Board of Trustees

June 23, 2015 Bond Documents

1. **Order Authorizing The Issuance, Sale And Delivery Of South Texas College District Limited Tax Bonds, Series 2015 And Making Other Provisions Regarding Such Bonds And Matters Incident Thereto**

2. **Preliminary Official Statement**

SOUTH TEXAS COLLEGE

ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF SOUTH TEXAS COLLEGE DISTRICT LIMITED TAX BONDS, SERIES 2015 AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS AND MATTERS INCIDENT THERETO.

STATE OF TEXAS §
COUNTIES OF HIDALGO & STARR §
SOUTH TEXAS COLLEGE §

WHEREAS, the Board of Trustees (the "Board") of the South Texas College (the "College"), by an order adopted on June 25, 2013 called an election (the "Election") for the purpose of obtaining the approval of the resident, qualified electors in the District of the issuance of $159,028,940 in bonds for the purpose of construction and equipment of school buildings; and

WHEREAS, the Election was held on November 5, 2013, in accordance with provisions of the Texas Constitution and $159,028,940 in bonds were approved to be issued by a vote of 11,643 to 9,505 as a result of which the College is authorized by the Constitution and laws of the State of Texas, including Sections 130.122 of the Texas Education Code, to issue such authorized amount of bonds; and

WHEREAS, $99,028,940 of the school building bonds remain authorized but unissued; and

WHEREAS, the College further finds and determines that $99,028,940 of the authorized and unissued school building bonds should be issued and sold at this time; that such amount of the Bonds will be the second and final installment of bonds authorized at the Election; and that the College will have no authorized but unissued school building bonds remaining after the sale and delivery of the bonds to be issued herein.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE:

1. Definitions. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below:

The term "Attorney General" shall mean the Attorney General of Texas.

The term "Board" shall mean the Board of Trustees of the College.

The term "Bonds" shall mean the "South Texas College District Limited Tax Bonds, Series 2015," (and all other substitute bonds and replacement bonds issued pursuant hereto), and the term "Bond" shall mean any one of the Bonds.

The term "Business Day" shall mean any day that is not a Saturday, Sunday, a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

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The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

The term "Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

The term "Interest and Sinking Fund" shall mean the Interest and Sinking fund required to be established by the College pursuant to Section 20 of this Order.

The term "College" and “District” shall mean the South Texas College District, and any successor to its duties and functions.

The term "DTC" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

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

The term "Fiscal Year" shall mean the College's then designated fiscal year, which shall be the twelve-month period beginning on September 1 of one year and ending on August 31 of the following year or such other period of twelve months as may be approved by the Board of Trustees.

The term "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (c) 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 are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

The term "Interest Payment Date" when used in connection with any Bond, shall mean February 15 and August 15 of each year, commencing August 15, 2015 and continuing thereafter until maturity.

The term "Issue Date" shall mean the date on which the Bonds are delivered to, and paid for by the purchasers of the Bonds.

The term “Issuer” shall mean the College.

The term "MSRB" means the Municipal Securities Rulemaking Board.

The term "Order" as used herein and in the Bonds shall mean this order authorizing the Bonds.

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

The term "Owner" shall mean any person who shall be the registered owner of any outstanding Bond.

The term "Paying Agent/Registrar" shall mean _____ and its successors in the capacities of paying agent and registrar for the Bonds.

The term "Purchaser" shall mean the initial purchaser of the Bonds designated in this Order.

The term "Record Date," as used in connection with any Bond, shall mean the close of business on the last business day of the month next preceding each Interest Payment Date.

The term "Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner of Bonds.

The term "Registered Owner or Owners" shall mean the person or entity in whose name any Bond is registered in the Register.

The term "Rule" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission.

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

2. Findings. The College hereby finds and determines that the recitals contained in the preamble hereto are true and correct and hereby incorporates the said recitals in the preamble as if set forth in full at this place.

3. Amount; Authorization; Purposes. The Bonds shall be issued in fully registered form, without coupons, in the total authorized aggregate principal amount of _____ Dollars ($_____) to provide funds to be used for the construction and equipping of college buildings to accommodate increased student enrollment and

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to pay issuance costs in accordance with the Constitution and laws of the State of Texas, including particularly Section 130.122, Texas Education Code, as amended.

4. Designation, Date and Interest Payment Dates. The Bonds shall be designated as the "South Texas College District Limited Tax Bonds, Series 2015" and shall be dated for convenience purposes _____, 2015 (the "Dated Date"). The Bonds shall bear interest at the rates set forth in Section 5 of this Order from the later of the date of delivery, or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on February 15 and August 15 of each year, commencing August 15, 2015, until maturity of the Bonds.

5. Initial Bonds; Numbers and Denominations. The Bonds herein authorized shall be issued initially either (i) as a single fully registered Bond in the total principal amount of $_____ with principal installments to become due and payable as provided in this section 5 and numbered T-1, or (ii) as separate fully registered Bonds for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-1 and upward (the "Initial Bond(s)"), each to become due and payable as provided for in this section 5 hereof. The Initial Bonds shall be registered in the name of the initial Purchaser(s) or the designee(s) thereof.

The Initial Bond(s) shall be submitted to the office of the Attorney General of the State of Texas (hereinafter the "Attorney General") for approval, certified and registered by the office of the Comptroller of Public Accounts (hereinafter the "Comptroller") and delivered to the Initial Purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the Purchaser(s), or the designee(s) thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, stated maturities, principal amounts and bearing applicable interests rates for transfer and delivery to the holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchaser(s), or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

The Bonds shall mature and be payable serially on August 15 in each of the years and in the principal amounts as follows:

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MATURITY SCHEDULE

Year Of Maturity	Principal Amount ($)	Interest Rates (%)

6. The Bonds are subject to redemption prior to maturity as follows:

(a) The District reserves the right, at its option, to redeem the Bonds having stated maturities on and after August 15, 2025 prior to maturity, in whole or in part, in such manner as the District may select, on August 15, 2024, and on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the District.

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

(c) Not less than thirty (30) days prior to redemption date for the Bonds, notice of such redemption shall be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Bond to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the numbers of Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part, notice of redemption has been

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given as herein provided and due provision has been made to redeem the same, the Bonds or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Bond or portion thereof called redemption shall terminate on the date fixed for redemption.

(d) The Paying Agent/Registrar and the District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendments to the Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, (or of any DTC participant or indirect participant to notify the Beneficial Owner), shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds to be redeemed will not be governed by the Order and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC 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 DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Bonds for redemption.

7. Execution of Bonds; Seal. The Bonds shall be signed by the Chairperson of the Board and countersigned by the Secretary of the Board, by their manual or facsimile signatures, and the official seal of the College shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the College had been manually impressed upon each of the Bonds. If any officer of the College whose signature shall be on the Bonds, or on any certification required in connection with the Bonds, shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds or certification required in connection with the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

8. Approval by Attorney General; Registration by Comptroller. The Initial Bond(s) shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The Chairperson and the Secretary of the Board are authorized hereby to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Chairperson and the Secretary and other officers and employees of the College are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the Initial Bonds by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Section

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17 of this Order, and such certificate shall be affixed or attached to the Bonds to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

9. Authentication. Except for the Initial Bonds, which need not be authenticated by the Paying Agent/Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Section 18 of this Order, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

10. Payment of Principal and Interest; Paying Agent/Registrar; Payment of Paying Agency. The Paying Agent/Registrar is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, a copy of which is attached hereto as Exhibit "B", which is hereby authorized, approved and incorporated hereto by reference by the Board and which the appropriate officials of the College are hereby authorized to execute. The officers of the College are each hereby authorized to execute, attest and affix the College's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial Paying Agent/Registrar and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Paying Agent/Registrar and the College and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order. All money transferred to the Paying Agent/Registrar in its capacity as registrar or paying agent for the Bonds under this Order (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the College, shall be the property of the College and shall be disbursed in accordance with this Order. All matured Bonds presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the College. Such Bonds shall be canceled as provided herein.

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The principal price of the Bonds shall be payable without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they respectively become due and payable, at the trust office of the Paying Agent/Registrar. The interest on each Bond shall be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register. Any accrued interest payable at maturity on a Bond shall be paid upon presentation and surrender of such Bond at the principal trust office of the Paying Agent/Registrar.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

11. Successor Paying Agents/Registrars. The College covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution

or other agency to act as Paying Agent/Registrar for the Bonds. The College reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the District or the previous Paying Agent/Registrar, on behalf of the District, shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Order.

12. Special Record Date. In the event of a nonpayment of interest on any Interest Payment Date which continues for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest (the "Special Record Date"). The Paying Agent/Registrar shall establish a Special Record Date upon receipt of funds from or on behalf of the College to make such interest payment. The Special Record Date shall be fifteen days prior to the scheduled payment date of past due interest. Notice of the scheduled payment date of past due interest and the Special Record Date shall be given by U.S. mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

13. Ownership; Unclaimed Principal and Interest. The College, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the College nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the College and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Texas Property Code do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the College upon receipt by the Paying Agent/Registrar of a written request therefor from the College. The Paying Agent/Registrar shall have no liability to the Owners of the Bonds by virtue of actions taken in compliance with this Section.

14. Registration, Transfer and Exchange. As long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

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Each Bond shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

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

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

15. Mutilated, Lost or Stolen Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The College or the Registrar may require the Owner of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the College, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The College or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

(a) furnish to the College and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the College to save them harmless;

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(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the College and the Paying Agent/Registrar.

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

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

In accordance with Chapter 1207, Texas Government Code, as amended, each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered. This section further constitutes authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the College or any other body or person, and the duty of replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar.

16. Cancellation of Bonds. All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the College with appropriate certificates of destruction of such Bonds.

17. Book-Entry Only Transfers and Transactions; Depository Trust Corporation

(a) Notwithstanding the provisions contained in Sections 10 and 14 hereof relating to the payment, and transfer/exchange of the Bonds, the College hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by the Depository Trust company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Letter of Representations, by and between the College, the Paying Agent/Registrar and DTC (the "Depository Agreement") relating to the Bonds.

(b) Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the bonds on the

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Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the Ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

(c) In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the College determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the College covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bonds to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 10 and 14 hereof.

(d) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in paragraph (g) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the Registered Owners at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(e) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the College and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the College and the Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in Bonds, (b) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any notice with respect to the Bonds, or (c) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the Register, of any amount with respect to principal of or interest on the Bonds.

(f) Except as provided in paragraph (g) of this Section, the College and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purposes of payment of principal of and interest on such Bond and other matters with respect to such Bond, registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the College's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner shall

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receive a Bond certificate evidencing the obligation of the College to make payments of amounts due pursuant to this Order.

(g) In the event that the College or the Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the College to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the College or the Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provision of this Order.

(h) Notwithstanding any other provision of the Order to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the representation letter of the College to DTC.

18. Form of Bonds. The form of the Bonds, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Bonds initially issued shall be, respectively, substantially as follows, with such additions, deletions and variations, including any guarantee legend or statement, as may be necessary or desirable and not prohibited by this Order; except that the form of the single fully registered Initial Bond shall be modified and shall be in the form attached hereto as Exhibit "C":

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FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
R-

REGISTERED
PRINCIPAL AMOUNT
$

SOUTH TEXAS COLLEGE DISTRICT
LIMITED TAX BOND, SERIES 2015

INTEREST RATE: DATED DATE: MATURITY DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

SOUTH TEXAS COLLEGE DISTRICT (the "College"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the trust office of _____, or its successor (the "Paying Agent/Registrar"), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of delivery or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semiannually on February 15 and August 15 of each year, beginning August 15, 2015 until maturity of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the close of business on the last business day of the month next preceding each Interest Payment Date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity shall be paid upon presentation and surrender of this Bond at the corporate trust office of the Paying Agent/Registrar.

IN THE EVENT of a nonpayment of interest on any Interest Payment Date which continues for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest (the "Special Record Date"). The Paying Agent/Registrar shall establish a Special Record Date upon receipt of funds from or on behalf of the College to make such interest payment. The Special Record Date shall be fifteen days prior to the scheduled payment date of past due interest. Notice of the scheduled payment date of past due interest and the Special Record Date shall be given by U.S. mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

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IF THE DATE for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

THIS BOND is one of a duly authorized issue of bonds dated for convenience purposes _____, 2015, aggregating $_____ (the "Bonds"), issued for the purpose of providing funds to be used for the construction and equipping of college buildings to accommodate increased student enrollment, and to pay costs and expenses of issuance, all pursuant to the Constitution and laws of the State of Texas and an order adopted by the Board of Trustees of the College on June 23, 2015 (the "Order").

THIS BOND is subject to optional redemption prior to maturity.

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem prior to maturity the Bonds maturing on or after August 15, 2025, in whole or in part, on August 15, 2024; or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

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

If less than all of the Bonds are redeemed, the particular maturities or portions thereof to be redeemed shall be selected by lot by the Paying Agent/Registrar on behalf of the District. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by lot or other random method in integral multiples of $5,000 of principal amount.

Not less than thirty (30) days prior to a redemption date for the Bonds, notice of redemption shall be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Bond to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notice shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the numbers of Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part, and notice of redemption has been given as herein provided and due provision has been made to redeem the

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same, the Bonds or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Paying Agent/Registrar and the District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendments to the Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, (or of any DTC participant or indirect participant to notify the Beneficial Owner), shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds to be redeemed will not be governed by the Order and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC 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 DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Bonds for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the trust office of the Paying Agent/Registrar for the Bonds in the principal amount of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

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

THE COLLEGE has covenanted in the Order that it will at all times provide a legally qualified Paying Agent/Registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

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

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exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes, within legal limit as to rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the College and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this bond has been signed with the manual or facsimile signature of the Chairperson of the Board of Trustees of the College and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the College, and the official seal of the College has been duly impressed, or placed in facsimile, on this bond.

SOUTH TEXAS COLLEGE

_____ _____

Secretary, Board of Trustees Chairperson, Board of Trustees

(SEAL)

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Form of Registration Certificate
of Comptroller of Public Accounts

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO._____

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

WITNESS MY SIGNATURE AND SEAL this _____.

(SEAL)

_____
Comptroller of Public Accounts
of the State of Texas

Form of Paying Agent/Registrar's Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Order described in the text of this bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of Authentication: _____

[Bank]
[Address]
as Paying Agent/Registrar

By: _____
Authorized Signature

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Please print or type name, address, and zip code of Transferee) _____ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature
Guaranteed: _____

_____
Registered Owner

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

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

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19. Opinion of Bond Counsel; CUSIP. The approving opinion of The J. Ramirez Law Firm, San Juan, Texas, Bond Counsel and CUSIP numbers may be printed on the Bonds, but errors or omissions in the printing of such information shall have no effect on the validity of the Bonds.

20. Interest and Sinking Fund; Tax Levy. A special fund to be designated "South Texas College District Limited Tax Bonds, Series 2015 Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Order shall be deposited, as collected, in the Interest and Sinking Fund. Money on deposit in the Interest and Sinking Fund may, at the option of the College, be invested as permitted under Texas law, provided that all such investments shall be made in such manner that the money will be available at the proper time or times. For purposes of maximizing investment returns, money in the Interest and Sinking Fund may be invested with other money of the College in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in

which such money is invested and the share thereof purchased with such money or owned by the Interest and Sinking Fund are held by or on behalf of the Interest and Sinking Fund.

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other College taxes are assessed, levied and collected, in each year, beginning with the current year, an annual ad valorem tax upon all taxable property in the College, within legal limit as to rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures. Such taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds.

21. Sale; Bond Purchase Contract; Official Statement; Ratings. (a) The Bonds are hereby sold and shall be delivered to Estrada Hinojosa & Company, Inc., as the authorized representative of a group of underwriters (the "Underwriters") at a price of $_____ (representing the par amount of the Bonds, plus a original issue premium on the Bonds of $_____, and less an Underwriters' discount of $_____), in accordance with the terms of the bond purchase agreement presented to and hereby approved by the Board, in substantially the form attached hereto as Exhibit "D", which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the College. The Chairperson of the Board and other appropriate officials of the College are hereby authorized and directed to execute such bond purchase contract on behalf of the College, and the Chairperson of the Board and all other officials, agents and representatives of the College are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(b) The College hereby approves the form and contents of the Preliminary Official Statement, and the final Official Statement, dated as of the date hereof, relating to the Bonds, and any addenda, supplement or amendment thereto, and ratifies and approves the distribution of such Preliminary Official Statement and Official Statement in the offer and sale of the Bonds and in the reoffering of the Bonds by the Underwriters, with such changes therein or additions thereto as the officers executing same may deem advisable, such determination to be conclusively evidenced by their execution thereof. The Chairperson of the Board is hereby authorized and directed to execute, and the Secretary of the Board is hereby authorized and directed to attest, the final Official Statement. It is further hereby officially found, determined, and declared that the statements and representations contained in the Preliminary Official Statement and final Official Statement are true and correct in all material respects, to the best knowledge and belief of the Board.

22. Covenants Regarding Tax Exemption. (a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or any prior obligations or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as

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defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Bonds or any prior obligations or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

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

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

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

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

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

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

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

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

(viii) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid

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in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder.

(x) To account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of the its Loan with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

(xi) Calculate the Rebate Amount with Respect to its Loan, not less frequently than each Computation Date, in accordance with rules set forth in §148(f) of the Code, §1.148-3 of the Regulations, and the rulings thereunder. The District shall maintain a copy of such calculations for at least six years after the final Computation Date;

(xii) Exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (xii) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

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

(c) Use of Proceeds. For purposes of the foregoing covenants, the District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on

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the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the Chairperson of the Board or the President of the College to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records in accordance with the requirements of the Code. The District recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (i) the expenditure is made, or (ii) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the District recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (i) the fifth anniversary of the delivery of the Bonds, or (ii) the date the Bonds are retired. The District agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

23. Amendments. The College may amend this Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the College may, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; except that, without the consent of the registered owners of all of the Bonds affected, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any Bond or interest thereon, change the place or places at or the coin or currency in which any Bond or interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any amendment, addition, or waiver.

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24. Undertaking to Provide Information. (a) This Section constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) (the "Rule"). Capitalized terms used in this Section and not otherwise defined in this Order shall have the meanings assigned such terms in subsection (d) hereof. Under Texas law, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified public accountant and must file each audit report with the State Comptroller within 120 days after the close of the Issuer's fiscal year. The Issuer's fiscal records and audit reports are available for public inspection during the regular business hours, and the Issuer is required to provide a copy of the Issuer's audit reports to any bondholder or any member of the public within a reasonable time on request upon payment of charges prescribed by the Texas General Services Commission.

(b) The Issuer, as an "obligated person" within the meaning of the Rule, undertakes to provide the following information as provided in this Section:

(1) Annual Financial Information;

(2) Audited Financial Statements, if any; and

(3) Certain Specified Event Notices.

(c) (1) While any Bonds are Outstanding, the Issuer shall provide the updated Annual Financial Information on or before 6 months from the end of the fiscal year of each year (the "Report Date"), beginning in the year 2015, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system, free of charge at www.emma.org. The Issuer may adjust the Report Date if the Issuer changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB, provided that the new Report Date shall be no later than 6 months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Issuer provides to the MSRB, the Annual Financial Information by specific reference to documents previously provided to the MSRB, or filed with the Securities and Exchange Commission and, if such a document is a final Official Statement within the meaning of the Rule, available from the MSRB. The current Report Date is June 30 of each year.

(2) If not provided as part of the Annual Financial Information, the Issuer shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to the MSRB. If Audited Financial Statements are not available by the required time, the District will provide unaudited financial statements by the required time and Audited Financial Statements when and if such Audited Financial Statements become available.

(3) The Issuer shall provide a Specified Event Notice in a timely manner *not in excess of ten business days* after the occurrence of the event. Each Specified Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

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(4) The Issuer shall provide in a timely manner to the MSRB notice of any failure by the Issuer while any Bonds are Outstanding to provide Annual Financial Information on or before the Report Date.

(d) The following are the definitions of the capitalized terms used in this section not otherwise defined in this Order.

(1) "Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB") or operating data with respect to the Issuer, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds contained in Tables 1 through 5 and 7 through 12 and in Appendix B of the Issuer's Official Statement referenced in Section 21(b) of this Order.

(2) "Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

(3) "Certain Specified Event" means any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
(vii) Modifications to rights of holders of the Bonds, if material;
(viii) Bond calls, if material, and tender offers;
(ix) Defeasances;
(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;
(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in (xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District 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 District, 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 District.

(4) "Specified Event Notice" means electronic notice of a Specified Event.

(e) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

(f) The continuing obligation hereunder of the Issuer to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This section or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this section and by the Issuer with the Rule.

(g) Any failure by the Issuer to perform in accordance with this Section shall not constitute an event of default under this Order.

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

(h) The SEC has adopted amendments to the Rule which approve the establishment by the MSRB of the Electronic Municipal Market Access ("EMMA") which, as of its implementation effective date of July 1, 2009, is the sole national municipal securities information repository. On and after July 1, 2009, all information and documentation filing required to be made by the District will be made with the MSRB in electronic format only in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB.

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(i) Nothing in this Section is intended, or shall act, to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(j) The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although the registered and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

(k) The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, 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 such changed circumstances, and (ii) either (a) the registered and beneficial owners of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement 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 District so amends the continuing disclosure 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.

(l) During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

25. Related Matters. To satisfy in a timely manner all of the College's obligations under this Order, the bond purchase contract with the Underwriters, the Chairperson and Secretary of the Board and all other appropriate officers, agents and representatives of the College are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds, including, without limitation, executing and delivering on behalf of the College all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the College's obligations under the bond purchase contract and this Order and to direct the transfer and application of funds of the College consistent with the provisions of this Order.

Pending Final Pricing

26. Ratings. The Chairman of the Board and the President, Vice-President, financial advisor and other consultants are hereby authorized to take such action as necessary to obtain ratings on the Bonds from any rating service and any such action is hereby ratified and confirmed.

27. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the College or any person executing any Bonds.

28. Defeasance. The College may defease the provisions of this Order and discharge its obligations to the Registered Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either: (a) cash in an amount equal to the principal amount of such Notes plus interest thereon to the date of maturity, or (b) pursuant to an escrow or trust agreement, cash and/or direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and 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, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount of the Notes plus interest thereon to the date of maturity. Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the College.

29. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the College or the Paying Agent/Registrar shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

College:	South Texas College 3201 W. Pecan Blvd. McAllen, Texas 78501 Attention: President
Paying Agent/ Registrar:	[Bank] [Address] Attention: Corporate Trust Department

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30. Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Texas Opening Meetings Act, Chapter 551, Texas Government Code, as amended.

31. Effective Date. This Order shall be in full force and effect from and upon its adoption.

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

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

Pending Final Pricing

PASSED AND APPROVED on _____.

_____
Chairperson, Board of Trustees

ATTEST:

_____
Secretary, Board of Trustees

(SEAL)

Pending Final Pricing

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

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EXHIBIT B

FORM OF INITIAL BOND

Pending Final Pricing

EXHIBIT C

BOND PURCHASE CONTRACT

Pending Final Pricing