shall make such transfer in the amount and otherwise in accordance with such instructions.

Pursuant to the Lease, insurance or condemnation proceeds received as a result of damage, destruction, or condemnation of all or any portion of the Project may either be: (i) applied toward the prepayment of Rent Payments under the Lease in the inverse order of their due dates; or (ii) used to restore or replace the Project. If such proceeds are to be used to restore or replace the Project, such proceeds must be deposited into the Restoration Fund. Proceeds derived from the sale or other disposition of the Project, at the direction of the Legislature, must be deposited in the Restoration Fund created under the Resolution. Any money remaining in the Restoration Fund after the payment of all restoration or replacement costs, as evidenced by a certificate of an Authority Representative must be deposited into the Interest and Sinking Fund or into the State Lease Fund Account.

Money held by the Comptroller of Public Accounts may be invested in any investment authorized by law for State funds as selected by the Comptroller of Public Accounts. Income from any investment of money in a Fund shall be deposited in such Fund.

Defaults and Remedies

If the Authority defaults in the payment of the principal of or interest on the Bonds or the redemption price on the Bonds when due, or if it fails to make payments into any Fund or Funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Bond Owners may seek a writ of mandamus to compel Authority officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or Bond Resolution and the Authority's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and such remedy rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from time to time. The Bond Resolution does not provide for the appointment of a trustee to represent the interest of the Bond Owners upon any failure of the Authority to perform in accordance with the terms of the Bond Resolution or upon any other condition; accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Bond Owners. The opinion of Bond Counsel will note that the rights of the Bond Owners are subject to applicable provisions of bankruptcy, reorganization and other similar matters affecting the rights of creditors generally, and may be limited by general principles of equity that permit the exercise of judicial discretion.

Transfer, Exchange, and Registration

Upon surrender for transfer of any Bond at the Designated Payment Office, the Authority will execute, and the Paying Agent/Registrar (initially the Authority) will authenticate and deliver, in the name of the designated transferee, one or more new fully registered Bonds of the same stated maturity, of any authorized denominations, and of a like aggregate principal amount. At the option of the holder, Bonds may be exchanged for other Bonds of the same stated maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the place of payment for the Bonds. Whenever any Bonds are so surrendered for exchange, the Authority will execute, and the Paying Agent/Registrar will authenticate and deliver the Bonds, which the holder of Bonds making the exchange is entitled to receive. Every Bond presented or surrendered for transfer or exchange will be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Authority and the Paying Agent/Registrar duly executed, by the holder thereof or his attorney duly authorized in writing. No service charge will be made to the holder for any registration, transfer, or exchange of Bonds, but the Authority or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Limitation on Transfer

The Paying Agent/Registrar will not be required to transfer or exchange any Bond: (i) between a Record Date and the related Interest Payment Date; (ii) during the 30-day period preceding the maturity date of such Bond; or (iii) which has been selected for redemption in whole or in part.

Record Date for Interest Payment

The regular record date ("Record Date") for determining the party entitled to the receipt of the interest payable on the Bonds on any interest payment date means the fifteenth day of the month immediately preceding each interest payment date.

The interest payable on, and paid or duly provided for on or within ten days after, any interest payment date will be paid to the person in whose name a Bond (or one or more predecessor Bonds evidencing the same debt) is registered at the close of business on the Record Date for such interest. Any such interest not so paid or duly provided for will cease to be payable to the person in whose name such Bond is registered on such Record Date, and will be paid to the person in whose name such Bond (or one or more predecessor Bonds) is registered at the close of business on a special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent/Registrar, notice whereof being given to the holders of the Bond not less than 15 days prior to the special Record Date.

Redemption

The Bonds are not subject to optional redemption prior to their stated maturity.

Source of Payment of the Bonds

Pursuant to the Resolution, the Authority will pledge to the Bond Owners as security for the payment of the Bonds (the "Pledged Security") all right, title, and interest of the Authority in and to (i) the Pledged Revenues (described below); (ii) all rights and remedies of the Authority under the Lease, and any other lease or use agreement or arrangement of all or any part of the Project (with the exception of certain remitted revenues due to The Admiral Nimitz Foundation (the "ANF") pursuant to the Operating Agreement dated as of November 1, 2005, entered into by and between the Historical Commission and the ANF, as amended by a first amendment on January 1, 2006 and a second amendment on March 21, 2007 (the "Operating Agreement") and except for the Authority's right (A) to receive proceeds of insurance maintained with respect to the Project, (B) to indemnification, and (C) to payment of Bond Administration Costs); and (iii) amounts in the Interest and Sinking Fund.

Pledged Revenues with respect to the Bonds includes: (i) all Rent Payments under the Lease, except the amount of such payments used by the Authority, if any, for the purchase of insurance or to fund a self-insurance program as described in the Lease; (ii) any receipts derived from the exercise of any rights or remedies of the Authority with respect to the Pledged Security; and (iii) if the Lease is terminated with respect to any portion of the Project, the net revenues (i.e., revenues net of operating and maintenance expenses, determined in accordance with generally accepted accounting principles) derived from the portion of the Project.

The Lease obligates the Lessee Agency to make Rent Payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Refunded Bonds and on the Bonds. (See "THE LEASE – *Rent Payments*")

The obligation of the Lessee Agency to make Rent Payments under the Lease is subject to, and dependent upon, the appropriation of funds by the Legislature in amounts sufficient to make such payments. Under the Texas Constitution, an appropriation may not be made for more than one biennium. Accordingly, at any given time, the Lessee Agency's obligations under the Lease will be limited to the then-current fiscal year or biennium and, if the Legislature has adopted an appropriations bill, for the succeeding fiscal year or biennium. Although the term of the Lease extends beyond the current fiscal year or biennium, the continuation of the Lease is dependent upon the successive appropriation in the budget for each fiscal year or biennium of sufficient money to make the payments required thereunder, and the failure of the Legislature to make such appropriation may result in the termination of the Lease. While it is expected that the Legislature will make appropriations for each fiscal year or biennium in an amount sufficient to allow the Lessee Agency to make the Rent Payments, the Legislature has no legal obligation to do so, and the Bond Owners will have no right to compel the Legislature to make such appropriations.

Chapter 1208 of the Texas Government Code, as amended, applies to the issuance of the Bonds, and therefore, the pledge of the Pledged Security granted by the Authority under the Resolution is valid, effective, and perfected. At any time while the Bonds are outstanding and unpaid, if State law is amended with such result that the pledge of the Pledged Security becomes subject to the filing requirements of Chapter 9 of the Texas Business & Commerce Code, the Authority has agreed (in order to preserve to the Bond Owners a security interest in such pledge) to take such measures as it determines are reasonable and necessary under State law to comply with Chapter 9 of the Texas Business & Commerce Code and enable a filing of a security interest in the pledge to occur for the benefit of the Bond Owners.

The Authority has never defaulted on bonds or other obligations payable from rent payments subject to biennial appropriation by the Legislature.

Rent Payments will ultimately be made from funds appropriated by the Legislature to the Lessee Agency, and there may be various factors, including the financial condition of the State, that could have a bearing upon whether the Legislature will be willing to appropriate funds to make Rent Payments. (See "GENERAL INFORMATION REGARDING THE STATE OF TEXAS")

State Lease Fund Account

The Authorizing Law provides for the State Lease Fund Account, and provides that the Legislature may make its appropriation of funds (including funds appropriated for Rent Payments due under the Lease) to the Lessee Agency directly

into the State Lease Fund Account. The State Lease Fund Account is a separate account in the State Treasury for accounting purposes, but money credited to the account will not be segregated from other State money. The Bond Owners will have no interest in, or rights to, money credited to the State Lease Fund Account.

Limited Ability to Re-Lease Project

The Authority has not granted the Bond Owners a lien against, or security interest in, the Project as security for the Bonds. If a Lessee Agency defaults in the payment of amounts due under the Lease or the Lease is terminated because of nonappropriation, the Authority has the right, in accordance with the Lease, to re-lease the Project to other users. However, the ability of the Authority to re-lease all or any part of the Project upon default under the Lease (or termination of the same because of nonappropriation) may be impaired by factors such as the integration of the Project with other State facilities and the specialized nature of the Project. The ability of the Authority to re-lease all or any part of the Project also may be hindered by the traditional reluctance of the courts to evict a governmental body from a facility that is used in the performance of its governmental functions, especially if that governmental body has the right to occupy that facility, pursuant to the terms of another valid agreement.

Book-Entry-Only System

In reading this Official Statement, it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered Owners should be read to include the person for which the Direct Participant (defined herein) or Indirect Participant (defined herein) acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered Owners under the Resolution will be given only to DTC. See "APPENDIX D – BOOK-ENTRY-ONLY SYSTEM."

THE PAYING AGENT/REGISTRAR AND THE AUTHORITY, SO LONG AS THE DTC BOOK-ENTRY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF PROPOSED AMENDMENT TO THE BOND RESOLUTION OR OTHER NOTICES WITH RESPECT TO SUCH BONDS ONLY TO DTC. ANY FAILURE BY DTC TO ADVISE ANY DTC PARTICIPANT OR OF ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY THE BENEFICIAL OWNERS, OF ANY NOTICES AND THEIR CONTENTS OR EFFECT WILL NOT AFFECT ANY ACTION PREMISED ON ANY SUCH NOTICE. NEITHER THE AUTHORITY NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS ON THE BONDS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

THE AUTHORITY

General

Under Chapter 1232 of the Texas Government Code (the "Texas Public Finance Authority Act"), the Authority's power is limited to financing and refinancing project costs for State agencies and institutions and does not affect the power of the relevant State agency or institution to carry out its statutory authority, including the authority of such agency or institution to construct buildings. The Texas Public Finance Authority Act directs State agencies and institutions to carry out their authority regarding projects financed by the Authority as if the projects were financed by legislative appropriation.

Pursuant to the Texas Public Finance Authority Act, the Authority issues general obligation bonds and revenue bonds for designated State agencies (including certain institutions of higher education). In addition, the Authority currently administers four commercial paper programs, namely: the Master Lease Purchase Program, which is primarily for financing equipment acquisitions; a general obligation commercial paper program for certain State government construction projects; a general obligation commercial paper program for the Cancer Prevention and Research Institute of Texas; and a revenue commercial paper program for the Texas Facilities Commission. In addition, in 2003, the Authority created a nonprofit corporation to finance projects for eligible charter schools pursuant to Chapter 53, Texas Education Code.

The Authority has issued revenue bonds on behalf of the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas State Preservation Board, the Texas Department of Criminal Justice, the Texas Health & Human

Services Commission (which includes the Texas Department of State Health Services and the Texas Department of Health), the Texas Workforce Commission, the Texas State Technical College System, the Texas Military Department, the Historical Commission, Midwestern State University, Texas Southern University, Stephen F. Austin State University and the Texas Windstorm Insurance Association. It has also issued general obligation bonds for the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas Department of State Health Services, the Texas Department of Criminal Justice, the Texas Department of Aging and Disability Services, the Texas Department of Public Safety, the Texas Juvenile Justice Department (formerly Texas Youth Commission and Texas Juvenile Probation Commission), the Texas National Research Laboratory Commission, the Historical Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Department of Agriculture, the Texas Military Department (formerly Adjutant General's Department), the Texas Department of Transportation, the Texas Military Preparedness Commission, and Cancer Prevention and Research Institute of Texas.

Before the Authority may issue bonds for the acquisition or construction of a building, the Legislature must have authorized the specific project for which the bonds or other obligations are to be issued and the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance of bonds. The Texas Supreme Court, in *Texas Public Building Authority v. Mattox*, 686 S.W. 2d 924 (1985), ruled that revenue bonds issued by the Authority do not constitute debt of the State within the meaning of the State Constitution. As set forth in the Texas Public Finance Authority Act, revenue obligations issued thereunder are not a debt of the State or any State agency, political corporation or political subdivision of the State and are not a pledge of the full faith and credit of any of them.

Authority Executives

The Authority is currently governed by a Board, which is composed of seven members appointed by the Governor of the State with the advice and consent of the State Senate. The Governor designates one member to serve as Chair at the will of the Governor. Board members whose terms have expired continue to serve on the Board until a successor therefor has qualified for office. The current members of the Board, the office held by each member and the date on which each member's term expires are as follows:

<u>Name</u>	<u>Position</u>	<u>Term Expires (February 1)</u>
Billy M. Atkinson, Jr.	Chair	2017*
Ruth C. Schiermeyer	Vice-Chair	2019
Gerald B. Alley	Secretary	2019
Ramon Manning	Member	2021
Walker N. Moody	Member	2019
Rodney K. Moore	Member	2021
Robert T. Roddy, Jr.	Member	2017*

*Mr. Atkinson and Mr. Roddy's respective terms expired on February 1, 2017. State law provides that a Board member continues to serve until such Board member's replacement is appointed, qualified and takes the oath of office.

The Authority generally employs approximately 14 employees, including an Executive Director, a General Counsel, a Deputy Director, and a Director of Business Administration. The Executive Director is charged with managing the affairs of the Authority, subject to and under the direction of the Board.

Lee Deviney, Executive Director. The Board appointed Mr. Deviney as the Executive Director of the Texas Public Finance Authority on June 5, 2014. Mr. Deviney previously served as the Chief Financial Officer of the Texas Economic Development and Tourism Office within the Office of the Governor since September 1, 2011. He has previously held the position of Chief Financial Officer or similar positions at the Texas Lottery and the Texas Education Agency and he previously served as Assistant Commissioner for Finance and Agribusiness Development for the Texas Department of Agriculture ("TDA"). Prior to his appointment as an Assistant Commissioner at TDA, Mr. Deviney served as Interim Executive Director and Director of Operations for the Texas Public Finance Authority and he was a Budget Examiner for the Texas Legislative Budget Board. Mr. Deviney has a Bachelor's degree in Economics from The University of Texas at Austin and a Master's degree in Business Administration from St. Edwards University.

Pamela Scivicque, Director, Business Administration. Ms. Scivicque joined the staff of the Authority in 1990. She is currently responsible for legislative reporting, procurement, accounting, budgeting and risk and property management. Ms. Scivicque attended Texas State University, Texas Tech's Southwest School of Governmental Finance, the Texas Fiscal Officers' Academy ("TFOA") and the Governor's Executive Development Program. She has served on numerous statewide committees, including TFOA's curriculum committee, and is a member of the Texas State Business Administrators' Association where she previously served as President in 2006.

Kevin Van Oort, General Counsel. Mr. Van Oort was hired as the Authority's General Counsel on September 2, 2014. Previously, Mr. Van Oort served as Senior Tax Counsel for the Office of the Texas Attorney General, Deputy General Counsel for the Texas Comptroller of Public Accounts and General Counsel for the Texas Legislative Budget Board. Mr. Van Oort took his Bachelor's degree in Economics at the University of Nebraska and his Juris Doctor at The University of Texas.

Sunset Review

In 1977, the State Legislature enacted the Texas Sunset Act (Chapter 325, Texas Government Code, as amended), which provides that virtually all agencies of the State, including the Authority, are subject to periodic review of the Legislature and that each agency subject to sunset review will be abolished unless the Legislature specifically determines to continue its existence. The next sunset review of the Authority is scheduled to occur in 2023. The Texas Public Finance Authority Act, as amended by the 82nd Legislature, provides that if the Authority is not continued in existence, the Authority will cease to exist as of September 1, 2023; however, the Texas Sunset Act also provides, unless otherwise provided by law, that the Authority will exist until September 1 of the following year (September 1, 2024) in order to conclude its business.

Pursuant to the Texas Sunset Act, the Legislature specifically recognizes the State's continuing obligation to pay bonded indebtedness and all other obligations incurred by various State agencies, including the Authority. Accordingly, in the event that a future sunset review were to result in the Authority being abolished, the Governor would be required by law to designate an appropriate State agency to continue to carry out all covenants contained in the Bonds and in all other obligations, including lease, contract and other written obligations of the Authority. The designated State agency would provide payment from the sources of payment of the Bonds in accordance with the terms of the Bonds and would provide payment from the sources of payment of all other obligations in accordance with their terms, whether from a State general obligation pledge, revenues or otherwise, until the principal of and interest on the Bonds are paid in full and all other obligations, including lease, contract and other written obligations, are performed and paid in full.

State Audits

The State Auditor's Office ("SAO") is the independent auditor for Texas state government. The SAO operates with oversight from the Legislative Audit Committee, a six-member permanent standing committee of the Texas Legislature, jointly chaired by the Lieutenant Governor and the Speaker of the House of Representatives.

The SAO is authorized, by Chapter 321, Texas Government Code, to perform financial audits, compliance audits, investigations and other special audits of any entity receiving State funds, including State agencies and higher education institutions. Audits are performed in accordance with generally accepted government auditing standards, which include standards issued by the American Institute of Certified Public Accountants, Governmental Accounting Standards Board, United States General Accounting Office or other professionally recognized entities that prescribe auditing standards.

Texas Bond Review Board

With certain exceptions, bonds issued by State agencies, including bonds issued by the Authority, must be approved by the Texas Bond Review Board (the "Bond Review Board") prior to their issuance. The Bond Review Board is composed of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the Comptroller of Public Accounts. The Governor is the Chairman of the Bond Review Board. Each member of the Bond Review Board may, and frequently does, act through a designee. An application relating to the Bonds was submitted to the Bond Review Board and approved on August 25, 2017.

Retirement Plan of the Authority

The Authority participates in a joint contributory retirement system of the State administered by the Employees Retirement System of Texas ("ERS"), which is operated by the State and covers State employees and the Law Enforcement and Custodial Officers System. For more detailed information on the ERS and other State administered retirement plans, see the Bond Appendix described in "APPENDIX A – The State of Texas" attached hereto.

TEXAS HISTORICAL COMMISSION

General. The Historical Commission, an agency of the State, established pursuant to Chapter 442 of the Texas Government Code, as amended, is generally responsible for providing leadership and coordinating services in the field of archeological and historic preservation in the State of Texas. Nine members of the Historical Commission are appointed by the Governor with the advice and consent of the State Senate. Members of the Historical Commission serve staggered six-year terms, with the terms of one-third of the members expiring February 1 of each odd-numbered year. Mark Wolfe is the Executive Director of the Historical Commission.

Sunset Review. The Historical Commission is subject to review under the Texas Sunset Act. The next scheduled review of the Historical Commission under the Texas Sunset Act is during the legislative session in the year 2019. The Historical Commission's enabling act (Texas Government Code, Chapter 442) provides that if the Historical Commission is not continued in existence, the Historical Commission will cease to exist on September 1, 2019; however, the Texas Sunset Act provides that the Historical Commission will exist until September 1 of the following year (September 1, 2020) in order to conclude its business.

Project Financed or Refinanced by the Bonds. Proceeds of the Authority's Taxable Lease Revenue Bonds (Texas Historical Commission Project), Series 2006 were used to finance the repair, renovation, improvement, extension, and equipping of the National Museum of the Pacific War (the "Museum") located in Fredericksburg, Texas, to include, without limitation, expansion of the George Bush Gallery; improvements for exhibit design and production; and furnishings, archival filing systems, audio visual systems, and computer systems for the Center for Pacific War Studies.

Pursuant to the Operating Agreement, the ANF is responsible for the daily operation of the Museum in a manner that assists the Historical Commission with preserving and enhancing the historic integrity, appeal, financial and physical condition, and overall quality of the Museum.

THE LEASE

The Historical Commission (for purposes of this section, the "Lessee") entered into the Lease for the purpose of financing the Project and to provide for the financing or refinancing by the Authority of other Historical Commission projects that may be authorized by the Legislature. The Project is currently the only Historical Commission project financed pursuant to the Lease. The following is a summary of certain provisions of the Lease. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Lease. Copies of the Lease are available for examination at the offices of the Authority.

Lease of Project. The Lease provides that the Authority leases the Project to the Lessee, and the Lessee leases the Project from the Authority.

Rent Payments. On each Rent Payment Date, the Lessee must pay or cause to be paid Rent Payments in the amounts, at the times, and otherwise in accordance with the Lease. The Lessee must pay the Rent Payments or cause the Rent Payments to be paid, from funds lawfully available for the payment of Rent Payments, to the Comptroller for deposit into the Interest and Sinking Fund. Each Rent Payment must be paid in immediately available funds in an amount that is sufficient (together with any funds then on deposit in the Interest and Sinking Fund) to provide for the timely payment of the Bond Obligations next coming due.

Rent Payments are due on the second business day preceding the date each payment of principal, premium, if any, or interest is due on the Bonds (each a "Regular Rent Payment Date"), provided, however, that the Executive Director may establish any other date (a "Special Rent Payment Date") for the payment of any amounts due under the Lease. If, on the Business Day immediately preceding any date on which Bond Obligations come due, the Authorized Representative of the Lessee receives telephonic notice from the Executive Director (promptly confirmed in writing) to the effect that the Interest and Sinking Fund does not contain sufficient funds for the payment of such Bond

Obligations, the Lessee must immediately (before the close of business) cause to be deposited into the Interest and Sinking Fund immediately available funds (to the extent lawfully available) in an amount that is sufficient (together with the funds then on deposit in the Interest and Sinking Fund) to pay such Bond Obligations.

The Lessee may prepay Rent Payments or cause Rent Payments to be prepaid at any time and in any amount. Any prepayment by the Lessee will not relieve it of liability for each remaining Rent Payment as provided in the Lease and the Resolution or reduce the amount of any Rent Payment. If all or any part of the Bonds are called for redemption in accordance with the Resolution, the Lessee must prepay, to the extent funds are lawfully available by legislative appropriation or otherwise, Rent Payments sufficient to pay and redeem such Bonds on the date fixed for redemption, or, if the Authority deems it to be more advantageous, to buy Bonds on the open market for cancellation at a price not greater than the par value thereof plus interest thereon.

The Lessee has agreed to transfer and pay to the Authority as a portion of the Rent Payments (related to certain overhead and operating expenses caused by the Bonds being outstanding and the Project being constructed) an amount determined annually by the Authority and certified to the Lessee as the amount payable. However, no such expenses will be charged by the Authority unless the Authority must pay its operating expenses from sources other than direct legislative appropriation.

Lessee's Obligation Unconditional, Subject to Appropriation. All obligations of the Lessee under the Lease are absolute and unconditional and are not subject to any diminution, abatement, set-off, or counterclaim and the Lessee may not suspend or discontinue any Lease Payment (inclusive of any Rent Payment). The Lessee must apply, or cause to be applied, any funds lawfully available to it (whether from the State Lease Fund Account or any other source) to the Lease Payments as they come due. The Lessee waives, to the extent permitted by applicable law, any right that it may have to terminate or cancel the Lease, except in accordance with the express terms thereof. Notwithstanding any other provision of the Lease, including the preceding provision, the payment of Lease Payments and other payments required to be made by the Lessee thereunder will be subject to appropriations by the Legislature of funds necessary to make the payments required under the Lease.

Maintenance and Operation. The maintenance and operation of the Project, and any costs associated therewith, will be the sole responsibility of the Lessee. The Authority assumes no responsibility for the destruction or deterioration of or damage to the Project or for any theft or other loss of any personal property located at the Project.

Project Insurance; Damage or Destruction; Condemnation. Insurance will be maintained on the Project by the ANF and the Lessee, pursuant to the terms of the Operating Agreement. The Operating Agreement requires that the ANF obtain public and automobile liability insurance and business interruption insurance, each in amounts and with coverage and deductibles as set out in the management plan established pursuant to the Operating Agreement. The Lessee and the ANF have further agreed that the Lessee, together with the State, will provide a program of self-insurance for any casualty losses relating to the Project. Pursuant to the Lease, the Lessee must furnish the Authority with a copy of each policy of insurance maintained on the Project. The Lessee and the Authority, to the extent required and permitted by law, must cooperate in obtaining and maintaining the insurance required. If a claim arises under any insurance maintained under the Lease, the Authority or the ANF, acting on behalf of the Lessee, as applicable, must diligently pursue collection under the insurance policy.

Use. The Lease in no way limits or prohibits the Legislature or the Lessee from using the Project for any lawful purposes under the laws of the State, including leasing or subleasing any portion of the Project to any State agency or political subdivision of the State or any other entity. No sublease by the Lessee of the Project may release the Lessee from, or mitigate its obligations under, the Lease and the Lessee will continue to be obligated to make all payments required under the Lease.

Disposition of Project. At the direction of the Legislature, the Authority may sell or otherwise dispose of all or any part of the Project, provided the Authority applies the proceeds of such sale or disposition in accordance with such directive. Any such legislative directive must appropriate the proceeds of such sale or other disposition to be used to pay project costs of a substitute Project or transferred in part to the Interest and Sinking Fund to be applied in accordance with the Resolution.

Events of Default Defined. The following are "Events of Default" under the Lease and the term "Event of Default" means, whenever used in the Lease, any one or more of the following events:

- (a) Failure by the Lessee to pay any Lease Payment when due, except upon an Event of Nonappropriation;
- (b) Failure by the Lessee to cure any breach by the Lessee of any representation, warranty, or agreement under the Lease within 45 days (or, in each case, such longer period as the Authority in its discretion, may specify) after the date of having been directed by the Authority to cure such breach unless the Authority has extended such period or has waived such breach;
- (c) Any act of bankruptcy by the Lessee, the Authority, the Comptroller, or the State; or
- (d) The occurrence of an "Event of Default" under the Resolution.

Remedies Upon Events of Default. During the continuance of any Event of Default arising from the failure to make a Lease Payment, or during the continuance of an Event of Nonappropriation, any one or more of the following remedial actions may be taken by the Authority:

- (a) Enter and take possession of the Project without terminating the Lease, and sublease all or any part of the Project for the account of the Lessee, holding the Lessee and any sublessee of the Lessee liable for the difference in the rent and other amounts payable by the sublessee in such subleasing and the Lease Payments and other amounts payable by the Lessee under the Lease so long as the Legislature shall have appropriated funds to the Lessee to pay such amounts.
- (b) Terminate the Lease, enter and take possession of the Project, and at its option, to the extent permitted by law, lease the Project to another party for the account of the Lessee, holding the Lessee and any sublessee of the Lessee liable for all Lease Payments and other amounts due under the Lease and not paid by such other party so long as the Legislature has appropriated funds to the Lessee to pay such amounts.
- (c) Take any action at law or in equity to collect any amount due or that may become due under the Lease, or to enforce performance of any obligation of the Lessee under the Lease, by mandamus or otherwise.

If the Authority leases or subleases the Project as a result of its exercise of remedies taken in enforcement of the Lease, the Lessee shall remain liable (to the extent of legally available funds and as otherwise permitted by law) for all payments that are due or become due under the Lease, except to the extent that the Authority receives payments as a result of leasing or subleasing the Project. With respect to the Project, the Authority may elect to continue the Operating Agreement or similar agreement if continuation of the Operating Agreement or similar agreement will not be an impediment to the ability of the Authority to lease or sublease the Project to an entity other than the Historical Commission.

No remedy in the Lease conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and in addition to every other remedy given under the Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon default will impair any such right or power or will be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it will not be necessary to give any notice other than such notice as may be required in the Lease.

To the extent provided in the Resolution, such rights and remedies as are given the Authority thereunder will, upon execution and delivery of the Resolution, be assigned to the owners of the Bonds, and as provided in the Resolution, a majority of such owners will have the right to exercise such rights and remedies in the same manner and under the limitations and conditions that such owners are entitled to exercise rights and remedies upon the occurrence of an Event of Default or an Event of Nonappropriation pursuant to the Resolution.

Performance of Lessee's Obligations by Authority. While the Lessee is in default of any provision of the Lease, the Lessee authorizes (to the extent permitted by law) the Authority to take any lawful action to cure such default and to act in the name and stead of the Lessee to the same extent as the Lessee is empowered to act.

Remedies Upon an Event of Nonappropriation. Upon an Event of Nonappropriation, the Authority may exercise its remedies to the extent described above, except that the Authority may not seek to compel payment from the Lessee,

whether by an acceleration of the Bonds, by mandamus, or by any other legal or equitable proceeding of Rent Payments for which there has been no appropriation by the Legislature.

Term of Lease. Unless otherwise terminated as provided therein, the Lease will remain in full force and effect from the date thereof until the Bond Obligations on all outstanding Bonds have been paid (or provision has been made for such payment pursuant to the Resolution or other applicable resolutions) and all other obligations of the Lease have been satisfied.

Reinstatement. If the Lease is terminated as a result of the occurrence of an Event of Default, the Authority agrees to reinstate the Lease when all defaults under the Lease have been cured or waived, and the Lessee will be restored to the use, occupancy, and possession of the Project, subject to the rights of any tenant who has entered into a binding agreement providing for the leasing of all or any portion of the Project.

Conveyance Upon Termination. When the Lease is terminated as a result of the Bond Obligations on all outstanding Bonds having been paid, the Executive Director will notify the Lessee that Lease Payments are no longer required to be made. In addition, the Authority will, for the sum of \$1.00 paid to it, convey its right, title, and interest in the Project to the Lessee.

Amendment of Lease. The Authority and the Lessee, by mutual agreement, may amend the Lease in accordance with the provisions of the Lease.

GENERAL INFORMATION REGARDING THE STATE OF TEXAS

Bond Appendix

The Texas Comptroller of Public Accounts (the "Comptroller") prepares a quarterly appendix which sets forth certain information regarding the State including its government, finances, economic profile, and other matters for use by State entities when issuing debt.

On September 15, 2017, the Comptroller supplemented the Bond Appendix (defined below) to provide an update of recent litigation and information related to Hurricane Harvey.

The August 2017 Bond Appendix and the First and Second Supplements to Bond Appendix (the "Bond Appendix") are incorporated herein as described in "APPENDIX A – The State of Texas." See "CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Comptroller – *General*." With respect to evaluating the ability of the State to make timely payment of debt service on the Bonds based on the information contained in the Bond Appendix, no representation is made that such information contains all factors material to such an evaluation or that any specific information should be accorded any particular significance.

2016 State Comprehensive Annual Financial Report

The Texas 2016 Comprehensive Annual Financial Report for the year ended August 31, 2016 (the "2016 CAFR") is currently on file with the Municipal Securities Rulemaking Board (the "MSRB") and may be obtained either by (i) using the MSRB's EMMA website, www.emma.msrb.org, using the Quick Search function and entering the term "State of Texas Comptroller" or (ii) from the Comptroller's website at <https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/>. The 2016 CAFR is incorporated by reference and made a part of this Official Statement as if set forth herein.

LEGAL MATTERS

Legal Opinions

The delivery of the Bonds is subject to the Authority furnishing the Underwriter a complete transcript of proceedings incident to the authorization and issuance of the Bonds and the approval of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Authority, and the approving legal opinion of Escamilla & Poneck, LLP, Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Bond Resolution, are valid and legally binding obligations of the Authority, subject to applicable provisions of sovereign immunity, bankruptcy, reorganization and other similar matters affecting the rights of creditors or by general principles

of equity which permit the exercise of judicial discretion, and, subject to the qualifications set forth under "TAX MATTERS" herein. The form of Bond Counsel's opinion is attached hereto as "APPENDIX B – FORM OF BOND COUNSEL OPINION." In its capacity as Bond Counsel, such firm has not reviewed and expresses no opinion upon any part of the Official Statement other than the statements and information appearing under captions "PLAN OF FINANCE" (except for the information under the subcaption "Sources and Uses of Funds" as to which no opinion will be expressed), "DESCRIPTION OF THE BONDS" (except for the information under the subcaptions "Limited Ability to Re-Lease Project," "State Lease Fund Account" and "Book-Entry-Only System" as to which no opinion will be expressed), "THE LEASE," "LEGAL MATTERS" (except for the second paragraph under the subcaption "Legal Opinions" and the information under the subcaption "Forward-Looking Statements"), "TAX MATTERS," "APPENDIX C – DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaptions "Compliance with Prior Undertakings" and "Continuing Disclosure Undertaking of the Comptroller" as to which no opinion will be expressed, and except for any information describing or otherwise pertaining to the continuing disclosure undertaking of the Comptroller, as to which no opinion will be expressed) and such firm is of the opinion that the statements and information contained under such captions and subcaptions provide an accurate and fair description of the Bonds and the Transaction Documents are correct as to matters of law. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds in the event of the discontinuance of the Book-Entry-Only System.

Certain legal matters will be passed upon for the Authority by McCall, Parkhurst & Horton L.L.P., Disclosure Counsel to the Authority, whose legal fees are contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriter by its counsel, Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, whose legal fee is contingent on the sale and delivery of the Bonds. Bond Counsel, Disclosure Counsel and Underwriter's Counsel periodically serve in other capacities on other separate and unrelated offerings of securities by the Authority.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Legal Investments in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business & Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking fund of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act, the Bonds may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

The Authority has not made any investigation of other laws, rules, regulations or investment criteria that might apply to such institutions or entities or that might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Authority has not made any review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Registration and Qualification of Bonds for Sale

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the United States Securities and Exchange Commission, nor has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of

the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; and have not been registered or qualified under the securities acts of any other jurisdiction. The Authority does not assume any responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the Authority and the Comptroller, that are not purely historical, are forward-looking statements, including statements regarding the Authority's and the Comptroller's expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the Comptroller on the date of this Official Statement, or the date of the Bond Appendix, or the 2016 CAFR, respectively, and the Authority and the Comptroller assume no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

TAX MATTERS

General. The following is a general summary of United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect) or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, broker-dealers, and persons who have hedged the risk of owning the Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Bonds as "capital assets" within the meaning of section 1221 of the Code, and acquire such Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Bonds who are United States persons within the meaning of section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and the discussion below is not binding on the IRS.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Stated Interest on the Bonds. The stated interest on the Bonds will be included in the gross income, as defined in section 61 of the Code, and in the net investment income, for purposes of the 3.8% Medicare tax imposed by Section 1411 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when paid or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Disposition of the Bonds. A beneficial owner of the Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Bond. Generally, the beneficial owner's adjusted tax basis in a Bond will be the beneficial owner's initial cost, increased by any original issue discount previously included in the beneficial owner's income to the date of disposition and reduced by any amortized bond premium. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Bond.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Bonds who is a United States person, as defined in section 7701 (a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" with respect to current or accrued interest on the Bonds or with respect to proceeds received from a disposition of the Bonds. This withholding applies if such beneficial owner of the Bonds: (i) fails to furnish to the payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Bonds. Beneficial owners of the Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (subject to change) on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such beneficial owners of the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge or reason to know that such person is a United States person.

Reporting on Interest Payments. Subject to certain exceptions, interest payments made to beneficial owners with respect to the Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Bond for U.S. federal income tax purposes.

RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), and Fitch Ratings ("Fitch"), have assigned ratings of "AA+" and "AA+" to the Bonds, respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the respective view of such organizations and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Authority

General. In the Bond Resolution, the Authority has made the following agreement for the benefit of the Owners and Beneficial Owners of the Bonds. Under the agreement, the Authority will be obligated to provide timely notice of specified events to the MSRB. The information will be available to investors by the MSRB through its EMMA system, free of charge at www.emma.msrb.org.

Annual Reports. The Authority and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Comptroller's Continuing Disclosure Agreement. The Comptroller will provide certain updated financial information and operating data to the MSRB, in an electronic format as prescribed by the MSRB, annually, as set out in the Continuing Disclosure Agreement, and described under "– Continuing Disclosure Undertaking of the Comptroller – Annual Reports."

Event Notices. The Authority will provide to the MSRB, with respect to the Bonds, notice not in excess of ten business days after the occurrence of any of the following events: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of bondholders, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event numbered 12 in the preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Continuing Disclosure Undertaking of the Comptroller

General. The Comptroller has entered into a Continuing Disclosure Agreement with the Bond Review Board dated as of August 17, 1995 and amended January 25, 2010 (the "Agreement"). The Authority and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Agreement. The Comptroller is required to observe this Agreement in respect of any issue of Securities (as defined in the Agreement) for so long as the State remains an Obligated Person. Under the Agreement, the Comptroller will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB.

In addition to the information that the Comptroller has agreed to provide annually as described below, the Comptroller currently prepares an updated disclosure appendix (the "Bond Appendix") for use in State agency securities offerings. The Comptroller intends to continue to prepare or supplement the Bond Appendix quarterly and to provide annual information in accordance with the Agreement.

Certain tables within the Bond Appendix, as currently prepared by the Comptroller, are updated on a quarterly basis while other tables within such appendix are updated on an annual basis. Under the Agreement, the Comptroller is not obligated to provide such financial and operating data more frequently than on an annual basis.

Annual Reports. The Comptroller will provide certain updated financial information and operating data to the MSRB annually, in an electronic format as prescribed by the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the State of the general type referred to in the Bond Appendix. The Comptroller will update and provide this information to the MSRB within 195 days after the end of each fiscal year.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's EMMA website or filed with the SEC, as permitted by the Rule. The updated information provided by the Comptroller will be provided on a cash basis and will not be audited, but the Comptroller will provide audited financial statements of the State prepared in accordance with generally accepted accounting principles for governmental entities when the State Auditor completes its statutorily required audit of such financial statements. The accounting principles pursuant to which such financial statements must be prepared may be changed from time to time to comply with State law.

The State's current fiscal year end is August 31. Accordingly, the Comptroller must provide updated information within 195 days thereof in each year unless the State changes its fiscal year. If the State changes its fiscal year, the Comptroller will notify the MSRB of the change prior to the next date by which the Comptroller otherwise would be required to provide financial information and operating data as described above.

Event Notices. The Comptroller will also provide timely notice of its failure to provide information, data, or financial statements in accordance with its Agreement described above under "– Continuing Disclosure Undertaking of the Comptroller – Annual Reports." Such notice will be provided to the MSRB.

Availability of Information

The Authority and the Comptroller have agreed to provide information only as described above. The Authority and the Comptroller will be required to file their respective continuing disclosure information using the MSRB's EMMA system. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Authority and the Comptroller have agreed to update information and to provide notices of certain events only as described above. Neither has agreed to provide other information that may be relevant or material to a complete presentation of the Authority's or the State's financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither makes any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. Each disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of such person's continuing disclosure agreement or from any statement made pursuant to such person's agreement, although Bond Owners may seek a writ of mandamus to compel the Authority and the Comptroller to comply with their respective agreements.

The Authority and the Comptroller may amend their continuing disclosure agreements to adapt to changed circumstances that arise from a change in legal requirements, a change in the identity, nature, status, or type of operations of the Authority or the State if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as changed circumstances, and (ii) either (a) the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the State, the Comptroller, the Bond Review Board and the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of such Bonds. The Authority or the Comptroller may also amend or repeal the provisions of its continuing disclosure agreements if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Authority or the Comptroller so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

During the past five years, the Authority has complied, in all material respects, with its continuing disclosure agreements in accordance with the Rule, except as follows: the Authority filed notice of a June 22, 2012 upgrade of the underlying rating assigned to the Authority's unemployment compensation obligation assessment revenue bonds on April 15, 2014 (more than ten days after the Authority was notified of the rating change). In addition, in certain limited instances, the Authority has agreed to file information provided by State agencies for which the Authority has issued bonds ("client agencies"). The Authority's ability to make such filings in a timely manner is dependent on the Authority's receipt of information from these client agencies.

During the past five years, the Comptroller has complied in all material respects with its continuing disclosure agreements in accordance to the Rule.

NO LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Authority, threatened) that affects the obligation of the Authority to deliver the Bonds or the validity of the Bonds. The State is a party to various legal proceedings relating to its operation and government functions, but unrelated to the Bonds. See "APPENDIX A – The State of Texas" of this Official Statement. On the Date of Delivery of the Bonds to the Underwriter, the Authority will execute and deliver to the Underwriter a certificate to the effect that no litigation of any nature has been filed or is pending against the Authority, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or that would affect the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

UNDERWRITING

George K. Baum & Company (the "Underwriter"), has agreed, subject to certain conditions set forth in a bond purchase agreement with the Authority (the "Purchase Agreement"), to purchase the Bonds at a price of \$4,263,224.12 (which represents the par amount of the Bonds, plus an original issue premium of \$198,166.05, less an underwriting discount of \$19,941.93). The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of the Bonds and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities, Inc. is acting as Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. FirstSouthwest, a Division of Hilltop Securities, Inc. in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from the Authority's records and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and the Bond Resolution contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Bond Resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Bond Resolution approved the form and content of this Official Statement, and any addenda, supplement or amendment hereto issued on behalf of the Authority, and authorized its further use in the reoffering of the Bonds by the Underwriter.

This Official Statement has been approved by the Authority for distribution in accordance with the provisions of the Rule.

/s/ Lee Deviney
Lee Deviney
Executive Director
Texas Public Finance Authority

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SCHEDULE I

SCHEDULE OF REFUNDED BONDS

**Texas Public Finance Authority
Taxable Lease Revenue Bonds
(Texas Historical Commission Project),
Series 2006**

<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Par Amount (\$)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
02/01/2020 ⁽²⁾	5.100	1,365,000 ⁽³⁾	11/02/2017	882669AA2
02/01/2026 ⁽²⁾	5.330	2,730,000	11/02/2017	882669AB0

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the Authority, the Financial Advisor, or the Underwriter shall be responsible for the selection or the correctness of the CUSIP numbers shown herein.

⁽²⁾ Term Bonds.

⁽³⁾ Represents the remaining outstanding principal amount of such Term Bond that has not previously been subject to mandatory sinking fund redemption.

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SCHEDULE II

DEBT SERVICE REQUIREMENTS

**TEXAS PUBLIC FINANCE AUTHORITY
LEASE REVENUE REFUNDING BONDS
(TEXAS HISTORICAL COMMISSION PROJECT),
TAXABLE SERIES 2017**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
02/01/2018	\$ 515,000	\$ 45,851.67	\$ 560,851.67
08/01/2018		61,950.00	61,950.00
02/01/2019	480,000	61,950.00	541,950.00
08/01/2019		57,150.00	57,150.00
02/01/2020	465,000	57,150.00	522,150.00
08/01/2020		52,500.00	52,500.00
02/01/2021	455,000	52,500.00	507,500.00
08/01/2021		43,400.00	43,400.00
02/01/2022	450,000	43,400.00	493,400.00
08/01/2022		34,400.00	34,400.00
02/01/2023	440,000	34,400.00	474,400.00
08/01/2023		25,600.00	25,600.00
02/01/2024	435,000	25,600.00	460,600.00
08/01/2024		16,900.00	16,900.00
02/01/2025	425,000	16,900.00	441,900.00
08/01/2025		8,400.00	8,400.00
02/01/2026	420,000	8,400.00	428,400.00
	<hr/>	<hr/>	<hr/>
	\$4,085,000	\$646,451.67	\$4,731,451.67

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APPENDIX A

THE STATE OF TEXAS

The August 2017 Bond Appendix and the First and Second Supplements to Bond Appendix are currently on file with the MSRB and are hereby incorporated by reference and made a part of this Official Statement. The Bond Appendix may also be obtained either by (i) using the MSRB's EMMA website, www.emma.msrb.org, using the Quick Search function and entering the term "State of Texas Comptroller" or (ii) from the Comptroller's website at <https://comptroller.texas.gov/programs/systems/treasury-ops/index.php#appendix>, until the Comptroller files a later version of such Bond Appendix.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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[Date of Delivery]

TEXAS PUBLIC FINANCE AUTHORITY
\$4,085,000
LEASE REVENUE REFUNDING BONDS
(Texas Historical Commission Project),
TAXABLE SERIES 2017

IN REGARD to the authorization and issuance of the captioned bonds, dated September 28, 2017 (the "Bonds"), we have examined into their issuance by the Texas Public Finance Authority (the "Authority"), solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the Authority's outstanding obligations being refunded by the Bonds, the treatment of interest on the Bonds for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the Authority, the disclosure of any financial or statistical information or data pertaining to the Authority and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only, and are in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Bonds mature on the dates and years specified in the Pricing Committee's pricing certificate (the "Pricing Certificate") executed pursuant to a resolution adopted by the Authority authorizing the issuance of the Bonds (the "Resolution" and, jointly with the Pricing Certificate, the "Bond Resolution"), without right of prior redemption. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Bond Resolution. Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings of the Authority in connection with the issuance of the Bonds, including (a) the Bond Resolution, (b) the Escrow Agreement (the "Escrow Agreement") between the Authority and Texas Treasury Safekeeping Trust Company (the "Escrow Agent"), and (c) a sufficiency certificate of First Southwest, a Division of Hilltop Securities, Inc., the Authority's financial advisor (the "Financial Advisor"), (ii) certifications and opinions of officers of the Authority relating to the expected use of the Bonds and to certain other facts within the knowledge and control of the Authority, and (iii) such other documentation, including an examination of the Bond executed and delivered initially by the Authority (which we found to be in due form and properly executed), and such matters of law as we deem relevant to the matters discussed below. In such examinations, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies and the accuracy of the statements and information contained in such certificates.

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BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas, in force and effect on the date hereof:

1. The Bonds have been duly authorized by the Authority and, are valid, legally binding and enforceable special obligations of the Authority, payable solely from the sources provided therefor in the Bond Resolution.
2. The Bonds are payable from and secured solely by a lien on and pledge of the Pledged Security as set forth in the Bond Resolution.
3. The Escrow Agreement has been duly authorized, executed and delivered and is a binding and enforceable agreement in accordance with its terms and the outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a fund with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the sufficiency certificate of the Financial Advisor as to the sufficiency of cash and investments, if any, deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon of Bonds.
4. Interest on the Bonds is **not** excludable pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof from gross income of the owners thereof for federal income tax purposes.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX C

DEFINITIONS AND EXCERPTED PROVISIONS OF THE RESOLUTION

The following capitalized terms appearing in this Official Statement have the meanings set forth below, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

Definitions

"**Authority**" means the Texas Public Finance Authority or any successor thereto.

"**Authority Regulations**" means the regulations of the Authority in Title 34, Part 10, of the Texas Administrative Code.

"**Authority Representative**" means each of the Executive Director, General Counsel, Deputy Director, and Director of Business Administration, or any other member of the Authority's staff designated by the Executive Director or the Board as an Authority Representative.

"**Authorizing Law**" means collectively Chapters 1207, 1232, and 1371 of the Texas Government Code, as amended.

"**Beneficial Owner**" means each Person in whose name a Book-Entry Bond is recorded as the owner of a beneficial interest in such Bond by a participant in such book-entry system.

"**Blanket Letter of Representations**" means any representation letter of, or agreement delivered by, the Authority pursuant to the Resolution or a prior bond resolution providing for administration of a book-entry system for the Bonds and any successive arrangements under which the Authority provides for the administration of a book-entry system for the Bonds or any other bonds.

"**Board**" means the Board of Directors of the Authority.

"**Bond Administration Costs**" means the paying agency, financial advisory, legal, arbitrage compliance, and other costs incurred by or on behalf of the Authority (including without limitation, costs of enforcing the transaction documents and attorneys' fees) in connection with the administration of the Bonds.

"**Bond Counsel**" means any law firm or firms experienced in matters relating to the issuance of tax-exempt or taxable governmental obligations, which firm or firms are engaged by the Board to render services to the Authority as bond counsel.

"**Bond Enhancement Agreement**" means any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase, purchase or sale agreement, interest rate swap agreement or commitment or other agreement authorized by the Authority in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing or redemption of the Bonds, interest on the Bonds, or both, or as otherwise authorized by Chapter 1371, Texas Government Code, as amended.

"**Bond Obligations**" means the principal, premium (if any), and interest payment obligations of the Authority on any Bond(s).

"**Bond Owners' Direction**" means an instrument or instruments executed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, directing or consenting to the taking of some specific action(s).

"**Bonds**" means the bonds authorized pursuant to the Resolution and designated as "Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017" and such other series or subseries authorized by the Resolution.

"Book-Entry Bond" means any Bond administered under a book-entry system pursuant to the Resolution and the Blanket Letter of Representations.

"Business Day" means any day that is a day on which the Comptroller is open for business and (1) while the Authority is the Paying Agent/Registrar, on which the Authority is open for business at its principal business office; or (2) while a Person other than the Authority is the Paying Agent/Registrar, on which financial institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are not authorized by law or executive order to close.

"Chair" means the Chair of the Board or any member of the Board authorized to act as Chair.

"Chapter 1207" means Chapter 1207, Texas Government Code, as amended.

"Chapter 1232" means Chapter 1232, Texas Government Code, as amended.

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

"Closing" means the concurrent delivery of the Bonds to or upon the order of the Purchaser in exchange for payment therefor.

"Closing Date" means the date of Closing.

"Code" means the Internal Revenue Code of 1986, as amended, together with all published regulations promulgated thereunder and rulings issued with respect thereto by the United States Department of the Treasury or the Internal Revenue Service.

"Comptroller" means the Comptroller of Public Accounts of the State or any successor thereto, including the individual elected to serve as Comptroller of Public Accounts of the State, the Deputy Comptroller or such other official designated by law to serve or act in the capacity of the Comptroller.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated August 17, 1995, as amended by the First Amendment dated January 25, 2010, between the Comptroller and the Texas Bond Review Board, as may be further amended from time to time.

"Costs of Issuance" means the "costs of issuance," as provided in the Authority Regulations, incurred in connection with the issuance of the Bonds.

"Costs of Issuance Amount" means the amount of proceeds of the Bonds expected to be expended for payment of Costs of Issuance.

"Costs of Issuance Fund" means the fund created pursuant to Section 4.01(a)(2) of the Resolution for the payments of the Costs of Issuance.

"Deputy Director" means the deputy director of the Authority or any individual appointed to serve in such capacity for the Authority.

"Director of Business Administration" means the director of business administration of the Authority or any individual appointed to serve in such capacity for the Authority.

"Eligible Investments" means any securities or obligations in which the Comptroller is authorized by law to invest the money on deposit in the Funds.

"Escrow Agent" means the Texas Treasury Safekeeping Trust Company as Escrow Agent under the Escrow Agreement and any successor thereto as permitted therein.

"Escrow Agreement" means the escrow agreement, if any, between the Authority and the Escrow Agent providing for the payment for the Refunded Bonds with money sufficient to pay debt service thereon, in substantially the form approved by the Pricing Certificate.

"Escrow Fund" means either: (a) the escrow fund, if any, created with respect to the Refunded Bonds pursuant to the Escrow Agreement or (b) the escrow account for the Refunded Bonds created pursuant to the Escrow Instructions, if any; such fund or account in either case to be created and held by the Escrow Agent.

"Event of Default" means the occurrence of any of the following:

(1) the failure to pay when due any Bond Obligations except upon an Event of Nonappropriation;

(2) the breach by the Authority of any of its obligations (other than its obligation to pay Bond Obligations) under the Transaction Documents, which breach materially and adversely affects the rights of any Bond Owner under the Transaction Documents, and the continuation of such breach for at least 45 days after the date of receipt by the Executive Director of written notice of such breach from the owners of not less than 25 percent in aggregate principal amount of the Bonds;

(3) the occurrence of any act of bankruptcy of the Lessee Agency, the Authority or the State; or

(4) the occurrence of any "Event of Default" as defined in the Lease or any other lease (or other use arrangement) of the Project originally financed by such lease and entered into by the Authority with respect to such Project.

"Event of Nonappropriation" means any "Event of Nonappropriation" as defined in the Lease.

"Executive Director" means the executive director of the Authority, or any member of the staff of the Authority authorized by the Board to perform the duties of the executive director.

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

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

"Government Obligations" means any of the following:

(1) any direct obligation of the United States of America;

(2) any obligation the timely payment of the principal of and interest on which is unconditionally and fully guaranteed by the United States of America;

(3) 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 issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and

(4) such other investments now or hereafter authorized by Chapter 1207, Texas Government Code, as amended, or similar statute, for the investment of escrow deposits.

"Interest and Sinking Fund" means the fund created pursuant to Section 4.01(a)(1) of the Resolution for the payment of Bond Obligations, and each particular fund created thereunder as applicable.

"Lease" means the Lease Agreement between the Authority and the Commission, dated as of December 1, 2006, pertaining to the Authority's Texas Public Finance Authority Taxable Lease Revenue Bonds (Texas Historical Commission Project), Series 2006, including any amendments thereto, providing the terms and conditions (1) under which the financing of the Project was undertaken and (2) of the lease of the Project to the Commission.

"Lease Payment" means any "Lease Payment" as defined in the Lease.

"Legislature" means the Legislature of the State.

"Lessee Agency" means the Texas Historical Commission.

"Official Statement" means the final official statement authorized by the Board and distributed in connection with the sale of the Bonds.

"Owner" means the Person who is the registered owner of any Bond, as such ownership appears in the Register.

"Owners' Direction" means an instrument or instruments executed by the owners of not less than a majority in aggregate principal amount of the Bonds outstanding, directing, or consenting to the taking of some specific action(s).

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

"Person" means any individual, partnership, corporation, trust, or unincorporated organization or any governmental entity.

"Pledged Revenues" means collectively, the following:

(1) all Rent Payments under the Lease, excluding any amount used by the Authority for the purchase of insurance or to fund a self-insurance program as described in the Lease;

(2) any receipts derived from the exercise of any rights or remedies of the Authority with respect to the Pledged Security; and

(3) if the Lease is terminated with respect to any or all of the Project, the net revenues (i.e., revenues net of operating and maintenance expenses, determined in accordance with generally accepted accounting principles) derived from the Project.

"Pledged Security" means collectively, all right, title, and interest of the Authority in and to the following:

(1) the Pledged Revenues;

(2) any rights and remedies of the Authority under the Lease or any other lease or use arrangement of all or any part of the Project (except for any right to receive proceeds of insurance maintained with respect to the Project, to indemnification, and to payment of Bond Administration Costs); and

(3) amounts in the Interest and Sinking Fund.

"Preliminary Official Statement" means the preliminary official statement approved by the Board and distributed in connection with the offering for sale of the Bonds.

"Pricing Certificate" means the certificate or certificates for each series of Bonds executed by the Pricing Committee from time to time as authorized by the Resolution setting forth the final terms of the Bonds.

"Pricing Committee" means Ruth C. Schiermeyer, Ramon Manning and Rodney K. Moore, the members of the Board who are authorized to act on behalf of the Board in selling and delivering the Bonds, with Billy M. Atkinson, Jr., Gerald B. Alley, Walker N. Moody and Robert T. Roddy, Jr. designated as alternates.

"Project" means all or any one of the projects originally financed or refinanced with the issuance of the Refunded Bonds and specified in the Lease.

"Purchaser" means the Person(s) who initially purchase the Bonds from the Authority pursuant to the Purchase Contract as determined by the Pricing Committee in the Pricing Certificate.

"Purchase Contract" means the bond purchase contract among the Authority and the representative(s) of the Purchasers pursuant to which the Bonds are sold to the Purchasers in substantially the form attached to the Pricing Certificate.

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

"Refundable Bonds" means all or any portion of the Series 2006 Bonds.

"Refunded Bonds" means all or any portion of the Refundable Bonds actually refunded with proceeds of the Bonds as set forth in the Pricing Certificate.

"Register" means the official registration records for the Bonds maintained by the Paying Agent/Registrar for the Bonds pursuant to the Resolution.

"Rent Payment Date" means any date on which Rent Payments are required to be paid pursuant to the Lease.

"Rent Payments" means the portion of a Lease Payment attributable to debt service on the Bonds.

"Resolution" means the resolution authorizing the Bonds, including any amendments and supplements thereto adopted by the Board on August 10, 2017.

"Restoration Fund" means restoration fund established in connection with the Project as confirmed by Section 4.01(b) of the Resolution.

"Rule" means Rule 15c2-12, as amended, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Secretary" means the Secretary of the Board, or any member of the Board authorized to act as Secretary.

"Securities Depository" means any Person acting as a securities depository for the Book-Entry Bonds.

"Series 2006 Bonds" means the "Texas Public Finance Authority Taxable Lease Revenue Bonds (Texas Historical Commission Project), Series 2006" previously authorized and issued by the Authority.

"State" means the State of Texas.

"State Lease Fund Account" means the account identified as such in Chapter 1232, Texas Government Code, as amended, or any successor fund created pursuant to law for the same purpose.

"Sufficient Assets" means with respect to the Bond Obligations for any Bond or Bonds, any combination of the following: (1) an amount of money sufficient, without investment, to pay such Bond Obligations when due; and (2) Government Obligations that mature as to principal and interest in such amounts and at such times as will provide, without reinvestment, money sufficient to pay such Bond Obligations when due.

"Transaction Documents" means, collectively, the Resolution, the Lease, the Escrow Agreement and Escrow Instructions, if any, the Purchase Contract, the Pricing Certificate, the Blanket Letter of Representations and the Bonds.

"Treasury" means the treasury of the State.

"Vice Chair" means the Vice Chair of the Board, or any member of the Board authorized to act as Vice Chair.

The following are excerpts of certain provisions of the Resolution. Such excerpts do not purport to be complete or verbatim. Reference should be made to the Resolution for the entire text of such provisions. Copies of the Resolution are available upon request to the Authority.

Excerpted Provisions of the Resolution

Section 2.01 Authorization and Purpose.

There is hereby authorized to be issued pursuant to the Authorizing Law, one or more series of bonds in the aggregate principal amount not to exceed \$4,300,000 and designated as the specified series of Bonds, specified in the Pricing Certificate, to provide funds for the purpose of refunding the Refunded Bonds and paying Costs of Issuance.

The Authority hereby calls Refunded Bonds for redemption on the dates and for the prices set forth in the Pricing Certificate, a form of which is attached to the Bond Resolution.

Section 2.03 Security for the Bonds.

(a) The Authority hereby pledges as the sole security and sole source of payment for the Bonds all of its right, title, and interest in the Pledged Security.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and, therefore, the pledge of the revenues granted by the Authority under this Section is valid, effective and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenues granted by the Authority under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Owners the perfection of the security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.04 Ratification of Lease.

The Authority hereby ratifies and confirms the Lease and its prior approval of the Lease and authorizes the Authority Representative to take any action thereunder that is deemed necessary or appropriate in connection with the issuance of the Bonds, including the delivery, execution and acknowledgement of any agreements, waivers, notices, certificates, letters, instruments or documents related thereto. The Authority Representative, each individually, is hereby authorized to execute and deliver any such acknowledgements, waivers, notices, certificates, letters, instruments or documents.

Section 2.05 No Additional Encumbrance.

The Authority shall not incur additional debt secured by the Pledged Security in any manner except as specifically set forth in the Resolution unless such debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of the Resolution. Notwithstanding anything to the contrary herein, the Authority reserves the right to issue obligations to refund the Bonds and to finance other improvements to the Projects or any part thereof or the property on which any part of the Project is situated pursuant to other lease agreements and to secure such obligations with a pledge of the amounts to be received from such lease agreements.

Section 3.01 Execution.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair or Vice Chair and countersigned by the manual or facsimile signature of the Vice Chair or Secretary of the Board. The seal of the Authority shall be placed on the Bonds manually or by facsimile.

(b) If an officer who signed Bonds on the Authority's behalf ceases to hold office before the authentication or delivery of the Bonds signed by such officer, such Bonds may be authenticated and delivered with the same effect as if such officer had remained in office.

Section 3.04 Ownership.

A Owner is deemed to be the absolute owner of such owner's Bond(s) for all purposes of determining the obligations of the Authority with respect to such Bond(s) and the Authority shall not be required to recognize the interest (beneficial or otherwise) of any other Person, notwithstanding any notice to the Authority of such Person's interest.

Section 4.01 Creation of Funds and Accounts.

(a) The following funds are hereby created:

- (1) the "Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017 Interest and Sinking Fund" (the "Interest and Sinking Fund"); and
- (2) the "Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017 Costs of Issuance Fund" (the "Costs of Issuance Fund").

(b) The Restoration Fund is hereby confirmed. The Authority agrees to maintain the Restoration Fund until the Bonds are no longer outstanding.

(c) The Escrow Fund shall be created and maintained by the Escrow Agent for application as provided in the Escrow Agreement or Escrow Instructions, as applicable. The Executive Director or other Authority Representative shall provide the Comptroller and the Escrow Agent with such instructions as are necessary to effect the proper application of the Funds.

(d) The name of all Funds shall conform to the designated name of the Series of Bonds as determined in the Pricing Certificate.

(e) The Funds shall be maintained by the Comptroller in the Treasury, separate from any other funds. All Funds shall be held in trust for application as provided by the Resolution. The Executive Director shall provide the Comptroller with such instructions as are necessary to effect the proper application of the Funds, including directing the Comptroller to maintain certain accounts or funds associated with the Refunded Bonds, and such accounts or funds may be used as and serve the purposes of the funds created in Section 4.01(a) of the Resolution or elsewhere therein.

(f) The Authority may also create additional funds, accounts or subaccounts hereunder from time to time as may be necessary or convenient to accomplish the purposes of the Resolution including the creation of additional interest and sinking funds, costs of issuance funds, if more than on Series of Bonds are issued.

Section 4.03 Application of Pledged Revenues.

(a) The Authority shall cause to be deposited into the Interest and Sinking Fund from the Pledged Revenues an amount that is sufficient (together with any other money on deposit therein) to provide for the timely payment of the Bond Obligations, such deposit to be made not later than the second Business Day preceding each date on which any Bond Obligations become due. The Executive Director may direct any such deposit to be made on an earlier date so long as such date is not earlier than the 50th day before the date that the Bond Obligations for which such deposit becomes due.

(b) If, after any Rent Payment Date but before the date that payment of the principal of, premium, if any, and interest on the Bonds next comes due following such Rent Payment Date, the Comptroller receives written

instructions of the Executive Director to transfer funds to the Interest and Sinking Fund from funds lawfully appropriated or other funds lawfully available to the Lessee Agency as may be directed by the Lessee Agency, in order to cure a deficiency in the Interest and Sinking Fund, the Comptroller, in accordance with its statutory duties, as sole accounting officer of the State of Texas and upon receipt of such instruction, will make such transfer in the amount and otherwise in accordance with such instructions

Section 4.04 Application of Interest and Sinking Fund.

Money on deposit in the Interest and Sinking Fund shall be applied at such times and in such amounts as required for the timely payment of Bond Obligations and otherwise as provided herein.

Section 4.07 Investment of Funds.

- (a) The money on deposit in any Fund may be invested and reinvested only in Eligible Investments by the Comptroller in accordance with applicable State law. The Board hereby concurs with any such investment so made by the Comptroller.
- (b) The investment of money in each Fund shall be made under conditions that will timely provide money sufficient to satisfy the purpose(s) for which such Fund is intended.
- (c) The proceeds received from the disposition of any investment acquired with money from any Fund, and any income received from any such investment, shall be deposited into such Fund.
- (d) Uninvested money (if any) in any Fund shall be secured in the manner and to the extent required by law.

Section 6.02 Amendment of Resolution.

- (a) Except as otherwise provided by this Section, the Resolution may not be amended without the consent of the Owners of at least a majority in aggregate principal amount of the outstanding Bonds affected by such amendment.
- (b) The consent of the Owners of all outstanding Bonds is required for any proposed amendment to the Resolution that would:
 - (1) permit a preference or priority of any Bond over another Bond; or
 - (2) reduce the percentage of Owners that is required to consent to an amendment of the Resolution.
- (c) The consent of the Owner of each affected outstanding Bond is required for any proposed amendment to the Resolution that would:
 - (1) change the time of any regularly scheduled payment of Bond Obligations, the principal amount of any Bond, the interest rate on any Bond, the currency in which Bond Obligations are required to be paid, or any of the other terms of the Resolution governing the time, place, or manner of payment of Bond Obligations;
 - (2) impair the security for any Bond; or
 - (3) result in a reduction of any then existing rating on the Bonds.
- (d) Subject to Subsections (b) and (c) of this Section 6.02, no Owner consent is required for an amendment to the Resolution if the amendment, in the opinion of Bond Counsel, will not adversely affect the rights of any

Owner under the Transaction Documents, including without limitation, amendments, changes or modifications to facilitate the economic and practical utilization of Bond Enhancement Agreements with respect to the Bonds.

(e) No amendment to the Resolution shall take effect until the Executive Director obtains an opinion of Bond Counsel to the effect that such amendment will not violate the Resolution, the Authorizing Law or other applicable law and, upon obtaining the required Owner consent (if any), will comply with the requirements of the Resolution for such amendment.

Section 6.03 Amendment of Lease.

The Lease may be amended by the Authority and the Lessee Agency by mutual agreement in accordance with the provisions of the Lease.

Section 7.02 Redemption and Defeasance of Bond Obligations.

(a) The benefits of the Resolution, and the covenants of the Authority contained herein in support of any Bond (or Bonds), shall be deemed redeemed and discharged with respect to such Bond (or Bonds) when the following requirements have been satisfied:

(1) the payment of the Bond Obligations with respect thereto has been provided for by irrevocably depositing Sufficient Assets into the Interest and Sinking Fund or with the Paying Agent/Registrar or a financial institution or trust company designated by the Authority, which shall be held in trust in a separate escrow account and applied exclusively to the payment of such Bond Obligations;

(2) the Authority has received an opinion of Bond Counsel to the effect that:

(A) such deposit of Sufficient Assets complies with State law; and

(B) all conditions precedent to such Bond Obligations being deemed discharged have been satisfied;

(3) all amounts of money (other than Bond Obligations) due, or reasonably estimated by the Paying Agent/Registrar to become due, under the Resolution with respect to such Bond have been paid, or provision satisfactory to the Person to whom any such payment is or will be due for making such payment has been made; and

(4) the Paying Agent/Registrar has received such other documentation and assurance as the Paying Agent/Registrar reasonably may request.

(b) If a deposit of Sufficient Assets pursuant to this Section is to provide for the payment of Bond Obligations on less than all of the outstanding Bonds, the particular maturity or maturities of Bonds (or, if less than all of a particular maturity, the principal amount within such maturity) shall be as specified by the Authority, and the particular Bonds (or portions thereof) shall be selected by the Paying Agent/Registrar by lot in such manner as the Paying Agent/Registrar shall determine (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000 principal amount).

(c) The Paying Agent/Registrar shall transfer money from the Interest and Sinking Fund or the escrow account established pursuant to this Section (as applicable) at such times and in such amounts as necessary for the timely payment of the Bond Obligations on the Bond(s).

(d) To the extent permitted by law, the Paying Agent/Registrar, at the Executive Director's or other Authority Representative's direction, may substitute, for any of the securities or obligations deposited as Sufficient Assets pursuant to this Section 7.02, other securities or obligations constituting Sufficient Assets if, upon such

substitution, the requirements of Subsection (a) of this Section 7.02 are satisfied. Any net proceeds realized from such a substitution shall be paid to the Authority.

(e) If a provision of this Section 7.02 conflicts with law, this Section shall be applied, to the maximum extent practicable, consistent with law.

Section 9.01 Acceleration of Bond Obligations.

(a) Upon the occurrence of an Event of Default with respect to the Bonds, arising from the failure to (i) pay any Bond Obligations with respect to the Bonds when due, or (ii) make a Lease Payment when due (other than as a result of an Event of Nonappropriation), at the Bond Owners' Direction, the Bond Obligations on the Bonds may be declared immediately due and payment to the extent that the Legislation has appropriated funds for payment of the Lease, and thereupon such Bond Obligations shall be immediately due and payable to the extent that the Legislature has appropriated funds for such payment.

(b) Any acceleration of Bond Obligations may be annulled at the Bond Owners' Direction delivered to the Executive Director. An annulment of an acceleration of Bond Obligations shall not affect any subsequent acceleration of Bond Obligations pursuant to the Resolution.

Section 9.02 Enforcement of Rights and Remedies.

(a) During the continuance of an Event of Default or an Event of Nonappropriation, the Bond Owners, as the pledgees and assignees for security purposes of all right, title, and interest of the Authority in and to the Pledged Security, acting pursuant to Bond Owners' Direction and upon compliance with applicable requirements of law, shall have standing and the exclusive right to enforce the rights and remedies of the Authority with respect to the Pledged Security to the extent permitted by law. The Authority shall cooperate in such enforcement to the extent permitted by law, but the Authority shall not be required to take any action in that connection except at the Bond Owners' Direction.

(b) During the continuance of an Event of Default or an Event of Nonappropriation, an agent of the Bond Owners affected by the Event of Default or Event of Nonappropriation may be appointed at the Bond Owners' Direction to exercise any rights and remedies available to such Bond Owners with respect to the applicable Pledged Security as though such agent were the Authority.

(c) Upon the occurrence of an Event of Default or an Event of Nonappropriation, any one or more of the following actions may be taken at the Bond Owners' Direction:

(1) by suit for injunction, or by other action or proceeding at law or in equity, enforce all rights of the Bond Owners or require the Authority to carry out any agreements with or for the benefit of the Bond Owners and to perform its duties under the Transaction Documents;

(2) by action in equity, enjoin any acts that may be unlawful or in violation of the rights of the Bond Owners;

(3) by out-of court proceeding or by suit, action, or other proceeding at law or in equity, enforce and exercise all rights of the Bond Owners and the Authority under the Transaction Documents; and

(4) upon the filing of a suit or commencement of any other action or proceeding to enforce the rights of the Authority or the Bond Owners, have a receiver appointed for the Pledged Security, with such powers as are provided by law and such additional powers as the court making such appointment may confer.

(d) In addition to the remedies provided under the Resolution, the Bond Owners, acting pursuant to a Bond Owner's Direction, may exercise any other rights and remedies afforded by law.

(e) To the extent permitted by law, any suit or other action or proceeding instituted by the Bond Owners may be instituted, if necessary, in the name of the Authority for the benefit of the Bond Owners.

(f) No delay or omission to exercise any right or power existing upon any breach of the Resolution or the Leases shall impair such right or power or constitute a waiver thereof, and each such right or power may be exercised as often as may be deemed expedient.

(g) Any judgment against the Authority shall be enforceable only against the Pledged Security. There shall not be authorized any deficiency judgment against any assets of or the general credit of, the Authority, the Pledged Security, the Lessee Agency, the Comptroller or the State.

Section 9.03 Restoration of Rights.

If any action taken by the Bond Owners as a result of an Event of Default or Event of Nonappropriation is discontinued or abandoned for any reason, or is determined adversely to the Bond Owners, the Bond Owners shall be restored to their respective former positions and rights under the Transaction Documents, and all rights, remedies, and powers of the Bond Owners shall continue as though no such action had been taken.

Section 9.04 Bond Owner's Right to Enforce Payment.

The Resolution does not impair the right of any Bond Owner to enforce, by suit or otherwise, its right to payment of Bond Obligations.

Section 9.05 Remedies Nonexclusive.

No remedy available to the Bond Owners under the Transaction Documents is intended to be exclusive of any other remedy, except as expressly provided therein, and each such remedy shall be cumulative.

Section 9.06 Application of Funds Upon Enforcement of Remedies.

(a) Upon an acceleration of Bond Obligations pursuant to the Resolution, the Authority shall take all action permitted by law to transfer the applicable Pledged Revenues held by it or on its behalf to the applicable Interest and Sinking Fund.

(b) All funds received as a result of any action taken pursuant to Article IX of the Resolution shall be deposited in the applicable Interest and Sinking Fund.

(c) All funds deposited in the Interest and Sinking Fund pursuant to Article IX of the Resolution (other than funds for the payment of Bonds that have matured or otherwise become payable prior to the Event of Default giving rise to such deposit or for the payment of interest due prior to such Event of Default) shall be applied as follows:

- (1) first, to the payment of Bond Administration Costs;
- (2) second, to the ratable payment of all unpaid interest due on the Bonds;
- (3) third, to the payment of the unpaid principal of and premium (if any) on the Bonds that have become due, along with interest on such overdue principal from the respective dates upon which such principal became due, and, if the amount available is not sufficient to pay in full such amounts on any particular date, then to the payment ratably, according to the amount of principal due on such date, without any discrimination or privilege among the Bond Owners entitled to such payment; and
- (4) fourth, to the Authority to be applied in accordance with law.

(d) Whenever funds are to be applied pursuant to this Section 9.06, such funds shall be applied as soon as practicable. Interest on any Bond Obligation paid with such funds on the date fixed by the Authority for such payment shall cease to accrue on such date.

(e) The Authority shall give such notice of its actions pursuant to this Section as it deems appropriate.

Section 9.07 Notice by Authority of Default or Nonappropriation.

Upon the occurrence and continuation of an Event of Default or an Event of Nonappropriation known to the Authority, the Executive Director, within ten (10) days after the date of becoming aware of the occurrence thereof, shall notify, or cause the Paying Agent/Registrar to notify, each Bond Owner of such default or non-appropriation.

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC"), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority, the Financial Advisor and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof and such information is not to be construed as a representation by any of the Authority, the Financial Advisor or the Underwriter.

The Authority and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity of the Bonds, as set forth on the inside of the cover page hereof, in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records

reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying/Agent Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

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