



TEXAS VETERANS LAND BOARD
SPECIAL CALLED MEETING

May 13, 2025

The Honorable Dawn Buckingham, M.D.

Chair

Mr. James Rothfelder

Member

Rear Admiral (Ret.) Judson Scott

Member

Tony Dale

Executive Secretary



Major (Ret.) Josh Shaver U.S. Army Veteran VLB Chaplain of the Day



Major Joshua B. Shaver was born in Longview, Texas in 1975 to Mel and Donna Shaver. After graduating High School in 1994, Major Shaver enlisted as a Private in the United States Army to serve as an Anti-Tank Specialist, then as an Infantryman.

During his military service, he served in various enlisted and officer leadership positions at Fort Carson, Colorado; South Korea; Fort Lewis, Washington; Fort Campbell, Kentucky; Fort Knox, Kentucky; Fort Riley, Kansas; Fort Leavenworth, Kansas; Fort Benning, Georgia, and Fort Cavazos, Texas. Major Shaver served as Commander of C Company, 1-28 Infantry in Paktika, Afghanistan from 2012 to 2013, and later commanded HQ Company, 3rd Recruiting Brigade at Fort Knox from 2013 to 2015; He served as the Military Liaison to the US Ambassador to Iraq from 2017-2018, and served as the Baghdad Diplomatic Support Center Department of Defense

Representative from 2019-2020. Major Shaver retired after 28 years in 2022.

After retiring from the U.S. Army, Mr. Shaver served in the Texas Health and Human Services Commission in the Brain Injury Program until 2023. Mr. Shaver now serves as the Military Programs Manager for the Samaritan Center in Austin, Texas, which provides free mental health services and peer counseling to Military Active Duty, Veterans, and Families.

Current focus areas of MAJ Shaver's team are their partnership with Fort Cavazos, the Veterans Affairs, the Texas Department of Criminal Justice, the Austin Police Department and the Travis County Sheriff's Office.

His awards and decorations include the Bronze Star (3rd award), Defense Meritorious Service Medal, Meritorious Service Medal (3rd award), Army Commendation Medal (6 awards), Joint Service Achievement Medal, Army Achievement Medal (7 awards), Army Good Conduct Medal (3rd award), National Defense Service Medal (1 star), Kosovo Campaign Medal, Afghanistan Campaign Medal, Iraqi Campaign Medal (3 stars), Global War on Terrorism Expeditionary Medal, Global War on Terrorism Service Medal, Korea Defense Service Medal, Non-Commissioned Officer Professional Development Ribbon (Numeral 2), Army Service Ribbon, Outstanding Military Volunteer Medal, Overseas Ribbon (Numeral 4), NATO Medal (2nd award), Air Assault Badge, Parachutist Badge, Pathfinder Badge, Ranger Tab, Expert Infantryman's Badge, Combat Action Badge, and Combat Infantryman's Badge.

He earned a Bachelor's Degree from Austin Peay State University in 2010 and his Masters of Science from Kansas State University in 2016. He is also a graduate of the Command and General Staff Course at Fort Leavenworth, Kansas. Currently, MAJ Shaver is a PhD student at Liberty University working towards a PhD degree in Health Science Policy and Leadership.

Major Shaver is married to the former Christie Tabor of Mount Vernon, Texas. They have been married 31 years and have 2 children and 1 grandson. The Shaver's son Zachary graduated from the United States Military Academy as the Vice President of Class 2024 and is currently a student in the US Army Ranger School.



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

James Rothfelder
Board Member



Tony Dale
US Army Veteran
Executive Secretary

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

TEXAS VETERANS LAND BOARD

NOTICE OF SPECIAL CALLED MEETING, TEXAS VETERANS LAND BOARD

The Texas Veterans Land Board will conduct a special called meeting to be held in person on May 13, 2025, at 10:00 A.M. at Stephen F. Austin Building, 1700 N. Congress Ave., Room 170, in accordance with the Texas Government Code §551 (Open Meetings Act).

Access to the meeting by members of the public will be published in advance in the Texas Register in accordance with the Texas Open Meetings Act. A link to access the meeting via video conference call will be posted on the Texas General Land Office's website on the morning of the meeting. Any member of the public who wishes to address the Veterans Land Board on a matter within the authority of the Veterans Land Board should indicate so at the start of the meeting or during any public comment period.

AGENDA

1. Call to order
 - a. Roll call and quorum established
 - b. Invocation
 - c. Pledge of Allegiance to the US and Texas flags
 - d. Presentation of Alamo flag by Board to Chaplain
2. Approval of minutes from the meeting of February 4, 2025.
3. Citizen communication (Two Minutes each. No deliberations with the Board. The Board may respond only with factual statements, recitation of existing policy, and requests for an item to be placed on a future Agenda.)
4. Chair and Board Member Opening Comments.
5. Oath of Office ceremony for Board Member Mr. James Rothfelder for a term expiring on December 29, 2028.
6. Recognition of retired VLB employees.
7. Veterans Land Board Bond Funds Management
 - a. Quarterly Veterans Land, Housing and Home Improvement Program Update for Fiscal Year 2025 2nd Quarter.
 - b. Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Refunding Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed \$250,000,000, and providing for other matters relating to the subject.
 - c. Consideration and possible action on redemption of outstanding bonds.
 - d. Consideration and possible action on the adoption of a resolution authorizing interest rate swap transactions relating to bonds issued, or to be issued, in connection with the Veterans Land Program or the Veterans Housing Assistance Program and other related matters.

- e. Consideration and possible adoption of resolution authorizing liquidity facilities relating to bonds issued or to be issued in connection with the Veterans' Land Program or the Veterans' Housing Assistance Program and providing for other matters relating to the subject.
8. Veterans Land Board Land and Housing
- a. Consideration and possible action to set aside bids received from the Online Bidding Forfeited Land Sale held March 2, 2025, to April 17, 2025, on any tract where the account holder is making an appeal.
 - b. Consideration and possible action to accept and award all qualified high bids received from the Online Bidding Forfeited Land Sale held March 2, 2025, to April 17, 2025.
 - c. Consideration and possible action on request to forfeit VLB delinquent land accounts and accounts involved in tax suits.
 - d. Consideration and possible action on request to Order for Sale land tracts that may be included in the next Online Bidding Forfeited Land Sale and to set the next Quarterly Electronic Forfeited Land Sale bidding period to begin June 2, 2025, through July 17, 2025.
 - e. Report on the termination of the Veterans Administration Servicing Purchase Program.
 - f. Consideration and possible action to list and charge a Broker Fee in lieu of an Origination Fee for Veterans Housing Assistance Program Loans originated by a mortgage broker.
9. Texas State Veterans Cemeteries
- a. Consideration and possible action on granting an electric easement to South Plains Electrical Cooperative to maintain an electric line on West Texas State Veterans Cemetery property.
 - b. Report on Texas State Veteran Cemetery operations.
10. Texas State Veterans Homes
- a. Report on State Veterans Home Operations.
 - b. Consideration and possible action to delegate authority to Executive Secretary to award and enter into the Operations and Management contract for the William R. Courtney Texas State Veterans Home in Temple.
 - c. Consideration and possible action to revise the effective date of the Operations and Management contract for the Tuskegee Airmen Texas State Veterans Home in Fort Worth.
 - d. Consideration and possible action on delegation of authority to the Executive Secretary on renewals of the management and operations agreements for the Bonham, El Paso, and Tyler Texas State Veterans Homes.
11. Construction Service
- a. Report on construction projects.
12. Executive Secretary Report
- a. Consideration and possible action on rule review of Texas Administrative Code, Title 40, Part 5, Chapters 175 – 178.
 - b. Report on Veterans Land Board operations.
13. Consideration and possible action, if any, on items discussed in Executive Session.
14. Chair and Board Member Closing Comments.
15. Adjournment.

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

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

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

A handwritten signature in black ink, reading "Anthony W. Dale". The signature is stylized with a large, sweeping "A" and a long, horizontal flourish extending to the right.

ANTHONY W. DALE

Executive Secretary
U.S. Army Veteran



TEXAS VETERANS LAND BOARD
SPECIAL CALLED MEETING
Tuesday, February 4, 2025, 10:00 A.M.
1700 Congress Avenue, Room 170, Austin, TX 78701

1. Opening

- a. Chief Clerk Jennifer Jones, acting as Chair, called the meeting to order at 10:00 A.M.

- b. The Chair declared a quorum present.

Members present were:

Chief Clerk Jennifer Jones
Board Member James Rothfelder
Board Member Judson Scott

Also present:

Executive Secretary Tony Dale
Assistant Executive Secretary Darren Fitz Gerald
General Counsel Jeff Gordon

- c. Invocation was led by Chaplain of the Day Chaplain (COL) David Green.

- d. The Chair led the Pledge of Allegiance to the U.S. and Texas flags.

- i. Presentation to Chaplain by the Board of a flag flown over the Alamo in honor of his contributions to veterans.

2. Approval of the minutes from the regular Board meeting of November 12, 2024.
Approved with no objections.

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

4. Chair and Board Member Opening Comments. General comments made by the board. Recognition of Board Member Scott for his contribution to the Voices of Veterans program.

5. Veterans Land Board Bond Funds Management

- a. Quarterly Veterans Land, Housing and Home Improvement Program Update for Fiscal Year 2025 1st Quarter. This is a non-action item, therefore no action taken.

6. Veterans Land Board Land and Housing

- a. Consideration and possible action to set aside bids received from the Online Bidding Forfeited Land Sale held December 2, 2024, to January 16, 2025, on any tract where the account holder is making an appeal. No appeals made. This is a non-action item, no action taken.
- b. Consideration and possible action to accept and award all qualified high bids received from the Online Bidding Forfeited Land Sale held December 2, 2024, to January 16, 2025. Motion was made by Mr. Scott and seconded by Mr. Rothfelder, to approve according to staff recommendations. This motion carried unanimously.
- c. Consideration and possible action on request to forfeit VLB delinquent land accounts and accounts involved in tax suits. Motion was made by Mr. Scott and seconded by Mr. Rothfelder, to approve according to staff recommendations. This motion carried unanimously.
- d. Consideration and possible action on request to Order for Sale land tracts that may be included in the next Online Bidding Forfeited Land Sale and to set the next Quarterly Electronic Forfeited Land Sale bidding period to begin March 3, 2025, through April 17, 2025. Motion was made by Mr. Rothfelder and seconded by Mr. Scott, to approve according to staff recommendations. This motion carried unanimously.

7. Texas State Veterans Cemeteries

- a. Report on Texas State Veterans Cemetery operations. This is a non-action item, therefore no action taken.

8. Texas State Veterans Homes

- a. Report on Texas State Veterans Home Operations. This is a non-action item, therefore no action taken.
- b. Consideration and possible action on renewals for the management and operations agreements for the Big Spring, Bonham, El Paso, Floresville, Houston, McAllen and Tyler Texas State Veterans Homes. Motion was made by Mr. Scott and seconded by Mr. Rothfelder, to approve according to staff recommendations. This motion carried unanimously.
- c. Consideration and possible action to delegate authority to the Executive Secretary to execute a management and operations agreement for the Texas State Veterans Home in Temple. Motion was made by Mr. Scott and seconded by Mr. Rothfelder, to approve according to staff recommendations. This motion carried unanimously.

9. Construction Services

- a. Report on construction projects. This is a non-action item, therefore no action taken.

10. Executive Secretary Report

- a. Report on Veterans Land Board operations. This is a non-action item, therefore no action taken.

II. EXECUTIVE SESSION 11:00 A.M – 11:29 A.M.

In accordance with Chapter 551, Government Code, the Texas Veterans Land Board entered into Executive Session pursuant to the following provisions of the Texas Open Meetings Act, Chapter 551, of the Texas Government Code:

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

III. RECONVENE REGULAR AGENDA 11:32 A.M.

11. Consideration and possible action, if any, on items discussed in Executive Session. No action taken.
12. Chair and Board Member Closing Comments. General comments made by the Board.
13. Adjournment. 11:33 A.M.

ATTEST:**APPROVED:**

Anthony Dale
Executive Secretary

James Rothfelder
Board Member



MEMORANDUM

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

Date: May 13, 2025

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

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 7 a - Quarterly Veterans Land, Housing and Home Improvement Program Update for Fiscal Year 2025 2nd Quarter.

Recommendation: This agenda item requires no action from the Board.

Prior Board Meeting Item Updates

In March 2025, VLB issued \$100 million of Series 2025A Bonds for its Land Loan Program and in April 2025 issued \$250 million of Series 2025B Bonds for its Housing Loan Program. Each bond was paired with a floating-to-fixed rate swap. The counterparty for the Series 2025B Bonds was the first new swap entered into in over 10 years.

Loan Demand – Housing

In 1983, the Legislature created the VLB Veterans Housing Assistance Program to assist Texas Veterans and Military Members in purchasing a home. Through this program, eligible Texas Veterans and Military Members have an opportunity to purchase a home with a low-interest loan with little or no money down.

Consumer demand for home loans was lower in the second quarter of the fiscal year even as interest rates dipped. With inflation stabilizing the Federal Reserve cut the benchmark interest rates in September, November, and December lowering the benchmark by 100 basis points (1.0%). In March the benchmark interest rate remained unchanged. Demand for FY2025 Q2 averaged \$26.0 million per month and decreased 28.2% from FY2025 Q2 versus FY2024 Q2.

	FY2025 Q2	FY2024 Q2	Variance
Housing Loan Value	\$77,900,000	\$108,600,000	(\$30,700,000)
Housing Loans Closed	197	276	(79)

Since 2018, VLB loans have been made in 177 of 254 Texas Counties.

Loan Demand – Home Improvement

VLB offers qualified veterans or military members loans to help pay for home repairs or upgrades through the Texas Veterans Home Improvement Program (VHIP). This program was introduced

in 1986 and provides the same below-market interest rate as the housing loans. The program demand has been steadily declining over the last four years likely in response to interest rates.

	FY2025 Q2	FY2024 Q2	Variance
Home Improvement Loan Value	\$544,275	\$463,756	\$80,519
Home Improvement Loans Closed	24	20	4

For FY2025 Q2, VLB issued 24 loans under the VHIP totaling \$544,275, which was a 17% increase in loan value from FY 2024 Q2.

Housing Loan Interest Rate Setting Process

VLB's current weekly rate setting process revolves around setting a "base" rate that is 15-150 basis points (0.15% to 1.50%) below the benchmark. Eligible borrowers with a service-connected disability rating of 30% or higher are then allowed a 50 basis point (0.50%) reduction to the "base" rate. FY2025 Q2 base/discounted rates averaged 6.36%/5.86% while FY2024 Q2 base/discounted rates averaged 6.39%/5.89%.

Since FY2018 nearly 88% of VLB Home Loan borrowers qualified for the discounted interest rate and 42% of borrowers were first time homebuyers. Through FY2025 Q2, 94% of borrowers qualified for the discounted rate and 48% of all borrowers were first time homebuyers.

Loan Demand – Land

The VLB Veterans Land Loan Program is the only one of its kind in the nation. It provides Texas Veterans and Military Members the opportunity to borrow money to purchase land at favorable interest rates and terms while only requiring a minimum 5% down payment.

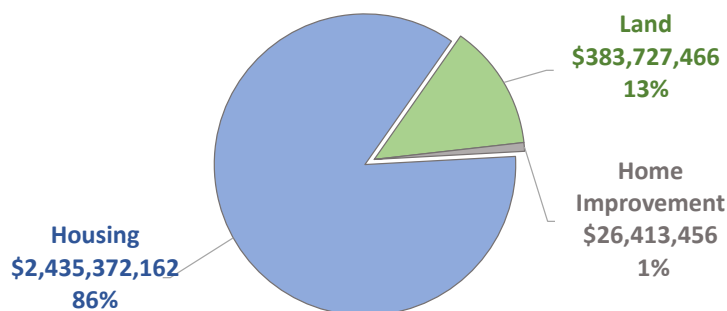
Demand for land loans is lower than a year ago but remains consistent and at a level that additional funding is advisable.

	FY2025 Q2	FY2024 Q2	Variance
Land Loan Value	\$16,100,000	\$23,000,000	(\$6,800,000)
Land Loans Closed	147	178	(31)

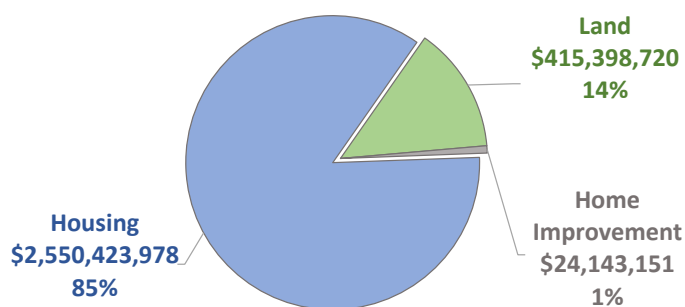
The current loan rate for the land program is 7.25%.

Fiscal Year 2025 Q2 - Loan Summary Report

LOAN PORTFOLIO- FY 2024 Q2

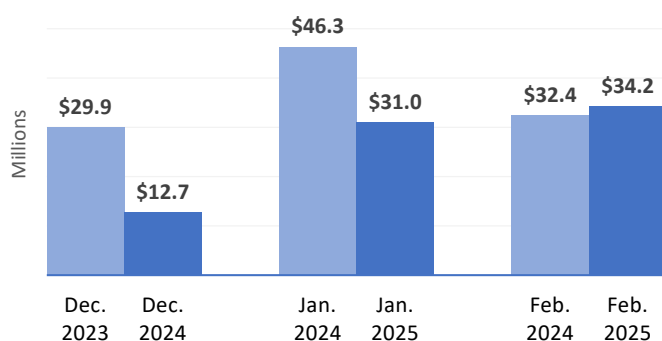


LOAN PORTFOLIO- FY 2025 Q2

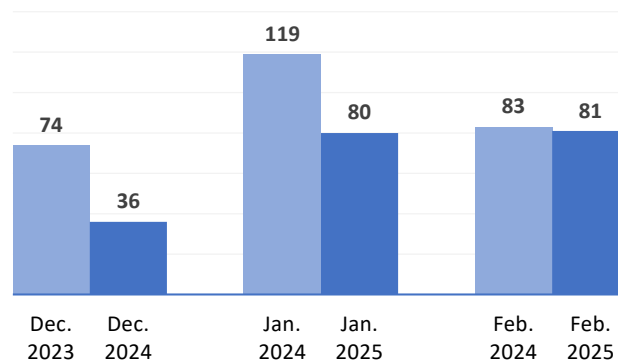


Housing Loans

Housing Loans Purchased



Number of Housing Loans



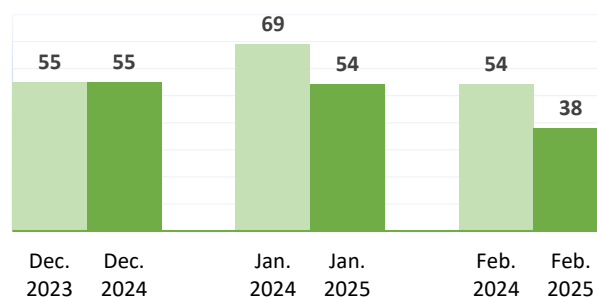
- \$77.9 million in Housing Loans
- \$395,545 Average Housing Loan
- 6.36% Average Interest Rate

Land Loans

Land Loans (\$)



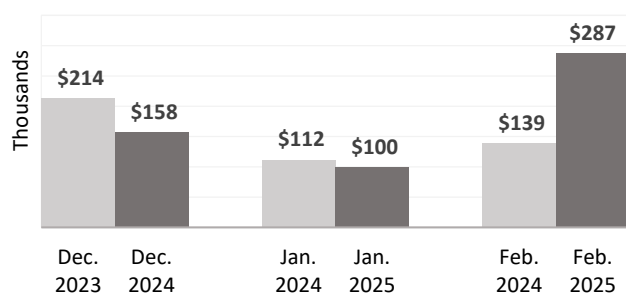
Number of Land Loans



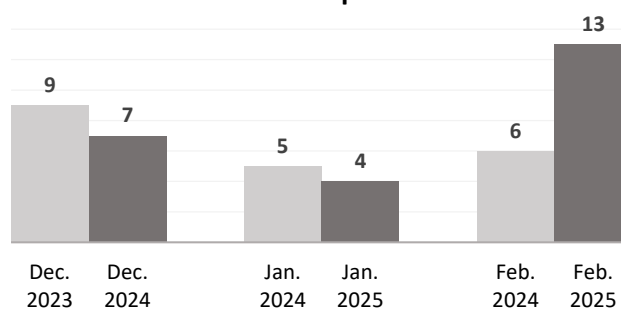
- \$16.1 million in Land Loans
- \$109,779 Average Land Loan
- 147 Total Land Loans

Home Improvement Loans

Home Improvement Loans (\$)



Number of Home Improvement Loans

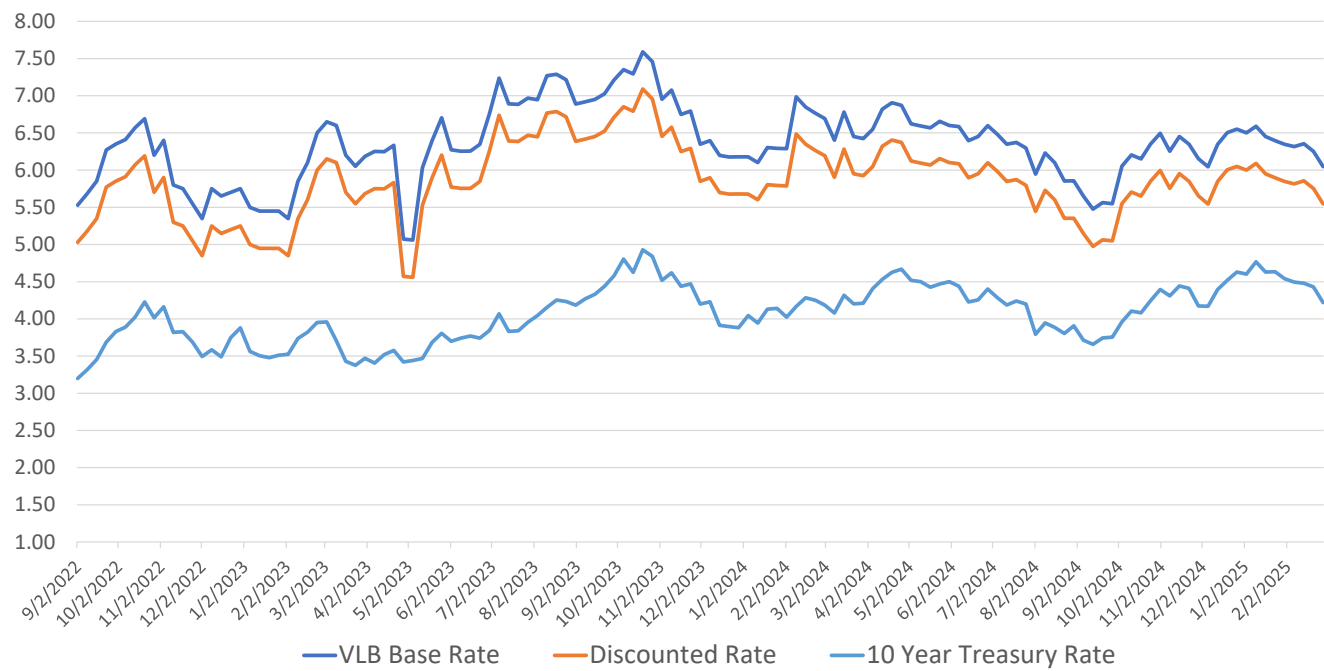


- \$544,275 in Home Improvement Loans
- \$22,678 Average Home Improvement Loan Amount

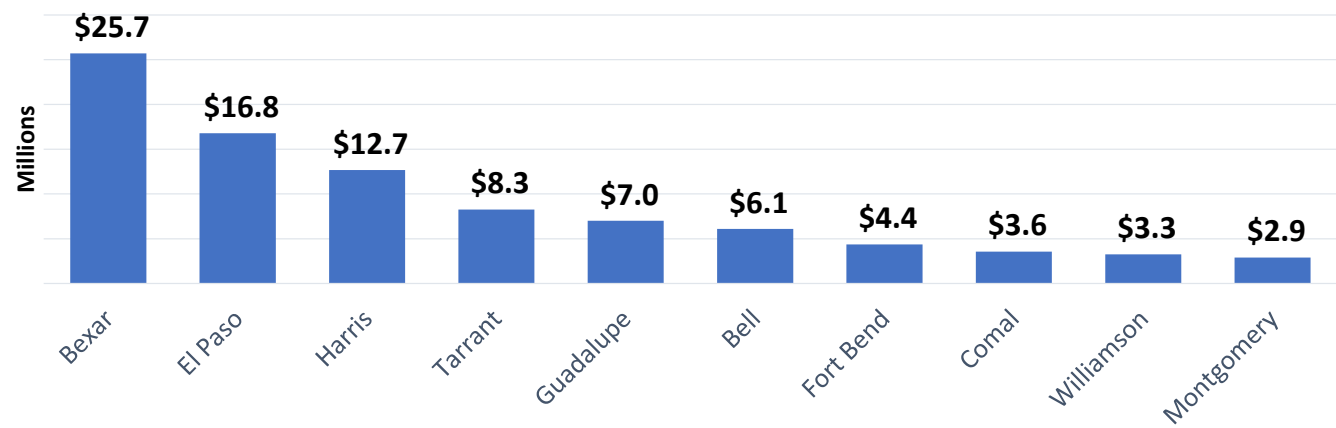
Fiscal Year 2025 Q2 Report



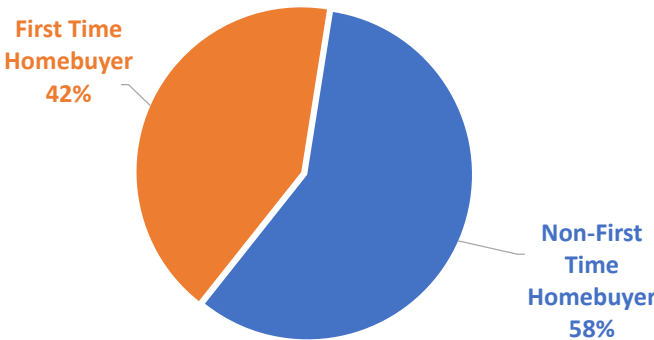
VLB Interest Rate FY2023 through February 28, 2025



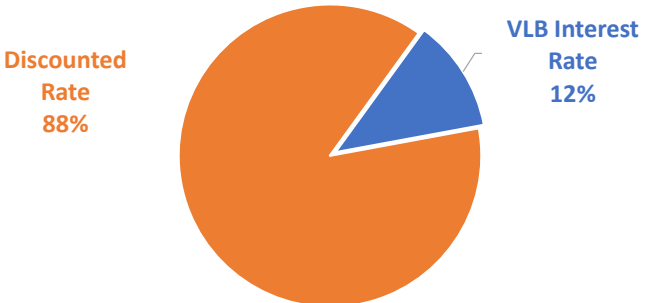
Fiscal Year 2025 Housing Loan Volume - Top 10 Counties



First time Homebuyer 2018 - Current



Veterans Mortgage Rate Options 2018 - Current



- 94% of loans have a home loan guaranty back by the U.S. Department of Veterans Affairs for FY 2025

Date: May 13, 2025

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

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 7 b - Consideration and possible action on the adoption of a resolution authorizing the issuance and sale of State of Texas Veterans Bonds, Taxable Refunding Series 2025, in one or more series and installments, in an aggregate principal amount not to exceed \$250,000,000, and providing for other matters relating to the subject.

Recommendation: Staff recommends that the Board authorize the issuance up to \$250,000,000 in taxable refunding general obligation bonds in the Veterans Housing Assistance Program (VHAP) between May 14, 2025, and May 13, 2026. In addition, staff recommends that the final maturity of the bonds not exceed December 1, 2051, and that the bond True Interest Cost not exceed 6.00%.

Summary

VLB runs a continuous loan program that unlike other loan programs does not shut down due to lack of resources. As such our loan portfolio is continually changing which can alter the life of the loans and may not match our bond repayment schedule particularly in eras of large market swings.

Currently, the VLB has several bond series that have loan portfolios with a longer average life than the bonds resulting in a timing mismatch in cash flow. By restructuring the maturities, VLB will be able to match the bonds to loan receipts. In less volatile interest rate environments, VLB would periodically sell loans but rapid changes in interest rates can make pricing unattractive. Any excess proceeds would be used to purchase additional loans at current market rates.

Additionally, the VLB has one remaining bond that was issued under the Veterans Housing Assistance Program Fund I which is benefited by debt service and mortgage reserve funds. There is currently \$27.2 million in those reserve funds as required by the Fund I resolution and those funds cannot be used until Fund I bonds are no longer outstanding. Refunding these bonds using Veterans Housing Assistance Program Fund II removes those restrictions allowing VLB to access those funds to redeem all or a portion of bonds and make additional housing loans.

RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF
TEXAS AUTHORIZING THE ISSUANCE AND SALE OF
STATE OF TEXAS VETERANS BONDS, TAXABLE
REFUNDING SERIES 2025 IN ONE OR MORE SERIES AND
INSTALLMENTS, AND PROVIDING FOR OTHER MATTERS
RELATING TO THE SUBJECT

relating to

State of Texas
Veterans Bonds,
Taxable Refunding Series 2025

Adopted and Approved on

May 13, 2025

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RESOLUTION

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS
VETERANS BONDS, TAXABLE SERIES 2025 IN ONE OR MORE SERIES
AND INSTALLMENTS, AND PROVIDING FOR OTHER MATTERS
RELATING TO THE SUBJECT

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

WHEREAS, the Board has previously caused to be issued the Bonds (collectively, the "Prior Bonds") identified in Exhibit D hereto for the purpose of refunding bonds issued to augment Fund I or Fund II; and

WHEREAS, the Board desires to restructure the amortization of some or all of the Prior Bonds in order to better match expected payments on the Home Loans (defined herein) relating to the Prior Bonds; and

WHEREAS, the Board has determined that it is necessary and desirable at this time and in the best interests of the Board that taxable Bonds (hereinafter defined as the "Series 2025 Bonds") be issued in one or more series and installments for the purpose of refunding Prior Bonds; and

WHEREAS, pursuant to the Constitutional Provision, the Act, Chapter 1207 and Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board hereby determines to issue the Series 2025 Bonds; and

WHEREAS, the Board hereby finds that the purpose for which the Board may issue the Series 2025 Bonds constitutes "public works," as contemplated by Chapter 1371;

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

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

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

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

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

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

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

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

“Alternate Liquidity Facility” means a letter of credit, standby bond purchase agreement or any other agreement or agreements used to provide liquidity support for a series of Series 2025 Bonds, satisfactory to the Board and the Remarketing Agent therefor and containing administrative provisions reasonably satisfactory to the Tender Agent therefor, issued and delivered to such Tender Agent in accordance with Section 9.6 hereof.

“Attorney General” means the Attorney General of the State.

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

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

“Beneficial Owner” means, during any period in which ownership of a series of Series 2025 Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, any Person who acquires a beneficial ownership in such Series 2025 Bonds.

“Board” means the Veterans’ Land Board of the State.

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

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

“Bond Purchase Fund” means for any series of Series 2025 Bonds the fund so designated that is established with the Tender Agent therefor pursuant to Section 9.8(b)(ii) hereof.

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

“Business Day” means with respect to a series of Series 2025 Bonds, any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the Board and the applicable Tender Agent, Remarketing Agent, Paying Agent, Registrar or Liquidity Provider are located, or in which the office of such Liquidity Provider from which payments are made pursuant to the applicable Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

“Ceiling Rate” means the lesser of (i) fifteen percent (15%) per annum and (ii) a per annum rate equal to the maximum net effective interest rate permitted to be paid on the Series 2025 Bonds (prescribed by Chapter 1204, Texas Government Code, as amended, or any successor provision), currently fifteen percent (15%).

“Chapter 1201” means Chapter 1201, Texas Government Code, as amended.

“Chapter 1207” means Chapter 1207, Texas Government Code, as amended.

“Chapter 1371” means Chapter 1371, Texas Government Code, as amended.

“Comptroller” means the Texas Comptroller of Public Accounts.

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

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

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

- (1) United States government securities;
- (2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;
- (3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations; or
- (4) any other investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns, or any successor securities depository for a series of Series 2025 Bonds.

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

“Eligible Investments” means:

- (1) Direct Security Repurchase Agreements and Reverse Security Repurchase Agreements made with state or national banks domiciled in the State or with primary dealers as approved by the Federal Reserve System;
- (2) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;
- (3) direct obligations of or obligations guaranteed by the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Farm Credit System, the Student Loan Marketing Association, the Federal Home Loan Mortgage Corporation, or a successor organization to one of those organizations;
- (4) bankers’ acceptances that:
 - (i) are eligible for purchase by members of the Federal Reserve System;
 - (ii) do not exceed 270 days to maturity; and
 - (iii) are issued by a bank that has received the highest short term credit rating by a nationally recognized investment rating firm;
- (5) commercial paper that:

- (i) does not exceed 270 days to maturity; and
 - (ii) has received the highest short term credit rating by a nationally recognized investment rating firm;
- (6) contracts written by the Board in which the Board grants the purchaser the right to purchase securities in the Board's marketable securities portfolio at a specified price over a specified period and for which the Board is paid a fee and specifically prohibits naked option or uncovered option trading;
- (7) obligations of a state or an agency, county, city, or other political subdivision of a state, including revenue bonds issued under Chapter 164, Texas Natural Resources Code, as amended, and mutual funds composed of these obligations;
- (8) an investment instrument, obligation, or other evidence of indebtedness the payment of which is directly or indirectly guaranteed by the full faith and credit of the United States;
- (9) an investment, account, depository receipt, or deposit that is fully:
 - (i) insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a successor organization to one of those organizations; or
 - (ii) secured by securities described by paragraph (2), (3), or (8) of this definition;
- (10) a collateralized mortgage obligation fully secured by securities or mortgages issued or guaranteed by the Government National Mortgage Association or any entity described by paragraph (3) of this definition;
- (11) a security or evidence of indebtedness issued by the Farm Credit System Financial Assistance Corporation, the Private Export Funding Corporation, or the Export Import Bank; and
- (12) any other investment authorized for investment of State funds by the Comptroller under applicable law;

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

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

payable under any bond enhancement agreement with respect to principal of or interest on the Bonds.

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

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

“Fixed Interest Rate” means (i) with respect to a Series 2025 Bond originally issued as a Weekly Rate Bond, the non-variable interest rate established in accordance with Section 9.3 hereof, and (ii) with respect to a Series 2025 Bond originally issued as a Fixed Rate Bond, the non-variable interest rate set forth in the related Purchase Contract or Pricing Certificate.

“Fixed Interest Rate Period” means with respect to a series of Series 2025 Bonds, the period of time during which such Series 2025 Bonds bear interest at a Fixed Interest Rate.

“Fixed Rate Bond” or “Fixed Rate Bonds” means any Series 2025 Bonds issued bearing interest at a Fixed Interest Rate.

“Fixed Rate Conversion Date” means with respect to a series of Weekly Rate Bonds, the date on which the interest rate on each of such Series 2025 Bonds converts to a Fixed Interest Rate.

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

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

“Holder” means a Person in whose name a Series 2025 Bond is registered in the Bond Register.

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

“Initial Purchaser” means (i) with respect to a series of Series 2025 Bonds sold in connection with a public offering, the manager of the Underwriters relating thereto, or (ii) with respect to a series of Series 2025 Bonds sold privately, the purchaser or purchasers thereof.

“Initial Series 2025 Bond” means with respect to a series of Series 2025 Bonds, the Series 2025 Bond registered by the Comptroller.

“Interest Accrual Period” means with respect to a series of Series 2025 Bonds, the period from and including each Interest Payment Date to and excluding the next Interest Payment Date therefor; the initial Interest Accrual Period shall begin on (and include) the Settlement Date therefor and the final Interest Accrual Period shall end on the day next preceding the maturity date of such Series 2025 Bonds.

“Interest Payment Date” means (i) with respect to any Weekly Interest Rate Period, (A) the first Business Day of each month, commencing on the first such day following the applicable Settlement Date, (B) for a series of Weekly Rate Bonds, the Fixed Rate Conversion Date therefor, if any, and (C) the maturity date of a series of Series 2025 Bonds; and (ii) with respect to any Fixed Interest Rate Period, each June 1 and December 1, commencing the June 1 or December 1 immediately following the Fixed Rate Conversion Date or the Settlement Date, as the case may be, by at least 30 days.

“Interest Rate Period” means any Weekly Interest Rate Period or Fixed Interest Rate Period.

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

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

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

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

“Paying Agent” means with respect to a series of Series 2025 Bonds, the Comptroller unless otherwise set forth in the related Pricing Certificate or Purchase Contract, or any successor appointed by the Board pursuant to Section 5.2(a) hereof to perform the paying agent duties hereunder.

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

“Pricing Certificate” means a certificate executed by an Authorized Representative setting forth certain provisions relating to a series of Series 2025 Bonds.

“Prior Bonds” means the Bonds (including for purposes of this definition, general obligation bonds of the State authorized by the Constitutional Provision and issued for the benefit of Fund I) set forth in Exhibit E hereto.

“Program” means the Veterans’ Housing Assistance Program established pursuant to the Act.

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

“Purchase Contract” means with respect to a series of Series 2025 Bonds initially sold in a public offering, the bond purchase contract between the Board and the Underwriters, authorized under Section 2.8 hereof, regarding the sale of such Series 2025 Bonds.

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

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

“Rating Agency” means with respect to a series of Series 2025 Bonds, initially, the statistical rating organization designated as such in the related Pricing Certificate or Purchase Contract or if such entity ceases to assign a rating to such Series 2025 Bonds, any substitute statistical rating organization so designated by the Board, which at the time has a credit rating assigned to such Series 2025 Bonds at the request of the Board.

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

“Refunded Bonds” means with respect to a series of Series 2025 Bonds, the Prior Bonds designated as such in the Pricing Certificate or Purchase Contract related to such Series 2025 Bonds.

“Registrar” means with respect to a series of Series 2025 Bonds, initially the Person designated as such in the Purchase Contract or Pricing Certificate therefor, or any successor entity appointed by the Board pursuant to Section 5.2(a) hereof to perform the duties of registrar and transfer agent hereunder.

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

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

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

“Resolution” means this resolution of the Board authorizing the issuance of the Series 2025 Bonds.

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

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

“Series 2025 Bond” or “Series 2025 Bonds” means the State of Texas Veterans Bonds, Taxable Series 2025, authorized pursuant to this Resolution.

“Settlement Date” means with respect to a series of Series 2025 Bonds, the date of initial delivery of such Series 2025 Bonds to the Initial Purchaser thereof.

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

“State” means the State of Texas.

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

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

“Undelivered Bonds” means any Series 2025 Bond so designated in accordance with the provisions of Section 9.4(e) or Section 9.4(g)(ii) hereof.

“Underwriters” means with respect to a series of Series 2025 Bonds initially sold in a public offering, the members of the underwriting syndicate therefor.

“Variable Rate Bond” or “Variable Rate Bonds” means Series 2025 Bonds other than Weekly Rate Bonds, the interest rate on which is not fixed, but is variable or adjustable by any formula, agreement or otherwise as set forth in the Pricing Certificate or Purchase Contract for such Series 2025 Bonds.

“Veterans” has the meaning given such term in the Constitutional Provision.

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

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

“Weekly Rate Bond” or “Weekly Rate Bonds” means Series 2025 Bonds subject to a Weekly Interest Rate Period.

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

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2025 BONDS; ISSUANCE AND FORM OF SERIES 2025 BONDS

Section 2.1. Authorization of Series 2025 Bonds. To provide money for the purpose of refunding Prior Bonds, the Series 2025 Bonds are hereby authorized and shall be issued, in one or more series and installments, as general obligations of the State in the original aggregate principal amount not to exceed, in the case of any series of Series 2025 Bonds, the aggregate principal amount of the Refunded Bonds relating thereto, as determined by an Authorized Representative and set forth in a Purchase Contract or Pricing Certificate. The Series 2025 Bonds shall be entitled “STATE OF TEXAS VETERANS BONDS, TAXABLE REFUNDING SERIES 2025”; provided that unless the entire principal amount authorized for the Series 2025 Bonds is issued in a single series or in the discretion of an Authorized Representative, the series designation for each separate series shall include a different capital letter after “2025,” as set forth in the related Pricing Certificate or Purchase Contract ; and provided, further, that if a series of Series 2025 Bonds is issued after December 31, 2025, “2026” shall replace “2025” in the series designation of such series.

Section 2.2. Form, Maturities, Interest Rates and Numbering. Each series of Series 2025 Bonds authorized hereby initially shall be dated as set forth in the related Pricing Certificate or Purchase Contract, and shall be issued and delivered in the form of fully registered bonds, without coupons, each payable to the Holder thereof, all in the manner hereinafter provided. The principal of Series 2025 Bonds shall mature, subject to prior redemption, on the dates and in the amounts set forth in the related Pricing Certificate or Purchase Contract; provided, however, that (i) the aggregate principal amount of any series of Series 2025 Bonds shall not exceed the principal amount of the related Refunded Bonds, and (ii) the final maturity of a series of Series 2025 Bonds shall occur not later than thirty years from the Settlement Date

therefor; and provided, further, that during any period in which ownership of a series of the Series 2025 Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with existing arrangements between the Board and the securities depository. Weekly Rate Bonds shall bear interest at the Weekly Interest Rate therefor, provided that from and after the Fixed Rate Conversion Date, such Series 2025 Bonds shall bear interest at a Fixed Interest Rate. Fixed Rate Bonds shall bear interest at the Fixed Interest Rate or Rates set forth in the related Pricing Certificate or Purchase Contract or as determined pursuant to Section 9.3(a) hereof. Variable Rate Bonds shall bear interest as provided in the related Pricing Certificate or Purchase Contract. Each series of Weekly Rate Bonds shall be numbered consecutively from WR-1 upward by the Registrar, and no two Weekly Rate Bonds of the same series shall be given the same number. Each series of Fixed Rate Bonds shall be numbered consecutively from FR-1 upward by the Registrar, and no two Fixed Rate Bonds of the same series shall be given the same number. Each series of Variable Rate Bonds shall be numbered consecutively from VR-1 upward by the Registrar, and no two such Series 2025 Bonds shall be given the same number. Notwithstanding the foregoing, the Initial Series 2025 Bond for any series of Series 2025 Bonds shall be numbered T-1. Unless otherwise specified in the related Pricing Certificate or Purchase Contract, the Board shall cause CUSIP numbers to be assigned to, and reproduced on, the Series 2025 Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of such Bonds.

Section 2.3. Execution. Each of the Series 2025 Bonds shall be executed by and on behalf of the Board as general obligations of the State with the manual or facsimile signatures of the Chairwoman of the Board and the Executive Secretary of the Board, and the manual or facsimile seal of the Board shall be placed thereon. The facsimile signatures of the Chairwoman and Executive Secretary of the Board and the facsimile seal of the Board shall have the same effect as if each of said Bonds had been manually signed by such officers and said seal had been manually impressed on each such Bond. Series 2025 Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Board shall bind the State and the Board, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

Section 2.4. Approval by Attorney General; Registration by Comptroller. After any Initial Series 2025 Bonds shall have been executed, it shall be the duty of the Authorized Representatives to deliver such Series 2025 Bonds to the Attorney General for examination and approval, and after such Series 2025 Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Series 2025 Bonds thus registered shall remain in the custody of the Chairwoman of the Board or subject to her order, until the delivery thereof to the Initial Purchaser thereof.

Section 2.5. Form of Bond. The form of all Weekly Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2025 Bond that is a Weekly Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The form of all Fixed Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each

Initial Series 2025 Bond that is a Fixed Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit B hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. The form of all Variable Rate Bonds, including the forms of (i) Comptroller's Registration Certificate to accompany each Initial Series 2025 Bond that is a Variable Rate Bond, (ii) Registrar's Authentication Certificate, and (iii) Assignment, shall be, respectively, substantially as set forth in Exhibit C hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution or set forth in a Pricing Certificate. At the direction of an Authorized Representative, a portion of the text of Series 2025 Bonds may be printed on the back of the bond certificates, in which event the following phrase shall be inserted in the place where such text would otherwise appear: "Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth at this place."

Section 2.6. Registration, Transfer and Exchange. (a) With respect to each series of Series 2025 Bonds, the Board shall keep or cause to be kept at the designated corporate trust office of the Person named in the related Pricing Certificate or Purchase Contract, or at the designated office of any other banking institution named in accordance with the provisions of Section 5.2(a) hereof (in any event, a "Registrar"), books or records of the registration and transfer of such Series 2025 Bonds (each, a "Bond Register"), and each Registrar shall act as registrar and transfer agent to keep such Bond Register and make such transfers and registrations under such reasonable regulations as the Board may prescribe, and to convert and exchange or replace the applicable Series 2025 Bonds; and the Registrar shall make such transfers and registrations as herein provided. It shall be the duty of a Registrar to obtain from the Holder of each applicable Series 2025 Bond and record in the related Bond Register the address of such Holder to which payments with respect to the applicable Series 2025 Bonds shall be mailed, as herein provided. Each Registrar shall keep the related Bond Register confidential and, unless otherwise required by law, shall not permit their inspection by any entity other than the Board or its designee, which shall have the right to inspect such Bond Register during regular business hours of such Registrar. Registration of each Series 2025 Bond may be transferred in the applicable Bond Register only upon presentation and surrender of such Series 2025 Bond to the applicable Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to such Registrar, evidencing the assignment of such Series 2025 Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Series 2025 Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Series 2025 Bond or any portion thereof, a new substitute Series 2025 Bond or Series 2025 Bonds of the same series and maturity shall be issued in conversion and exchange therefor in the manner herein provided.

(b) The entity in whose name any Series 2025 Bond shall be registered in the related Bond Register at any time shall be treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Series 2025 Bond shall be overdue, and the Board and the applicable Paying Agent and Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of and premium, if any, and interest on any such Series 2025 Bond shall be made only to such Holder. All such payments shall be valid and

effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid.

(c) Unless otherwise set forth in a Pricing Certificate or Purchase Contract, the Board hereby appoints the Comptroller in Austin, Texas, or any banking institution named in accordance with the provisions of Section 5.2(a) hereof (in either case, the “Paying Agent”), to act as the paying agent for paying the principal of and premium, if any, and interest on the Series 2025 Bonds, all as provided in this Resolution. Each Paying Agent shall keep proper records of all payments made by the Board and such Paying Agent with respect to the applicable Series 2025 Bonds, as provided in this Resolution. For any Series 2025 Bond that has a CUSIP number, the applicable Paying Agent shall provide the CUSIP number for such Series 2025 Bond with each payment of interest on and the principal or the redemption price of such Series 2025 Bond, specifying the amount paid in respect of such CUSIP number.

(d) Each Series 2025 Bond may be converted into and exchanged for fully registered bonds in the manner set forth herein. Each Series 2025 Bond may, upon surrender thereof to the applicable Registrar, together with a written request therefor duly executed by the Holder or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Registrar, at the option of the Holder or such assignee or assignees, as appropriate, be converted into and exchanged for a substitute Series 2025 Bond or Series 2025 Bonds having the same series, maturity date, bearing interest at the same rate and in any Authorized Denomination which may be requested in writing by such Holder or such assignee or assignees, in an aggregate principal amount equal to the principal amount of the Series 2025 Bond or Series 2025 Bonds so surrendered, and payable to the appropriate Holder, assignee, or assignees, as the case may be. If only a portion of any Series 2025 Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Series 2025 Bond or Series 2025 Bonds having the same series, maturity date, bearing interest at the same rate, in any Authorized Denomination at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. If any Series 2025 Bond or portion thereof is assigned and transferred or converted, each Series 2025 Bond issued in exchange therefor shall have the same series, principal maturity date and bear interest at the same rate as the Series 2025 Bond for which it is being exchanged. Each substitute Series 2025 Bond shall bear a number to distinguish it from each other Series 2025 Bond. Each Registrar shall convert and exchange or replace Series 2025 Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Series 2025 Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Series 2025 Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided, however, that any Series 2025 Bond delivered in conversion of and exchange for or replacement of another Series 2025 Bond prior to the first scheduled Interest Payment Date of the related series of Series 2025 Bonds shall be dated the same date as such Series 2025 Bond, but each substitute Series 2025 Bond so delivered on or after such first scheduled Interest Payment Date shall be dated as of the Interest Payment Date preceding the date on which such substitute Series 2025 Bond is delivered, unless such Series 2025 Bond is delivered on an Interest Payment Date therefor, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Series 2025 Bond the interest on the Series 2025 Bond for which it is being exchanged has not been paid, then such

Series 2025 Bond shall be dated as of the date to which such interest has been paid in full; and provided, further, that any Series 2025 Bond issued in exchange for an Initial Series 2025 Bond shall be dated the date specified in the related Pricing Certificate or Purchase Contract. On each substitute Series 2025 Bond issued in conversion of and exchange for or replacement of any Series 2025 Bond or Series 2025 Bonds there shall be printed a Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the applicable Registrar shall, before the delivery of any such Series 2025 Bond, date such Series 2025 Bond in the manner set forth above, and manually sign and date the Registrar's Authentication Certificate, and no such Series 2025 Bond shall be deemed to be issued or Outstanding unless such Registrar's Authentication Certificate is so executed and dated. Each Registrar promptly shall cancel all applicable Series 2025 Bonds surrendered for transfer, conversion and exchange or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or Person so as to accomplish the foregoing conversion and exchange or replacement of any Series 2025 Bond or portion thereof, and each Registrar shall provide for the execution and delivery of substitute Series 2025 Bonds in the manner prescribed herein. Pursuant to Chapter 1201, and particularly Sections 1201.061 through 1201.063 and 1201.067 thereof, the duty of conversion and exchange or replacement of Series 2025 Bonds as aforesaid is hereby imposed upon the related Registrar, and, upon the execution and dating of the above described Registrar's Authentication Certificate, the transferred, converted and exchanged or replaced Series 2025 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2025 Bonds which originally were delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller. Except in the case of tenders of Weekly Rate Bonds pursuant to Section 9.4 hereof or of the remarketing of Purchased Bonds, neither the Board nor any Registrar shall be required (i) to issue, transfer, replace or exchange any Series 2025 Bond subject to redemption in whole or in part during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of such series of Series 2025 Bonds and ending at the close of business on the day of such mailing, or (ii) to replace, transfer or exchange any Series 2025 Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within 30 calendar days; except that at the option of the Holder of at least \$1,000,000 in principal amount of a series of Series 2025 Bonds, the applicable Registrar shall be required to transfer or exchange any such Series 2025 Bond of such Holder which has been selected, in whole or in part, for redemption upon surrender thereof. A Registrar may make such arrangements as it deems appropriate for notation on each new Series 2025 Bond issued in exchange for or upon the transfer of the Series 2025 Bond so selected for redemption of an appropriate legend to the effect that such new Series 2025 Bond has been so selected for redemption.

(e) All Series 2025 Bonds issued in conversion and exchange or replacement of any other Series 2025 Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2025 Bonds to be payable only to the Holders thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2025 Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, (vii) shall be authenticated, and (viii) shall provide that the principal of and interest on such Series 2025 Bonds shall be payable, all as provided, and in the manner required or indicated, in this Resolution.

(f) The Board shall pay each Registrar's reasonable and standard or customary fees and charges for making transfers of Series 2025 Bonds, but the Holder of any related Series 2025 Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Holder of any Series 2025 Bond requesting any conversion and exchange shall pay the applicable Registrar's reasonable and standard or customary fees and charges for converting and exchanging any Series 2025 Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of conversion and exchange; except, however, that in the case of the conversion and exchange of an assigned and transferred Series 2025 Bond or Series 2025 Bonds or any portion or portions thereof in any Authorized Denomination, and in the case of the conversion and exchange of a portion of the unredeemed portion of a Series 2025 Bond that has been redeemed in part prior to maturity, as provided in this Resolution, such fees and charges will be paid by the Board.

Section 2.7. Damaged and Missing Bonds. (a) In the event any Outstanding Series 2025 Bond is damaged, mutilated, lost, stolen, or destroyed, the applicable Registrar shall cause to be printed, executed, authenticated and delivered, a new Series 2025 Bond of the same series, principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Series 2025 Bond in the manner hereinafter provided.

(b) Application for replacement of a damaged, mutilated, lost, stolen, or destroyed Series 2025 Bond shall be made by the Holder thereof to the applicable Registrar. In every case of loss, theft, or destruction of a Series 2025 Bond, the Holder applying for a replacement Series 2025 Bond shall furnish to the Board and to the applicable Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2025 Bond, the Holder shall furnish to the Board and to the applicable Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2025 Bond, as the case may be. In every case of damage or mutilation of a Series 2025 Bond, the Holder shall surrender to the applicable Registrar for cancellation the Series 2025 Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Series 2025 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of and premium, if any, or interest on the Series 2025 Bond, the Board may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Series 2025 Bond, provided security or indemnity is furnished as provided above in this Section.

(d) Prior to the issuance of any replacement Series 2025 Bond pursuant to the provisions of this Section, the applicable Registrar shall charge the Holder of such Series 2025 Bond with all legal, printing, and other expenses in connection therewith. Every replacement Series 2025 Bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2025 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Board whether or not the lost, stolen, or destroyed Series 2025 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2025 Bonds duly issued under this Resolution.

(e) In accordance with Section 1201.062 of Chapter 1201, this Section shall constitute authority for the issuance of any such replacement Series 2025 Bond without the necessity of further action by the Board or any other body or Person, and the duty of the replacement of such Series 2025 Bond is hereby authorized and imposed upon the applicable Registrar, and such Registrar shall authenticate and deliver such replacement Series 2025 Bonds in the form and manner and with the effect, as provided in Section 2.6(d) of this Resolution for Series 2025 Bonds issued in conversion and exchange for other Series 2025 Bonds.

Section 2.8. Sale and Delivery of Series 2025 Bonds. The Series 2025 Bonds may be sold publicly or privately on a negotiated basis, as determined by the Authorized Representatives to assure that the Series 2025 Bonds are sold on advantageous terms. Pursuant to Chapter 1371, the Authorized Representatives are hereby severally authorized and directed to act for and on behalf of the Board in connection with other matters relating to the issuance of the Series 2025 Bonds. In such capacity, the Authorized Representatives, acting for and on behalf of the Board, shall determine the date of issuance and sale of each series of the Series 2025 Bonds, and are also hereby severally authorized and directed to approve, execute and deliver the related Purchase Contract or Pricing Certificate, and to approve the principal amounts and maturities of such Series 2025 Bonds and whether such Series 2025 Bonds shall be issued initially as Fixed Rate Bonds, Weekly Rate Bonds or Variable Rate Bonds, the redemption provisions and such other terms applicable to such Series 2025 Bonds, the Purchase Contract or Pricing Certificate to be approved by the Authorized Representative executing the Purchase Contract or Pricing Certificate, such approval to be conclusively evidenced by such Authorized Representative's execution thereof; provided that (i) the final maturity and aggregate principal amount of such Series 2025 Bonds shall comply with Section 2.2 hereof, and (ii) the interest rate on such Series 2025 Bonds shall not exceed the Ceiling Rate, subject to the unqualified approving opinion as to the legality of such Series 2025 Bonds of the Attorney General and of Bond Counsel. The Authorized Representatives and all other officers, agents and representatives of the Board are hereby authorized to do any and all other things necessary or desirable to satisfy the conditions set out in the Purchase Contract or otherwise required by the Initial Purchaser and to provide for the issuance and delivery of Series 2025 Bonds. One definitive Series 2025 Bond for each series and maturity date, in the principal amount for such series and maturity date as set forth in the related Purchase Contract or Pricing Certificate, shall be delivered to or as directed by the Initial Purchaser thereof. It is further provided, however, that notwithstanding the foregoing provisions, a series of Series 2025 Bonds shall not be delivered unless prior to delivery such Series 2025 Bonds have been rated by a Rating Agency in one of the four highest rating categories for long-term obligations or in one of the three highest rating categories for short-term obligations, as required by Chapter 1371.

Section 2.9. Preliminary Official Statement and Official Statement. For any Series 2025 Bonds to be sold initially in a public offering, prior to the execution of the Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, (i) if requested by the Initial Purchaser thereof, shall cause a preliminary official statement (the "Preliminary Official Statement") to be prepared for distribution by the Underwriters to prospective purchasers of such Series 2025 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate, and each Authorized Representative is hereby authorized for and on behalf of the Board to approve and deem final the Preliminary Official Statement as of its date, except for such omissions as are permitted by the Rule (as

defined in Section 8.1 hereof); within seven business days after the execution of the related Purchase Contract, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause the final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes as the Chairwoman of the Board may approve, such approval to be conclusively evidenced by her execution thereof, to be provided to the Underwriters in compliance with the Rule, or (ii) if such Initial Purchaser does not request a Preliminary Official Statement, the Chairwoman of the Board, acting for and on behalf of the Board, shall cause an official statement to be prepared for distribution by the Underwriters thereof to prospective purchasers of such Series 2025 Bonds, such document to be in the form as an Authorized Representative may deem necessary or appropriate.

Section 2.10. Book-Entry System. As provided in Section 2.8 of this Resolution, each series of Series 2025 Bonds initially shall be delivered against payment to the Initial Purchaser thereof. The Series 2025 Bonds so delivered to such Initial Purchaser shall be registered in accordance with the instructions of such Initial Purchaser. Each Initial Purchaser shall be required to promptly surrender any Initial Series 2025 Bond received by such Initial Purchaser for exchange. Series 2025 Bonds issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as Holder, and held in the custody or on behalf of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC or its designee for each series and maturity and of the Series 2025 Bonds. Beneficial owners of Series 2025 Bonds will not receive physical delivery of Series 2025 Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Series 2025 Bonds as provided herein, all transfers of beneficial ownership interests therein will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2025 Bonds is to receive, hold or deliver any Series 2025 Bond certificate.

With respect to Series 2025 Bonds registered in the name of Cede & Co., as nominee of DTC, none of the Board or the applicable Paying Agent or Registrar shall have any responsibility or obligation to any DTC Participant or to any Person on whose behalf a DTC Participant holds an interest in the Series 2025 Bonds. Without limiting the immediately preceding sentence, none of the Board or any Paying Agent or Registrar shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2025 Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Bond Register, of any notice with respect to the Series 2025 Bonds, including any notice of redemption, and (iii) the payment to any DTC Participant or any other Person, other than a Holder, of any amount with respect to principal of and premium, if any, or interest on the Series 2025 Bonds.

Replacement Series 2025 Bonds may be issued directly to beneficial owners of Series 2025 Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Series 2025 Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Board and the applicable Paying Agent and Registrar), or (ii) the Board has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Series 2025 Bonds) that DTC is incapable of discharging its duties as securities depository for the Series 2025 Bonds, or (iii) the Board has determined (which determination is conclusive as to

DTC and the beneficial owners of the Series 2025 Bonds) that the interests of the beneficial owners of the Series 2025 Bonds might be adversely affected if such book entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the Board shall use its best efforts to attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall cause to be executed, authenticated and delivered replacement Series 2025 Bonds, in certificated form, to the DTC Participants having an interest in the Series 2025 Bonds as shown on the records of DTC provided by DTC to the Board. In the event that the Board makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Series 2025 Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Series 2025 Bonds in certificated form to the DTC Participants having an interest in the Series 2025 Bonds as shown on the records of DTC provided by DTC to the Board. The Board undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Series 2025 Bonds, the beneficial ownership thereof is determined by a book entry at DTC (or any successor securities depository), the requirements in this Resolution of holding, registering, delivering, exchanging or transferring Series 2025 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of DTC (or such successor securities depository) as to holding, registering, delivering, exchanging or transferring the book entry to produce the same effect.

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

If at any time DTC ceases to hold the Series 2025 Bonds, all references herein to DTC shall be of no further force or effect.

Anything to the contrary contained herein notwithstanding, this Section 2.10 shall not apply to a series of the Series 2025 Bonds if so provided in the Pricing Certificate therefor.

ARTICLE III

REDEMPTION OF SERIES 2025 BONDS

Section 3.1. Redemption. (a) Series 2025 Bonds (including Purchased Bonds) shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on the dates and

in the respective principal amounts set forth in the related Purchase Contract or Pricing Certificate, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption. The principal amount of Series 2025 Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Series 2025 Bonds of the same series and having the same stated maturity which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the applicable Registrar for cancellation, or (2) shall have been acquired and canceled by such Registrar at the direction of the Board, or (3) shall have been redeemed pursuant to any redemption provision set forth below and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

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

(c) Any series of Series 2025 Bonds issued as other than Weekly Rate Bonds shall be subject to redemption prior to maturity, at the option and direction of the Board, during the periods and at the redemption prices set forth in the related Purchase Contract or Pricing Certificate, plus accrued interest to the date fixed for redemption.

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

(e) In the case of any redemption of less than all of the Series 2025 Bonds of a particular series and maturity, the particular Series 2025 Bonds within each such series and maturity to be redeemed shall be selected by the applicable Registrar by lot in such manner as such Registrar shall deem fair and appropriate; provided that during any period in which ownership of such Series 2025 Bonds is determined only by a book entry at a securities depository, if less than the entire principal amount Outstanding of all Series 2025 Bonds of the same series and maturity is to be redeemed, the interests to be redeemed of the beneficial owners of such Series 2025 Bonds shall be selected in accordance with the arrangements between the Board and the securities depository.

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

of Weekly Rate Bonds, Purchased Bonds of the same series and maturity being redeemed shall be selected first for such redemption to the extent there are any such Purchased Bonds.

Section 3.2. Notice of Redemption. At least 30 days prior to the date fixed for any redemption of Series 2025 Bonds, a written notice of such redemption shall be sent by first class mail, postage prepaid by the Registrar to the Holders of the applicable series of Series 2025 Bonds to be redeemed on such date. All notices of redemption shall state: (1) the date of redemption and general mailing of such notices; (2) the redemption price; (3) the identification (including complete official name and series designation and issue date), the CUSIP number, if any, certificate number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Series 2025 Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable on each such Series 2025 Bond, and that interest thereon shall cease to accrue from and after such date; and (5) the name and address of the applicable Paying Agent, including the name and telephone number of a contact person and the place where such Series 2025 Bonds are to be surrendered for payment of the redemption price. By the date fixed for any such redemption, due provision shall be made by the Board with the applicable Paying Agent for the payment of the required redemption price for such Series 2025 Bonds or the portions thereof which are to be so redeemed. If such written notice of redemption is given, and if due provision for such payment is made, all as provided above, such Series 2025 Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being Outstanding except for the right of the Holders thereof to receive the redemption price therefor from the applicable Paying Agent out of the funds provided for such payment. The applicable Registrar shall record in the related Bond Register all such redemptions of principal of the Series 2025 Bonds or any portion thereof. If only a portion of any Series 2025 Bond shall be redeemed, a substitute Series 2025 Bond or Series 2025 Bonds, having the same series and maturity date, bearing interest at the same rate, in any Authorized Denomination which may be requested by the Holder thereof, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder thereof upon the surrender thereof for cancellation, at the expense of the Board, all as provided in this Resolution. For all purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Series 2025 Bonds shall relate, in the case of any Series 2025 Bond redeemed or to be redeemed only in part, to the portion of the principal of such Series 2025 Bond that has been or is to be redeemed.

In addition to the notice of redemption required above, the applicable Registrar shall send notice of redemption by certified or registered mail, return receipt requested, postage prepaid, or by overnight delivery service contemporaneously with such mailing: (1) to any Holder of \$1,000,000 or more in principal amount of the applicable series of Series 2025 Bonds; (2) to two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (3) to any securities depository that is a Holder of such Series 2025 Bonds. In addition, in the event of a redemption caused by an advance refunding of Series 2025 Bonds, the applicable Registrar shall send a second notice of redemption to all Holders of such Series 2025 Bonds at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice required to be sent to any registered securities depositories or national information services shall be sent so that it is received at least two (2) days prior to the general mailing date of such notice. A Registrar shall also send a notice of

redemption to the Holder of any applicable Series 2025 Bond called for redemption who has not sent such Series 2025 Bond in for redemption sixty (60) days after the redemption date.

Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this Section or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Series 2025 Bonds.

ARTICLE IV

FUNDS AND INVESTMENTS

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

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

- (i) any interest of the Board in Home Loans made from money in Fund II pursuant to the Program including proceeds of any insurance thereon or on the homes;
- (ii) the proceeds derived from the sale or other disposition of the Board’s interest in Home Loans;
- (iii) the money attributable to any Bonds (except Expenses Attributable to Bonds) issued and sold by the Board to provide money for Fund II which shall include, but shall not be limited to, the proceeds from the issuance and sale of such Bonds;
- (iv) income, rents, and any other pecuniary benefit received by the Board as a result of making Home Loans;
- (v) sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any Bonds to comply with the person’s bid and accept and pay for such Bonds;
- (vi) payments received by the Board under bond enhancement agreements with respect to the Bonds;
- (vii) interest received from investments of any such money; and
- (viii) any equitable interest of the Board in properties encumbered by Home Loans and attributable to Fund II.

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

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

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

Section 4.4. Source of Payment. (a) The principal of and interest on the Series 2025 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2025 Bonds, shall be and are hereby made general obligations of the State pursuant to the Constitutional Provision, and for the faithful performance in proper time and manner of each official or other act required and necessary to provide for the prompt payment of principal of and interest on each of the Series 2025 Bonds, including payments by the Board under bond enhancement agreements with respect to principal of or interest on the Series 2025 Bonds, when due the resources of the Board to the extent herein provided and the full faith and credit of the State are hereby pledged.

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

(c) The Board recognizes the absolute and ultimate obligation of the State to provide during each Fiscal Year all moneys necessary to pay the principal of and interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, and recognizes that the Constitutional Provision provides that to the extent there is not money in Fund II available for payment of principal of and

interest on the Bonds, including money to make payments by the Board under bond enhancement agreements with respect to principal of or interest on the Bonds, “there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or come due during that fiscal year or to make bond enhancement payments with respect to those bonds.”

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

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

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

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

ARTICLE V

COVENANTS OF THE BOARD

Section 5.1. Payment Procedures. (a) The Board hereby covenants that it shall establish procedures with the Comptroller whereby sufficient moneys shall be withdrawn from Fund II and forwarded to each Paying Agent for the payment of interest on and principal of the Series 2025 Bonds coming due on each interest or principal payment date. In addition, the Board covenants that as of each principal payment date and Interest Payment Date for a series of Series 2025 Bonds it will make available to the applicable Paying Agent the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of a series of Series 2025 Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository.

If the date for the payment of the principal of or interest on the Series 2025 Bonds is a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section 5.2. Paying Agent and Registrar. (a) The Board covenants with the Holders that at all times while the Series 2025 Bonds are Outstanding, the Board will provide a competent and legally qualified Paying Agent and Registrar for each series of Series 2025 Bonds under this Resolution, and that the Paying Agent and Registrar for such series shall be one entity, except during any period when such Series 2025 Bonds are registered only by means of a book entry at a securities depository. The Board reserves the right to, and may, at its option, change any Paying Agent or Registrar upon not less than 30 days written notice to such Paying Agent or Registrar. In the event that an entity at any time acting as Paying Agent or Registrar (or the successor thereto by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will appoint promptly a competent and legally qualified national or state banking institution which shall be an entity organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and, if the previous Paying Agent or Registrar was a banking institution, whose qualifications substantially are similar to the previous Paying Agent or Registrar, as appropriate, to act as Paying Agent or Registrar under this Resolution. Upon any change in a Registrar, the previous Registrar promptly shall transfer and deliver the related Bond Register (or a copy thereof), along with all other pertinent books and records relating to the applicable Series 2025 Bonds, to the new Registrar designated and appointed by the Board. Upon any change in a Paying Agent, the previous Paying Agent promptly shall transfer and deliver the records regarding payments of principal of and interest on the applicable Series 2025 Bonds (or a copy thereof) it has kept and maintained, along with all other pertinent books and records relating to payments made regarding such Series 2025 Bonds, to the new Paying Agent designated and appointed by the Board. Upon any change in Paying Agent or Registrar, the Board promptly will cause a written notice thereof to be sent by the new Registrar to each applicable Holder by first class mail, postage prepaid, which notice also shall give the address of the new Paying Agent or Registrar, as appropriate.

By accepting the position and performing as such, each Paying Agent and Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent and Registrar.

In addition, the Board hereby covenants with the Holders that it will (i) pay the reasonable and standard or customary fees and charges of each Paying Agent for its services with respect to the payment of the principal of and interest on the Series 2025 Bonds, when due, and (ii) pay the fees and charges of each Registrar for services with respect to the transfer of registration of Series 2025 Bonds solely to the extent provided in Section 2.6(f), and with respect to the conversion and exchange of Series 2025 Bonds solely to the extent provided in Section 2.6(f).

Section 5.3. Tax Covenants. The Board does not intend to issue the Series 2025 Bonds in a manner such that the Series 2025 Bonds would constitute obligations described in Section 103(a) of the Internal Revenue Code of 1986 (as amended, the “Code”), and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code. Accordingly, the Board covenants to take such actions, or refrain from such actions as to assure that the Series 2025 Bonds are not obligations described in Section 103(a) of the Code.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.1. Amendment of Resolution With Consent of Holders. (a) The Holders of a series of Series 2025 Bonds aggregating a majority in principal amount of the aggregate principal amount of such Series 2025 Bonds at the time Outstanding (but not including in any case Series 2025 Bonds which may then be held or owned by or for the account of the Board) shall have the right from time to time to approve an amendment of this Resolution affecting such Series 2025 Bonds which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions contained in this Resolution or in such Series 2025 Bonds so as to:

- (i) make any change in the maturity of any of the Series 2025 Bonds of such series;
- (ii) reduce the rate of interest borne by any of the Series 2025 Bonds of such series;
- (iii) reduce the amount of the principal payable on any of the Series 2025 Bonds of such series;
- (iv) modify the terms of payment of principal of or interest on such Series 2025 Bonds, or any of them, or impose any conditions with respect to such payment;
- (v) change the minimum percentage of the principal amount of such Series 2025 Bonds necessary for consent to such amendment; or

(vi) affect the rights of the Holders of less than all of the Series 2025 Bonds of such series then Outstanding,

unless such amendment or amendments be approved by the Holders of all of such Series 2025 Bonds at the time Outstanding.

(b) If at any time the Board shall desire to amend this Resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or the City of Austin, Texas, once during each calendar week for at least four successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Board and the designated office of the Registrar for inspection by all holders of such Series 2025 Bonds. Such publication is not required, however, if notice in writing is given to each Holder of the applicable series of Series 2025 Bonds.

(c) Whenever at any time, within one year from the date of this publication of said notice or other service of written notice, the Board shall receive an instrument or instruments executed by the Holders of a majority in aggregate principal amount of Series 2025 Bonds of the applicable series then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Registrar, the Board may adopt the amendatory resolution in substantially the same form.

(d) Any consent given by the Holder of a Series 2025 Bond pursuant to the provisions of this Resolution shall be irrevocable for a period of six months from the date of the first publication or mailing of the notice provided for in this Resolution, and shall be conclusive and binding upon all future Holders of the same Series 2025 Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication or mailing of such notice by the holder who gave such consent, or by a successor in title, by filing notice of such revocation with the Registrar and the Board, but such revocation shall not be effective if the Holders of a majority in aggregate principal amount of the Series 2025 Bonds of the applicable series Outstanding as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(e) For the purposes of this Section, proof of ownership of any Series 2025 Bond shall be established by the registration of any such Series 2025 Bond on the Bond Register kept and maintained by the applicable Registrar.

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

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

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

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

(iv) adopt amendments to this Resolution that become effective as to a series of Series 2025 Bonds following a mandatory tender of all of such Series 2025 Bonds then Outstanding; or

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

Section 6.3. Effect of Amendatory Resolutions. Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations of the Board under this Resolution and all the holders of Outstanding Series 2025 Bonds of the applicable series shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

Section 6.4. Bonds May Bear Notation of Changes. Series 2025 Bonds of the applicable series authenticated and delivered after the execution of any amendatory resolution pursuant to this Article may bear a notation in form approved by the applicable Registrar as to any matter provided for in such amendatory resolution. If the Board or the applicable Registrar shall so determine, new Series 2025 Bonds of the applicable series so modified as to conform, in the opinion of the Board and such Registrar, to any such amendatory resolution may be prepared and executed by the Board and authenticated and delivered by such Registrar in exchange for Series 2025 Bonds of the applicable series then Outstanding.

ARTICLE VII

FIXED RATE BONDS DEEMED PAID

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

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

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

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

ARTICLE VIII

CONTINUING DISCLOSURE UNDERTAKING

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

Section 8.2. Annual Reports. The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2025, financial information and operating data with respect to the Board of the general type included in each final Official Statement authorized by Section 2.9 of this Resolution, being the information described in

Exhibit D hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit D hereto, (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, and (3) submitted through EMMA, in an electronic format with accompanying identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Board shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available.

If the Board changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

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

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

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

Section 8.3. Event Notices. The Board shall notify the MSRB, in a timely manner but in any event within ten Business Days, of any of the following events with respect to a series of Series 2025 Bonds subject to the Rule:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if material;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the

tax status of such Series 2025 Bonds, or other material events affecting the tax status of such Series 2025 Bonds;

(G) Modifications to rights of holders of such Series 2025 Bonds, if material;

(H) Series 2025 Bond calls of the applicable series, if material, and tender offers;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of such Series 2025 Bonds, if material;

(K) Rating changes;

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

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

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

As used in clause (L) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if jurisdiction has been assumed by leaving the Board and official or officers of the Board in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

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

Section 8.4. Limitations, Disclaimers and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Board remains an “obligated person” with respect to a series of Series 2025 Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 8.3 of any Series 2025 Bond calls and defeasance of the applicable series that cause the Board to be no longer such an “obligated person.”

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2025 Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2025 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2025 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER FROM NEGLIGENCE OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

The provisions of this Article may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2025 Bonds in the primary offering of a series of Series 2025 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Series 2025 Bonds of the applicable series consent to such amendment or (b) a Person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the applicable series of Series 2025 Bonds. If the Board so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.2 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Anything in this Resolution to the contrary notwithstanding, the provisions of this Article may be modified for a particular series of Series 2025 Bonds as set forth in the Pricing Certificate relating thereto.

Section 8.5. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an "obligated person" (as defined in

the Rule) for whom financial information and operating data would be presented in any final official statement relating to a series of Series 2025 Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Veteran eligible to participate in the Program would be an Other Obligated Person.

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

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO SERIES 2025 BONDS

Section 9.1. Interest Rates and Payment. (a) General. Each Outstanding Weekly Rate Bond shall bear interest at the Weekly Interest Rate therefor, each Fixed Rate Bond shall bear interest at the Fixed Interest Rate therefor, each Purchased Bond shall bear interest at the Purchased Bond Rate therefor, and each Variable Rate Bond shall bear interest as provided in the related Purchase Contract or Pricing Certificate; provided, however, that in no event shall the interest rate on any Series 2025 Bond exceed the Ceiling Rate; and provided further that in no event shall the Purchased Bond Rate exceed the Maximum Purchased Bond Rate. Unless provided to the contrary in the related Purchase Contract or Pricing Certificate, each Series 2025 Bond shall bear interest from its date (except for an Initial Series 2025 Bond that is not a Fixed Rate Bond, which shall bear interest from the Settlement Date), and interest on each Series 2025 Bond for each Interest Accrual Period shall be payable on each Interest Payment Date applicable to such Series 2025 Bond; provided, however, that the Holder (other than a Liquidity Provider) of a Weekly Rate Bond shall be paid interest thereon for an Interest Accrual Period only in the amount that would have accrued thereon at the Weekly Interest Rate, regardless of whether such Weekly Rate Bond was a Purchased Bond during any portion of such Interest Accrual Period, and the amount, if any, accrued as interest on such Weekly Rate Bond at the Purchased Bond Rate in excess of the amount required to be paid to such Holder shall be paid by the Board to a Liquidity Provider in accordance with the related Liquidity Facility.

(b) Payment and Calculation of Interest. Interest on the Series 2025 Bonds shall be paid in arrears. Interest on Weekly Rate Bonds (including Purchased Bonds) shall be computed on the basis of a 365/366-day year, for the number of days actually elapsed. Interest on Fixed Rate Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months. Interest on Variable Rate Bonds shall be computed as set forth in the related Purchase Contract or Pricing Certificate.

(c) Ceiling Rate. Anything to the contrary contained herein notwithstanding, the maximum rate of interest on the Series 2025 Bonds at any time shall be the Ceiling Rate.

(d) Purchased Bonds. All Purchased Bonds shall bear interest at the Purchased Bond Rate therefor, which shall be payable at such times, in such amounts and in such manner as is provided in the related Liquidity Facility. The maximum rate of interest permitted on Purchased Bonds shall be the Maximum Purchased Bond Rate. Any determination of the Purchased Bond

Rate pursuant to a Liquidity Facility shall be conclusive and binding on the Board. Anything contained in this Resolution notwithstanding, it is the express intention of the Board that the purchase of Purchased Bonds by the Comptroller, as Liquidity Provider pursuant to a Liquidity Facility, shall not extinguish the debt represented by such Purchased Bonds, which under such circumstances shall remain Outstanding and unpaid for all purposes of this Resolution.

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

(b) The first Interest Rate Period for a series of Weekly Rate Bonds shall commence on the Settlement Date and shall be a Weekly Interest Rate Period. The initial Weekly Interest Rate to be borne by such Weekly Rate Bonds shall be determined by the Initial Purchaser thereof in the manner set forth in the preceding paragraph.

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

such Remarketing Agent will give any Holder of the applicable series of Weekly Rate Bonds notice of the interest rate on such Weekly Rate Bonds owned by such Holder.

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

Section 9.3. Fixed Interest Rate. (a) Determination of Fixed Interest Rate. During a Fixed Interest Rate Period, each Series 2025 Bond shall bear interest at the Fixed Interest Rate therefor. The Fixed Interest Rate for each stated maturity of Series 2025 Bonds issued as Weekly Rate Bonds shall be determined by the applicable Remarketing Agent on a Business Day not less than 15 days prior to the effective date of the Fixed Interest Rate Period therefor. The Fixed Interest Rate for each stated maturity shall be the rate of interest per annum determined by such Remarketing Agent (based on then prevailing market conditions) to be the minimum interest rate, if any, at which such Remarketing Agent will agree to purchase the applicable series of Series 2025 Bonds on such effective date for resale at a price (without regarding accrued interest) equal to the principal amount thereof. If, for any reason, the Fixed Interest Rate for each stated maturity is not so determined for such Series 2025 Bonds by such Remarketing Agent at least 15 days prior to the first day of the Fixed Interest Rate Period therefor, then such Series 2025 Bonds shall bear interest at a Weekly Interest Rate as provided in Section 9.2, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with Section 9.2 until such time as the interest rate on such Series 2025 Bonds shall have been adjusted to a Fixed Interest Rate, and such Series 2025 Bonds shall continue to be subject to purchase upon notice from the Holders thereof as described in Section 9.4(a). The related Liquidity Facility shall be terminated as to such Fixed Rate Bonds.

(b) Adjustment to Fixed Interest Rate Period.

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

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

(iii) If the Board shall deliver to the applicable Registrar, Remarketing Agent and Tender Agent on or prior to the date that the interest rate for the Fixed Interest Rate Period is determined a notice to the effect that the Board elects to rescind its election to have the series of Weekly Rate Bonds to be converted become subject to a Fixed Interest Rate Period, then such Series 2025 Bonds shall not become subject to a Fixed Interest Rate Period, and such Series 2025 Bonds shall bear interest at a Weekly Interest Rate as in effect prior to such event.

(c) Notice of Adjustment to Fixed Interest Rate Period. The applicable Registrar shall give notice by first class mail of an adjustment to a Fixed Interest Rate Period to the Holders of the series of Weekly Rate Bonds to be converted not less than 30 days prior to the effective date of such Fixed Interest Rate Period. Such notice shall state: (1) that the Interest Rate Period on such Series 2025 Bonds shall be adjusted to a Fixed Interest Rate Period unless the Board shall elect, on or prior to the date of determination of the Fixed Interest Rate, to rescind its election to cause the adjustment of the Interest Rate Period on such Series 2025 Bonds to the Fixed Interest Rate Period, in which case such Series 2025 Bonds shall continue to bear interest at a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, (2) the effective date of the Fixed Interest Rate Period, (3) that such Series 2025 Bonds are subject to mandatory tender for purchase on such effective date and the purchase price applicable thereto, (4) that the related Liquidity Facility will be terminated as of the effective date of such Fixed Interest Rate Period, and (5) if ownership of such Series 2025 Bonds is no longer determined only by a book entry at a securities depository for the Series 2025 Bonds, information with respect to the required delivery of bond certificates and payment of purchase price under Section 9.4(f) hereof.

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

Section 9.4. Purchase of Weekly Rate Bonds. (a) Optional Tender for Purchase. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, a Beneficial Owner (through its DTC Participant) may tender his interest in a Weekly Rate Bond of such series on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the applicable Tender Agent at its designated corporate trust office for delivery of notices, with a copy to the applicable Remarketing Agent, of an irrevocable written notice or telephonic notice, promptly confirmed in writing, which states

the principal amount of such Weekly Rate Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to such Tender Agent. Any notice delivered to such Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Such Tender Agent shall promptly (but no later than the next Business Day) send a copy of any notice delivered to it pursuant to this Section 9.4(a) by fax or other electronic means to the applicable Remarketing Agent and Liquidity Provider. On the date for purchase specified in the notice, the Beneficial Owner shall effect delivery of such Series 2025 Bonds by causing the DTC Participant through which such Beneficial Owner owns such Series 2025 Bonds to transfer its interest in such Series 2025 Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the applicable Tender Agent with DTC.

If ownership of a series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Series 2025 Bonds, a Holder of a Weekly Rate Bond of such series may tender its Series 2025 Bond by delivery of the notice described above by the time set forth above and shall also deliver such Series 2025 Bond to the Tender Agent on the date specified for purchase.

(b) Mandatory Tender for Purchase on First Day of Fixed Interest Rate Period. A series of Weekly Rate Bonds shall be subject to mandatory tender for purchase on the first day of the Fixed Interest Rate Period therefor, or on the day which would have been the first day of such Fixed Interest Rate Period had the event specified in Section 9.3(b)(iii) not occurred which resulted in the interest rate on such Series 2025 Bonds not being adjusted, at a purchase price, payable in immediately available funds, equal to the principal amount of such Series 2025 Bonds, plus accrued interest (if any).

(c) Mandatory Tender for Purchase Upon Termination, Expiration, Suspension, Modification or Replacement of Liquidity Facility. If at any time the Registrar for a series of Weekly Rate Bonds shall give notice in accordance with Section 9.7 that such Weekly Rate Bonds which, at such time, are subject to purchase under the related Liquidity Facility as then in effect, shall on the date specified in such notice cease to be subject to purchase from such Liquidity Facility as a result of (A) the termination or expiration of the term of such Liquidity Facility, or (B) such Liquidity Facility being suspended, replaced or modified with the effect that the purchase price of such Series 2025 Bonds is no longer payable from such Liquidity Facility (in each case, whether or not any Alternate Liquidity Facility has been obtained), then on the Business Day the Board specifies to such Registrar that is at least five days and no more than 15 days (or, if no such date is specified, the fifth calendar day (or the immediately preceding Business Day if such day is not a Business Day)) preceding any termination, expiration, suspension, modification or replacement of such Liquidity Facility each such Series 2025 Bond or Series 2025 Bonds shall be purchased or deemed purchased as provided herein. The purchase price for such Series 2025 Bonds shall be equal to the principal amount thereof, plus accrued interest (if any).

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

the tenth day (or the next succeeding Business Day if such day is not a Business Day) following receipt by the applicable Tender Agent of notice from the applicable Liquidity Provider that an “Event of Default” has occurred under the applicable Liquidity Facility and directing the mandatory purchase of such Weekly Rate Bonds. No later than the third Business Day following receipt of such notice described above, such Tender Agent shall give notice by first class mail, postage prepaid, to the Holders of such Series 2025 Bonds, the Board and the applicable Remarketing Agent stating that an “Event of Default” has occurred under the Liquidity Facility and that such Series 2025 Bonds are subject to mandatory tender for purchase.

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

Bonds in accordance with Section 9.4(c) hereof as a result of the replacement, termination or expiration of a Liquidity Facility, such notice also shall contain the information required by Section 9.7. The Board shall provide the applicable Registrar with a form of any such notice.

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

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

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

(ii) A Tender Agent may refuse to accept delivery of any Weekly Rate Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Weekly Rate Bond as herein described. If any owner of a Weekly Rate Bond who shall have given notice of tender of purchase pursuant to Section 9.4(a) hereof, if ownership of the related series of Weekly Rate Bonds is not determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to deliver such Weekly Rate Bond to the applicable Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Weekly Rate Bond properly endorsed, or if ownership of such Weekly Rate Bonds is determined only by a book entry at a securities depository for such Weekly Rate Bonds, shall fail to cause its beneficial ownership to be transferred to the applicable Tender Agent on the records of DTC, and moneys sufficient to pay the purchase price thereof are on deposit with such Tender Agent for such purpose, such Weekly Rate Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 9.4(e) hereof) are available for payment to the owner thereof on the date and at the time

specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under this Resolution; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the applicable Tender Agent for the benefit of the owner thereof (provided that the owner shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to such Tender Agent at its designated office for delivery of Weekly Rate Bonds. Any funds held by such Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

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

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

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

Section 9.8. Remarketing Agent and Tender Agent. (a) Subject to execution of a Remarketing Agreement, the initial Remarketing Agent for a series of Weekly Rate Bonds shall be as designated in the applicable Purchase Contract or Pricing Certificate. The Board shall appoint any successor Remarketing Agent subject to the conditions set forth in Section 9.9(a) hereof. Each Remarketing Agent shall designate its designated office (other than the initial Remarketing Agent whose designated office is listed in Section 9.16 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board under which such Remarketing Agent will agree, particularly, to keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Board at all reasonable times.

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

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

(ii) to establish and maintain a separate segregated trust fund designated as the “State of Texas Veterans Bonds, Taxable Refunding Series 2025 Bond Purchase Fund” (each, a “Bond Purchase Fund”) (with the specific series designation to replace “2025,” if applicable), and to establish and maintain therein a remarketing account (the “Remarketing Account”) and a liquidity facility account (the “Purchase Account”), until such time as it has been discharged from its duties as Tender Agent hereunder;

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

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

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

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

Section 9.9. Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal.

(a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority, having a combined capital stock, surplus and undivided profits of at least \$250,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. Any successor Remarketing Agent shall have, or be a subsidiary of another entity or a partnership which includes as a general partner an entity which shall have, senior unsecured long-term debt which shall be rated, so long as the Weekly Rate Bonds shall be rated by the Rating Agency, at least Baa3/P-3 (or its equivalent) or otherwise qualified by the Rating Agency. A Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Board and the applicable Tender Agent, Liquidity Provider, Paying Agent and Registrar with at least 30 days' (or such number of days as is required by the applicable Remarketing Agreement) prior written notice. A Remarketing Agent may be removed at any time, at the direction of the Board with the written consent of the applicable Liquidity Provider, by an instrument signed by the Board and filed with the applicable Tender Agent, Registrar, Liquidity Provider and Remarketing Agent at least 30 days prior to the effective date of such removal. In the event that a Remarketing Agent has resigned or been removed and no successor Remarketing Agent has been appointed by the Board, the applicable Tender Agent shall perform, or engage a Person to perform, the duties of such Remarketing Agent until a successor Remarketing Agent has been appointed by the Board.

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

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

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

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

(b) Weekly Rate Bonds required to be purchased in accordance with Section 9.4 hereof shall be purchased from the owners thereof, on the date and at the purchase price at which such Weekly Rate Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

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

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

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

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

(c) (i) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2025 Bonds, the applicable Registrar shall authenticate a new Series 2025 Bond or Series 2025 Bonds of such series in an aggregate principal amount equal to the principal amount of Series 2025 Bonds purchased in accordance with Section 9.10(b) hereof, whether or not the Weekly Rate Bonds so purchased are presented by the owners thereof, bearing a number or numbers not contemporaneously outstanding. Every Series 2025 Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2025 Bonds of the same series duly issued hereunder. The applicable Registrar shall maintain a record of the Weekly Rate Bonds purchased as provided in this Section, together with the names and addresses of the former owners thereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, on

any date on which beneficial ownership in such Weekly Rate Bonds is tendered at the option of the owner of such beneficial interest (acting through its DTC Participant) in accordance with Section 9.4(a) hereof (including transfer of the beneficial ownership interest of the tendering owner to the account of the applicable Tender Agent at DTC), the applicable Tender Agent shall transfer ownership of such beneficial ownership on the records of DTC as provided in Section 9.12 hereof. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, on any date on which beneficial ownership interest in such Weekly Rate Bonds is subject to mandatory tender in accordance with Section 9.4 hereof, the applicable Tender Agent shall transfer beneficial ownership of such Series 2025 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

(ii) If ownership of a series of Weekly Rate Bonds is no longer determined only by a book entry at a securities depository for such Series 2025 Bonds, in the event any such Weekly Rate Bonds purchased as provided in this Section shall not be presented to the applicable Tender Agent, such Tender Agent shall segregate and hold the moneys for the purchase price of such Weekly Rate Bonds in trust for the benefit of the former owners of such Weekly Rate Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Weekly Rate Bonds. Any moneys which such Tender Agent shall segregate and hold in trust for the payment of the purchase price of any Weekly Rate Bond and remaining unclaimed for three years after the date of purchase shall, subject to the unclaimed property laws of the State and upon the Board's written request to such Tender Agent, be paid to the Board. After the payment of such unclaimed moneys to the Board, the former owner of such Weekly Rate Bond shall look only to the Board for the payment thereof, and the Board shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. If ownership of a series of Weekly Rate Bonds is determined only by a book entry at a securities depository for such Series 2025 Bonds, if such Weekly Rate Bonds are subject to mandatory tender in accordance with the terms of this Resolution, then the applicable Tender Agent shall transfer beneficial ownership of such Series 2025 Bonds on the records of DTC as provided in Section 9.12 hereof, regardless of whether the owners of the beneficial interests subject to mandatory tender transfer their beneficial ownership of such Weekly Rate Bonds to such Tender Agent on the records of DTC, and moneys for the purchase of the beneficial interests subject to mandatory tender shall be transferred by such Tender Agent to DTC for transfer to the owners of such beneficial interests subject to mandatory purchase.

Section 9.11. Remarketing of Series 2025 Bonds; Notice of Interest Rates. (a) Upon notice of the tender for purchase of Weekly Rate Bonds, the applicable Remarketing Agent shall offer for sale and use its best efforts to sell such Weekly Rate Bonds, any such sale to be made on the date of such purchase in accordance with Section 9.4 hereof at the price determined in

accordance with Section 9.4 hereof. Each Remarketing Agent agrees that while a Liquidity Facility is in effect it shall not sell knowingly any Series 2025 Bonds tendered to it for purchase pursuant to Section 9.4 hereof to the Board, or to any Person who controls, is controlled by, or is under common control with, the Board. In addition, each Remarketing Agent shall offer for sale and use its best efforts to sell any applicable Weekly Rate Bonds that are Purchased Bonds.

(b) Each Remarketing Agent shall determine the rate of interest to be borne by the applicable Series 2025 Bonds during each Interest Rate Period and shall furnish to the Board and the applicable Registrar on the Business Day of determination each rate of interest so determined by e-mail, telephone or fax, promptly confirmed in writing if given by telephone, or shall make such information available to the Board and such Registrar by other readily accessible electronic means.

(c) Each Remarketing Agent shall advise the applicable Tender Agent and Liquidity Provider in writing or by telephone (promptly confirmed by e-mail or fax if given by telephone) not later than the Business Day preceding the Business Day on which any applicable Weekly Rate Bonds are to be purchased pursuant to Section 9.4 hereof of the aggregate principal amount of such Weekly Rate Bonds subject to purchase that have not been remarketed as of such time, provided that such Remarketing Agent may continue to remarket such Weekly Rate Bonds thereafter. Each Remarketing Agent shall give e-mail or telephonic notice, promptly confirmed by a written notice if given by telephone, to the applicable Registrar and Tender Agent on each date on which applicable Weekly Rate Bonds shall have been purchased pursuant to Section 9.10(b) hereof, specifying the principal amount of Series 2025 Bonds, if any, sold by it pursuant to Section 9.11(a) hereof along with, if the applicable series of Series 2025 Bonds are not registered as described in Section 2.10 hereof, a list of such purchasers showing the names and denominations in which such Series 2025 Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. Each Remarketing Agent will transfer the proceeds received from the purchasers named in such notice to the applicable Tender Agent by 10:00 a.m., New York City time, on the Business Day on which such Weekly Rate Bonds are purchased.

Section 9.12. Delivery of Series 2025 Bonds. (a) Weekly Rate Bonds purchased with moneys described in clause (i) of Section 9.10(b) hereof shall be made available by the applicable Tender Agent to the applicable Remarketing Agent for delivery to the purchasers thereof against payment therefor.

(b) Except as otherwise provided in a Liquidity Facility, Weekly Rate Bonds purchased with moneys described in clause (ii) of Section 9.10(b) hereof shall be held by the applicable Tender Agent on behalf of the applicable Liquidity Provider as Purchased Bonds, and shall not be released following the remarketing thereof unless such Tender Agent has received written confirmation from such Liquidity Provider that the applicable Liquidity Facility has been reinstated with respect to such Series 2025 Bonds.

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

(d) Series 2025 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

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

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

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

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

If to the Board:

Veterans' Land Board of the State of Texas
1700 North Congress Avenue, Room 740C
Austin, Texas 78701-1496
Attn: Director of VLB Bond Funds Management
Telephone: (512) 475-4004
E-mail: TX.VLB.Bonds@glo.texas.gov

If to a Tender Agent or Registrar:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Remarketing Agent:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Liquidity Provider:	as set forth in the applicable Purchase Contract or Pricing Certificate
If to a Paying Agent:	Comptroller of Public Accounts Treasury Operations Attention: Funds Transfer 208 E. 10th Street Austin, Texas 78701 Telephone: (512) 463-5905 E-mail: funds.transfer@cpa.texas.gov
If to a Rating Agency:	as set forth in the applicable Purchase Contract or Pricing Certificate

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

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

- (i) any resignation or removal of any applicable Paying Agent, Registrar, Tender Agent or Remarketing Agent, and the appointment of any successor thereto;
- (ii) any conversion of an applicable series of Weekly Rate Bonds to Fixed Rate Bonds;
- (iii) any termination, expiration, replacement, suspension or modification of the applicable Liquidity Facility;
- (iv) the payment in full of the applicable series of Weekly Rate Bonds;
- (v) any mandatory tender of the applicable series of Weekly Rate Bonds; and
- (vi) any amendment or material change to this Resolution.

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

ARTICLE X

MISCELLANEOUS

Section 10.1. Benefits of Resolution. Nothing in this Resolution or in the Series 2025 Bonds, express or implied, shall give to any Person, other than the Board and each Paying Agent, Registrar, Tender Agent, Liquidity Provider and Remarketing Agent and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Resolution.

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

Section 10.3. Enforcement. All rights available to the Holders under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers and employees, and by other officers of the State to the end that the principal of and interest on the Series 2025 Bonds may be paid promptly, are hereby recognized and reserved to and for the Holders.

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

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

Section 10.6. Open Meeting. It is hereby officially found and determined that the meeting at which the Series 2025 Bonds were authorized was open to the public as required by law and public notice of the time, place and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code, as amended.

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

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

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

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

Section 10.11. Designation and Redemption of Refunded Bonds. In connection with the issuance of a series of Series 2025 Bonds, the Authorized Representatives are hereby severally authorized and directed, in the name and on behalf of the Board, to designate the related Refunded Bonds and cause the redemption of such Refunded Bonds in accordance with the “Resolution of the Veterans’ Land Board of the State of Texas Authorizing the Redemption of Bonds Issued in Connection with the Veterans’ Housing Assistance Program; and Providing for Other Matters Relating to the Subject” adopted by the Board on this date.

Section 10.12. Payment of Refunded Bonds. (a) On the Settlement Date for a series of Series 2025 Bonds, the Board shall cause, from the proceeds of such Bonds and other available funds or resources of the Board, an amount sufficient to provide for the payment when due of the redemption price of the applicable Refunded Bonds, to be deposited with the Comptroller as paying agent for such Refunded Bonds, such deposit to constitute the making of firm banking and financial arrangements for the discharge and final redemption of such Refunded Bonds within the meaning of Section 1207.033 of Chapter 1207.

(b) If any Refunded Bonds are to be redeemed other than on the Settlement Date for the related Series 2025 Bonds, the deposit made pursuant to this Section 10.13 shall be invested, to the extent, if any, determined to be practicable by an Authorized Representative, in direct obligations of the United States of America that will mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled redemption or payment of such Refunded Bonds. An Authorized Representative may cause the deposit made pursuant to this Section 10.13 to be increased in an amount determined by such Authorized Representative to enable such deposit to be fully invested. Any moneys not so invested shall be held uninvested and collateralized to the extent required by law.

Section 10.13. Partial Transfer of Interest Rate Swap Transactions. Effective on the Settlement Date for a series of Series 2025 Bonds, the Board hereby exercises its right to transfer

to such Series 2025 Bonds the portion of each interest rate swap transaction relating to the related Refunded Bonds.

Section 10.14. Transfer of Home Loans. Effective on the Settlement Date for a series of Series 2025 Bonds that refund any Refunded Bonds relating to Fund I, the Board hereby determines that the Home Loans relating to such Refunded Bonds are not required for the purposes of Fund I and shall be transferred to Fund II.

Section 10.15. Authorization of Additional Acts. The officers, employees, and agents of the Board, and each of them, shall be and each is expressly authorized, empowered, and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in connection with the proposed issuance of the Series 2025 Bonds, including without limitation (a) the filing of a notice of intention to issue bonds with the Bond Review Board of the State, and (b) the submission of a transcript of proceedings for approval of the Attorney General, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, instrument, or other paper, and any such actions heretofore carried out by such officers, employees, and agents of the Board are hereby ratified, approved, and confirmed. Prior to each Settlement Date, the Authorized Representatives and Bond Counsel are hereby authorized to approve any technical changes or corrections to this Resolution, or to any of the instruments authorized by this Resolution, necessary in order to (i) correct any ambiguity or mistake or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from the Rating Agency, or (iii) obtain the approval of the Series 2025 Bonds by the Attorney General.

ADOPTED AND APPROVED this the 13th day of May, 2025.

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

ATTEST:

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

EXHIBIT A

FORM OF WEEKLY RATE BOND

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

NO. WR-_____ \$ _____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE REFUNDING SERIES 2025²

MATURITY DATE: INTEREST RATE: BOND DATE: CUSIP NUMBER:³
_____, _____ Variable _____, 2025 _____

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

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

¹ To be included in any Series 2025 Bond registered in the name of Cede & Co.

² Series designation to be added if necessary.

³ To be omitted from the Initial Series 2025 Bond of any series.

⁴ To be included in the Initial Series 2025 Bond of any series.

⁵ To be included in all Weekly Rate Bonds except an Initial Series 2025 Bond.

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

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____⁶ Dollars (\$_____)⁶ (the “Bonds”), issued for the purpose of refunding Prior Bonds, all in accordance with the provisions of the Constitutional Provision, the Act, Chapter 1207 and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the “Resolution”). The Bonds are issuable solely as fully registered bonds, without interest coupons, in Authorized Denominations as described in the Resolution.

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

⁶ The original aggregate principal amount of a series of the Series 2025 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

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

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

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

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

NOTWITHSTANDING anything to the contrary contained herein, this Bond, if held by or for the account of the Liquidity Provider as a Purchased Bond, shall bear interest at the Purchased Bond Rate, payable at the times and in the manner and calculated on the basis provided in the Liquidity Facility; provided, however, that the Purchased Bond Rate shall not exceed the Maximum Purchased Bond Rate as provided in the Resolution.

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

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u> ⁷
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The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity]⁸ which (i) at least 45 days prior to such mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

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

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

⁷ The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of a series of Series 2025 Bonds, with a heading above each table identifying the stated maturity of the Series 2025 Bonds to which such table relates.

⁸ Bracketed text to be deleted if there is only one stated maturity of the series of Series 2025 Bonds.

⁹ Bracketed text to be deleted if there is only one stated maturity of the series of Series 2025 Bonds.

securities depository. In the event of any redemption of Bonds, Purchased Bonds shall be selected first for redemption in the manner described in the Resolution.

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

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

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

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

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

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

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

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof, in any Authorized Denomination, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Except in the case of tenders of Bonds pursuant to the Resolution or of the

remarketing of Purchased Bonds, neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least \$1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Board, the Paying Agent and the Registrar shall not be affected by any notice to the contrary. The Board shall pay the Registrar's reasonable and standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto.

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

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

IN THE EVENT that the initial Paying Agent or Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, whose qualifications comply with the requirements of the Resolution, and that one entity will

serve as Paying Agent and Registrar, except during periods when the Bonds are registered only by means of a book entry at a securities depository, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

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

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

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

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

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

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

¹⁰ To be included in an Initial Series 2025 Bond only.

¹¹ To be included in all Series 2025 Bonds of a series other than the Initial Series 2025 Bond.

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

THE STATE OF TEXAS

Chairwoman, Veterans' Land Board
of the State of Texas

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

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO
WEEKLY RATE BONDS OTHER THAN AN INITIAL SERIES 2025 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

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

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

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

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

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO
AN INITIAL SERIES 2025 BOND

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

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

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

Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:

* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2025 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2025 Bond shall be in the form set forth in this Exhibit A, except that if there is more than one stated maturity of a series of Series 2025 Bonds:

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

(ii) in the first paragraph of such Initial Series 2025 Bond, the words “ON THE MATURITY DATE SPECIFIED ABOVE” shall be deleted and replaced with the following: “ON THE MATURITY DATES SPECIFIED BELOW”.

(iii) in the first paragraph of such Initial Series 2025 Bond, the words “from the Settlement Date to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum determined pursuant to the Resolution (as defined below)” shall be replaced with the following “from the Settlement Date to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments set forth below and bearing interest at the per annum rate of interest per annum determined pursuant to the Resolution (as defined below):

Date

Principal Amount

[Information for such Series 2025 Bonds to be inserted
from Purchase Contract or Pricing Certificate]”

EXHIBIT B

FORM OF FIXED RATE BOND

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

NO. FR-_____ \$ _____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE REFUNDING SERIES 2025²

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

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

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

¹ To be included in any Series 2025 Bond registered in the name of Cede & Co.

² Series designation to be added if necessary.

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

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

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

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____ Dollars³ (\$_____) (the “Bonds”), issued for the purpose of refunding Prior Bonds, all in accordance with the provisions of the Constitutional Provision, the Act, Chapter 1207 and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the “Resolution”). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of any integral multiple of \$5,000 (each, an “Authorized Denomination”).

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

³ For Converted Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2025 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here; for Series 2025 Bonds issued as Fixed Rate Bonds, the original aggregate principal amount of such series of Series 2025 Bonds set forth in the Purchase Contract or Pricing Certificate should be set forth here.

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

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

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

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u> ⁴
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*Stated maturity

⁴ For Converted Fixed Rate Bonds, the remaining amounts set forth in the applicable Purchase Contract or Pricing Certificate should be included in the table, and additional tables shall be added if there is more than one stated maturity of such Series 2025 Bonds, with a heading above each table identifying the stated maturity of the Series 2025 Bonds to which such table relates; for Series 2025 Bonds issued as Fixed Rate Bonds, the amounts set forth in the Purchase Contract or Pricing Certificate shall be set forth here.

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

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

Redemption Dates

Redemption Price

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

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

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

⁵ Bracketed text to be deleted if there is only one stated maturity of the series of Series 2025 Bonds.

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

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

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof, in any Authorized Denomination, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (1) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least \$1,000,000 in principal amount

⁶ Bracketed text to be deleted if there only one stated maturity of the series of Series 2025 Bonds.

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

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

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

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

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such

terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

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

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

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

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

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

THE STATE OF TEXAS

Chairwoman, Veterans' Land Board
of the State of Texas

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

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION
ATTACHED TO ALL FIXED RATE BONDS
OTHER THAN AN INITIAL SERIES 2025 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

Registrar

By: _____
Authorized Representative

***FORM OF ASSIGNMENT**

ASSIGNMENT

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

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.
--	--

NOTE TO PRINTER:

*Is not to be on bond

*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO
AN INITIAL SERIES 2025 BOND

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

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

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

Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:

* ¶s not to be on bond

ADDITIONAL REVISIONS TO BE MADE TO
AN INITIAL SERIES 2025 BOND IF MORE THAN ONE MATURITY

Each Initial Series 2025 Bond shall be in the form set forth in this Exhibit B, except that if there is more than one stated maturity of a series of Series 2025 Bonds:

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

(ii) in the first paragraph of such Initial Series 2025 Bond, the words “ON THE MATURITY DATE SPECIFIED ABOVE” shall be deleted and replaced with the following: “ON THE MATURITY DATES SPECIFIED BELOW”.

(iii) in the first paragraph of such Initial Series 2025 Bond, the words “from the bond date stated above to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above” shall be replaced with the following “from the bond date stated above to the dates of its scheduled maturity or the date or dates of its redemption prior to scheduled maturity, in the principal installments and bearing interest at the per annum rates of interest per annum set forth below:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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[Information for such Series 2025 Bonds to be inserted
from Purchase Contract or Pricing Certificate]”

EXHIBIT C

FORM OF VARIABLE RATE BOND

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

NO. R- _____ \$ _____

UNITED STATES OF AMERICA

STATE OF TEXAS
VETERANS BOND,
TAXABLE REFUNDING SERIES 2025¹⁹

MATURITY DATE: INTEREST RATE: BOND DATE: CUSIP NUMBER:²⁰
_____, _____ Variable _____, 2025 _____

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

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

¹⁸ To be included in any Series 2025 Bond registered in the name of Cede & Co.

¹⁹ Series designation to be added if applicable.

²⁰ To be omitted from the Initial Series 2025 Bond of any series or if indicated in the related Pricing Certificate.

²¹ To be included in the Initial Series 2025 Bond of any series.

²² To be included in all Variable Rate Bonds except an Initial Series 2025 Bond.

²³ Text specified in related Pricing Certificate to be added here.

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

THIS BOND is one of a series of bonds of like tenor and effect except as to number, principal amount and scheduled maturity, aggregating _____²⁴ Dollars (\$_____)⁷ (the “Bonds”), issued for the purpose of refunding Prior Bonds, all in accordance with the provisions of the Constitutional Provision, the Act, Chapter 1207 and Chapter 1371, and pursuant to a resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board and duly of record in the minutes of the Board (the “Resolution”). The Bonds are issuable solely as fully registered bonds, without interest coupons, in denominations of _____²⁵ (each, an “Authorized Denomination”).

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

²⁴ The original aggregate principal amount of a series of the Series 2025 Bonds set forth in the related Purchase Contract or Pricing Certificate should be set forth here.

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

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

THE BONDS shall be subject to scheduled mandatory sinking fund redemption and shall be redeemed on _____²⁷ and in the respective principal amounts set forth in the table below, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption:

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u> ²⁸
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The principal amount of Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced, at the option of the Board, by the principal amount of any Bonds [of the same stated maturity]²⁹ which (i) at least 45 days prior to such

²⁶ Additional paragraphs from the related Pricing Certificate describing interest on the series of Series 2025 Bonds should be added here.

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

²⁸ The amounts set forth in the Purchase Contract or Pricing Certificate should be included in the table. Additional tables shall be added if there is more than one stated maturity of the series of Series 2025 Bonds, with a heading above each table identifying the stated maturity of the Series 2025 Bonds to which such table relates.

²⁹ Bracketed text to be deleted if there is only one stated maturity of the series of Series 2025 Bonds.

mandatory sinking fund redemption date, (a) shall have been acquired by the Board and delivered to the Registrar for cancellation, or (b) shall have been acquired and canceled by the Registrar at the direction of the Board, or (c) shall have been redeemed pursuant to any redemption provision set forth below and (ii) shall have not been previously credited against a scheduled mandatory sinking fund redemption.³⁰

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

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

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

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

³¹ Bracketed text to be deleted if there is only one stated maturity of the series of Series 2025 Bonds.

Registrar shall also send a notice of redemption to the registered owner of any Bond who has not sent the Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, the failure to give any notice of redemption set forth in this paragraph or any defect in such notice or the mailing thereof shall not affect the validity of any proceedings for redemption of Bonds.

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

THIS BOND or any portion or portions hereof in any Authorized Denomination may be assigned and shall be transferred only in the Registration Books of the Board kept and maintained by the Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof, in any Authorized Denomination, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. A new Bond or Bonds payable to such assignee (which then will be the new registered owner of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. Neither the Board nor the Registrar shall be required (a) to issue, replace, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to replace, transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days; except that at the option of the registered owner of at least \$1,000,000 in principal amount of Bonds, the Registrar shall be required to transfer or exchange any Bond of such owner which has been selected in whole or in part for redemption upon surrender thereof. The Registrar may make such arrangements as it deems appropriate for notation on each new Bond issued in exchange for or upon the transfer of the Bond so selected for redemption of an appropriate legend to the effect that such new Bond has been so selected for redemption. The registered owner of this Bond shall be treated by the Issuer, the Board, the Paying Agent and the Registrar

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

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

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

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

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

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

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

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

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

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

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

³³ To be included in an Initial Series 2025 Bond only.

³⁴ To be included in all Series 2025 Bonds of a series other than the Initial Series 2025 Bond.

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

THE STATE OF TEXAS

Chairwoman, Veterans' Land Board
of the State of Texas

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

(SEAL)

*FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATION ATTACHED TO
VARIABLE RATE BONDS OTHER THAN AN INITIAL SERIES 2025 BOND

REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

_____,
_____, _____,
Registrar

By: _____
Authorized Representative

*FORM OF ASSIGNMENT

ASSIGNMENT

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

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

Please insert Social Security
or Taxpayer Identification Number
of Transferee

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

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

Dated:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.
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*FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE ATTACHED TO
AN INITIAL SERIES 2025 BOND

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

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

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

Comptroller of Public Accounts
of the State of Texas

(SEAL)

NOTE TO PRINTER:

* ¶s not to be on bond

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

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

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in Appendix B to the Official Statement relating to each series of Series 2025 Bonds subject to the Rule.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

1. The Board convened in regular meeting on the 13th day of May, 2025, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

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

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

BY THE VETERANS' LAND BOARD OF THE STATE OF TEXAS
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF TEXAS
VETERANS BONDS, TAXABLE REFUNDING SERIES 2025 IN ONE OR
MORE SERIES AND INSTALLMENTS, AND PROVIDING FOR OTHER
MATTERS RELATING TO THE SUBJECT

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

AYES: 3

NOES: 0

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

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

SIGNED AND SEALED the ____ day of _____, 2025.

(SEAL)

Anthony W. Dale, Executive Secretary

MEMORANDUM

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

Date: May 13, 2025

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

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 7 c - Consideration and possible action on redemption of outstanding bonds.

Recommendation: Staff recommends the Board approve the redemption of bonds issued in connection with the Veterans Housing Assistance Program.

Summary

Staff seeks approval for the redemption of the bond series issued in connection with the Veterans Housing Assistance Program. The bonds would be redeemed either in conjunction with a refunding bond issuance or using available cash on hand.

With the volatile markets over the past several years, there are opportunities to align VLB's current debt structure to its bond maturities. Redeeming bonds can be done for several reasons including:

- matching bond debt service cash flows with current mortgages;
- matching future lending proceeds to current interest rate environment;
- create a net present value savings; and
- eliminating restrictive covenants of prior bonds.

As interest rates increased over the past few years and remained elevated, certain bonds have loans that are being held longer than initially projected. In a consistent interest rate environment VLB would sell these loans but due to the difference in rates, the price VLB would receive is not attractive. Restructuring these bonds would allow the VLB to receive proceeds in line with its current cash flow and invest any additional funds in more loans that are consistent with today's rates.

Additionally, certain bond series were issued under Housing Fund I which at the time required the Board to maintain reserve funds for the benefits of the bondholders. Until those bonds are paid in full the amounts in the reserve funds, approximately \$27.2 million, cannot be used. By redeeming these bonds either using cash on hand or by refunding them into Fund II the restrictions would be removed allowing the VLB to reduce a portion of its outstanding taxable debt and/or lend those proceeds for additional mortgages.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

1. The Board convened in regular meeting on the 13th day of May, 2025, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

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

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

RESOLUTION OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE REDEMPTION OF BONDS ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

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

AYES: 3

NOES: 0

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

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

SIGNED AND SEALED as of the 13th day of May, 2025.

(SEAL)

Anthony W. Dale, Executive Secretary

RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF
TEXAS AUTHORIZING THE REDEMPTION OF BONDS
ISSUED IN CONNECTION WITH THE VETERANS'
HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR
OTHER MATTERS RELATING TO THE SUBJECT

Adopted and Approved on

May 13, 2025

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RESOLUTION

OF THE VETERANS' LAND BOARD OF THE STATE OF TEXAS AUTHORIZING THE REDEMPTION OF BONDS ISSUED IN CONNECTION WITH THE VETERANS' HOUSING ASSISTANCE PROGRAM; AND PROVIDING FOR OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, the Veterans' Land Board (the "Board") of the State of Texas has caused to be issued the bonds (collectively, the "Prior Bonds") in connection with the Veterans' Housing Assistance Program pursuant to resolutions (collectively, the "Resolutions") adopted by the Board authorizing the issuance of the Prior Bonds; and

WHEREAS, each Resolution provides that the related series of Prior Bonds is subject to redemption prior to maturity, at the option and direction of the Board, as set forth in the applicable Resolution; and

WHEREAS, the Board has determined to exercise its option to redeem Prior Bonds as provided herein;

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

1. Incorporation of Recitals. All of the above recitals are found and determined to be true and correct and are incorporated into the body of this Resolution as if copied in their entirety.
2. Exercise of Option to Redeem Prior Bonds. The Board hereby exercises its option pursuant to each Resolution to redeem Prior Bonds at the redemption price set forth in the applicable Resolution.
3. Determination of Prior Bonds to Be Redeemed. The Chairwoman of the Board, the Executive Secretary of the Board, the Director of VLB Bond Funds Management of the Board and the Assistant Director of VLB Bond Funds Management of the Board (collectively, the "Authorized Representatives") are each hereby severally authorized to act on behalf of the Board in determining the Prior Bonds and the principal amounts thereof to be redeemed as in his or her judgment is in the best interests of the Board.
4. Determination of Redemption Dates. The Authorized Representatives are each hereby severally authorized to act on behalf of the Board in establishing a redemption date for any Prior Bonds to be redeemed as in his or her judgment is in the best interests of the Board.
5. Notice of Redemption. In connection with the redemption of any Prior Bonds, the Authorized Representatives are hereby severally authorized and directed to cause notice to be given pursuant to each related Resolution that such Prior Bonds have been called for redemption on the applicable redemption date, which notice may be conditioned upon the issuance of refunding bonds on or before such redemption date.

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

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

8. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof. The delegation to each Authorized Representative to act on behalf of the Board under this Resolution shall expire on May 12, 2026.

ADOPTED AND APPROVED on the 13th day of May, 2025.

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

ATTEST:

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



MEMORANDUM

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

Date: May 13, 2025

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

From: John Tomme, Assistant Director of VLB Bond Funds Management

Subject: Agenda Item 7 d - Consideration and possible adoption of resolution authorizing interest rate swap transactions relating to bonds issued or to be issued in connection with the Veterans Land Program or the Veterans Housing Assistance Program and providing for other matters relating to the subject.

Recommendation: Staff recommends that the Board authorize staff to execute interest rate swap transactions upon notice to the Executive Secretary of the Veterans' Land Board for the period beginning May 14, 2025, and ending May 13, 2026.

Summary

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

An interest rate swap is a derivative contract where two parties agree to exchange interest rate payments, typically fixed for floating or vice versa, over a specified period. They are used to manage interest rate risk, often by converting a variable-rate debt obligation into a fixed-rate one or vice versa. Essentially, they allow parties to benefit from the market's expectation of future interest rate movements.

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

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

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

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

1. The Board convened in regular meeting on the 13th day of May, 2025, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

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

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

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

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

AYES: 3

NOES: 0

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

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

SIGNED AND SEALED the _____ day of _____, 2025.

(SEAL)

Anthony W. Dale, Executive Secretary

RESOLUTION

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

Adopted and Approved on

May 13, 2025

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RESOLUTION

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

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

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

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

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

1. Authorization of Bond Enhancement Agreements.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Bond Enhancement Agreements in Connection with Anticipated Bonds.

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

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

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

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

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

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

4. Master Agreements.

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

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

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

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

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

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

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

9. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof. The delegation to each Authorized Representative to act on behalf of the Board under this Resolution shall expire on May 12, 2026.

ADOPTED AND APPROVED on the 13th day of May, 2025.

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

ATTEST:

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

MEMORANDUM

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

Date: May 13, 2025

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

From: John Tomme, Assistant Director of VLB Bond Funds Management

Subject: Agenda Item 7 e - Consideration and possible adoption of resolution authorizing liquidity facilities relating to bonds issued or to be issued in connection with the Veterans' Land Program or the Veterans' Housing Assistance Program and providing for other matters relating to the subject.

Recommendation: Staff recommends that the Board authorize staff to execute new liquidity facilities and substitute existing liquidity facilities and amend or supplement certain bond resolutions to accommodate such substitutions, as necessary, for the period beginning May 14, 2025, and ending May 13, 2026.

Summary

A liquidity facility is a financial instrument or arrangement designed to provide short-term funding to cover potential cash flow shortfalls, ensuring the VLB can meet its obligations even if it experiences temporary financial difficulties. These facilities act as a safety net, helping to maintain financial stability and operational continuity.

In keeping with past practices, the Board approved a resolution in June 2024 that authorized staff to: (1) substitute, over a one-year period, as necessary, various liquidity facilities provided by various liquidity providers on existing VLB variable-rate bond issues; (2) execute new liquidity facilities related to any new VLB bond issues during the one-year period; and (3) amend or supplement the resolutions associated with any such VLB bond issues.

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

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

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

1. The Board convened in regular meeting on the 13th day of May, 2025, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

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

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

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

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

AYES: 3

NOES: 0

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

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

SIGNED AND SEALED the ____ day of _____, 2025.

(SEAL)

Anthony W. Dale, Executive Secretary

RESOLUTION

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

Adopted and Approved on

May 13, 2025

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RESOLUTION

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

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

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

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

WHEREAS, the Board anticipates the issuance of up to \$250,000,000 in original principal amount of tax-exempt bonds and of up to \$250,000,000 in original principal amount of taxable bonds (collectively, the "Series 2026 Bonds") in calendar year 2026 in one or more series and installments in connection with the Veterans' Housing Assistance Program (the "Housing Program"); and

WHEREAS, all or a portion of the Series 2026 Bonds may be issued as Variable Rate Bonds, and if so, any such Series 2026 Bonds will require a liquidity facility; and

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

WHEREAS, the Board has determined it is necessary and desirable to authorize liquidity facilities for any Refunding Bonds and Series 2026 Bonds that are issued as Variable Rate Bonds; and

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

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

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

2. Approval of New Liquidity Facilities. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in obtaining and executing New Liquidity Facilities (i) for any Series 2026 Bonds or Refunding Bonds issued as Variable Rate Bonds, or (ii) when, in his judgment, the substitution of such New Liquidity Facility for an existing Prior Liquidity Facility is in the best interests of the Board given the market conditions at that time. Each such New Liquidity Facility shall be substantially in the form of, or shall contain substantially the same provisions as, one or more of the Prior Liquidity Facilities, with such changes therein as, in the judgment of an Authorized Representative, with the advice and counsel of bond counsel to the Board and the financial advisor to the Board, are necessary or desirable (i) to carry out the intent of the Board expressed in this Resolution, (ii) to accommodate the requirements of a particular liquidity provider or the type of the New Liquidity Facility, or (iii) to incorporate comments received or anticipated to be received from any credit rating agency relating to the New Liquidity Facility. The principal amount of each New Liquidity Facility shall be the same as the related Variable Rate Bonds, shall have an initial term not to exceed seven years with extensions not to exceed the lesser of seven years and the maturity date of the related Variable Rate Bonds, and shall have a facility fee not to exceed 150 basis points at the time of inception or extension, as applicable. Each New Liquidity Facility shall be with a provider rated not less than A-1 with S&P Global Ratings, a division of S&P Global Inc., or P1 with Moody's Investors Service, Inc., and shall have the same source of payment and security as the Prior Liquidity Facilities. For purposes of this Resolution, the change in form of a Prior Liquidity Facility, such as from a standby bond purchase agreement to a letter of credit with a related reimbursement agreement with the same liquidity provider, shall be considered the substitution of a Prior Liquidity Facility with a New Liquidity Facility.

3. Amendment of Resolutions. In connection with any substitution pursuant to this Resolution, on the substitution date the bond resolution for the related Variable Rate Bonds shall, in the discretion of an Authorized Representative, be deemed to be amended to the extent necessary to cause the variable rate provisions to be consistent with the State of Texas Veterans Bonds, Series 2025 in the case of any tax-exempt Variable Rate Bonds, or with the State of Texas Veterans Bonds, Taxable Refunding Series 2024A in the case of any taxable Variable Rate Bonds. Any such amendment shall be subject to any further requirements set forth in the related bond resolution.

4. Extension of Prior Liquidity Facilities. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in connection with the extension of the term of any Prior Liquidity Facility, the terms of such extension subject to the parameters provided for a New Liquidity Facility in Section 1 of this Resolution. In connection with any such extension, each Authorized Representative is hereby severally authorized to act on behalf of the Board in executing any amendment to the related Prior Liquidity Facility to contain provisions substantially similar to another Prior Liquidity Facility or a new Liquidity Facility or as required under then-applicable law, and any such amendments heretofore executed by the Authorized Representatives are hereby ratified, approved and confirmed in all respects.

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

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

7. Effective Date. This Resolution shall be in full force and effect on and as of the date hereof. The delegation to each Authorized Representative to act on behalf of the Board under this Resolution shall expire on May 12, 2026.

ADOPTED AND APPROVED on the 13th day of May, 2025.

/s/ Dawn Buckingham, M.D.

Chairwoman, Veterans' Land Board of
the State of Texas

ATTEST:

/s/ Anthony W. Dale

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



MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 a - Consideration and possible action to set aside bids received from the Online Bidding Forfeited Land Sale held March 2, 2025, to April 17, 2025, on any tract where the account holder is making an appeal.

Recommendation: There were no appeals submitted; therefore, Agenda Item 8 a is a non-action item.

MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 b - Consideration and possible action to accept and award all qualified high bids received from the Online Bidding Forfeited Land Sale held March 2, 2025, through April 17, 2025.

Recommendation: Staff recommends that the Board award all high bids that meet qualifications for the land program.

Background: There were eight tracts offered during the Veteran's Land Sale online bidding period from March 2, 2025, through April 17, 2025. A total of 51 bids were received for the tracts listed resulting in eight high bids totaling \$961,535.28.

Apr 17, 2025
Veterans Land Sale
Awarded Tracts Pending Review Of Bidder Qualifications

COUNTY	TRACT NUMBER	AMOUNT OF BID	NAME
MATAGORDA	14938	\$115,500.00	Alton Graham
MEDINA	14939	\$150,000.00	Paul Pantoja
MILLS	14940	\$83,457.28	Vincent Maleche
BURNET	14941	\$130,000.00	Telly Sparks
COMANCHE	14942	\$144,000.00	Akeem Adelagun
NAVARRO	14943	\$108,575.00	Willie Abro
NEWTON	14945	\$70,001.00	Ellis Smith
WILLACY	14946	\$160,002.00	Francisco Meza
Total Count	8	\$961,535.28	

Apr 17, 2025
Veterans Land Sale
Summary Of All Bids

TRACT NUMBER	AMOUNT OF BID	MINIMUM BID	BID PREFERENCE	NAME	COUNTY
14938	\$115,500.00	\$100,000.00	1	ALTON GRAHAM	MATAGORDA
	\$105,002.00	\$100,000.00	1	RIZ CAHANDING	MATAGORDA
	\$104,526.00	\$100,000.00	3	VINCENT MALECHE	MATAGORDA
	\$101,973.33	\$100,000.00	3	MARLON BRADFORD	MATAGORDA
	\$101,000.00	\$100,000.00	1	ADETOYE OLURIN	MATAGORDA
	\$101,000.00	\$100,000.00	1	XAVIER DOWNS	MATAGORDA
	\$100,000.00	\$100,000.00	1	JOHN COON	MATAGORDA
	\$100,000.00	\$100,000.00	1	OSCAR RUVALCABA	MATAGORDA
14939	\$150,000.00	\$145,000.00	1	PAUL PANTOJA	MEDINA
	\$146,500.00	\$145,000.00	3	LEON CHO VAN	MEDINA
	\$145,100.00	\$145,000.00	1	KAI ORENIC	MEDINA
	\$145,000.00	\$145,000.00	1	EDWARD PATTON	MEDINA
	\$145,000.00	\$145,000.00	1	ADOLFO ORDONEZ	MEDINA
14940	\$83,457.28	\$81,000.00	2	VINCENT MALECHE	MILLS
	\$81,100.00	\$81,000.00	1	ALEX JIMENEZ	MILLS
14941	\$130,000.00	\$127,000.00	2	LEON CHO VAN	BURNET
	\$130,000.00	\$127,000.00	1	TELLY SPARKS	BURNET
14942	\$144,000.00	\$141,000.00	1	AKEEM ADEL AGUN	COMANCHE
	\$143,000.00	\$141,000.00	1	LEON CHO VAN	COMANCHE
	\$141,000.00	\$141,000.00	1	OXSEAN ADAMS	COMANCHE
	\$141,000.00	\$141,000.00	1	GARY UPSHAW	COMANCHE

Apr 17, 2025
Veterans Land Sale
Summary Of All Bids

14943	\$108,575.00	\$98,000.00	1	WILLIE ABRO	NAVARRO
	\$107,567.00	\$98,000.00	1	GILBERT SALAS	NAVARRO
	\$105,000.00	\$98,000.00	1	IGNACIO VALADEZ	NAVARRO
	\$103,099.00	\$98,000.00	1	ERICK CASTELLOW	NAVARRO
	\$103,000.00	\$98,000.00	1	CHRISTOPHER BOWERS	NAVARRO
	\$100,000.00	\$98,000.00	1	SUMAN DAHAL	NAVARRO
	\$99,973.33	\$98,000.00	1	MARLON BRADFORD	NAVARRO
	\$99,808.00	\$98,000.00	1	CLAUDETTE BRACKETTANTHONY	NAVARRO
	\$99,455.27	\$98,000.00	4	VINCENT MALECHE	NAVARRO
	\$98,500.00	\$98,000.00	1	ALTHEA WESTON	NAVARRO
	\$98,001.00	\$98,000.00	1	SEATRAN DIXON	NAVARRO
14945	\$70,001.00	\$59,500.00	1	ELLIS SMITH	NEWTON
	\$65,001.00	\$59,500.00	1	JANICE GIBSON	NEWTON
	\$64,500.00	\$59,500.00	1	ANTHONY HOOKS	NEWTON
	\$62,833.33	\$59,500.00	2	MARLON BRADFORD	NEWTON
	\$62,000.00	\$59,500.00	1	DAVID ESCAMILLA	NEWTON
	\$61,456.99	\$59,500.00	1	VINCENT MALECHE	NEWTON
	\$60,005.00	\$59,500.00	1	WADE ARIONUS	NEWTON
	\$60,001.00	\$59,500.00	2	WILLIE ABRO	NEWTON
	\$60,000.00	\$59,500.00	1	JADESOLA OJURI	NEWTON
	\$60,000.00	\$59,500.00	1	DONALD HALL	NEWTON
	\$60,000.00	\$59,500.00	1	MICHAEL BENSING	NEWTON
	\$59,600.00	\$59,500.00	1	GERALD REECE	NEWTON
	\$59,500.00	\$59,500.00	1	JAMES JOHNSON	NEWTON
	\$59,500.00	\$59,500.00	1	JESUS MARQUEZ	NEWTON
	\$59,500.00	\$59,500.00	1	GARY WILDGOOSE	NEWTON

Apr 17, 2025
Veterans Land Sale
Summary Of All Bids

14946	\$160,002.00	\$152,000.00	1	FRANCISCO MEZA	WILLACY
	\$153,000.00	\$152,000.00	1	MICHAEL RIOS	WILLACY
	\$152,100.00	\$152,000.00	1	WEBSTER TOTTRRESS	WILLACY
	\$152,000.00	\$152,000.00	1	MARVIN JONES	WILLACY
Total	\$5,218,137.53			51	



MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 c - Consideration and possible action on request to forfeit VLB delinquent land accounts and accounts involved in tax suits.

Recommendation: Staff recommends that the Board take forfeiture action on the Resolution before you, except on accounts where sufficient funds are received to avoid that action.

Purpose: For consideration and approval of forfeiture on the accounts that are being presented for forfeiture action today. The accounts are recommended for forfeiture due to non-payment of principal and interest.

Background: Seven accounts are being presented for forfeiture today. On four of the accounts the Veterans are deceased. On two of these accounts, we are attempting to contact the heirs to work on a resolution, the remaining two we have not been able to work out any resolution with the family members. On the remaining three accounts, we have been unable to contact the account holders on two of the accounts and on the final account we are in contact with the Veteran and trying to make payment arrangements.

RESOLUTION OF FORFEITURE MONTHLY ACCOUNTS

WHEREAS, the Veterans Land Board of the State of Texas made and entered into contracts, or approved the transfer thereof, under the provisions of Chapter 318, Acts of the 51st Legislature, 1949, as amended, with the following named contract-holders on the dates indicated:

Contract Holder	Account Number	County of Land	Sale Date	Delinq Amount	Payments Delinq	Loan Amount	Principal Balance
J. RANDELL	145039	SMITH	10/3/1995	\$3268.00	8	\$23,750.00	\$1,759.21
R. SOLOMON	149632	FREESTONE	5/19/1997	\$1188.00	6	\$24,852.00	\$1,151.94
R. DAVIS	154507	GUADALUPE	3/31/2000	\$1435.00	7	\$33,250.00	\$9,241.30
P. MARTIN	156931	ARMSTRONG	11/19/2001	\$1176.00	6	\$22,000.00	\$1,616.56
E. BELL	161074	BOWIE	8/26/2005	\$702.00	6	\$18,211.00	\$7,433.89
C. ADOLPH JR	163239	TERRELL	9/12/2007	\$1122.00	6	\$30,606.00	\$19,137.85

WHEREAS, these contract-holders have failed and refused to make payments of principal and interest due on such contracts,

AND WHEREAS, in compliance with the Statutes in such case made and provided, notice of such delinquency and/or default and impending forfeiture has been given to each of these contract-holders at his/her last-known address at least thirty days previous to this date;

NOW THEREFORE, BE IT RESOLVED by the Veterans Land Board of the State of Texas that the Chair be and is hereby directed to endorse upon the wrappers containing the papers of each of the above-referenced sales or upon each purchase contract filed in the office of the Veterans Land Board the word 'Forfeited', with the date of this action, and to sign the same officially, effective May 13, 2025.

I, Anthony W. Dale, Executive Secretary, of the Texas Veterans Land Board, do hereby certify that the foregoing is a true and correct copy of a resolution appearing in the minutes of the Veterans Land Board meeting held May 13, 2025.

Anthony W. Dale, Executive Secretary
Texas Veterans Land Board

_____ Legal

Sworn to and subscribed before me by the above party this _____ day of _____, _____.

Notary Public in and for Travis County, Texas

MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 d - Consideration and possible action on request to Order for Sale land tracts that may be included in the next Online Bidding Forfeited Land Sale and to set the next Quarterly Electronic Forfeited Land Sale bidding period to begin June 2, 2025, through July 17, 2025.

Recommendation: Staff recommends that the Board approve the Order for Sale of the land tracts listed and set the next quarterly land sale period to begin June 2, 2025, through July 17, 2025.

Purpose: For consideration and approval of listing the accounts to be considered for the Order for Sale action today. Staff requests the Board's authority to pull any account that reinstates prior to the sale date. In addition, staff requests that the Board set the next Quarterly Land Sale bidding period to begin June 2, 2025, at 8:00 A.M. with a bidding deadline of July 17, 2025, at 5:00 P.M.

Background: Two accounts are being presented for Order for Sale today. One of the accounts presented, we are working with the family in reaching a resolution. The remaining account, the Veteran is deceased, and we have not been able to locate any heirs.

RESOLUTION TO ORDER FOR SALE

WHEREAS, the Veterans Land Board of the State of Texas made and entered into contracts, or approved the transfer thereof, under the provisions of Chapter 318, Acts of the 51st Legislature, 1949, as amended, with the following named contract-holders on the dates indicated:

CONTRACT HOLDER	ACCOUNT NUMBER	COUNTY OF LAND	CONTRACT DATE	LOAN AMOUNT	PRINCIPAL BALANCE
R. DE LOS SANTOS	150610	DUVAL	11/18/1997	\$38,000.00	\$3,777.94
O. ROBINSON	161557	VAN ZANDT	01/30/2006	\$46,075.00	\$27,917.66

AND WHEREAS, the Veterans Land Board has set a Forfeited Land Sale on May 13, 2025.

BE IT RESOLVED by the Veterans Land Board of the State of Texas that the listed tracts will be advertised for sale in the quarterly electronic Forfeited Land Sale, which bidding period will begin June 2, 2025, and end July 17, 2025, 5:00 p.m.

Anthony W. Dale, Executive Secretary
Texas Veterans Land Board

_____ Legal

Sworn to and subscribed before me by the above party this _____ day of _____, _____.

Notary Public in and for Travis County, Texas



MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 e – Report on the termination of the Veterans Administration Servicing Purchase Program.

Recommendation: This agenda item requires no action from the Board.

Veterans Affairs (VA) Update

The Veterans Affairs Servicing Purchase (VASP) program is a last resort tool for Veterans and active-duty service members with VA-guaranteed home loans who are experiencing financial hardship and are at risk of foreclosure. It allows the Department of Veterans Affairs (VA) to purchase defaulted VA loans from servicers, modify the loans to make them more affordable, and then service the loans directly. This program, which was initially implemented to assist Veterans after a pandemic-era mortgage relief program ended, offers a fixed interest rate to help Veterans stay in their homes.

On April 3, 2025, the VA announced that the agency will phase out VASP.

The VA has yet to publish any guidance on the phase out of the VASP. Based on the information we have received from the VLB's Master Servicer, Mr. Cooper, the VA will stop accepting any additional VASP request on May 1, 2025. This will not impact the VA's loan guaranty services for Veterans.

The VLB did participate in VASP for numerous loan holders as stated in the table below.

Background:

Total VASP Request	50
Total Approved VA	37
Total Pending Applications at VA	13
Total Amount Received by VLB	\$14,899,692.57

MEMORANDUM

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

Date: May 13, 2025

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

From: Raul Gonzales, Director of Land & Housing

Subject: Agenda Item 8 f – Consideration and possible action to list and charge a Broker Fee in lieu of an Origination Fee for Veterans Housing Assistance Program Loans originated by a mortgage broker.

Recommendation: Staff recommends the Board allow fees for loans originated by mortgage brokers to be listed and charged as broker fees in borrowers' loan documents.

Summary

Under the Board's "Loan Origination and Purchasing Guidelines" ("Guidelines"), participating lenders for the Veterans Housing Assistance Program ("VHAP"), lists and charges loan origination fees as an "Origination Fee" to borrowers. An Origination Fee relates to those loans originated by a lender. However, loans issued under the VHAP are also originated by mortgage brokers. Such fees are called "broker's fees." The Guidelines currently do not allow these fees to be listed and charged as such. Participating mortgage brokers have been listing and charging these fees as Origination Fees in borrowers' loan documents, but now Gateway Mortgage ("Gateway"), the Administrator of the VHAP, recommends these fees be allowed to be listed and charged as Broker's Fees. Staff agrees.

Lender-origination and broker-origination fees are constructively similar. Federal law view both a lender and a mortgage broker as a "loan originator" and allows broker's fees to be charged to borrowers as a finance charge, which includes a loan origination fee. Likewise, VA guidelines allow such fees to be charged to borrowers as part of its "flat fee" for loan origination and processing costs.

Under 40 Tex. Admin. Code §177.9, the Board approves all fees charged in connection with the VHAP. Accordingly, Staff recommends that broker's fees be allowed to be listed and charged for those loans originated by mortgage brokers as a "Broker's Fee." Where borrower documents for lender-originated loans would include an Origination Fee, those for broker-originated loans would include a Broker's Fee. Staff further recommends that a Broker's Fee be subject to the same limits as an Origination Fee, i.e., 1% of the loan's total value.

Staff intends to revise the applicable language in the Guidelines as follows:

The Participating Lender may charge all reasonable and customary fees permitted by law of the origination of mortgage loans, (e.g., maximum one percent (1%) either origination or broker's fee cannot be both, appraisal fees title insurance, survey, credit reports, and other similar expenses). In addition to all reasonable and customary fees, the Participating Lender may collect a one percent (1%) Participation fee on the VLB Program loan. This fee may not be financed.



MEMORANDUM

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

Date: May 13, 2025

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

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 9 a - Consideration and possible action on granting an electric easement to South Plains Electrical Cooperative to maintain an electric line on West Texas State Veterans Cemetery property.

Recommendation: Staff recommends the Board approve an easement granting South Plains Electrical Cooperative access to an electrical line running through Cemetery property for maintenance and repair purposes.

Summary

Pursuant to authority under the Texas Natural Resources Code, §164.005(g), staff seeks approval to enter into an agreement with South Plains Electrical Cooperative, Inc. (“South Plains”) related to the ongoing development of the West Texas State Veterans Cemetery. If approved, this action would grant an easement to South Plains related to the electric line on the Cemetery’s property.

A draft copy of the easement is attached for reference. The accompanying diagram (referred to as “Exhibit A” in the draft easement) shows the location of the line on the property. As indicated, the easement is approximately 15 feet wide and runs from property’s North access to terminate at the Cemetery’s administration building.

The easement gives South Plains free and uninterrupted access to the line for construction, maintenance, and repair purposes. It requires South Plains to notify the Board prior to performing any such work. The benefit of the easement is that it allows South Plains to maintain and repair the electric line, as opposed to the Board, thus limiting the VLB’s operational expenses for the Cemetery.

The State of Texas

«imgSealSmall»
Austin, Texas

ELECTRIC EASEMENT

Texas Veterans Land Board

STATE OF TEXAS

§

KNOW ALL BY THESE PRESENTS:

COUNTY OF LUBBOCK

§

§

This Electric Easement (the “Agreement”) is granted by virtue of the authority granted in Chapter 164 of the Texas Natural Resources Code and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Veterans Land Board (the “GRANTOR”), hereby grants to South Plains Electric Cooperative, Inc., whose address is 4247 S. Loop 289, Ste. 200, Lubbock, Texas 79424, a non-exclusive easement for the purposes identified in Article V.

ARTICLE II. PREMISES

2.01. The easement is located across State-owned land in Lubbock County, Texas, described in the attached **Exhibit A** (the “Premises”) and incorporated herein by reference for all purposes.

2.02. Grantee acknowledges and agrees that when the Improvements (as hereinafter defined) are placed on the Premises, the location of such Improvements within the easement shall thereby become fixed at such location and shall not be changed except by an amendment to this Agreement signed by both parties hereto and subject to any approval by any other governmental agency with jurisdiction over same.

2.03. GRANTEE HAS INSPECTED THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE PREMISES AND ACCEPTS THE SAME “AS IS”, IN ITS EXISTING PHYSICAL AND TOPOGRAPHIC CONDITION. THE GRANTOR DISCLAIMS ANY AND ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, AND ANY OTHER WARRANTY WHATSOEVER NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. THE GRANTOR AND GRANTEE HEREBY AGREE AND ACKNOWLEDGE THAT THE USE OF THE TERM “GRANT” IN NO WAY IMPLIES THAT THIS EASEMENT IS FREE OF LIENS, ENCUMBRANCES AND/OR PRIOR RIGHTS. NOTICE IS HEREBY GIVEN TO GRANTEE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCE MAY BE OF RECORD AND GRANTEE IS ADVISED TO EXAMINE THE RECORDS IN THE ARCHIVES AND RECORDS DIVISION OF THE GENERAL LAND OFFICE, 1700 NORTH CONGRESS AVENUE, AUSTIN, TEXAS 78701-1495, AND ALL OTHER LAND TITLE RECORDS OF THE COUNTY IN WHICH THE PREMISES ARE LOCATED.

2.04 To the extent that Section 2252.909 of the Texas Government Code is applicable to this Agreement, Grantee must require, as a condition in any contract for the construction, alteration or repair of Improvements to the Premises, that the Grantee’s contractor execute a performance bond, a payment bond, provide the requisite notice, and in all other respects comply with the requirements of this Section. Section 225.909 of the Texas Government Code provides, among other things, that:

A. Grantee, in any contract for the construction, alteration or repair of Improvements to the Premises, shall include a condition requiring that Grantee's contractor: (i) execute a **payment bond** that conforms to Chapter 53, Texas Property Code, Subchapter I; and (ii) execute a **performance bond** in an amount equal to the amount of the contract for the protection of the Grantor and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents.

B. Grantee shall provide the Grantor with a **notice of commencement** of construction no later than ninety (90) days prior to the date the construction, alteration, or repair of Improvements to the Premises begins. Grantee's notice of commencement shall: (i) identify the public property where the work will be performed; (ii) describe the work to be performed; (iii) state the total cost of the work to be performed; (iv) include copies of the performance and payment bonds required above; and (v) include a written acknowledgment signed by the contractor stating that copies of the required performance payment bonds will be provided to all subcontractors not later than the fifth day after the date a subcontract is executed.

C. Following initial construction/installation of the Improvements, Grantee shall provide reasonable notice prior to performing any maintenance or other work on the Improvements.

ARTICLE III. TERM

3.01. This Agreement shall begin on the date last sign and unless amended or terminated as authorized by law or as set forth herein, automatically expire in the event that Grantee ceases to provide electricity and related electrical services to the Premises.

ARTICLE IV. CONSIDERATION AND TAXES

4.01. A. As consideration ("Consideration") for the granting of this easement, Grantee agrees to pay the GRANTOR the sum of Ten and 00/100 Dollars (\$10.00), due and payable upon the execution of this Agreement.

4.02. In addition to the above, Grantee shall pay and discharge any and all taxes, general and special assessments, and other charges which during the term of this Agreement may be levied on or assessed against the Premises or the Improvements constructed thereon, provided such taxes result from Grantee's use of this easement. Grantee shall pay such taxes, charges, and assessments not less than five (5) days prior to the date of delinquency thereof directly to the authority or official charged with the collection thereof. Grantee shall have the right in good faith at its sole cost and expense to contest any such taxes, charges, and assessments, and shall be obligated to pay the contested amount only if and when finally determined to be owed.

4.03. Grantee agrees to and shall protect and hold the GRANTOR harmless from liability for any and all such taxes, charges, and assessments, together with any penalties and interest thereon, and from any sale or other proceeding to enforce payment thereof.

ARTICLE V. USE OF THE PREMISES

5.01. Grantee and Grantee's employees, contractors, and agents shall have the right to use the Premises for a right-of-way to construct, maintain, operate, inspect, and repair an electric line (the "Improvements"). Grantee shall not use the Premises for any other purpose without first obtaining written consent of the GRANTOR, which consent may be granted or withheld in the GRANTOR'S sole discretion.

5.02. A. The GRANTOR and Grantee hereby acknowledge and agree that each shall have reciprocal rights of ingress and egress to and from the Premises across contiguous or adjacent State-owned land or land owned by Grantee, provided in the exercise of this right the GRANTOR and Grantee agree not to unreasonably interfere with the other party's (or

that party's agents, assignees, or designees) use of its property. Grantee shall have the right of ingress and egress for the purposes of constructing, maintaining, operating, inspecting, and repairing the Improvements and such right is not granted for any other purpose. Grantee and the GRANTOR mutually agree to use contiguous or adjacent State-owned land or land owned by Grantee, respectively, only to the extent and for the length of time necessary to provide access to and from the Premises. Notwithstanding any other provisions to the contrary, no easement is created by this Section 5.02; instead, a license is granted to the parties and their respective officers, employees, agents and contractors for the limited purposes set forth herein.

B. Grantee acknowledges and agrees that the GRANTOR'S right of ingress and egress described in Section 5.02.A. of this Agreement shall be and remain in effect as long as the Improvements and any other structure placed on the Premises by Grantee remain on the Premises and/or as necessary for the GRANTOR to confirm the removal (in whole or in part) of the Improvements. Such right of ingress and egress shall survive the expiration or earlier termination of this Agreement.

5.03. Grantee shall be fully liable and responsible for any damage, of any nature, arising or resulting from any act or omission of Grantee or Grantee's officers, employees, agents, contractors and invitees, which are related to the exercise of the rights granted in this Article V.

5.04. A. Grantee's use of the Premises is subject to and contingent upon compliance with the following covenants, obligations and conditions (the "Special Conditions"):

1. Grantee shall recognize the gas line running in proximity to the Premises and take all necessary precautions to avoid coming into contact or affecting it in any manner. Grantee recognizes that this gas line is contained within a certain Right-Of-Way Easement filed for record as Document No. 1968001848 in Volume 1154, page 577 in the Real Property Records of Lubbock County, Texas and subject to a certain Encroachment Agreement filed for record as Document No. 2025005070 in the Real Property Records of Lubbock County, Texas.
2. Grantee shall replace or repair any structures it removes or damages in constructing and maintaining the Improvements.
3. In constructing and maintaining the Improvements, Grantee shall not make any changes in grade, elevation, or contour to the Premises, or impound any water within the Premises.
4. Grantee shall maintain all Improvements authorized under this Agreement in good repair and safe conditions, and in compliance with all applicable state and federal regulations.
5. Grantee shall mitigate and repair surface damages that result from actions of Grantee's employees, contractors, and/or agents during the term of this Agreement. Such mitigation and repair shall be performed in the manner specified by GRANTOR.
6. Grantee shall clear all vegetation in an even, clean manner and dispose of it and any other materials cleared from the Premises. In no event shall Grantee burn materials removed from the Premises.
7. Grantee shall construct a temporary construction corridor of no more than seven and one-half feet on either side of the centerline of the Premises, as depicted in Exhibit A, which shall be clearly marked so that those present on the Premise can delineate boundaries. All materials used to mark the area (posts, pilings, poles, buoys, flags, etc.) shall be removed by Grantee and properly disposed of following completion of construction or repairs.

B. Prior to any construction, installation or other activities on the Premises, Grantee shall provide written notice of all Special Conditions, if any, to any contractor and/or agent involved in such activities. Grantee shall send a copy of such notice to the Texas Veterans Land Board, Attention: Director of Veterans Cemeteries Division 1700 North Congress Avenue, Austin, Texas 78701.

5.05. The GRANTOR, its agents, representatives and employees shall have the right to enter upon the Premises at any reasonable time (or any time in case of emergency) for purposes of inspection, repair (and Grantee agrees to repay the GRANTOR the reasonable cost thereof on written demand) and any other purpose necessary to protect the GRANTOR'S interests therein. Further, the GRANTOR shall have the right to use or to permit the use of any or all of the Premises for any purpose deemed, in the GRANTOR'S sole discretion, to be consistent with Grantee's easement grant.

5.06. Grantee shall not use, or permit the use of the Premises for any illegal purpose. Grantee shall comply, and will cause its officers, employees, agents, contractors and invitees to comply, with all applicable laws, ordinances, rules, and regulations of governing agencies concerning use of the Premises.

5.07. Failure by Grantee to construct, maintain and operate the Improvements in accordance with this Article V shall render such Improvements "unauthorized structures" under TEX. NAT. RES. CODE §51.302.

ARTICLE VI. ASSIGNMENTS

6.01. Grantee shall not assign the Premises or the rights granted herein, in whole or part, to any third party for any purpose without the prior written consent of the GRANTOR, which may be granted or denied in the GRANTOR'S sole discretion. Any unauthorized assignment shall be void and of no effect, and such assignment shall not relieve Grantee of any liability for any obligation, covenant, or condition of this Agreement. This provision, and the prohibition against assignment contained herein, shall survive expiration or earlier termination of this Agreement. For purposes of this Agreement, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

ARTICLE VII. PROTECTION OF NATURAL AND HISTORICAL RESOURCES

7.01. Grantee shall use the highest degree of care and all appropriate safeguards to: (i) prevent pollution of air, ground, and water in and around the Premises, and (ii) to protect and preserve natural resources and wildlife habitat. Grantee shall comply with all applicable rules and regulations of the General Land Office, the School Land Board, and other governmental agencies responsible for the protection and preservation of public lands and waters. In the event of pollution or an incident that may result in pollution of the Premises or adjacent property which is the result of Grantee's (or Grantee's employees, contractors, and agents) acts or omissions, Grantee shall immediately notify the GRANTOR, use all means reasonably available to recapture any pollutants which have escaped or may escape, and mitigate for any and all natural resources damages caused thereby.

7.02. GRANTEE IS HEREBY EXPRESSLY NOTIFIED OF THE NATIONAL HISTORIC PRESERVATION ACT OF 1966, (PL 89-665, 80 STATUTE 915, 54 16 U.S.C.A. SECTION 300101, *ET.SEQ.*) AND THE TEXAS ANTIQUITIES CODE (TITLE 9, CHAPTER 191, TEX. NAT. RES. CODE). IN CONFORMANCE WITH THESE LAWS, IN THE EVENT THAT ANY SITE, FOUNDATION, BUILDING, STRUCTURE, LOCATION, OBJECT, ARTIFACT, ITEM OR OTHER FEATURE OF ARCHEOLOGICAL, SCIENTIFIC, EDUCATIONAL, CULTURAL, OR HISTORIC INTEREST IS ENCOUNTERED DURING THE ACTIVITIES AUTHORIZED BY THIS AGREEMENT, GRANTEE SHALL IMMEDIATELY CEASE ANY AND ALL ACTIVITIES, AND NOTIFY THE COMMISSIONER OF THE GENERAL LAND OFFICE AND THE TEXAS HISTORICAL COMMISSION, P.O. BOX 12276, AUSTIN, TEXAS 78711, SO THAT APPROPRIATE ACTION MAY BE TAKEN. IN THE EVENT THAT GRANTEE IS REQUIRED TO CEASE ACTIVITIES, THE GRANTOR SHALL NOT BE LIABLE FOR ANY COSTS OF GRANTEE, GRANTEE'S AGENTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, OR ANY OTHER PERSON OR ENTITY AS A RESULT OF ANY INTERRUPTION OF GRANTEE'S ACTIVITIES OR INABILITY TO USE THE PREMISES AS HEREIN CONTEMPLATED.

ARTICLE VIII. INDEMNITY AND INSURANCE

8.01. GRANTEE SHALL BE FULLY LIABLE AND RESPONSIBLE FOR ANY DAMAGE, OF ANY NATURE, ARISING OR RESULTING FROM ITS OWN ACTS OR OMISSIONS RELATED TO ITS EXERCISE OF THE RIGHTS GRANTED HEREIN. GRANTEE AGREES TO AND SHALL INDEMNIFY AND HOLD THE GRANTOR, THE GRANTOR'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST CLAIMS, SUIT, COSTS, LIABILITY OR DAMAGES OF ANY KIND, INCLUDING STRICT LIABILITY CLAIMS, WITHOUT LIMIT AND WITHOUT REGARD TO CAUSE OF THE DAMAGES OR THE NEGLIGENCE OF ANY PARTY, EXCEPT FOR THE CONSEQUENCES OF THE NEGLIGENT ACTS OR WILLFUL MISCONDUCT OF THE GRANTOR, THE GRANTOR'S OFFICERS, AGENTS, EMPLOYEES, OR INVITEES, ARISING DIRECTLY OR INDIRECTLY FROM GRANTEE'S USE OF THE PREMISES (OR ANY ADJACENT OR CONTIGUOUS STATE-OWNED LAND) OR FROM ANY BREACH BY GRANTEE OF THE TERMS, COVENANTS OR CONDITIONS CONTAINED HEREIN.

8.02. A. Grantee agrees to either (i) purchase and maintain a Required Policy (as hereinafter defined) of insurance coverage, or (ii) provide Financial Documentation (as hereinafter defined) to the GRANTOR. Grantee agrees to deliver or cause to be delivered to the GRANTOR and/or the GRANTOR's designee either, as applicable: (i) a certificate of insurance for any Required Policy or (ii) Financial Documentation, within ten (10) days of execution of this Agreement. At all times during the term of this Agreement, Grantee shall cause the required evidence of insurance coverage or financial capacity to be deposited with the GRANTOR. If Grantee fails to do so, such failure may be treated by the GRANTOR as a default by Grantee under this Agreement.

B. The phrase "Required Policy" shall mean a policy of insurance with a financially sound and reputable insurer licensed by the Texas Department of Insurance, in the type and amount customarily carried within the industry for uses comparable to the Improvements, as defined in Article V. Such Required Policy shall be in an amount necessary to insure against any and all loss or damage as may be required by the GRANTOR (including, without limitation, coverage for bodily injury, death, property damage, premises and operations, products liability, contractual liability, and/or strict liability). Any Required Policy shall name the GRANTOR (and any of its successors and assigns designated by the GRANTOR) as an additional insured.

C. The phrase "Financial Documentation" shall mean a financial statement and/or other evidence of financial responsibility or capacity which is determined to be satisfactory to the GRANTOR.

ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01. If, following 30 days prior written notice from the GRANTOR specifying a default or breach, Grantee fails to pay any money due hereunder or is in breach of any term or condition of this Agreement, the GRANTOR shall have the right, at its option and its sole discretion, to terminate this Agreement and all rights inuring to Grantee herein by sending written notice of such termination to Grantee in accordance with Article XI of this Agreement. Upon sending of such written notice, this Agreement shall automatically terminate and all rights granted herein to Grantee shall revert to the GRANTOR. Such termination shall not prejudice the rights of the GRANTOR to collect any money due or to seek recovery on any claim arising hereunder.

9.02. Grantee shall, within one hundred twenty (120) days from the date of expiration or sooner termination of this Agreement, remove all personal property, structures, and the Improvements, and shall restore the Premises (and any other property affected by such removal activities) to the same condition that existed before Grantee entered thereon. Such removal and restoration activities shall be conducted in accordance with the GRANTOR's guidelines in effect at the time of removal/restoration which may include, without limitation, specific removal techniques required for protection of natural resources, and mitigation or payment in lieu of mitigation for any and all damages resulting from removal activities. Grantee shall notify the GRANTOR at least ten (10) days before commencing removal/restoration activities so that a field inspector may be present.

ARTICLE X. HOLDOVER

10.01. If Grantee holds over and continues in possession of the Premises after expiration or earlier termination of this Agreement, Grantee will be deemed to be occupying the Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Agreement, except that, if applicable, as liquidated damages by reason of such holding over, the amounts payable by Grantee under this Agreement shall be increased such that the Consideration payable under Section 4.01 of this Agreement and any other sums payable hereunder shall be two hundred percent (200%) of the amount payable to the GRANTOR by Grantee for the applicable period immediately preceding the first day of the holdover period. Grantee acknowledges that in the event it holds over, the GRANTOR'S actual damages will be difficult, if not impossible, to ascertain, and the liquidated damages herein agreed to be paid are reasonable in amount and are payable in lieu of actual damages and are not a penalty. Grantee further acknowledges that acceptance of hold over Consideration does not imply GRANTOR consent to hold over.

10.02. The tenancy from month-to-month described in Section 10.01 of this Agreement may be terminated by either party upon thirty (30) days written notice to the other.

10.03. Any applicable consideration due after notice of termination has been given is to be calculated according to Section 10.01 hereinabove on a pro rata basis. If upon notice of termination by the GRANTOR, Grantee pays Consideration in excess of the amount due and payable and the GRANTOR accepts such payment, the acceptance of such payment will not operate as a waiver by the GRANTOR of the notice of termination unless such waiver is in writing and signed by the GRANTOR. Any such excess amounts paid by Grantee and accepted by the GRANTOR shall be promptly refunded by the GRANTOR after deducting therefrom any amounts owed to the GRANTOR.

ARTICLE XI. NOTICE

11.01. Any notice which may or shall be given under the terms of this Agreement shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for the GRANTOR to the Texas Veterans Land Board, Attention: Director of Veterans Cemeteries Division, 1700 North Congress Avenue, Austin, Texas 78701, and if for Grantee, to it at South Plains Electric Cooperative, Inc., P.O. Box 1830, Lubbock Texas 79408. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Premises may not be used by Grantee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

11.02. For purposes of the calculation of various time periods referred to in this Agreement, notice delivered by hand shall be deemed received when delivered to the place for giving notice to a party referred to above. Notice mailed in the manner provided above shall be deemed completed upon the earlier to occur of (i) actual receipt as indicated on the signed return receipt, or (ii) three (3) days after posting as herein provided.

ARTICLE XII. INFORMATIONAL REQUIREMENTS

12.01. Grantee shall provide written notice to the GRANTOR of any change in Grantee's name, address, corporate structure, legal status or any other information relevant to this Agreement.

12.02. Grantee shall provide to the GRANTOR any other information reasonably requested by the GRANTOR in writing within fifteen (15) days following such request or such other time period approved by the GRANTOR (such approval not to be unreasonably withheld).

12.03. Except with regard to initial construction/installation of the Improvements, maintenance, and emergencies, prior to conducting any activities at the Premises which may materially impact natural resources in or around the Premises, Grantee shall provide written notice to the GRANTOR describing the proposed activities in detail and any procedures which will be used to protect natural resources. Such notice shall be provided by Grantee to the GRANTOR at least

sixty (60) days prior to conducting re-burial activities, and at least thirty (30) days prior to conducting major repairs, modification, or other activities. Grantee acknowledges and agrees that the GRANTOR shall have at least twenty (20) days following receipt of the notice to review the proposed activities and to impose specific conditions for conducting such activities which, in the GRANTOR'S sole determination, are necessary to protect natural resources or to mitigate for actual damages to natural resources. If the GRANTOR has not provided notice to Grantee within twenty (20) days following receipt of Grantee's notice, the GRANTOR is deemed to have approved, subject to the terms of this Agreement, the proposed activities to be conducted at the Premises. In case of emergencies, Grantee may undertake all actions necessary to prevent imminent injury or damage to public health, safety or welfare, and/or to protect natural resources. Within twenty-four (24) hours following such emergency actions, Grantee shall provide notice to the GRANTOR of such actions as hereinabove provided. (If not during normal business hours, call 1-800-832-8224).

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.01. With respect to terminology in this Agreement, each number (singular or plural) shall include all numbers, and each gender (male, female or neuter) shall include all genders. If any provision of this Agreement shall ever be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of the Agreement, but such other provisions shall continue in full force and effect.

13.02. The titles of the Articles in this Agreement shall have no effect and shall neither limit nor amplify the provisions of the Agreement itself. This Agreement shall be binding upon and shall accrue to the benefit of the GRANTOR, its successors and assigns, Grantee, Grantee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however, this clause does not constitute a consent by the GRANTOR to any assignment by Grantee, but instead refers only to those instances in which an assignment is hereafter made in strict compliance with Article VI above, or in the case of a deceased natural person Grantee, refers to the instances previously referred to in this sentence and also circumstances in which title to Grantee's interest under this Agreement passes, after the demise of Grantee, pursuant to Grantee's will or the laws of intestate succession. The words "hereof," "herein," "hereunder," "hereinafter" and the like refer to this entire agreement, not just to the specific article, section or paragraph in which such words appear.

13.03. Neither acceptance of Consideration (or any portion thereof) or any other sums payable by Grantee hereunder (or any portion thereof) to the GRANTOR nor failure by the GRANTOR to complain of any action, non-action or default of Grantee shall constitute a waiver as to any breach of any covenant or condition of Grantee contained herein nor a waiver of any of the GRANTOR'S rights hereunder. Waiver by the GRANTOR of any right for any default of Grantee shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. No right or remedy of the GRANTOR hereunder or covenant, duty or obligation of Grantee hereunder shall be deemed waived by the GRANTOR unless such waiver be in writing, signed by a duly authorized representative of the GRANTOR.

13.04. No provision of this Agreement shall be construed in such a way as to constitute the GRANTOR and Grantee joint venturers or co-partners or to make Grantee the agent of the GRANTOR or make the GRANTOR liable for the debts of Grantee.

13.05. In all instances where Grantee is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, it is understood that time is of the essence.

13.06. Under no circumstances whatsoever shall the GRANTOR ever be liable hereunder for consequential damages or special damages. The terms of this Agreement shall only be binding on the GRANTOR during the period of its ownership of the Premises, and in the event of the transfer of such ownership interest, the GRANTOR shall thereupon be released and discharged from all covenants and obligations thereafter accruing, but such covenants and obligations shall be binding during the Agreement term upon each new owner for the duration of such owner's ownership.

13.07. All monetary obligations of the GRANTOR and Grantee (including, without limitation, any monetary obligation for damages for any breach of the respective covenants, duties or obligations of either party hereunder) are performable exclusively in Austin, Travis County, Texas.

13.08. Any obligation of Grantee to pay consideration and other sums hereunder provided to be paid by Grantee and the obligation of Grantee to perform Grantee's other covenants and duties under this Agreement constitute independent, unconditional obligations to be performed at all times provided for hereunder, save and except only when an abatement thereof or reduction therein is expressly provided for in this Agreement and not otherwise. Grantee waives and relinquishes all rights which Grantee might have to claim any nature of lien against, or withhold or deduct from or offset against, any Consideration or other sums provided hereunder to be paid to the GRANTOR by Grantee. Grantee waives and relinquishes any right to assert, either as a claim or as a defense, that the GRANTOR is bound to perform or is liable for the nonperformance of any implied covenant or implied duty of the GRANTOR not expressly set forth in this Agreement.

ARTICLE XIV. FILING

14.01. Grantee shall, at its sole cost and expense, record this Agreement in the Lubbock County Real Property Records and provide a certified copy to the GRANTOR within 60 days after this Agreement is executed by all parties.

ARTICLE XV. ENTIRE AGREEMENT

15.01. This Agreement, including exhibits, constitutes the entire agreement between the GRANTOR and Grantee and no prior written or prior or contemporaneous oral promises, warranties or representations shall be binding. This Agreement shall not be amended, changed, altered, assigned or extended except by written instrument signed by all parties hereto.

15.02. This Agreement shall become effective only upon execution by all parties hereto and delivery of a fully executed counterpart to each party.

[Remainder of the page left intentionally blank]

IN TESTIMONY WHEREOF, witness my hand and Seal of Office.

GRANTOR: TEXAS VETERANS LAND BOARD

By: _____
JENNIFER G. JONES
Chief Clerk and Deputy Commissioner,
Texas General Land Office

Date: _____

APPROVED:

OGC _____
DD _____
DGC _____
VLB ES _____
GC: _____
DCC _____

GRANTEE:

By: _____

Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENT FOR GRANTEE

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20____,

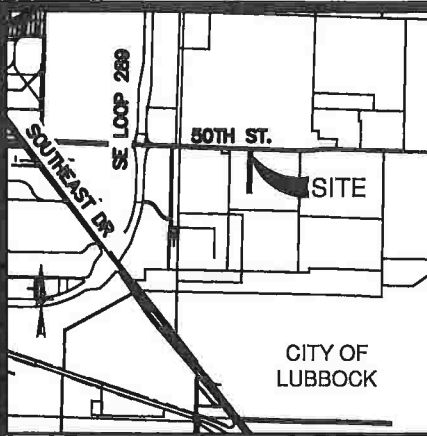
by _____.
(Grantee representative signing this document)

(Notary Signature)

Notary Stamp

Notary Public, State of _____

My commission expires: _____



LOCATION MAP

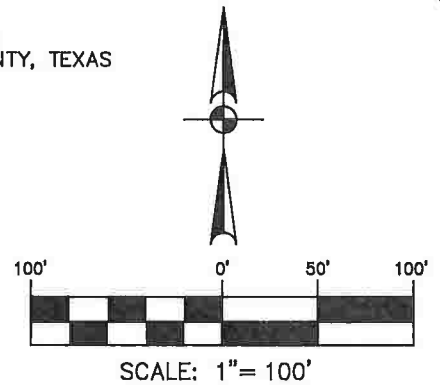
NOT-TO-SCALE

LEGEND:

DR DEED RECORDS OF LUBBOCK COUNTY, TEXAS
 OPR OFFICIAL PUBLIC RECORDS OF LUBBOCK COUNTY, TEXAS
 CCFN COUNTY CLERK FILE NUMBER
 P.O.C. POINT OF COMMENCING
 P.O.B. POINT OF BEGINNING

NOTES:

1. THIS EXHIBIT IS ISSUED IN CONJUNCTION WITH A METES AND BOUNDS DESCRIPTION PREPARED UNDER JOB NO. 12956-01 BY PAPE-DAWSON ENGINEERS.
2. THE BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE NORTH CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.



SCALE: 1" = 100'

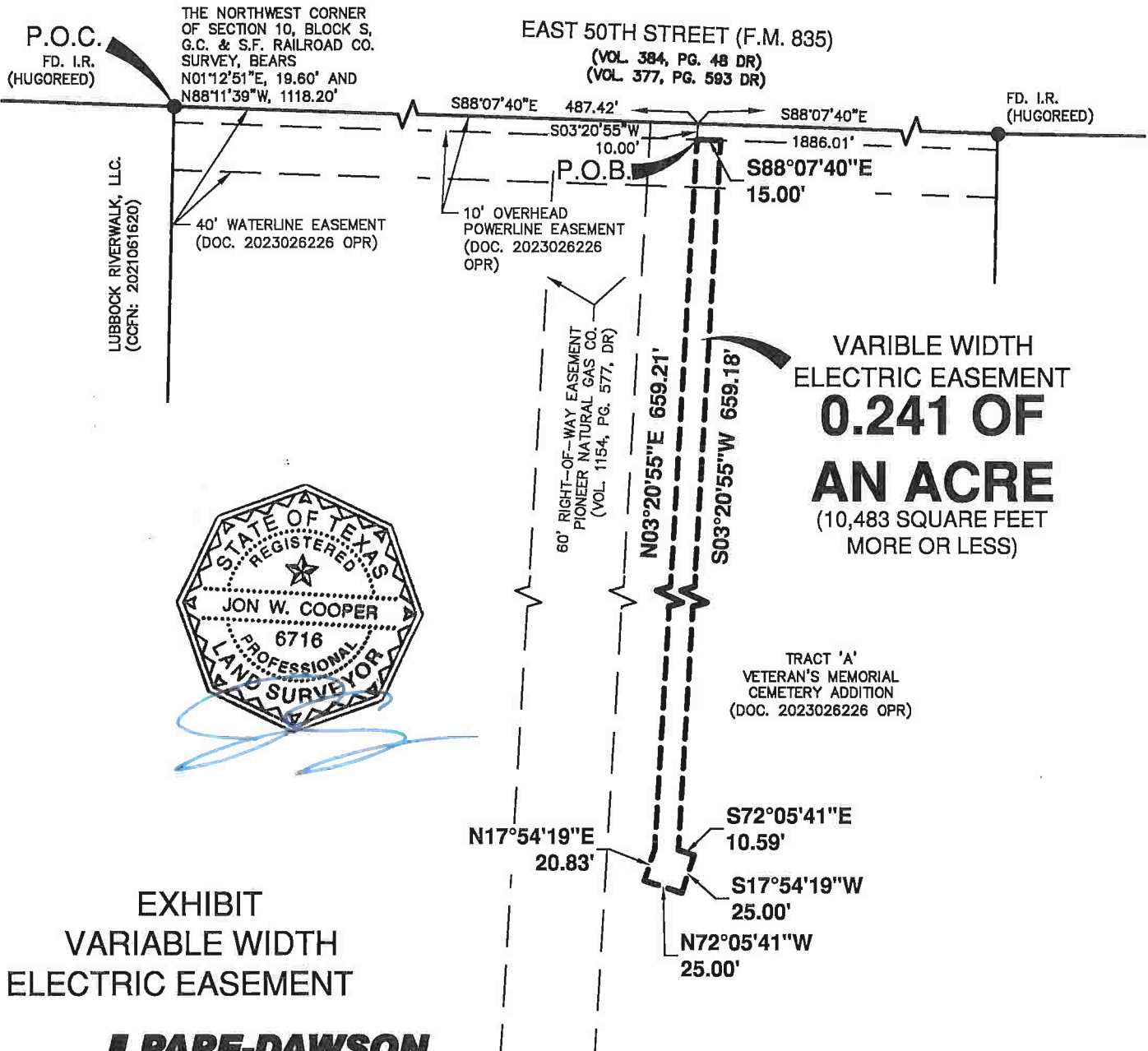


EXHIBIT
 VARIABLE WIDTH
 ELECTRIC EASEMENT

PAPE-DAWSON ENGINEERS

2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
 TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800

JULY 19, 2024

SHEET 1 OF 1
 JOB No.:12956-01

METES AND BOUNDS DESCRIPTION
FOR
VARIABLE WIDTH ELECTRIC EASEMENT

A 0.241 of an acre, or 10,483 square feet more or less, easement located on Tract "A", Veteran's Memorial Cemetery Addition recorded in Document 2023026226 of the Official Public records of Lubbock County, Texas, in the City of Lubbock, Lubbock County, Texas. Said 0.241 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the North Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found ½" iron rod with cap stamped "HUGOREED" on the south right-of-way line of East 50th Street, also known as F.M. 835, a variable width public right-of-way, dedicated in Volume 377, Page 593 and Volume 384, Page 48 of the Deed Records of Lubbock County, Texas, for the northwest corner of said Tract "A", from which the northwest corner of Section 10, Block 'S', G.C. & S.F. Railroad Co. Survey bears N 01°12'51" E, 19.60 feet and N 88°11'39" W, 1118.20 feet;

THENCE: S 88°07'40" E, along and with the south right-of-way line of said East 50th Street, the north line of said Tract "A", a distance of 487.42 feet to a point, from which a found ½" iron rod with cap stamped "HUGOREED" for the northeast corner of said Tract "A" bears S 88°07'40" E, a distance of 1886.01 feet;

THENCE: S 03°20'55" W, departing the south right-of-way line of said East 50th Street, over and across said Tract "A" and a 10-foot overhead electric easement recorded in said Veteran's Memorial Cemetery Addition, a distance of 10.00 feet to a point on the south line of said 10-foot overhead electric easement and being the POINT OF BEGINNING of the herein described easement;

THENCE: S 88°07'40" E, continuing over and across said Tract "A", with the south line of said 10-foot overhead electric easement, a distance of 15.00 feet to a point;

THENCE: Departing the south line of said 10-foot overhead electric easement, continuing over and across said Tract "A" the following bearings and distances:

S 03°20'55" W, a distance of 659.18 feet to a point;

S 72°05'41" E, a distance of 10.59 feet to a point;

S 17°54'19" W, a distance of 25.00 feet to a point;

N 72°05'41" W, a distance of 25.00 feet to a point;

N 17°54'19" E, a distance of 20.83 feet to a point;

N 03°20'55" E, a distance of 659.21 feet to the POINT OF BEGINNING and containing 0.241 of an acre in the City of Lubbock, Lubbock County, Texas. Said easement being described in conjunction with an exhibit prepared under job number 12956-01 by Pape-Dawson Engineers.

PREPARED BY: Pape-Dawson Engineers
Texas Registered Survey Firm # 10028800
DATE: July 19, 2024
JOB NO. 12956-01
DOC. ID. N:\CIVIL\12956-01\Word\12956-01 FNEL-0.241 AC.docx



METES AND BOUNDS
DESCRIPTION FOR
VARIABLE WIDTH ELECTRIC EASEMENT

A 0.241 of an acre, or 10,483 square feet more or less, easement located on Tract "A", Veteran's Memorial Cemetery Addition recorded in Document 2023026226 of the Official Public records of Lubbock County, Texas, in the City of Lubbock, Lubbock County, Texas. Said 0.241 of an acre easement being more fully described as follows, with bearings based on the Texas Coordinate System established for the North Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING : At a found 12" iron rod with cap stamped "HUGOREED" on the south right-of-way line of East 50th Street, also known as F.M. 835, a variable width public right-of-way, dedicated in Volume 377, Page 593 and Volume 384, Page 48 of the Deed Records of Lubbock County, Texas, for the northwest corner of said Tract "A", from which the northwest corner of Section 10, Block 'S', G.C. & S.F. Railroad Co. Survey bears N 01° 12' 51" E, 19.60 feet and N 88° 11' 39" W, 1118.20 feet;

THENCE: S 88° 07' 40" E, along and with the south right-of-way line of said East 50th Street, then the north line of said Tract "A", a distance of 487.42 feet to a point, from which a found 1" iron rod with cap stamped "HUGOREED" for the northeast corner of said Tract "A" bears S 88° 07' 40" E, a distance of 1886.01 feet;

THENCE: S 03° 20' 55" W, departing the south right-of-way line of said East 50th Street, over and across said Tract "A" and a 10-foot overhead electric easement recorded in said Veteran's Memorial Cemetery Addition, a distance of 10.00 feet to a point on the south line of said 10-foot overhead electric easement and being the POINT OF BEGINNING of the herein described easement;

THENCE: S 88° 07' 40" E, continuing over and across said Tract "A", with the south line of said 10-foot overhead electric easement, a distance of 15.00 feet to a point;

THENCE: Departing the south line of said 10-foot overhead electric easement, continuing over and across said Tract "A" the following bearings and distances:

S 03° 20' 55" W, a distance of 659.18 feet to a point;

S72°05'41" E, a distance of 10.59 feet to a point; S

17°54'19" W, a distance of 25.00 feet to a point; N

72°05'41" W, a distance of 25.00 feet to a point; N

17°54'19" E, a distance of 20.83 feet to a point;

N 03°20'55" E, a distance of 659.21 feet to the POINT OF BEGINNING and containing 0.241 of an acre in the City of Lubbock, Lubbock County, Texas. Said easement being described in conjunction with an exhibit prepared under job number 12956-01 by Pape-Dawson Engineers.

MEMORANDUM

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

Date: May 13, 2025

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

From: Dr. John Kelley, Director, Texas State Veterans Cemeteries

Subject: Agenda item 9 b - Report on Texas State Veteran Cemetery operations.

Recommendation: This agenda item requires no action from the Board.

The Texas State Veterans Cemetery program was authorized in November 2001, when Texas voters approved Proposition 7. This constitutional amendment allowed the use of certain Texas Veterans Land Board (VLB) funds to operate state cemeteries for veterans and their eligible dependents.

U.S. Veterans Affairs (VA) Developments:

- The Coastal Bend State Veterans Cemetery, expansion project (TX-23-33), in Corpus Christi is on schedule and on budget. Construction is scheduled for contractual completion on 26 May 2025, with a short period of inspection and acceptance thereafter. Announcement of the completion of the project will be provided during Memorial Day ceremony remarks by the Executive Secretary. Photos are provided below.
- The West Texas State Veterans Cemetery in Lubbock, construction project (TX-23-34), is on schedule and on budget. Work is focused on buildings and the committal shelter with early turnover of the Administration building and Maintenance facility scheduled in July. There are a significant number of pre-registrations which are indicative of public interest. The tentative opening date is 12 Dec 2025. Photos are provided below.
- The VA expansion grant opportunity for the Central Texas State Veterans Cemetery in Killeen (TX-23-35) entered the engineering and design phase and is currently at about 65% completion. The output product of the engineering and design effort will be used for statewide bidding later this year.

VLB Initiatives:

- Engineering and design are underway at the Rio Grande Valley State Veterans Cemetery in Mission and is approximately 65% complete. This project will replace both the Administration Building and the Committal Shelter roofs, integrate Space Force, and install automatic gates. This project should be completed by the end of 2025.

- The Texas State Veterans Cemetery program is assisting the City of Lubbock in the assessment and selection of the new Cemetery Director. TSVc personnel reviewed 44 applications and narrowed them down to 4 recommended interviewees and supported the city by providing three members for the interview board. The new Director will start at the end of May.
- The donation of 64 acres for the purpose of constructing a Texas State Veterans Cemetery in east Texas is complete and scoping and cost estimating is underway with the goal of submitting a pre-application to the National Cemetery Administration for an establishment grant. The deadline to submit the grant pre-application is 1 July 2025.
- The Texas State Veterans Cemetery program contracted with Hidalgo County to resurface the roads at the Rio Grande Valley State Veterans Cemetery in Mission. Through this partnership, the roads were resurfaced in an affordable way and were completed in time for the upcoming Memorial Day ceremony. The Coastal Bend State Veterans Cemetery will also be resurfaced in partnership with Nueces County later this year.

Other Items of Interest:

- Memorial Day 2025 will mirror our efforts in 2024 to honor those Killed in Action and Missing in Action. The cemeteries will be open 24 hours a day for the period 23 to 26 May. All flags will be lighted and flown at night. The headstones of those KIAs and MIAs interred at each cemetery will be lit up after dark and the ceremony will feature the traditional roll call reading of the KIA and MIA names three times.
- Ashley Tucker departed the VLB and GLO on 1 May 2025. She served from 16 April 2022 to 1 May 2025 as the Staff Services Officer in the Texas State Cemeteries Division. She and her Active Duty husband are currently enroute to Fort Wainwright, Alaska and we wish her well on this new chapter in her life. She will be missed and we thank her for her and her husband's service to the nation. We welcome her replacement, Niki McDonald, spouse of a disabled Veteran, and look forward to her contribution to our cemetery program.

TX-22-33 Corpus Christi Expansion



Irrigation line installation



Columbaria flat work



Automatic main gate closure system installation



New plants awaiting installation



Drone view of the project

TX-22-34 Lubbock Establishment



Ensuring that building materials are made in America



Rebuilding of the Committal Shelter



The bell tower installed



Pouring of Maintenance building foundation



Drone view of project

Date: May 13, 2025

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

From: Bobby Breeden, Director Texas State Veterans Homes

Subject: Agenda Item 10 a – Report on State Veterans Home Operations.

Recommendation: This agenda item requires no action from the Board.

The Texas State Veterans Home program was authorized in 1997, when the Texas Legislature passed Senate Bill 1060, creating the program to provide long-term care for veterans, their spouses, and Gold Star parents.

Census:

In the context of a nursing home, the term "census" refers to the total number of residents or patients currently residing in the facility at a given time. It is a key metric used to track occupancy levels, manage staffing, and assess the operational and financial status of the nursing home.

Prior to the Fort Worth Tuskegee Airmen Community opening, the combined average census was 96.6%, census currently averages 98%. The percentage will be different after the certification is approved due to the number of beds available and the velocity which staff can in process new residents.

In Phase I of opening Fort Worth, the VLB is authorized 3 bed spaces, and we have them 100% filled at this time, giving Fort Worth 100% occupancy. Phase II will change to 20 available beds after the Health and Human Service Commission (HHSC) Health Survey is passed. Phase III is passing the federal Veterans Affairs (VA) Certification survey. This will make all 120 beds available. At this point the average census will fall for approximately 90 days while veterans and residents are admitted on a weekly basis.

Tuskegee Airmen Texas State Veterans Home:

The opening of the Tuskegee Airmen Home was April 3, 2025. On that day the home admitted their first Veteran, Sergeant O'Malley, a Medal of Honor recipient.

Special Recognition:

I would like to give special recognition to the following individual for being a huge part of the success of the opening of the Tuskegee Airmen Home.

Susan Culp, On Site Representative for the Veterans Land Board decided to move from El Paso, where she was the On-Site Representative for the Veterans Home for 16 years and assume the duties as the On-Site Representative in Fort Worth and be part of opening the Tuskegee Airmen Veterans Home.

Susan communicated with over 500 prospective residents during the past 18 months, performed tours of the community, helped with all the special dedication ceremonies, the grand opening and the special arrival of the first admission.

Retirement Announcement

The VLB has lost a valuable team member. Cathy Overton-Mays retired on 30 April 2025. Cathy served with the VLB for the past 9 years and will be missed. I want to wish Cathy best of luck in the future.

HMR-VSI Operated Homes:

Amarillo, Bonham, El Paso, Fort Worth, Houston and Tyler are operating in compliance with the contract. Amarillo is getting ready to begin the second year of a three-year contract, and Tyler, Bonham and El Paso will be renewed as of 31 May 2025 for an additional three years.

Touchstone Operated Homes:

Touchstone operates four VLB communities. The McAllen, Big Spring, and Floresville communities are recently renewed for a three-year contract term. The Temple community is currently going through the Request for Proposal (RFP) with a tentative date to announce the operator in mid to late June 2025.

Date: May 13, 2025

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

From: John Barton, Director of Bond Funds Management

Subject: Agenda Item 10 b – Consideration and possible action on delegating authority to Executive Secretary to award and enter into the Operations and Management contract for the William R. Courtney Texas State Veterans Home in Temple.

Recommendation: Staff recommends delegating authority to the Executive Secretary to award and enter into a management and operations agreement for the William R. Courtney Texas State Veterans Home in Temple

Summary

The Texas Veterans Land Board (VLB) owns ten long-term care nursing homes for qualified Veterans, their spouses, and Gold Star parents. To be eligible for residency, applicants must have a doctor's note stating the need for skilled nursing care. Veterans must have served at least 90 days on active duty, have a DD214 and have an honorable, general or medical discharge. The State Veterans Homes owned by the VLB have the total capacity to serve 1,420 residents.

Texas State Veterans Homes are owned by the state of Texas and are regulated by both the Texas Health and Human Services Commission as well as the U.S. Department of Veterans Affairs (VA). Third-party operators manage the day-to-day operations of the Veterans homes. The Texas Veterans Land Board oversees the operators and has an on-site representative in each home.

The current management and operations agreement at the William R. Courtney Texas State Veterans Home in Temple ("Veterans Home") is set to expire on August 31, 2025. Staff, in cooperation with the General Land Office's Procurement Team, are conducting a statewide procurement to solicit bids for a new contract beginning on September 1, 2025, for an initial three-year term with an additional, optional three-year term. Staff estimates costs for the initial term at approximately \$43,600,000 and total costs for both terms at \$92,000,000. The solicitation for this agreement was issued on April 14, 2025. Staff intends to make a selection on or around June 6, 2025, and thereafter, enter into an agreement as soon as possible. As of the date of this memo, the Board is scheduled to meet on August 5, 2025. To mitigate the need for a special called meeting, Staff recommends delegating authority to the Executive Secretary to award and enter into a management and operations agreement with the entity selected through the procurement process.

MEMORANDUM

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

Date: May 13, 2025

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

From: John Barton, Director of VLB Bond Funds Management

Subject: Agenda Item 10 c - Consideration and possible action to revise the effective date of the Operations and Management contract for the Tuskegee Airmen Texas State Veterans Home in Fort Worth.

Recommendation: Staff recommends that the Board authorize and allow the Executive Secretary to execute an amendment to its management and operations agreement for the Tuskegee Airmen Texas State Veterans Home in Fort Worth ("Agreement," GLO Contract No. 23-027-000-D644) with Texas VSI, LLC to extend the initial term 17 months.

Summary

Entered on August 8, 2023, the Agreement's initial term ends on August 31, 2026. Its optional, three-year term takes it to August 31, 2029. When the Agreement was established, it was assumed the Veterans Home would open in approximately October 2023, and Texas VSI would assume its management and operations duties then. Delays in the Veterans Home's completion led to the first resident's arrival on April 2, 2025, or approximately 17 months from October 2023. Texas VSI now has only 17 months to perform its duties under the initial term.

Staff is recommending that 17 months be added to the initial term, to allow Texas VSI a period originally contemplated in the Agreement to perform management and operations at the Veterans Home. This extension would move the initial term's end date to approximately January 31, 2028. In addition, it would move the optional term from February 1, 2028, to January 31, 2031. Staff estimates that the extension will lead to an increase in the total value of the Agreement from \$37,400,000 million to upwards of \$43,500,000.

MEMORANDUM

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

Date: March 13, 2025

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

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 10 d - Consideration and possible action on delegation of authority to the Executive Secretary on renewals of the management and operations agreements for the Bonham, El Paso, and Tyler Texas State Veterans Homes.

Recommendation: Staff recommends the Board approve renewing the management and operations agreements for the El Paso, Tyler, and Bonham Texas State Veterans Homes for a three-year period.

Summary

Pursuant to Board authority under the Texas Natural Resources Code, §164.005, Staff seeks approval to renew the management and operations agreements with Texas VSI, LLC at the Ambrosio Guillen (El Paso), Watkins-Logan (Tyler), and Clyde W. Cosper (Bonham) Texas State Veterans Home ("TSVHs"). At its February 4, 2025, meeting, staff sought similar approval from the Board. Updated cost estimates for these renewals differ from what were then provided to the Board. Out of an abundance of caution, Staff again seeks approval.

The VLB entered into the agreements for the El Paso and Tyler TSVHs in June 2022, and for Bonham in August 2022. The renewal periods for the three TSVHs are scheduled to begin on June 1, 2025, and run until May 31, 2028. Staff now estimates that these renewals, in total, will not exceed the following values:

El Paso - \$51,500,000
Tyler - \$45,000,000
Bonham - \$50,838,320

The above estimates are based on fees for the services Texas VSI will perform for residents based on:

- a fixed monthly fee component covering private resident payors, those on Medicaid, and veterans with service-connected disabilities at 70% or higher;
- variable and reimbursable daily fee rates based on the number of residents and their particular types of insurance coverage, to include Medicare; and
- certain services that may be reimbursable to the operators.

Renewing these agreements will ensure residents at these three TSVHs will continue to receive a high quality of care.



MEMORANDUM

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

Date: May 13, 2024

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

From: Ray Minjarez, Deputy Director for Construction Services

Subject: Agenda Item 11 a – Report on Construction Projects

RECOMMENDATION: This agenda item requires no action from the Board.

Tuskegee Airmen Texas State Veterans Home, Fort Worth

Life Safety re-inspection and approval took place on Monday, March 31, 2025. This allowed the first phase of resident move-ins. Cursory, to approval was the requirement for Home Administrator to prepare and submit a Plan of Correction for two documented code violations relating to electrical lighting circuitry and panel board labeling. The Plan of Correction was accepted by Health and Human Services (HHS). Electrical lighting circuitry and panel board labeling scope of work was initiated and in progress by the General Contractor with a prospective completion date on or before May 15, 2025.

Roof Replacement at Richard A. Anderson Texas State Veterans Home, Houston

Project has reached a milestone of having full roof replacement for building Pods A, B, C, D and E. Completed scope of work was inclusive of roof demolition down to metal corrugated decking, new plywood / insulation deck replacement, roof venting, installation of weather barrier and new 15-year manufacturer's warranty asphalt shingles. Pending final installation of 6" roof gutters the project will be complete before the end of May 2025.

HVAC upgrades at Veteran Homes

Replacement and upgrades of HVAC system components funded by Coronavirus State Fiscal Recovery Fund are under contract and progressing with varying stages of completion. Five homes to include Tyler, Temple, Big Spring, Bonham, Floresville scheduled to be complete end of 3rd quarter 2025. The remaining four homes, Houston McAllen, El Paso and Amarillo are scheduled for completion by the first quarter of FY 2026.

MEMORANDUM

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

Date: June 25, 2024

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

From: Morris Karam, Attorney, GLO/VLB

Subject: Agenda Item 12 a - Consideration and possible action on rule review of Texas Administrative Code, Title 40, Part 5, Chapters 175 – 178

Recommendation: The staff recommends that the Board approve the readoption of Texas Administrative Code, Title 40, Part 5, Chapters 175–178, including proposed rule amendments, after a public comment period.

Summary

Section 2001.039 of the Texas Government Code requires the Board, as a State agency, to conduct a review of its rules every four years. These rules are in Title 40, Part 5, Chapters 175 – 178 of the Texas Administrative Code. This review requires a determination as to whether to readopt, readopt with amendments, or repeal these chapters. Readopting a chapter with amendments would entail changing or omitting its individual rules.

At its June 25, 2024, meeting, Staff sought and received the Board’s approval to commence this rule review. Notice was posted in the September 20, 2024, issue of the Texas Register (“Register”) (49 Tex. Reg. 7647). Staff has completed this review and proposes to readopt these chapters with proposed amendments to several rules. Accompanying this memo, these amendments consist of several changes to rules’ provisions and repeals of individual rules. These amendments aim to update the rules’ language and citations, improve their clarity, and remove any unnecessary provisions. Ultimately, they aim to present a more compact version of the Board’s rules reflecting its current practices, policies, and procedures.

Staff requests approval to publish these proposed amendments in the Register. Staff additionally requests approval to adopt these proposed amendments following an at least 30-day period for public comment. Should Staff receive comment meriting any modifications, Staff will address them with the Board. Proposed amendments would be effective 20 days post-filing with the Secretary of State’s Office.

TEXAS ADMINISTRATIVE CODE

TITLE 40: SOCIAL SERVICES AND ASSISTANCE

PART 5: TEXAS VETERANS LAND BOARD

Proposed amendments – Chapter 175, Subchapter A (General Rules of ~~Contract for Deed and~~ [Contracting] Financing for Land)

Pursuant to its rule review, Staff proposes amendments to Texas Administrative Code, Title 40, Part 5, Chapter 175, Subchapter A (General Rules of Contracting and Financing), §175.1, §175.2, §175.4 – .15, §175.17 – .19, §175.21, and §175.22 as follows:

- The proposed amendments to §175.2. remove definitions for the Board and Veterans Land Program because they are provided for in Section 161.001 of the Texas Natural Resources Code (Code), specify that a veteran can hold only one loan originated for that veteran, update a reference to the definition of “missing/missing in action,” update citations to the definition for “surviving spouse,” relocate provisions on the determination of evidence of service in the Armed Forces of Vietnam to improve the rule’s readability, and change provision pertaining to discharge status to limit eligibility for the loan benefits of the Veterans Land Program and other Board loan programs to those who received discharge types of honorable, general, or medical.
- The proposed amendments to §175.3 make grammatical changes to improve the rule’s readability.
- The proposed amendments to §175.5 separate the provisions in a subsection into two subsection to improve the rule’s readability.
- The proposed amendments §175.8 remove outdated language.
- The proposed amendments to §175.11 clarify provisions on interest rates pertaining to transferred contracts for sale and purchase.
- The proposed amendments to §175.12 remove a subsection and relocated it to §175.13, which is the more appropriate rule because it contains all provisions on land improvements. The proposed amendments also update a reference to §175.4.
- As mentioned, the proposed amendments to §175.13 add a subsection of §175.12 to bring all provisions in the chapter involving land improvements into one subsection and make references to the Chairman consistent with how the term is used throughout this chapter.
- The proposed amendments to §175.15 update a reference to the Texas Department of Transportation.
- The proposed amendments to §175.17 add a fee that the Board may charge for the costs of a credit report for processing a loan.

- The proposed amendments to §175.18 update a reference to §175.2 of this chapter, update a reference to Chapter 161 of the Texas Natural Resources Code, makes references to the Chairman consistent with how the term is used throughout this chapter.
- The proposed amendments to §175.22 remove three subsections because their provisions are located in Sections 161.013 and 161.062 of the Texas Natural Resources Code and Section 49-b(b) of the Texas Constitution and is thus superfluous, and updates a reference to the chairman.
- In addition, the title of this subchapter is changed to “General Rules of Contract for Deed and Financing for Land” to specify the rules’ subject matter.

Other, non-substantive changes throughout the chapter are proposed as follows:

- References to the Board are made lower-case to align with their occurrences throughout Chapters 161, 162, and 164 of the Code.
- References to this chapter are changed from “title” to “chapter,” as the former is generally used throughout the Texas Administrative Code.
- Citations and language are updated, language is updated, and grammatical and editorial changes are made to language to improve the rules’ readability.

Amendments, by rule, follow:

§175.1. Sale of Bonds

Procedure for issuance and sale of bonds will be set by resolution of the board [~~Veterans' Land Board (hereinafter called board)~~]. The chairman of the board and the executive secretary of the board are authorized to work with the bond counsel selected by the board in ascertaining the elements of security permissible under the law, the maturities, option provisions, paying agency provisions, and any related elements [~~etc.,~~] pertaining to the sale of bonds that are [~~is~~] acceptable in the market to the end that such elements may be incorporated into the bonds and resolution. The chairman, executive secretary [~~of the board~~], and bond counsel will prepare a draft of the official notice of sale of bonds for the approval of the Attorney General of Texas and subsequently by the board. After the notice of sale is approved, it will be published, either in full or abbreviated form, in the manner prescribed by law, and the board has the right to reject any and all bids received.

§175.2. Loan Eligibility Requirements

(a) The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

~~[(1) Board—The Veterans Land Board of the State of Texas.]~~

~~(1)~~~~(2)~~ Bona fide resident--An individual ~~[actually]~~ living within the State of Texas with the intention to remain.

~~(2)~~~~(3)~~ Missing/Missing in Action--To have an official designation of "missing status" as provided by 37 USC §551 ~~[Title 37, Chapter 10 of the United States Code relating to Payments to Missing Persons. The term "missing status" means the status of members of a uniformed service who are officially carried or determined to be absent in a status of missing; missing in action; interned in a foreign country; captured; beleaguered, or besieged by a hostile force; or detained in a foreign country against their will.]~~

~~[(4) Program--The Veterans Land Program as authorized by Title 7, Chapter 161 of the Texas Natural Resources Code relating to Veterans Land Board.]~~

~~(3)~~~~(5)~~ Surviving spouse--A person who satisfies the federal definition of "surviving spouse" contained in by 38 USC §101(3) ~~[Title 38 USC Sec. 101(3)]~~, as modified by the special provision in 38 USC §103 ~~[Title 38 USC Sec. 103]~~, or any successor statutes, as amended from time to time. ~~[The board's intent is to match the eligibility requirements for a surviving spouse to qualify for a home loan guaranteed by the USDVA.]~~

~~(4)~~~~(6)~~ USDVA/VA--The United States Department of Veterans Affairs or any successor thereto.

~~(5)~~~~(7)~~ Veteran--A person who satisfies the requirements of subsection (c)(1) of this section.

(b) The board ~~[Board]~~ shall be the final authority in defining and interpreting all eligibility requirements, and whether an applicant has actually satisfied those requirements. The board ~~[Board]~~ may by resolution prescribe the procedures and forms to be used by applicants to evidence eligibility, and may appoint a committee of qualified individuals to consider the evidence of eligibility and make recommendations to the board ~~[Board]~~. ~~[Evidence of service in the Armed Forces of the Republic of Vietnam consists of:~~

~~(1) documents from said Armed Forces of the Republic of Vietnam;~~

~~(2) documents from a federal office, such as the Army, Navy, Air Force, Marine Corps, or the Bureau of Immigration and Customs Enforcement;~~

~~(3) documents from the People's Republic of Vietnam; or~~

~~(4) other proof of service deemed appropriate by the Board or the Board's designee.]~~

(c) To be eligible to participate in the program, an applicant must satisfy one of the following:

(1) be a person who:

(A) is at least 18 years of age;

(B) is a bona fide resident of Texas at the time of application for a loan. Military personnel on active duty, who otherwise meet the requirements of this subsection are eligible even though stationed outside of Texas at the time of application;

(C) satisfied one of the following service requirements after September 16, 1940, and:

(i) has served not less than 90 cumulative days of active duty or active duty training time in the Army, Navy, Air Force, Coast Guard, Marine Corps, United State Space Force, United States Public Health Service, or a recognized reserve component of one of the listed branches of service, unless discharged earlier because of a service-connected cause;

(ii) has completed all initial active duty training required as a condition of service in any National Guard or reserve component of one of the branches of service listed in clause (i) of this subparagraph;

(iii) has at least 20 years of active or reserve military service as computed when determining the applicant's eligibility to receive retired pay under applicable federal law; or

(iv) served in the Armed Forces of the Republic of Vietnam between February 28, 1961 and May 7, 1975.

~~[(D) is considered not to have been dishonorably discharged under subsection (h) of this section, if the person has been discharged from military service; and]~~

(D)~~[(E)]~~ satisfies one of the following:

(i) was a bona fide resident of Texas at the time of enlistment, induction, commissioning, appointment or drafting;

(ii) is a legal resident of Texas on the date of application; or

(iii) is serving on active duty, at the time of application, assigned to a military base or facility in Texas, and has officially designated Texas as the applicants home of record.

(2) is the surviving spouse of a veteran who died:

(A) as a result of a service-connected cause, as determined by the board ~~[Board]~~ or certified by the USDVA, or who is identified as missing in action, if the spouse satisfies the requirements of paragraph (1)(A) and (B) of this subsection, and the veteran satisfied the requirements of paragraph (1)(C) and (D) of this subsection and either paragraph (1)(E)(i) of this subsection or the veteran ~~[Veteran]~~ was a legal resident of Texas at the time of his or her death; or

(B) after filing an application and contract of sale with the board ~~[Board]~~, but before the transaction was completed, if he or she meets all other qualification requirements of the board ~~[Board]~~.

(C) For purposes of this subsection relating to surviving spouses, an individual assigned to a military installation in Texas, who is killed in Texas as the result of a terrorist attack as defined by the [board](#) [~~Board~~], will be considered to be a Texas resident as of the day of death.

(d) A person may only have one [land](#) loan at a time as a veteran [for which the person applied](#). However, once that [land](#) loan is paid in full, he or she may apply for another [land](#) loan as a veteran. The foregoing notwithstanding, an individual who is currently participating in the land program as a veteran may also, as a non-veteran:

(1) take an assignment of a contract or contracts;

(2) assume a land mortgage loan or loans; or

(3) bid on a forfeited or foreclosed tract or tracts.

(e) The applicant must sign applications and contracts. An attorney in fact may not sign these documents for an applicant, except under limited conditions approved by the [board](#) [~~Board~~].

(f) No application shall be approved to purchase land under the program:

(1) which provides for or recognizes a second or subordinate lien as a part of the original purchase price for any tract except as provided for in [§175.54\(b\)\(1\) of this chapter \(Protection of Security Interests\)](#) [~~§175.54(b)(1)~~];

(2) where there is evidence that the benefits derived from the use of the land will not pass to the applicant; or

(3) where there exists any other good and sufficient reason to refuse approval, as determined by the chairman of the [board](#) [~~Board~~].

(g) If both spouses are individually eligible to participate in the program, nothing herein shall be construed to prohibit them from applying for a loan to jointly purchase the same tract of land. The [board](#) [~~Board~~] may make a loan for the purchase of the same tract of land by two veterans who are spouses, but only if both spouses together satisfy the loan qualification requirements of the program. The total amount of this loan shall not exceed the maximum amount allowable for this type of loan.

(h) Any requirement of this section, or of any section within this chapter, which is not otherwise required by the constitution or statutes of this state, may be waived on a case-by-case [\[ease-by ease-basis\]](#) by the [board](#) [~~Veterans Land Board~~]. Any waiver request must be in writing and must describe the circumstances surrounding the request, including all of the reasons why the waiver is requested.

[\(i\) For purposes of this section, evidence of service in the Armed Forces of the Republic of Vietnam consists of:](#)

(1) documents from said Armed Forces of the Republic of Vietnam;

(2) documents from a federal office, such as the Army, Navy, Air Force, Marine Corps, or the Bureau of Immigration and Customs Enforcement;

(3) documents from the People's Republic of Vietnam; or

(4) other proof of service deemed appropriate by the board or the board's designee.

~~[(h) For purposes of this section, a person who has been discharged from the branch of the service in which the person served or from the reserve or National Guard is considered not to have been dishonorably discharged if the person:~~

~~(1) received an honorable discharge;~~

~~(2) received a discharge under honorable conditions; or~~

~~(3) received a discharge and provides evidence from the United States Department of Veterans Affairs, its successor, or other competent authority that indicates that the character of the person's duty has been determined to be other than dishonorable.]~~

(j) A person who has been discharged from the branch of the service in which the person served or from the reserve or National Guard with:

(1) a discharge type of honorable, general, or medical is eligible for a loan under the program and participation in the board's other loan programs.

(2) a discharge type of dishonorable is not eligible for a loan under the program and participation in the board's other loan programs.

(3) any other discharge type, including but not limited to, bad conduct, other than honorable, entry-level separation, or separation for convenience of the government is not eligible for a loan under the program or participation in the board's other loan programs unless the person provide a certificate of eligibility or similar documentation from the USVA demonstrating the person qualifies for a VA loan based on service history and duty status.

§175.3. Land Selection – No change.

§175.4. Land Description

(a) Land selected to be purchased by the board must be described by a legally sufficient metes and bounds description. The property description must:

(1) contain a general description of the land, specifying the acreage contained, the original survey(s) or grant(s) with abstract number(s), survey number(s) and block designation, if applicable, and the county in which the tract is located. If ~~(if)~~ the tract is divided by a county line, the appropriate abstract numbers and acreage on each side of the county line will be shown). The general description shall also contain the deed reference to the parent tract including grantor, grantee, date of instrument, and volume and page of recording. Additional references to other instruments in the chain of title may be referred to if appropriate;

(2) contain a specific description of the land, defining each side of the tract by course and distance or appropriate and complete curve data, identifying and describing monuments at each corner, and further identifying the land by calls for other natural and artificial objects on and along the boundaries and by calls for and reference to adjoining properties where appropriate;

(3) be tied to a corner of an original grant or survey if such corner is locatable and if the tie is not impractical to obtain. If it is impossible or impractical to tie to a corner of an original grant or survey the tract should tie to a locatable corner of the parent tract or any of the adjoiners; and

(4) include a description, either by metes and bounds or center line, of the access easement from the tract to an existing public road of all tracts which do not abut a public road.

(b) If the tract selected is in a subdivision, a lot and block description of the tract may be substituted for the metes and bounds description. If a lot and block description is to be used, the board must be furnished a copy of the recorded subdivision plat. This plat must show the recording information and the required signatures of the governmental entity ~~[(commissioners court, city council, etc.)]~~ authorized to accept such subdivision plat. Easements as necessary for access to a public road from all tracts must be clearly shown on the subdivision plat together with appropriate language dedicating such easement to the public or to the owners of tracts in the subdivision. All the data required in subsection (a) of this section should be shown on the face of the plat, including courses and distances for all lot lines and areas for each lot. All plats accepted subsequent to the adoption of this section shall identify the size and type of monument set at each corner of every lot. If a lot is part of a subdivision already of record where monumentation is not shown, a survey plat shall be furnished indicating monuments set or found at all corners of the tract together with sufficient ties to locate the lot within the subdivision.

(c) All metes and bounds descriptions and survey plats shall bear the seal and signature of the surveyor preparing the same. Any field notes or survey plat prepared for and used in any board ~~[Veterans Land Board]~~ transaction includes a license from the surveyor to the board and the veteran purchaser to copy and use the field notes in that transaction and in any future transactions involving the surveyed property.

(d) Metes and bounds descriptions must be prepared from a survey of the property made on the ground. The survey should be made in such manner to be generally acceptable to title companies in the State of Texas for the purpose of deleting the survey exception clause.

(e) Each corner of the tract of land shall be marked by concrete or metal monuments or other durable monuments generally used in the area. A description of each monument set or found and

its location, with witnesses as available, shall be incorporated into the metes and bounds description of the property.

(f) When a roadway or easement crosses a tract, it shall be described sufficiently to enable its location throughout the tract and its area to be determined.

(g) Property descriptions and subdivision plats will be examined by the board for acreage, closure, and sufficiency. The board's determination of these items will control.

(h) The surveyor should be instructed to do a proper boundary survey of the land to be conveyed according to the record boundaries of the tracts involved. Any encroachments by existing perimeter fences into the subject tract or into adjacent tracts should be shown together with the area of any lands lying between the record boundaries and the existing occupation. Any occupation on the ground not conforming to the record boundaries should be shown on a plat of survey and fully explained in an accompanying [surveyor's](#) ~~[surveyors]~~ report.

(i) The chairman may waive any of the foregoing requirements and accept a survey deemed sufficient by the title company to permit deletion of the survey exception clause.

§175.5. Appraisal of Land

(a) Before property is purchased it shall be appraised for the board by an appraiser approved by the board. The exclusive purpose of the appraisal is to assist the board in determining that its investment will be sufficiently secured. Any improvement existing on the land may be considered by the board in making the appraisal. If improvements are considered in determining the value of the property, the board may in accordance with §175.6(d) of this [chapter](#) ~~[title]~~ (relating to Commitment by the Board) require the purchase of an insurance policy covering fire and hazard losses.

(b) If the appraisal amount is less than the purchase price agreed upon, the veteran may cancel the transaction. The veteran must provide a written cancellation notice to the seller and the board and request that the board return the down payment and the unused portion of the fee deposits.

(c) Upon the request of the veteran, the appraiser shall meet with the veteran for a physical inspection of the land to be purchased. Except as provided in subsection (d) of this section, the board may not require that veterans accompany the appraiser. The [board](#) ~~[Board]~~ may, by resolution, establish a procedure for veterans to certify they have personally inspected the tracts they are purchasing. This resolution may also provide a procedure for granting a request to permit the veteran's personal representative to inspect the tract for the veteran.

(d) If the veteran believes that the appraisal contains a mistake, the veteran may request that the land be appraised again. The board shall have the land re-appraised if all the following requirements are satisfied:

- (1) The request for a re-appraisal must be in writing and describe any mistake the veteran believes was made.
- (2) The written request should be accompanied by any documentation supporting the allegation that a mistake was made.
- (3) The re-appraisal fee must be remitted to the board.
- (4) If the board elects to perform another physical inspection of the tract in connection with the re-appraisal, the board may require that the veteran personally accompany the board's representative on that inspection.
- (e) The chairman, or executive secretary, of the board may waive any of the requirements of subsection (d) of this section. The board shall be the sole and final judge regarding any matter associated with the appraisal of the land to be purchased, and the amount of the loan offered to any veteran.

§175.6. Commitment by the Board

(a) After reviewing the appraisal, and any other relevant information, the board shall issue a commitment showing the amount it will invest in the land selected. The veteran and seller shall be notified of the commitment amount in writing. The board shall not invest more than the least of the following options:

- (1) 95% of the appraised value of the land;
 - (2) 95% of the final agreed purchase price; or
 - (3) the maximum loan amount as set by the board [~~Board~~] by resolution from time to time, as prescribed by law.
- (b) Except for certain forfeited land sales [~~Forfeited Land Sales~~], the board requires the veteran to have at least a five percent (5.0%) [~~(5.0%)~~] equity investment in the land. The equity investment is the difference between the commitment amount and the purchase price. The amount of equity required shall be the combination of the initial payment and the down payment(s), as applicable.
- (c) If the commitment amount is less than 95% of the purchase price, one of the following should be done:
- (1) The veteran may pay to the board the difference between the purchase price and the commitment amount;
 - (2) The parties may amend the purchase price, with the veteran paying to the board the difference between the amended price and the commitment amount;

(3) The parties may amend the contract to increase the acreage to make up for the difference in value compared to price; or ~~[The veteran may cancel the loan application and purchase contract.]~~

(4) The veteran may cancel the loan application and purchase contract.

(d) In certain cases, special circumstances may require special loan conditions in the commitment terms. The following are two examples, but others may apply:

(1) If improvements on the land are considered by the board in determining the commitment amount, their value may be amortized over their lifetime as determined by the appraiser; and

(2) If the land is situated in an underground irrigation water area, the installments may be accelerated for the purpose of protecting the board's investment against the risk of any diminishment of the water reserve.

(e) Notwithstanding anything to the contrary in these rules, the chairman may establish procedures so that any required initial payment, down payment, or difference money may be paid to the closing agent at closing.

(f) If for any reason a veteran's application is not processed to completion, the down payment will be refunded to the veteran, together with the unused portion of any fees that have been paid by the applicant.

(g) Each application will be considered as a wholly separate transaction, independent of any other agreement, transaction or contingency. The board will not consider an application which contains a provision making it contingent upon the success or completion of another agreement or transaction, except as provided for in §175.54(b)(1) of this chapter (relating to Protection of Security Interests).

§175.7. Title Examination

(a) The board will designate an attorney or title company in the county where the land is located to serve as its closing representative. The veteran or seller may submit the name of a closing representative for the board's consideration. The representative will be paid \$25 for closing the transaction. The board will also pay up to \$30 to cover recording costs. The board will not pay a representative for preparing and filing application papers, drafting instruments, or for rendering services of a similar nature. If an attorney provides such services the attorney shall ~~[he is to]~~ be paid directly by the veteran or seller.

(b) The seller shall ~~[It is the seller's responsibility to]~~ obtain a commitment for title insurance and to provide copies of it to the closing representative and the board.

(c) The seller shall also provide the following, as applicable:

- (1) releases of any outstanding liens;
 - (2) proof that all taxes have been paid through the last taxable year;
 - (3) evidence that taxes have been prorated as of the date of sale, or that satisfactory arrangements have been made with the veteran regarding taxes, including rollback taxes;
 - (4) releases of any mineral leases that have expired, or an affidavit of nonproduction and nonpayment of annual delay rentals;
 - (5) any instruments in the chain of title necessary for the board to make a proper showing of ownership to a lessee under an existing mineral lease; and
 - (6) fees for recording all instruments other than the deed from the seller to the board and the contract of sale and purchase between the board and the veteran.
- (d) The [~~Among other things, the~~] veteran shall [~~will~~] be required:
- (1) to furnish a fire and hazard insurance policy if there are any improvements on the land which have been considered by the board in determining the amount to be invested, together with a receipt showing the first year's premium has been paid; and
 - (2) to execute an affidavit showing that the veteran [~~he~~] has taken possession of the land, has inspected the land, and has found no one in adverse possession and that the taxes have been prorated to the veteran's [~~his~~] satisfaction.
- (e) The staff of the board will prepare a deed sufficient to convey title to the land from the seller to the board. If the seller wishes to have a deed prepared and furnishes it to the board, this deed must:
- (1) name the Veterans Land Board of the State of Texas as grantee;
 - (2) state the full and true consideration to be paid;
 - (3) specify all reservations of oil, gas, and other minerals affecting the property;
 - (4) specify all easements, leases, or [~~and/or~~] other exceptions which might affect the property; and
 - (5) contain a general warranty; special warranty deeds are not acceptable, except where specifically authorized by the chairman of the board, chief clerk, executive secretary, or assistant executive secretary.
- (f) The staff of the board will prepare the deed upon submission of a title commitment and other closing papers. The seller may at his or her sole expense arrange to have a proposed deed

furnished to the board for approval. The board's use of such a deed will in no way reduce any fees charged by the board for title examination and deed preparation.

(g) When the title insurance commitment has been completed and submitted, the closing representative shall forward it, along with the original and one copy of the proposed deed, if any, to the board. The board must also be provided copies of all reservations and exceptions listed in the title insurance commitment or proposed deed. The [staff of the board](#) ~~[board's attorneys]~~ will examine the closing papers (and draft a warranty deed if needed). If all is in order, the board will request the state comptroller to issue a treasury warrant in the amount of the purchase price. When the warrant is received by the board, it will be forwarded with the other closing materials to the representative so that the transaction can be completed.

(h) When the closing representative is satisfied that all closing requirements have been met, [the closing representative](#) ~~[he]~~ shall require the seller to execute and tender the deed, and shall, on behalf of the board, tender the consideration to the seller. The closing representative shall also require the veteran to execute the contract of sale and purchase. The veteran must execute this personally, no other person is authorized to execute it for him.

(i) The closing representative shall file the deed and contract of sale and purchase for recording, together with any additional instruments which should be recorded. The recorded originals of the deed to the board and the contract of sale and purchase shall be sent to the board, where they will be made a part of the veteran's permanent file.

(j) The board has obtained a group credit life insurance policy and a group disability policy for the benefit of both veterans and non-veterans who are purchasing land through the program. If the contract holder obtains the group credit life insurance and dies while it is in force, the principal balance of the veteran's account as of the date of death will be paid in full in accordance with the terms of the policy of insurance. If the contract holder obtains the group disability insurance and becomes disabled, the account holders regularly scheduled payments will be made in accordance with the terms of the policy of insurance. The policy or policies will be terminated when the contract holder dies or pays the account in full.

§175.8. Contract of Sale and Purchase

(a) The contract of sale and purchase will be prepared by the board. It is to be executed by both the veteran and the chairman of the board.

(b) The board will specify the terms of the contract for each transaction.

(c) Each contract of sale and purchase shall bear a rate of interest designated by the board and shall not exceed 30 years in duration.

(d) If the tract contains improvements or is located in an underground irrigation water area, the chairman may require accelerated installments for the purpose of protecting the board's investment.

(e) Installment payments on a ~~[veteran-purchaser's]~~ contract of sale and purchase shall be made on a monthly basis with the dates specified in the contract. ~~[due and payable in the following manner:]~~

~~[(1) for transactions which have closed before January 1, 1984, installment payments will be made on a semiannual basis, unless the veteran purchaser elects to change to a monthly payment schedule.]~~

~~[(2) for transactions which close after January 1, 1984, payments will be made on a monthly basis.]~~

~~[(3) the installment dates will be specified in the contract.]~~

(f) Advance payments may be made at any time. When making an advance payment the veteran should provide the board with written instructions as to the nature of the payment (i.e., whether it is an additional payment against principal or an advance installment payment). Making an additional payment against principal will not relieve the veteran of the [his] obligation to make each installment payment as it becomes due.

(g) All taxes ~~[(state, school, water district, city, or any other tax)]~~ shall be kept current. Evidence of their payment shall be submitted to the board by May 1 of each year.

(h) If there are any material errors in the contract, the chairman may execute a correction contract. This instrument will then be provided to the veteran for signing [his signature].

§175.9. Death of a Purchaser

(a) Upon the death of the purchaser, if the account is insured under a [the] group life insurance plan, the board should be immediately notified ~~[at once]~~ and furnished with a certified copy of the death certificate and a deed fee, which is not paid under the group insurance plan.

(b) If the account is not insured at the time of the purchaser's death, the board should be furnished with:

(1) certified copies of all probate proceedings, if any; or

(2) an affidavit of heirship, if the purchaser dies intestate and no administration is necessary for the estate.

(c) The person or persons acquiring the rights of the deceased purchaser should indicate to the board that they are willing to accept the obligations of the contract of sale and purchase.

(d) Upon receipt of the items listed in subsections (a), (b), and (c) of this section, the records of the board will be changed to reflect the new ownership.

§175.10. Insurance Losses

(a) All proceeds received for insurance losses must be deposited with the board. These proceeds may be used to repair or replace the damaged or destroyed improvements, or they may be applied to the principal balance of the veteran's account.

(b) In the event a check jointly payable to the board and purchaser by the insurance company, the veteran shall ~~[Normally, when there has been a loss the insurance company will issue a check jointly payable to the veteran and the board. The veteran should]~~ endorse the check and forward it to the board. The proceeds will be held in a special account until the damaged or destroyed improvement has been repaired or replaced, or until it has been determined that the proceeds are to be applied to the principal balance of the veteran's account.

(c) If there has been a partial loss, repairs shall be made in order to prevent further deterioration. If the loss is total, the veteran will have the option of rebuilding the improvement or applying the proceeds to the principal balance of the veteran's [his] account. If applying the proceeds to the principal balance of the account pays it in full, any unused funds will be refunded to the veteran, or his or her designee, as soon thereafter as practicable.

(d) When an improvement is repaired or replaced, and the loss is under \$500, the veteran should:

(1) submit to the board itemized statements showing the materials and labor furnished; and

(2) submit to the board an affidavit showing that all of the materials and labor specified in the statements were actually used in the repair or replacement of the improvement.

(e) When an improvement is repaired or replaced and the loss is over \$500, the veteran should:

(1) submit to the board an itemized statement showing the materials and labor furnished; and

(2) allow sufficient time for the board to make a physical inspection of the repaired or replaced improvement.

(f) Reimbursement from the insurance proceeds may be made directly to the veteran or the veteran's [his] creditors. If reimbursement is to be made to the veteran, the itemized statements mentioned in subsections (d)(1) and (e)(1) of this section must show that payment has already been made by the veteran. If reimbursement is to be made to the creditors, the veteran must authorize the board in writing to pay the creditors.

(g) Reimbursement can be made only when the damaged or destroyed improvement has been repaired or restored.

(h) If proceeds from insurance losses are not completely used in restoring improvements to their original condition, the remaining balance on deposit will be applied to the principal balance of the veteran's account.

(i) The application of insurance proceeds to the principal balance of the veteran's account shall not relieve the veteran [~~him~~] of the obligation to make the regular installment payments.

§175.11. Transfer of Contract of Sale and Purchase

(a) After the original veteran-purchaser has been in possession of the tract for at least three years from the date of closing, the contract of sale and purchase may be transferred in one of the following ways:

(1) it [~~the contract~~] may be assigned to an eligible veteran without any increase in the interest rate; or[-]

(2) it [~~the contract~~] may be assigned to a non-veteran, a veteran who is currently participating [~~has previously participated~~] in the program or a firm or corporation with an increase in the interest rate. The new rate of interest shall be set by the board.

(b) The contract may be transferred before the expiration of the three-year [~~three year~~] period only if the veteran dies, becomes financially incapacitated, or in the event of an involuntary transfer by court order or proceedings, such as bankruptcy, sheriff's sale, or divorce. Affidavits, certified copies of proceedings, and other documentation may be requested by the board in connection with this exception.

(c) If the veteran attempts to transfer, sell, or convey the property before the three-year [~~three year~~] period has elapsed, the board may forfeit the account and order the property to be sold. In the alternative, the board may require that the account be paid in full and a penalty paid, or approve the unauthorized transfer upon the payment of the penalty and receipt of such other documentation as may be required. The penalty shall be the difference between the account's interest rate and the interest rate charged to non-veterans at the time the unacceptable transfer or conveyance is discovered.

(d) No assignment shall be effective until approved by the chairman of the board.

(e) Upon request, the board will furnish to the assignor, or to one designated by the assignor [~~him~~], the forms and information necessary to complete a transfer.

(f) An assignment will not be approved if it is executed by an attorney in fact.

(g) If married, the veteran's spouse must join in the assignment.

(h) If the assignor wishes to reserve any interest in the property, the assignor [~~he~~] must obtain the approval of the board prior to the assignment. An assignment will not be approved if the assignor attempts to reserve any interest in the contract of sale and purchase.

(i) The assignee, not the board, is not responsible for the condition of title subsequent to the execution of the contract of sale and purchase with the original veteran-purchaser. ~~[The assignee should satisfy himself as to condition of title before accepting an assignment.]~~

§175.12. Severances

(a) A veteran may obtain a severance deed from the board for a portion of land the veteran purchases and for which the veteran wishes to have clear title as follows ~~[If a veteran wishes to have clear title to a portion of the land he is purchasing, he may obtain a severance deed from the board for that portion. To accomplish this the following steps should be taken]:~~

(1) A current ground survey of the portion to be severed must be made by a qualified surveyor. The survey requirements of §175.4 of this chapter ~~[title]~~ (relating to Land Description ~~[Descriptions]~~) must be met. The field notes and plat prepared from the ground survey must be submitted to the board.

(2) Both the tract to be severed and the remaining tract must have access to a public road. If the severed tract includes all of the road frontage, a 60-foot ~~[60-foot]~~ access easement to the portion remaining under contract must be conveyed to the board.

(3) Upon receipt of the field notes and plat, the board will have an appraisal made to determine the amount to be paid for the severed acreage. The veteran will be notified of the result of this appraisal. This amount, which will be applied against the principal of the veteran's account, should be submitted to the board, along with a deed fee. The board will then issue a deed, conveying clear title to the severed portion.

(b) The board will not issue severance deeds listing anyone besides the original veteran purchaser or the last approved assignee as the grantee.

(c) All requests for severances will be subject to the approval of the chairman of the board.

~~[(d) The chairman of the board is authorized to enter into, and execute on behalf of the board, an agreement recognizing that an improvement, when constructed, shall not attach to and become a part of the realty for the duration of any obligation incurred by a purchaser in connection with the erection of such improvement.]~~

§175.13. Sale of a Material Asset, and Improvements

(a) Material Assets.

(1) No sale of timber, rock, gravel, sand, chemicals, or other material asset, the loss of which tends to lower the value of the land, shall be effective until approved by the chairman of the board.

(2) The chairman will prescribe the form or forms of instruments necessary to effectuate a sale, and will approve any such sale on behalf of the board.

(3) At least one-half [1/2] of the proceeds from the sale of a material asset shall be paid to the board. This amount will be applied toward the principal balance of the veteran's account.

(b) Improvements.

(1) Before any improvements may be removed from the property the veteran must obtain written permission to do so from the chairman [of the board].

(2) The veteran's request should be in writing and addressed to the chairman [of the board], and advise the amount to be paid, if any, and the reasons for removal.

(3) The chairman is authorized to enter into, and execute on behalf of the board, an agreement recognizing that an improvement, when constructed, shall not attach to and become a part of the realty for the duration of any obligation incurred by a purchaser in connection with the erection of such improvement.

§175.14. Mineral Leases

(a) When applicable, a veteran may execute mineral leases covering the land being purchased through the board. The following conditions must be met:

(1) No oil and gas lease will be accepted unless the board's standard form is used. Copies of this form will be furnished upon request.

(2) The lease must be approved by the chairman of the board.

(3) Each lease must state the actual and true consideration to be paid.

(4) At least one-half [1/2] of all proceeds, including bonus, rentals and royalties received under the terms of such leases, shall be paid to the board and applied toward the principal balance of the account. If an account is delinquent, the board will require that additional payments of bonus, rental and royalty be paid until the delinquency is satisfied. Payments made in this manner will not relieve the veteran of the [his] obligation to make the regular installment payments.

(5) The lease term may not exceed 10 years, except when a lease is held in force by production. However, coal and lignite leases may be executed, with board approval, for terms up to 40 years.

(6) No lease may contain a provision for an option, renewal or release for any term, nor may such provision be provided for by separate instrument.

(b) Each executed mineral lease must be submitted to the board in duplicate. The approved original will be returned for recording with the county clerk. One half of the bonus payment

should accompany the lease, along with a lease review fee. If the account is delinquent, all of the bonus payment, or as much as may be required, should be sent to the board to satisfy the delinquency.

(c) At least five acres around and including improvements on a tract must be excluded from all leases executed for iron ore, gravel, coal, or other substances, the mining or development of which tends to destroy the surface value of the land.

(d) The veteran may lease the property for agricultural, hunting or grazing purposes or for other surface uses without obtaining the approval of the board. However, if the tract is forfeited the rights of the lessee are then terminated.

§175.15. Approval of Easements

(a) A contract holder may, with the approval of the board, grant easements or rights of way~~[-~~
~~These are of four general types]~~:

(1) A right of way granted to the state or county for roads, channels, and similar projects [ete]. The forms to be used in granting such an easement may be obtained from the board or the Texas [State Highway] Department of [Highways and Public] Transportation.

(2) Utility easements for pipelines, electric lines, and similar projects [ete]. The board requires use of its form when granting such an easement, except when an easement for a waterline is to be granted. In that case the Federal Housing Administration (FHA) form may be used. If an FHA form is used, a course and distance description of the waterline must be attached.

(3) Flowage easements granted in connection with dams and reservoir projects. The agency administering the project furnishes the forms for such easements. An elevation contour map of the acreage involved, together with an engineer flood data sheet, may be used in place of a course and distance description.

(4) Easement for right of way purposes. The board does not require the use of a specified form for easements of this type. However, a form that may be used as a guide is available from the board.

(b) If a board [VLB] form is not used, the following paragraph must be inserted into the grant of easement. This paragraph more fully explains the conditions of ownership of the tract of land: "The land herein described is under Contract of Sale and Purchase to grantor herein who will receive a deed to said lands from the Veterans Land Board when all the terms of said contract have been complied with. Grantor executes this instrument with the approval of the Veterans Land Board in accordance with the regulations of said board, which approval is signified by the signature hereon of its chairman." A signature block must be provided at the conclusion of the instrument, as follows: Approved this _____ day of _____, 20__ Veterans Land Board of the State of Texas by: _____ Chairman, Veterans Land Board.

(c) The contract holder must submit two original grants of easement to the board. These must be signed by the contract holder and acknowledged by a notary public.

(d) A fee must be paid to the board for review and approval of such easements. This fee is to be submitted to the board, along with the duplicate easement documents and any consideration paid, at the time the board's approval is requested.

(e) The consideration paid for the easement must be stated clearly and accurately. Statements such as "ten dollars and other good and valuable consideration" are not acceptable.

(f) All cash consideration paid for an easement must be submitted to the board. The board will distribute the consideration in light of the account's payment record, the amount of consideration and the effect on the value of the land. At least one-half of the consideration will be retained by the board and applied to the principal balance of the account.

(g) Any payment made to compensate for temporary damage to the land, such as to growing crops or to plowed fields, should be paid directly to the contract holder. The amount of such payment and its purpose must be specifically stated in the grant of easement.

(h) If payment is made for permanent damage to or depletion of the land, ~~[(c)]~~ such as the cutting of timber~~[(d)]~~, one half of that amount must be paid to the board. This amount is to be applied to the principal of the veteran's account.

(i) If the easement is to be donated, the grant of easement should so state.

§175.16. Payment in Full – No changes.

§175.17. Fees and Deposits

(a) Notwithstanding any other references to fees in this chapter to the contrary, the only fees collected by the board shall be those described in this section.

(1) The board shall from time-to-time adopt by resolution a schedule describing the services for which it charges fees. The board's resolution adopting a schedule shall set the specific fee for each service described in the schedule, provided that no fee shall exceed the maximum amounts described in this section. The schedule will be made available to any person upon request and will be published on the board's [website](#) ~~[Internet site]~~.

(2) If another law of the state requires the board to perform a service, the board shall collect the fee authorized by said law.

(3) On a case-by-case basis, the chairman or the executive secretary may waive the collection of any fee described in this section if it serves the best interests of the program.

(b) The board shall collect the following fees when they are applicable:

- (1) a fee not to exceed \$250 for a regular (or first) appraisal of a tract of land;
- (2) a fee not to exceed \$100 for the reappraisal of land previously appraised by the board for the same transaction;
- (3) a \$2 per acre fee for a subdivision pre-appraisal and consultation [~~fee—\$2 per acre~~], calculated on the gross acreage in the subdivision, with a minimum of \$250; and
- (4) a fee not to exceed \$25 for a returned check for non-sufficient funds [(NSF)];
- (5) [~~The board shall collect~~] a fee not to exceed \$150 for the preparation, review, or approval of any document, including but not limited to the following:
 - (A) contract of sale and purchase;
 - (B) mineral lease or assignment of mineral lease;
 - (C) easement, including but not limited to utility easements, access right of ways, and recreational;
 - (D) transfer of contract and sale and purchase; and
 - (E) deed issued when a portion of a tract is severed prior to the full payment of its loan; and
- (6) a fee for a deed issued when a loan is paid in full, not to exceed:
 - (A) \$150 if the contract incorporates this chapter by reference, or includes a general reference to the rules or [~~and/or~~] regulations of the board; or
 - (B) the amount of the fee that was in effect on the date the contract was executed if the contract contains no reference to the rules or [~~and/or~~] regulations of the board.

(c) The board may collect a fee to cover the cost of a credit report. Any fee for this purpose cannot exceed the actual cost of obtaining such a report from a third-party vendor.

(d) [(e)] No fee may be charged in connection with the program to a loan applicant by a third party that has not been approved by the board.

§175.18. Resale of Forfeited Land

(a) Definitions. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Bid--A bid is an offer to purchase a Type I or Type II tract submitted in the manner prescribed by the board.

(2) Highest bidder--The person who submits the best and highest bid which satisfies all the terms, conditions, and guidelines set by the board for any sale of any tract.

(3) Minimum bid amount--The minimum acceptable selling price set by the board for each Type I and Type II tract.

(4) Type I land tract--When a tract is forfeited and first ordered for sale or lease by the board, it is automatically classified as Type I land.

(5) Type II land tract--When Type I land has been made available for sale or lease and is not sold or leased by the board for any reason, it is automatically reclassified as Type II land at the moment the board determines that no acceptable bid was received.

(b) Costs of sale.

(1) All property taxes which are, in the opinion of the board, lawfully due and owing on a Type I or Type II tract on the date it is resold by the board, may be paid from the proceeds of the issuance of bonds.

(2) All costs to the board associated with selling a Type I or Type II tract, including administrative expenses, road construction, surveying, legal fees, real estate commissions, advertising expenses, and other similar costs, may be paid from the proceeds of the issuance of bonds.

(c) Sale of forfeited tracts.

(1) Qualified purchasers.

(A) Type I tracts shall be first offered for sale or lease only to veterans who meet the eligibility requirements of §175.2 of this [chapter \[title\]](#) (relating to [Definitions and Loan Eligibility Requirements \[Application/Eligibility\]](#)). Bids on Type I tracts shall be submitted to the board on or before the bid deadline set by the board. These bids shall be reviewed by the board and the board may, in its discretion, award any Type I tract to the highest bidder.

(B) Any Type I tract not awarded by the board on the bid deadline date shall be immediately reclassified as Type II land. Type II tracts may be offered for sale or lease to both [non-veterans \[nonveterans\]](#) and eligible veterans. Bids on Type II tracts may be reviewed by the chairman who may, in his or her sole discretion, award any Type II tract to the highest bidder.

(2) Terms of sale.

(A) The board may, in its sole discretion, set terms, conditions, and guidelines governing the sale of any tract.

(B) The board may combine or subdivide Type I or Type II land to form individual Type I or Type II tracts.

(C) Any tract formed by combining Type I and Type II shall be classified as Type I until it has been offered for sale or lease and is not sold or leased by the board for any reason. Thereafter, it shall be reclassified as Type II land.

(D) Type II tracts shall be sold to an eligible veteran or non-veteran under a contract of sale and purchase or under a note and deed of trust.

(3) Deposit. Each bidder shall be required to deposit, in cash, an amount designated by the board.

(4) Duration. The land shall be sold under contract of sale and purchase or under a note and deed of trust not to exceed 30 years in duration.

(5) Additional terms and conditions. Each contract of sale and purchase or note and deed of trust shall conform to the provisions of the [Texas](#) Natural Resources Code, [Chapter 161](#), and shall be in such form, and contain such terms and conditions, as the chairman of the board may prescribe.

(6) Bid rejection. The board may reject any and all bids on Type I tracts. The chairman ~~[of the board]~~ may reject any and all bids on Type II tracts.

(7) Forfeiture. If a successful bidder refuses to execute a contract of sale and purchase or a note and deed of trust, the money submitted with ~~the [his]~~ bid may be forfeited and shall be deposited in the state treasury and credited to the fund.

(d) Bids.

(1) Minimal amount. The board shall, in its sole discretion, set the minimum amount for which offers will be accepted for each Type I and Type II tract. Any costs to the board associated with selling a Type I or Type II tract, including road construction, surveying, advertising, legal fees, property taxes, real estate commissions, advertising expenses, and other similar costs, may be made part of the minimum bid amount.

(2) Bid deadline.

(A) The board may set a specific time and date on or before which bids pertaining to any tract must be submitted. In such event, no bid shall be awarded by the board prior to that time.

(B) The board may elect to set no specific time and date on which bids pertaining to any tract must be submitted. In such event, the chairman ~~[of the board]~~ shall be authorized to review bids when and as received, and accept the first acceptable bid on any such tract.

§175.19. Subdivision Loan Processing

(a) To qualify for subdivision loan processing a seller must:

(1) have, or plan to have at least five tracts of land available for sale to veterans in the same subdivision or development;

(2) agree to comply with all local ordinances and regulations regarding the subdivision or resubdivision of land; and

(3) agree to provide the services and materials described in this rule to interested veterans in order to facilitate the board's processing of loans.

(b) A written request for subdivision loan processing of an existing or proposed subdivision must be submitted to the board.

(c) Those sellers who qualify for subdivision loan processing may request the board to perform a preliminary appraisal of the subdivision. This preliminary appraisal process will include:

(1) Establishing high and low per acre values for the subdivision. The board will use these valuations in determining how much it will loan for the purchase of tracts in the subdivision;[+]

(2) Advising the seller, when appropriate, of the best subdivision plan, so as to maximize land values of the gross acreage for sale; and [-]

(3) Discussing requirements for roads, easements, water sources and other factors affecting land values. Recommendations will be made if appropriate.

(d) A fee is charged for the preliminary subdivision appraisal.

(e) After the preliminary appraisal has been completed and the seller indicates that tracts within a subdivision are ready for sale to veterans, the seller may make arrangements with the board for appraisals of specific tracts. The board will commit itself to a loan value based upon these appraisals even though a specific veteran purchaser has not yet been identified. To obtain these appraisals, the seller must:

(1) Supply a ground survey of each tract of land by a registered surveyor;[+]

(2) Submit to the board a certified copy of a recorded subdivision plat, if the tracts are to be sold by lot and block numbers. This plat must contain evidence that it has been approved and accepted by the county commissioners;[+]

(3) Obtain a title insurance commitment for each tract;

- (4) Request a field appraisal of each tract by the board. A fee is charged in advance for each appraisal. This fee will be refunded to the seller if the tract is sold to a veteran through the [program \[Veterans Land Program\]](#); and
- (5) Furnish a recorded subdivision plat, if requested by the board.
- (f) Sellers may arrange to obtain application packets from the board.
- (g) Sellers using the subdivision loan processing system should help veterans complete all forms and documents required for processing and closing loans. Sellers will also be responsible for having veterans:
- (1) submit the correct amounts for down payments and fees required by the board; and
 - (2) provide any missing documentation needed in order to qualify, process, or close a loan.
- (h) Completed application packets must be received by the board within 30 days of the date the application contract is signed.
- (i) Application packets are to be submitted by the seller and must include:
- (1) a copy of the recorded subdivision plat or other evidence of compliance with local regulations and ordinances; and
 - (2) a title insurance commitment for the tract to be purchased.
- (j) Due to the nature and purpose of the subdivision loan processing program, it is the seller's responsibility to work with the veteran and the board to expedite the processing of the loan. For this reason it is suggested that the seller designate one individual to serve as a contact person with the board. This person should be familiar with the board's forms, rules, procedures, and any other requirements necessary for successful processing of the loan. In this regard it is also suggested that the contact person [\[familiarize himself and\]](#) maintain regular contacts with the board's field staff, local veterans' service officers, and the title company providing insurance.

§175.20. Delinquencies and Forfeiture Procedures – No change.

§175.21. Prizes and Inducements

- (a) ~~So that a veteran has [The Texas Natural Resources Code, §161.222(a) requires veterans to make an initial payment in an amount set by the board's rules. Sections 161.233(a) and 161.283(b) require that Veterans make additional down payment(s) under certain circumstances. In order to carry out the intent of the requirement that veterans have]~~ equity in a [any] tract purchased through the program, the board shall not [it is the policy of the board Veterans Land Board to] approve a [no] transaction, the net effect of which involves the seller, realtor, or any

party to the transaction other than the veteran directly or indirectly paying the initial payment or down payment(s). This includes inducements such as zero coupon bonds and [5] savings bonds [5 ete].

(b) Subsection (a) of this section shall not be construed to prevent a veteran from contracting with the seller or any other party to a transaction for the payment of other expenses associated with closing the transaction such as survey costs, title examination, and attorney's fees.

(c) Subsection (a) of this section shall not be construed to prohibit privileges incidental to the ownership of land and available to all purchasers in the same subdivision and/or joint ownership of recreational areas such as parks and [5] lakes[5 ete].

§175.22. Duties and Responsibilities of Chairman, Executive Secretary, and Assistant Executive Secretary

~~[(a) The commissioner of the General Land Office is chairman of the board and administrator of the Veterans Land Program as provided in the Texas Constitution, Article III, §49 b, as amended, the Natural Resources Code, Chapter 161, as amended, and shall perform the duties and functions of the board prescribed by law except for those duties and functions reserved to the board as provided in the Natural Resources Code, §161.061 which shall be performed by the board.]~~

~~[(b) The chief clerk of the General Land Office may perform any of the duties of the chairman if the chairman is sick, absent, dies, or resigns.]~~

~~[(c) The board shall select an executive secretary and may select an assistant executive secretary, each of whom shall be nominated by the chairman and approved by a majority of the board. The executive secretary and assistant executive secretary shall perform all duties required of them by the board.]~~

(a)~~[(1)]~~ The chairman of the board may delegate any of the chairman's [his] nondiscretionary responsibilities to the executive secretary and the assistant executive secretary, including the execution of veterans' purchase contracts, easements, and deeds when loans are paid in full.

(b)~~[(2)]~~ The assistant executive secretary may perform any of the duties of the executive secretary, when and as requested by the chairman or executive secretary.

§175.23. County Committees – No changes.

TEXAS ADMINISTRATIVE CODE

TITLE 40: SOCIAL SERVICES AND ASSISTANCE

PART 5: TEXAS VETERANS LAND BOARD

Proposed amendments – Chapter 175, Subchapter B ([Land](#) Mortgage Financing)

Pursuant to its rule review, Staff proposes amendments to Texas Administrative Code, Title 40, Part 5, Chapter 175, Subchapter B (Mortgage Financing), §175.51 - .53, §175.55, §175.56, §175.58, §175.59, §175.61, and §175.62 as follows:

- The proposed amendments to §175.51 remove definitions for “lending institution” and “loan” or “mortgage” loans because these terms are provided for near verbatim in Section 161.502 of the Texas Natural Resources Code and update the name of Subchapter A of this chapter.
- The proposed amendments to §175.54 remove language from a subsection requiring that certain interests secure approved loans because this requirement is provided for in Section 161.505 of the Code.
- The proposed amendments to §175.56 remove language from a subsection giving the Board authority to approve third party loan fees and a subsection giving the Board authority to set loan interest rates because they are provided for in Section 161.508 of the Code.
- In addition, the title of this subchapter is changed to “Land Mortgage Financing” to specify the type of mortgage financing under this chapter.

Other, non-substantive changes throughout the chapter are proposed as follows:

- Making references to the Board lower-case to align with their occurrences throughout Chapters 161, 162, and 164 of the Texas Natural Resources Code;
- Changing references to this chapter from “title” to “chapter,” as the former is generally used throughout the Texas Administrative Code; and
- Making editorial changes to correct grammar, update and correct citations, remove superfluous or outdated language, and change language to improve the rules’ readability.

Amendments, by rule, follow:

§175.51. Construction of Subchapter B

(a) The purpose of this subchapter is to implement the authority granted to the board by [the Texas](#) Natural Resources Code, Chapter 161, Subchapter K. The board shall only make loans under this subchapter that are secured by mortgages, deeds of trust, or other liens.

(b) ~~The [Unless otherwise provided in this subchapter, the] rules of the board [Veterans Land Board] set forth in [TAC, Title 40, Part 5, Chapter 175,] Subchapter A of this chapter[,] (relating to General Rules of Contract for Deed and [Contract] Financing for Land)[,]~~ shall apply to all loan transactions made by the board that are secured by a mortgage, deed of trust, or other lien on the land to be purchased unless otherwise provided by this subchapter. When applying any provision of Subchapter A to a mortgage loan transaction, those provisions shall be construed as necessary and appropriate for a mortgage loan transaction rather than a contract of sale transaction. The board may, by resolution, clarify the construction of any provision of Subchapter A in its application to a mortgage loan transaction.

(c) Any requirement of this subchapter that is not otherwise required by the constitution or statutes of this state may be waived on a case-by-case basis by the board. Any waiver request must be in writing and must describe the circumstances surrounding the request, including all of the reasons why the waiver is requested.

(d) Definitions.

(1) "Borrower" means a person presently obligated to make payments to the board:

(A) For a loan made, or purchased, by the board as provided by this subchapter;

(B) For a purchase of land from the board under a contract of sale as provided by Subchapter A[; ~~relating to General Rules and Contract Financing;~~] of this chapter; or

(C) For a loan or contract of sale that the person assumed from the original borrower with ~~[the written consent of the]~~ board approval.

(2) "Contract of sale" means those transactions described in Subchapter A of this chapter[; ~~relating to General Rules and Contract Financing;~~], in which the board takes fee title to property as security and sells to the borrower on a contract of sale and purchase. Title is conveyed to the borrower when all terms and conditions of the contract of sale have been satisfied.

~~[(3) "Lending institution" means a bank, savings bank, savings and loan association, credit union, trust company, mortgage bank, mortgage company, life insurance company, or other financial institution that customarily provides service or aids in the financing of mortgages on single-family residential housing, or a holding company for one of those institutions.]~~

~~[(4) "Loan" or "mortgage loan" means a veterans' land loan made or acquired by the board under Natural Resources Code, Chapter 161, Subchapter K, relating to Land Loans, secured by a mortgage, deed of trust, or other lien on the land purchased with the proceeds of the loan.]~~

§175.52. Borrower's Eligibility and Number of Loans

(a) The board ~~[Board]~~ shall be the final authority in defining and interpreting all eligibility requirements, and whether a prospective borrower has actually satisfied those requirements. The

[board](#) [~~Board~~] may by resolution prescribe the procedures and forms to be used in mortgage loan transactions.

(b) A person is eligible to apply for a loan under the provisions of this subchapter if he or she satisfies the requirements of §175.2(c) [of this chapter](#)[~~;~~] (relating to Loan Eligibility Requirements).

(c) A person may only have one [land](#) loan at a time as a veteran. However, once that [land](#) loan is paid in full he or she may apply for an additional [land](#) loan as a veteran. The foregoing notwithstanding, an individual who is currently participating in the program as a veteran may assume a [land](#) loan, or take an assignment of a contract of sale as a non-veteran, and may bid on a tract or tracts at a forfeited land sale as a non-veteran.

(d) Notwithstanding anything to the contrary in this chapter, a purchaser under an executory [board contract of sale and purchase](#) [~~Veterans Land Board Contract of Sale and Purchase~~] may refinance the obligation represented by the [contract of sale and purchase](#) [~~Contract of Sale and Purchase~~] by substituting a purchase money [board](#) [~~Veterans Land Board~~] mortgage loan. No additional funds may be advanced except for expenses incident to the transaction, as provided in [the Texas Natural Resources Code](#), [~~Tex. Nat. Res. Code~~] §161.508(b). The chairman may establish procedures, documents, and policies to accomplish transactions authorized by this section. To the maximum extent possible, the substitute loans must retain the terms of the original [contracts of sale and purchase](#) [~~Contracts of Sale and Purchase~~] and must comply with the requirements for new [board](#) [~~Veterans Land Board~~] mortgage loans. All liens securing the substitute loans relate back to the date of the original [contracts of sale and purchase](#) [~~Contracts of Sale and Purchase~~].

§175.53. Eligibility and Description of Land

(a) The board shall only make, or purchase, loans under this subchapter that are secured by tracts of land that meet all the requirements of §175.3 [of this chapter](#)[~~;~~] (relating to Land Selection)[~~, of this chapter~~].

(b) For every loan made under this subchapter, the board must be furnished a survey and legal description for its review that satisfies all the requirements set forth in §175.4 [of this chapter](#)[~~;~~] (relating to Land Description)[~~, of this chapter~~] .

(c) For every loan made under this subchapter, the board must be furnished an appraisal that conforms to the requirements of §175.5 [of this chapter](#)[~~;~~] (relating to Appraisal of Land)[~~, of this chapter~~].

(d) Notwithstanding the provisions of subsections (b) and (c) to the contrary, the board may, by resolution, establish requirements and specifications for surveys and appraisals that conform to the prudent lending practices prevalent in the mortgage lending industry.

§175.54. Protection of Security Interests

(a) ~~[An approved loan must be secured by a mortgage, deed of trust, or other lien on the land prior to any disbursement of funds.]~~ All paperwork associated with the note and lien shall be deposited for safekeeping with the board, or as the board may direct.

(b) The security for the board's loan will be provided by:

(1) A first lien mortgage with the board as mortgagee, or the board and a participating lending institution joining as mortgagees, each receiving the payment as provided by its note.

(2) Hazard insurance on any improvements securing the loan. The policy must name the board loss payee in at least the amount of the board's loan.

(c) The board shall adopt credit, underwriting, and appraisal standards that protect the best interest of the program and limit the exposure of the fund to any losses.

§175.55. Loan Approval

(a) After reviewing the appraisal, and any other relevant information, the board shall notify the prospective borrower whether or not it approves the loan application. If the board disapproves a loan application, it shall notify the prospective borrower, in writing, of the reason for the disapproval.

(b) The board may approve a loan for a lesser amount than was requested by the prospective borrower. In that event, the prospective borrower shall do one of the following:

(1) negotiate an amended purchase price that conforms to the approved loan amount;

(2) increase the down payment to include the difference between the purchase price and the approved loan amount; or

(3) cancel the loan application.

(c) The board reserves the right to refuse to approve any loan application when it deems it protects the best interests of the program to do so.

(d) The board may, by resolution, establish general exceptions to the provisions of §175.6(g) of this chapter ~~[;]~~ (relating to Commitment by the Board), ~~[of this chapter]~~ pertaining to contingent transactions. These exceptions shall be limited to those transactions described in the Texas Natural Resources Code, Chapter 161, Subchapter K, relating to Land Loans.

§175.56. Fees, Loan Amount, Interest Rate, and Down Payment

(a) In addition to the fees described in §175.17 [of this chapter \[5\]](#) (relating to Fees and Deposits)~~;~~
~~of this chapter,~~ the board shall collect a fee for the preparation, review, or approval of any document relating to a loan made under this subchapter, including but not limited to the following:

- (1) notes;
- (2) deeds of trust;
- (3) subordination agreements;
- (4) transfers and/or assignments of liens; or
- (5) release of liens.

(b) ~~[No fee may be charged in connection with a loan made under this subchapter to a borrower by a third party that has not been approved by the board.]~~ Fees and expenses approved by the board may be made a part of the borrower's loan installment payments.

(c) The board will specify the terms and conditions of the loan for each transaction.

~~[(d) Each loan shall bear a rate of interest designated by the board.]~~

~~(d)~~ ~~[(e)]~~ Each loan shall not exceed 30 years in duration.

~~(e)~~ ~~[(f)]~~ The chairman, in compliance with §175.6 and §175.55 of this chapter ([relating to Commitment by the Board and Loan Approval](#)), shall set the amount of the down payment required of borrowers. This down payment shall be paid to the closing agent at or before closing.

§175.57. Title Insurance and Closing Requirements – No changes.

§175.58. Removal of Material Assets, Releases, and Payment in Full

(a) The borrower is liable to the board for any decrease in value of the land due to any sale or removal of timber, rock, gravel, sand, chemicals, or other material assets, the loss of which tends to lower the value of the land.

(b) If a borrower wishes to obtain a partial release of lien to clear title to a portion of the land, the borrower shall submit a request in writing to the board. The procedures for granting a partial release are identical to those for obtaining a severance as provided in §175.12 [of this chapter \[5\]](#) (relating to Severances)~~;~~~~of this chapter~~, except that the board will issue a partial release of lien, instead of a deed, for a portion of the tract.

(c) When a loan is paid in full, the board will execute a release of lien in favor of the borrower identified in the records of the board.

§175.59. Easements and Mineral Leases

A borrower may grant easements or rights of way, or execute mineral leases over or covering the land being purchased with a loan from the board. The borrower [~~Borrower~~] is liable to the board for any decrease in value of the land due to any grant of easement or lease of minerals by the borrower.

§175.61. Delinquencies, Acceleration and Foreclosures

(a) The chairman is authorized to enter into any modification of the debtor's obligation if it is in the best interest of the program.

(b) The terms of each note and deed of [~~for~~] trust or any other lien document shall determine acceleration and foreclosure requirements and procedures, unless modified under section (a) of this section.

(c) The chairman must approve the initiation of all foreclosure proceedings. All foreclosures shall be conducted in strict compliance with applicable federal and state laws and the note and the deed of trust or other lien document, or any modification thereof.

§175.62. Trustee's Sale

(a) The chairman may bid for the land at any trustee's sale for any amount that the chairman deems to be in the best interest of the program. All land purchased by the board [~~Board~~] at a foreclosure sale shall be resold by private sale according to the practices prevalent in the mortgage industry, or, in the same manner as forfeited land under §175.18 of this chapter [relating to Resale of Forfeited Land] [~~title~~].

(b) The chairman may collect any deficiencies as allowed by law.

(c) "Trustee's sale" means any foreclosure sale under this subchapter.

TEXAS ADMINISTRATIVE CODE

TITLE 40: SOCIAL SERVICES AND ASSISTANCE

PART 5: TEXAS VETERANS LAND BOARD

Proposed amendments and repeal – Chapter 175, Subchapter C (Procedures for Alternative Dispute Resolution)

Pursuant to its rule review, Staff proposes amendments to Texas Administrative Code, Part 5, Chapter 175, Subchapter C (Procedures for Alternative Dispute Resolution), §175.100 - .008, §175.110, and §175.111 as follows:

- The proposed amendments to §175.100 update citations to the Administrative Procedures Act and the Texas Civil Practice and Remedies Code and make references to the Governmental Disputes Resolution Act and Alternative Disputes Resolutions Act consistent with §175.101.
- The proposed amendments to §175.101 remove unnecessary definitions for the Board, the Commissioner, and the Executive Secretary, as those terms are defined in Chapter 161 of the Texas Natural Resources Code (Code); remove a redundant section for the definition of Alternative Dispute Resolution in Section 2009.005 of the Texas Government Code; add a definition for “ADR Coordinator” to account for its frequency in this subchapter; update a definition for the Commissioner to reflect the position’s responsibilities; and update citations.
- The proposed amendments to §175.103 make qualifications for selection as an ADR Coordinator or Impartial Third Party disjunctive to reflect the rule’s meaning.
- The proposed amendments to §175.104 correct a reference to ADR Coordinator training requirements.
- The proposed amendment to §175.105 revise a citation to Governmental Dispute Resolution Act, Texas Government Code, Chapter 2009, changes references to the Board from “agency” to “board,” and remove three responsibilities of the ADR Coordinator that are already provided for in the ADR Coordinator’s responsibilities under Section 161.036 of the Texas Natural Resources Code.
- The proposed amendments to §175.107 revise a citation to the Governmental Dispute Resolution Act, Texas Government Code, Chapter 2009.
- The proposed amendment to §175.108 remove a reference to a nonexistent form used to request use of the alternative dispute resolution process to replace it with a request to the Board’s ADR coordinator.
- The proposed amendments to §175.111 specify a reference to the Public Information Act.

- In addition, references to the General Land Office and Commissioner are changed to the Board and chairman, respectively, as these rules pertain to the Board.

Other, non-substantive changes throughout the chapter are proposed as follows:

- References to the Board, the Commissioner, and the Executive Secretary are made lowercase to align with their occurrences throughout Chapters 161, 162, and 164 of the Code.
- Editorial changes are made to correct grammar, remove superfluous or outdated language, and improve the rules' readability.

Changes, by rule, follow:

§175.100. Applicability

(a) This subchapter applies to internal and external disputes before the board ~~[-Texas Veterans Land Board (VLB)]~~, including those that may be referred by the State Office of Administrative Hearings ~~[(SOAH), which is subject to the Administrative Procedures Act (APA), Chapter 2001, Texas Government Code]~~.

(b) This ~~[Sections 175.100—175.111 of this]~~ subchapter supplements ~~[supplement]~~ the procedures required by the Administrative Procedure Act (APA) ~~[APA]~~, Chapter 2001 of the ~~[~~] Texas Government Code.

(c) In accordance with the Government Dispute Resolution Act, Chapter 2009 of the Texas Government Code, and it is the board's ~~[VLB's]~~ policy that disputes with the board ~~[VLB]~~ be resolved as fairly and expeditiously as possible. To encourage this policy, the board ~~[VLB]~~ has adopted the use of ADR ~~[Alternative Dispute Resolution (ADR)]~~.

(d) All Alternative Dispute Resolution ~~[ADR]~~ procedures shall be consistent with the APA and GDRA ~~[Chapters 2001 and 2009 of the Texas Government Code]~~ and Chapter 154 of the Texas Civil Practice and Remedies Code. ~~[Chapter 2009 of the Texas Government Code is referred to as the Governmental Dispute Resolution Act or "GDRA".]~~

(e) ADR procedures developed and used by the board ~~[VLB]~~ do not limit other dispute resolution procedures available for the board ~~[VLB]~~.

(f) Consistent with this ADR policy, the board ~~[VLB]~~ shall endeavor to educate its staff and persons who are subject to the board's ~~[VLB's]~~ jurisdiction concerning the availability of ADR to resolve disputes.

(g) The use of ADR may not be applied in a manner that denies a person a right granted under other state or federal law including a right to an administrative or judicial hearing that is allowed or mandated by the board ~~[VLB]~~ or by laws of more general application.

(h) Any resolution reached as a result of the ADR procedure should be [achieved] through the voluntary agreement of the parties.

§175.101. Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Alternative Dispute Resolution (ADR)--A procedure or combination of procedures that uses an impartial third party to assist individuals in voluntarily resolving disputes, including procedures described in ~~§§154.023—154.027,~~ Civil Practice and Remedies Code, §§154.023 - 154.027. ~~[The GDRA does not grant the GLO authority to engage in binding arbitration.]~~

(2) ADR Coordinator--The board-designated, trained person who performs the ADR-related duties provided for in Texas Natural Resources Code, §161.036.

~~[(2) Board (VLB)--The Veterans Land Board of the State of Texas.]~~

~~[(3) Commissioner--The Commissioner and also chairman of the Veterans Land Board.]~~

(3)[(4)] Contested case--Shall have the same meaning as such term is defined in the Administrative Procedure Act (APA), Chapter 2001 of the Texas Government Code ~~[(Texas Government Code, Chapter 2001)].~~

~~[(5) Executive Secretary--The executive secretary of the board.]~~

(4)[(6)] GDRA--The Governmental Dispute Resolution Act, Chapter 2009 of the Texas Government Code ~~[, Chapter 2009].~~

(5)[(7)] Impartial Third Party (ITP)--A person who meets the qualifications and conditions of the GDRA, ~~[Texas Government Code] §2009.053[, GDRA].~~

(6)[(8)] Party--Shall have the same meaning as such term is defined in the APA ~~[Administrative Procedure Act (Texas Government Code, Chapter 2001)].~~

(7)[(9)] Person--Shall have the same meaning as such term is defined in the APA ~~[Administrative Procedure Act (Texas Government Code, Chapter 2001)].~~

(8)[(10)] Rule--Shall have the same meaning as such term is defined in the APA ~~[Administrative Procedure Act (Texas Government Code, Chapter 2001)].~~

(9)[(11)] State Agency--Shall have the same meaning as such term is defined in the APA ~~[Administrative Procedure Act (Texas Government Code, Chapter 2001)].~~

§175.102. Referral of Pending Disputes for ADR

The chairman ~~[Commissioner]~~, the ADR Coordinator, or a beneficiary of a board program ~~[a Texas veteran or an assignee of VLB land]~~ may seek to resolve an internal or external dispute

through any ADR procedure. Such procedures may include, but are not limited to, those applied to resolve matters pending in the state's district courts.

§175.103. Required Training for ADR Coordinator and Impartial Third Party

Eligibility for designation as an ADR Coordinator or appointment as an ITP depends upon the following qualifications being met:

(1) completion of a minimum of 40 classroom hours of training in dispute resolution techniques in a course conducted by an alternative dispute resolution system or other dispute resolution approved by the [board or](#); ~~[VLB; and]~~

(2) in appropriate circumstances the [board](#) ~~[VLB]~~ may waive the training required in this section if a person has professional training or experience in dispute resolution processes related to a particular matter.

§175.104. Appointment of ADR Coordinator

(a) ~~In the absence of [The Commissioner shall appoint]~~ an ADR Coordinator, [the chairman shall appoint one](#) as soon as practicable. ~~[following:]~~

~~[(1) initial adoption of this subchapter; or]~~

~~[(2) an ADR Coordinator's vacation of this office.]~~

(b) The ADR Coordinator shall, as soon as practicable after appointment, complete the minimum training standards set forth in [the Texas Civil Practice and Remedies Code](#), §154.052 ~~[of the GDRA]~~.

§175.105. Responsibilities of ADR Coordinator

The ADR Coordinator shall have the following responsibilities:

(1) Establish a method of choosing ITPs who possess the minimum qualifications described in [the GDRA](#), §154.052 ~~[of the GDRA]~~;

(2) Establish a pool of ITPs to resolve contested matters through ADR procedures;

~~[(3) Coordinate the implementation of the ADR policies and procedures;]~~

~~(3)~~~~[(4)]~~ Provide information about available ADR processes to [board](#) ~~[agency]~~ employees, and to both potential and current users of the ADR program; [and](#)

~~[(5) Serve as a resource for any training and education needed to implement procedures and processes for the ADR program;]~~

~~[(6) Establish a system and collect data concerning the effectiveness of the ADR program in order to evaluate the ADR program and the ITPs that the VLB has used; and]~~

~~(4)~~~~(7)~~ Maintain necessary board ~~[agency]~~ records while maintaining the confidentiality of participants.

§175.106. Selection and Payment of Impartial Third Parties

(a) For each matter referred for ADR procedures, the ADR Coordinator shall assign an ITP selected by the parties from the board's ~~[GLO's]~~ list of potential ITPs unless the parties agree upon the use of a private ITP.

(b) A private ITP may be hired for commission of ADR procedures provided that:

(1) the parties unanimously agree to the selection and use of a private ITP; and

(2) the private ITP agrees to be subject to the direction of the board's ~~[GLO's]~~ ADR Coordinator and to all time limits imposed by the chairman~~[Commissioner]~~, the ADR Coordinator, the judge, or by statute or agency rule.

(c) If a private ITP is used, the costs for the services of the ITP shall be apportioned pro rata among the parties, unless otherwise agreed upon by the parties, and shall be paid directly to the ITP.

(d) If the parties select a GLO ITP for ADR procedures, the costs for the services of the ITP shall be apportioned pro rata among the parties, unless otherwise agreed upon by the parties, and shall be paid directly to the ITP.

§175.107. Responsibilities of Impartial Third Parties

(a) The ITP shall complete the minimum training standards set forth in the GDPRA, §154.052 ~~[of the GDRA]~~, prior to starting any ADR procedure for the board ~~[VLB]~~ through programs approved by the ADR Coordinator, unless the required training is waived by the ADR Coordinator.

(b) The ITP shall have the following responsibilities:

(1) to facilitate the ADR procedure; and

(2) to encourage and assist the parties in reaching a voluntary settlement of their dispute.

§175.108. Commencement of the ADR Process and ADR Procedures

(a) To initiate the ADR process, a party to a contested matter must submit a written ADR request ~~[proposal form]~~ to the ADR Coordinator. The request must ~~[ADR proposal form can be found on the VLB's website at www.glo.state.tx.us/vlb/. Upon completion of the form, it should]~~ be submitted to the ADR Coordinator ~~[at the website address or fax number listed]~~ with copies sent to any other parties to the dispute.

(b) ADR procedures under this subchapter may begin, at the discretion of the ADR Coordinator, at any time ~~[anytime]~~ after a party to a contested matter submits a written ADR proposal requesting the use of ADR procedures to resolve a dispute with the board ~~[VLB]~~.

(c) The ADR Coordinator shall provide the chairman ~~[Commissioner]~~ a copy of the ADR proposal for review, discuss it with the interested parties, as appropriate, and assess whether ADR would assist in fairly and expeditiously resolving the dispute.

(d) If the parties, ~~[including]~~ the chairman, ~~[Commissioner]~~ and the ADR Coordinator, cannot agree on whether the ADR procedure should be used or on the particulars of the ADR procedure, the ADR Coordinator will notify the affected parties of that outcome and the proposal will be dismissed without opportunity for resubmission to the ADR Coordinator ~~[in the future]~~.

(e) The ADR Coordinator will promptly notify all affected parties within ten (10) business days of receiving the ADR proposal, or as soon as reasonably possible if a pertinent or impending deadline is indicated in the ADR proposal, whether or not the dispute will be referred for the ADR process. If the ADR Coordinator determines not to refer the dispute to ADR, the notice shall include the reasons that the dispute was not referred. If the ADR Coordinator determines to refer the dispute to ADR, the notice shall include the starting date for the selected ADR.

§175.109. Partial Settlement Agreements through ADR – No changes.

§175.110. Complete Settlement Agreements through ADR

(a) All parties participating in an ADR procedure are expected to make a good faith effort to reach agreement.

(b) All parties participating must have the authority to reach an agreement to make a final recommendation to resolve the dispute.

(c) The chairman ~~[Commissioner]~~ will abide by an agreed upon resolution to the dispute and either approve the agreement or offer the recommendation to the board ~~[VLB]~~, if board ~~[Board]~~ authorization is needed.

(d) The decision to reach an agreement by all parties is voluntary.

(e) Each party to a resolution resulting from ADR must execute a written agreement reflecting the resolution. The agreement is enforceable in the same manner as any other written agreement of the same nature with the state [State].

(f) The chairman [Commissioner] must approve a written agreement, to which the board's executive secretary [VLB Executive Secretary] or [the VLB Board] members are signatories resulting from the ADR procedure and it is subject to the Public Information Act, Chapter 552 of the [§] Texas Government Code.

§175.111. Confidentiality of Communications in ADR Procedures

(a) Except as provided in subsections (c) and (d) of this section, communications, records, conduct and demeanor of an ITP and parties relating to the subject matter made by a party in an ADR procedure, whether before or after the initiation of formal proceedings, is confidential, is not subject to disclosure, and may not be used as evidence in any further proceeding .

(b) Any notes or record made of an ADR procedure are confidential, and parties, including the ITP, may not be required to testify in any proceedings relating to or arising out of the matter in dispute or be subject to processes requiring disclosure of confidential information or data relating to or arising out of the matter in dispute .

(c) An oral communication or written material used in or made a part of an ADR procedure is admissible or discoverable only if it is admissible or discoverable independent of the procedure.

(d) If this section conflicts with other legal requirements for disclosure of communications or materials, the issue of confidentiality may be presented to the judge to determine, in camera, whether the facts, circumstances, and context of the communications or materials sought to be disclosed warrant a protective order or whether the communications or materials are subject to disclosure.

(e) The ITP may not, directly or indirectly, communicate with anyone on any aspect of ADR negotiations made confidential by this section unless all the parties consent to the disclosure, or upon issuance of an opinion from the Office of the Attorney General that the evidence is subject to the Public Information Act, Chapter 552 of the Texas Government Code.

TEXAS ADMINISTRATIVE CODE

TITLE 40 SOCIAL SERVICES AND ASSISTANCE PART 5 TEXAS VETERANS LAND BOARD

Proposed amendments – Chapter 176 (State Veterans Homes)

Pursuant to its rule review, Staff proposes amendments to Texas Administrative Code, Title 40, Part 5, Chapter 176 (State Veterans Homes), §176.1, §176.3 - .7, and §176.9, and the repeals of §176.2, §176.8, §176.10, and §176.11 as follows:

- The proposed amendments to §176.1 remove definitions for the Board and “chairman,” as these terms are already defined in the Chapter 161 of the Texas Natural Resources Code, i.e., the Board’s enabling statute; remove a definition for “bona fide resident” to facilitate access for out-of-state veterans to Veterans Homes so that they might be closer to in-state relatives; remove a definition for the non-existent Texas Department of Aging and Disability Services; and changes a definition for “surviving spouse” to align with its federal definition pertaining to the U.S. Department of Veterans Affairs. In addition, the proposed amendments revise the definition of State Veterans Home to i) align with that in Section 164.002 of the Code, ii) incorporate licensure requirements in §176.8 to allow for that rule’s repeal, and iii) to incorporate the State Veterans Homes Program requirements.
- The repeal of §176.2 is proposed because its provisions are provided for in Section 164.004 and 164.005 of the Code.
- The proposed amendments to §176.5 update a reference to the Texas Department of Health and Human Services and add language to account for any State or federal agency that may require access to a Veterans Home’s records and related documentation for auditing or review purposes and add language on certification and licensure requirements to account for any future Veterans Homes dedicated exclusively to Alzheimer’s/dementia care.
- The proposed amendments to §176.7 revise the admissions requirements to State Veterans Homes by removing a section outlining requirements that pertain to eligibility for per diem payments under 38 C.F.R. §51.50 – not requirements – and remove unnecessary language provided for in 38 C.F.R. § 51.120. The proposed amendments further remove requirements that spouses and surviving spouses are bona fide residents to align with the removal of the term, as addressed above. In addition they change the requirements for parent eligibility to reflect current Gold Star qualifications
- The repeal of §176.8 is proposed because its provisions are unnecessary. Chapter 164 of the Code and related federal regulations for the construction and acquisition of SVHs under 38 C.F.R. Part 59 indicate any would-be State Veterans Homes would be newly constructed or located in an existing structure. Also, that State Veterans Homes must adhere to any applicable laws, regulations, and requirements is evident. In addition, the Board’s authority to adopt requirements related to State Veterans Homes is provided for

in Section 164.005 of the Code. As stated above, provisions related to licensure requirements are relocated to the definition of State Veterans Home in §176.001.

- The repeal of §176.10 is proposed because its provision is unnecessary: the Board sets its rules; it is the final authority on their interpretation and application.
- The repeal of §176.11 is proposed because its provisions are obsolete. They were proposed in 1997 as a framework for procedures for awarding contracts related to SVHs. Current procurement and contracting laws in the Texas Government Code – to include, but not limited to those in Chapters 2155, 2156, and 2269 – more adequately provide for these procedures; the Board follows these laws in its State Veterans Home-related procurements.
- In addition, the title of this chapter is changed to “State Veterans Homes” to more accurately reflect its subject matter.

Other, non-substantive changes throughout the chapter are proposed as follows:

- References to the Board are made lower-case to align with their occurrences throughout Chapters 161, 162, and 164 of the Code.
- Citations are updated.
- Editorial and grammatical changes are made to improve the rules’ readability.

Changes, by rule, follow:

§176.1. Definitions

The following words and terms when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

~~[(1) Board--The Veterans Land Board of the State of Texas.]~~

~~[(2) Bona fide resident--An individual living within the State of Texas, with the intent to remain in Texas.]~~

~~[(3) Chairman--The commissioner of the General Land Office who is also chairman of the Veterans Land Board.]~~

~~(1)~~~~[(4)]~~ Covenants--The bond covenants undertaken by the board ~~[Veterans Land Board]~~ in association with the sale of bonds.

~~(2)~~~~[(5)]~~ Fund--The State Veterans Home Fund, which is comprised of the proceeds from the sale of bonds issued for the purpose of acquisition, construction, operation, and maintenance of SVHs ~~[a state veterans home or homes]~~, revenues derived from the operation of one or more SVH

~~[state veterans homes]~~, and the proceeds from other sources which are used for the acquisition, construction, operation and maintenance of a SVH ~~[state veterans home or homes]~~.

(3)~~[(6)]~~ Operator--The entity under contract with the board ~~[Board]~~ to manage a SVH ~~[State Veterans Home or Homes]~~.

(4)~~[(7)]~~ Spouse --Means a person of the opposite sex who is a wife or husband.

(5)~~[(8)]~~ Surviving spouse--A person who satisfies the federal definition of "surviving spouse" contained in by 38 USC §101(3), as modified by the special provision in 38 USC §103, or any successor statutes, as amended from time to time ~~[of the opposite sex who was the spouse of a veteran at the time of the veteran's death, and who lived with the veteran continuously from the date of marriage to the date of the veteran's death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without fault of the spouse) and who has not remarried or (in cases not involving remarriage) has not since the death of the veteran, and after September 19, 1962, lived with another person and held himself or herself out openly to the public to be the spouse of such other person].~~

(6)~~[(9)]~~ State Veterans Home (SVH)--A veterans home as defined under the Texas Natural Resources Code, §164.002, that is licensed as a nursing home, and may be licensed as a long term or acute care facility, and falls under the State Veterans Homes Program ~~[Retirement home, retirement village, home for the aging, or other facility that furnishes shelter, food, medical attention, nursing services, medical services, social activities, or other personal services or attention to veterans.]~~

~~[(10) DADS--Texas Department of Aging and Disability Services.]~~

(7)~~[(11)]~~ USDVA--The United States Department of Veterans Affairs or any successor thereto.

§176.2. Authority

~~[Texas Natural Resources Code, §164.005 authorizes the Board, in conjunction with other state or federal agencies, to acquire by purchase, gift, devise, lease or a combination thereof, construct, operate, enlarge, improve, furnish, or equip one or more state veterans homes. Funding for the construction, acquisition, operation and maintenance of a state veterans home or homes shall come in part from the sale of revenue bonds. The Board is authorized by Texas Natural Resources Code, §164.004 to adopt rules for the construction, acquisition, ownership, operation, maintenance, enlargement, improvement, or furnishing or equipping of veterans homes.]~~

§176.3. Sale of Bonds

The procedure for the issuance and sale of bonds will be set by resolution of the board ~~[Board]~~. The chairman and the executive secretary of the board ~~[Board]~~ are authorized to work with the bond counsel and financial advisor selected by the board ~~[Board]~~ in ascertaining the elements of

security permissible under the law, maturities, option provisions, paying agency provisions, and all other matters pertaining to the bonds which affect the bonds' acceptability in the market, to the end that such elements may be incorporated into the bonds and resolution. The chairman, executive secretary of the [board](#) [~~Board~~], and bond counsel will prepare a draft of the official notice of sale of bonds. After the notice of sale is approved, it will be published, either in full or abbreviated form, in the manner prescribed by law. The [board](#) [~~Board~~] has the right to reject any and all bids received.

§176.4. Administration of the State Veterans Home Fund

(a) The proceeds from each bond sale shall be part of the [fund](#) [~~State Veterans Home Fund~~] and shall first be used for the following purposes:

- (1) to satisfy the reserve requirements of the particular covenants associated with the sale; and
- (2) to set up the initial debt repayment associated with each sale.

(b) After the requirements of subsection (a) of this section have been satisfied, the [board](#) [~~Board~~] shall monitor the cash flow requirements of the program and shall administer the fund to:

- (1) meet all bond repayment requirements; and
- (2) make money available as needed to construct, equip and/or maintain state veterans homes as provided by [Chapter 164](#) of the [Texas](#) Natural Resources Code~~[, Chapter 164.00 et seq.]~~ and this chapter.

(c) The [board](#) [~~Board~~] may use money in the fund attributable to bonds issued and sold to pay:

(1) expenses incidental and necessary to the sale and delivery of the bonds, including, but not limited to, the following:

- (A) fees for legal and financial advice;
- (B) the expense of publishing notice of sale;
- (C) the expense of printing the bonds;
- (D) the expense of delivering the bonds, including the costs of travel, lodging, and meals of officers or employees of the [board](#) [~~Board~~], the state comptroller, and the attorney general, that are necessary in the opinion of the [board](#) [~~Board~~] to effectuate the delivery of bonds;
- (E) remuneration to any agent employed by the [board](#) [~~Board~~] to pay the principal and interest on the bonds; and
- (F) any other expenses deemed by the [board](#) [~~Board~~] to be reasonable and necessary;

(2) capital expenditures by the operator which involve items not described in the board's ~~[Board's]~~ contract with the operator and which are not part of the operator's standard services. These additional expenses must not be in conflict with any existing covenants or any board ~~[Board]~~ resolutions affecting the sale of bonds or administration of the fund. All such additional expenditures must also be authorized and requested by a resolution of the board ~~[Board]~~.

(d) Any money in the fund not immediately needed for the purposes described in subsections (b) and (c) of this section nor immediately committed to paying principal of and interest on the bonds, nor the payment of expenses, may be invested in bonds or obligations as determined by the board ~~[Board]~~.

(e) The board ~~[Board]~~ may, by resolution, make provisions for the administration of the fund ~~[Fund]~~.

§176.5. Appointment of Operator

(a) The board ~~[Board]~~ will appoint an operator who will be responsible for maintenance and operation of a TSVH ~~[veterans home or homes built under the provisions of this chapter]~~. An operator may be an individual, partnership, corporation, or other business entity, as well as a state or federal agency.

(b) The board ~~[Board]~~ will set qualifications, requirements, terms and conditions, and all contract specifications to be met by the operator. No appointment of an operator shall be effective until a contract has been awarded and duly executed by the board ~~[Board]~~ and the operator. The functions of the operator will be provided for in the ~~[their]~~ contract. These functions shall include, but are not limited to, the following:

1. to manage and operate ~~[(1) management and operation of]~~ the TSVH ~~[Texas state veterans home(s)]~~ in compliance with all applicable federal, state and local laws, rules, regulations, standards, and policies;~~[-]~~

2.~~[(2)]~~ to develop, implement, and maintain policies and procedures for all aspects of the management and operation of the TSVH ~~[state veterans home(s)]~~. All such policies and procedures shall be reviewed and approved by the board ~~[Board]~~. All such policies and procedures shall remain the property of the board ~~[Board]~~ in the event of cancellation or termination of the contract for any reason;~~[-]~~

3.~~[(3)]~~ to secure and retain all licenses and certifications required to operate the TSVH ~~[state veterans home]~~ as a skilled nursing care facility with an Alzheimer's/dementia care unit or a skilled nursing care facility dedicated exclusively to Alzheimer's/dementia care. The operator shall ensure ~~[Ensure]~~ that all personnel employed at the TSVH ~~[state veterans home(s)]~~ are properly licensed or certified for the work they are performing. The operator shall secure ~~[Secure]~~ and retain such other licenses and certifications as may be required by the board; ~~[Veterans Land Board.]~~

4. to [(4)] be fully responsible for the management and supervision of the daily operations of the home, including the development, implementation, and operation of all necessary administrative systems, including, but not limited to, accounting, personnel, reporting, administrative records, medical records, and purchasing;[.]

5. to provide [(5)-providing] annual operating statements and budget estimates to the board; [Board.]

6. to make [(6)-making] available at reasonable times and for reasonable periods books, records, and supporting documents kept current by the operator pertaining to the TSVH [state-veterans home] for purposes of inspecting, monitoring, auditing, or evaluating by the board [Board] and its representatives, and representatives of the Texas Department of Health and Human Services [TDHS], USDVA, the state auditor, [and] the comptroller of public accounts, and other applicable agencies; and [.]

7. [(7)] to notify the board [Veterans Land Board], immediately following notifications required by law, of any abuse or suspected abuse of a resident, any unexpected or unexplained injury or death of a resident, or any immediate threat to the health or safety of a resident.

(c) The contract between the operator and the board [Board] shall contain guidelines and standards for assessing the performance of the operator. The contract will also describe the circumstances and conditions under which the board [Board] may dismiss the operator. The operator's performance may be subject to an annual review by the board's [Board's] staff.

§176.6. Operator Qualifications

An operator:

(1) [(a)-An operator] may be a person, partnership, corporation, or other business or governmental entity;[.]

(2) [(b)-The operator] must be duly organized, validly existing, and in good standing under the laws governing its creation and existence, and must be duly authorized and qualified to transact all business contemplated by these rules, and any contract with the board; [Board.]

(3) must [(c)-Must] be in compliance with the nondiscrimination provision of the Civil Rights Act of 1964 and the regulations pursuant to it [such-act], and the Americans with Disabilities Act; and [(ADA)-]

(4) shall [(d)-Shall] satisfy any other qualification requirements which the board [Board] may adopt by resolution [from time to time].

§176.7. Admissions Requirements

~~[(a) The purpose of this section is to set forth the requirements for admittance of applicants to a SVH. USDVA requires that the program only admit to a SVH those applicants who satisfy all medical, financial, and military service requirements set forth in USDVA regulations, as they are amended from time to time.]~~

~~(a)[(b)]~~ For purposes of this section, the term "veteran" means a person who satisfies the requirements of ~~[Title 40, Part 5, Chapter 175,]~~ §175.2(c)(1) of this title ~~[the Texas Administrative Code]~~ (relating to Loan Eligibility Requirements), as amended from time-to-time.

~~(b)[(e)]~~ To be eligible for admission to a SVH, an applicant must satisfy one of the following:

~~(1) be a veteran who satisfies the USDVA guidelines and regulations relating to the need for nursing home care; [-]~~

~~[(A) satisfies the USDVA guidelines and regulations relating to the need for nursing home care; and~~

~~(B) is in one of the following categories:~~

~~(i) veterans with service-connected disabilities;~~

~~(ii) veterans who are former prisoners of war;~~

~~(iii) veterans who were discharged or released from active military service for a disability incurred or aggravated in the line of duty;~~

~~(iv) veterans who receive disability compensation under 38 U.S.C.A. §1151;~~

~~(v) veterans whose entitlement to disability compensation is suspended because of the receipt of retired pay;~~

~~(vi) veterans whose entitlement to disability compensation is suspended pursuant to 38 U.S.C.A. §1151, but only to the extent that such veterans' continuing eligibility for nursing home care is provided for in the judgment or settlement described in 38 U.S.C.A. §1151;~~

~~(vii) veterans who USDVA determines are unable to defray the expenses of necessary care as specified under 38 U.S.C.A. §1722(a);~~

~~(viii) veterans of the Mexican border period or of World War I;~~

~~(ix) veterans solely seeking care for a disorder associated with exposure to a toxic substance or radiation or for a disorder associated with service in the Southwest Asia theater of operations during the Persian Gulf War, as provided in 38 U.S.C.A. §1710(e); or~~

~~(x) veterans who agree to pay to the United States the applicable co-payment determined under 38 U.S.C.A. §1710(f) and §1710(g).]~~

(2) is a spouse, or surviving spouse, of a veteran if the spouse is at least eighteen (18) years of age; ~~[and has been a bona fide resident of Texas continuously for at least one (1) year immediately before applying for admission; or]~~

(3) is a parent, whose child ~~[all of whose children]~~ died while serving in the armed forces of the United States, and who has resided in Texas continuously for at least one year immediately before applying for admission; or ~~[.]~~

(4) is a veteran residing out of state who:

(A) resides currently at an out-of-state nursing home;

(B) desires transfer to a SVH;

(C) is otherwise an eligible veteran under this section but for the fact that they reside out-of-state; and

(D) has not lived in Texas continuously for at least one year immediately before applying for admission to a SVH; and can be accommodated with a space in the desired SVH.

(d) The board ~~[Board]~~ may establish, by resolution from time-to-time, procedures for processing applications for admission to each SVH. Based on the availability of space, the board ~~[Board]~~ may also establish a priority system for admitting applicants according to one or more factors, including, but not limited to:

(1) the priority of a veteran over the spouse or parent of a veteran;

(2) the necessity to comply with USDVA regulations governing a SVH ~~[, including, but not limited to, the requirement that 75 percent (75%) of a SVH's residents be veterans. However, if the facility was constructed or renovated solely with State funds, only 50 percent (50%) of the residents must be veterans];~~

(3) whether an applicant meets the eligibility criteria in ~~[40 TAC, Part 5, Chapter 175,]~~ §175.2 ~~[relating to Loan Eligibility Requirements]~~, and is thereby eligible for other Board benefits;

(4) the date upon which the application for admission was made;

(5) whether the applicant's spouse is also an applicant or a current resident of a SVH;

(6) a request to transfer a resident from one SVH to another to be nearer to family members;

(7) the level of medical treatment and care required by the applicant;

- (8) the characteristics and extent of financial resources available to the applicant; and
- (9) such other criteria as the board ~~[Board]~~ may determine are in the best interest of the program.

§176.8. Qualifying Homes

~~[(a) A state veterans home may be newly constructed or it may be located in an existing structure.~~

~~(b) Each state veterans home must meet all applicable federal, state and local laws and regulations, including, but not limited to the rules and regulations of the United States Department of Veterans Affairs, and the Texas Department of Human Services, whose rules and regulations are incorporated herein and made a part hereof, and the Americans with Disabilities Act.~~

~~(c) Each home shall be licensed as a nursing home, and may be licensed as a long term or acute care facility.~~

~~(d) The Board may, in its discretion, adopt other requirements as it deems appropriate.]~~

§176.9. Fees and Expenses

(a) All fees, expenses and charges to be paid by a resident of a SVH ~~[state veterans home]~~ must be approved by the board ~~[Board]~~. The imposition and amount of any fee or charge shall be consistent with or lower than industry standards.

(b) Within a reasonable period of time, the board ~~[Board]~~ shall either approve or disapprove all fees and expenses to be charged. The operator shall incorporate in its guidelines the maximum fees and expenses which may be charged.

§176.10. Rights of Board

~~[The Board is the final authority in determining the interpretation and application of these rules on a case by case basis.]~~

§176.11. Construction Requirements

~~[The following procedures shall be applicable to bidding and awarding of contracts for the design and construction of the veterans homes provided for in this rule.~~

~~(1) The Board may request proposals from individuals, firms, partnerships, corporations or a joint venture, or other similar business arrangement, of such entities interested in the design,~~

~~construction and operation and management of one or more of the state veterans homes provided for in this rule.~~

~~(2) The Board shall award the design, construction and operation and management of the veterans home(s) on the basis of the proposers demonstrated competence and qualifications to perform the requested job at fair and reasonable prices.~~

~~(3) The selected proposer must be a registered architect or registered professional engineer or the selected proposer must employ a registered architect or registered professional engineer that would be responsible for the design and construction of the state veterans home(s).~~

~~(4) The selected proposer will be required to supervise and coordinate all architects, engineers, subcontractors during the design and construction of the state veterans home(s).~~

~~(5) Each state veterans home must be a skilled nursing care facility, certified for dementia/Alzheimer's care, which meets the requirements for licensure by the State of Texas as a nursing care facility and the requirements for recognition by the USDVA as a state veterans home. The facility should be modular in nature, so as to allow for incremental changes in size and types of care with a minimum of redesign. The facility should also be designed to avoid an institutional atmosphere by creating a supportive, therapeutic, home-like environment. Additional requirements may be specified in the Request for Proposals.~~

~~(6) The Board may require the proposers to submit separate pricing proposals for the construction phase and the operations phase of the state veteran home(s). The Board may consider the pricing proposals together or individually.~~

~~(7) Each request for proposal approved by the Board shall contain detailed instructions of the procedure the proposer must follow when developing the pricing proposal for the construction phase.~~

~~(8) Pricing proposals for the construction phase shall be evaluated based on the dollar amount of the proposal, the proposers financial resources, surety and insurance experience, construction experience, completion ability, personnel available, equipment available, work load, and client relationship. The contract will be awarded based on the proposal most advantageous to the Board after evaluation of all proposals.~~

~~(9) Once a contract is awarded the proposer shall provide all necessary insurance certificates and bonds. The selected proposer will then begin design of the state veterans home(s) and shall be paid in accordance with the terms of its contract with the Board.~~

~~(10) The Board may contract with an individual, firm, partnership or corporation to act as the Board's representative in all aspects of the proposal process, construction phase and operation phase of the state veterans home(s). The representative must be a registered architect or registered professional engineer or the representative must employ a registered architect or registered professional engineer that would be responsible for the functions of the representative. The functions of the representative include, but are not limited to, the following:~~

~~(A) Providing expertise and professional advice to the Board regarding the proposals, proposer selection process, design and construction and operation and management of the state veterans homes.~~

~~(B) Monitoring the design and construction of the state veterans home(s) to insure that the construction quality and standards agreed to by the Board are implemented by the selected proposer.~~

~~(C) Completing periodic reports to the Veterans Land Board on the progress of the design and construction of the state veterans home(s).~~

~~(D) Fulfilling any other requirements or services outlined with its contract with the Board.]~~

TEXAS ADMINISTRATIVE CODE

TITLE 40: SOCIAL SERVICES AND ASSISTANCE

PART 5: TEXAS VETERANS LAND BOARD

Proposed amendments – Chapter 177 (Veterans Housing Assistance Program and Veterans Home Improvement Program)

Pursuant to its rule review, Staff proposes changes to the Texas Administrative Code, Title 40, Part 5, Chapter 177 (“Veterans Housing Assistance Program”), §177.1., §§177.3 - .5, §177.7, §177.8, §177.10, §177.12, §177.13, and §177.14 as follows:

- Proposed amendments to §177.1 remove definitions for the Board, the veterans housing assistance fund, and the Veterans Housing Assistance Program (“Program”) as these terms are already defined in Section 162.001 of the Texas Natural Resources Code, (“Code”); remove definitions for “bona fide resident” and “missing/missing in action” as the terms are not used in this chapter; and update the definition for “VA guaranty” to reflect the current entity guaranteeing mortgage loans for the U.S. Department of Veterans Affairs.
- Proposed amendments to §177.3 change a reference to the State to align with how it is referred to in those chapters of the Code pertaining directly to the Board, i.e., Chapters 161, 162, and 164, and update a reference to the Texas Constitution.
- Proposed amendments to §177.4 update a reference to the Texas State Auditor’s Office.
- Proposed amendments to §177.5 update references to 40 Tex. Admin. Code §175.2 and change a reference to the Veterans Land Program to reflect its usage in Chapter 161 of the Code.
- Proposed amendments to §177.8 update references to Section 1201.003 of the Texas Occupations Code and relocate a provision requiring the Board to set loan amounts for home improvement loans from §177.14.
- The repeal of §177.14 is proposed because its provisions on home loans are accounted for in Section 162.011 of the Code.
- In addition, the title of the chapter is changed to “Veterans Housing Assistance Program and Veterans Home Improvement Program” to reflect the types of loans to which the chapter pertains.

Other, non-substantive changes throughout the chapter are proposed as follows:

- References to Chapter 162 of the Code are updated.
- References to the Board are made lower-case to align with their occurrences throughout Chapters 161, 162, and 164 of the Code.

- References to this chapter are changed from “title” to “chapter,” as the former is generally used throughout the Texas Administrative Code.
- Editorial changes are made to correct grammar, remove superfluous or outdated language, and improve the rules’ readability.

Changes, by rule, follow:

§177.1. Definitions

The following words and terms when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Administrator--The entity appointed by the board to assist the board in administering the processing of loan applications under these sections.

~~[(2) Board--The Veterans Land Board of the State of Texas.]~~

~~[(3) Bona fide resident--An individual actually living within the State of Texas with the intention to so remain.]~~

~~[(2)]~~ [(4)] Chairman--The commissioner of the General Land Office who is also chairman of the board ~~[Veterans Land Board]~~.

~~[(3)]~~ [(5)] Covenants--The bond covenants undertaken by the board ~~[Veterans Land Board]~~ in association with the sale of bonds.

~~[(4)]~~ [(6)] FHA--The Federal Housing Administration of the Department of Housing and Urban Development of the United States of America or any successor thereto.

~~[(5)]~~ [(7)] FHLMC--Federal Home Loan Mortgage Corporation or any successor thereto.

~~[(6)]~~ [(8)] FNMA--Federal National Mortgage Association or any successor thereto.

~~[(7)]~~ [(9)] FSLIC--The Federal Savings and Loan Insurance Corporation.

~~[(10) Fund--The veterans housing assistance fund.]~~

~~[(11) Missing/Missing in Action--To have an official designation of "missing status" as provided by Title 37, Chapter 10 of the United States Code. The term "missing status" means the status of members of a uniformed service who are officially carried or determined to be absent in a status of missing; missing in action; interned in a foreign country; captured, beleaguered, or besieged by a hostile force; or detained in a foreign country against their will.]~~

~~[(8)]~~ [(12)] Participating lending institution--Any bank, trust company, savings bank, national banking association, savings and loan association, building and loan association, mortgage banker, mortgage company, credit union, life insurance company, or other financial institution

that customarily provides services or aids in the financing of mortgages on single-family residential housing, including a holding company for any of the foregoing, which has sought and received approval to participate in the [\[Veterans Housing Assistance\]](#) Program.

[\[\(13\) Program--The Veterans Housing Assistance Program.\]](#)

[\(9\)\[\(14\)\]](#) VA--The United States Department of Veterans Affairs or any successor thereto.

[\(10\)\[\(15\)\]](#) VA guaranty--A guaranty of a mortgage loan [under \[by\]](#) the VA [Home Loan Guaranty Program](#) [\[under the Serviceman's Readjustment Act of 1944 as amended\]](#).

§177.2. Sale of Bonds – No changes.

§177.3. Administration of Fund

[\[\(a\) The veterans housing assistance fund is defined by Natural Resources Code, §162.002, and Subchapter C \(§§162.031–162.050\).\]](#)

[\(a\)\[\(b\)\]](#) The proceeds from each bond sale shall be part of the fund and shall first be used for the following purposes:

(1) to satisfy the reserve requirements of the particular covenants associated with [each \[the\]](#) sale; [and](#)

(2) to set up the initial debt repayment associated with each sale.

[\(b\)\[\(c\)\]](#) After the requirements of subsection [\(a\)\[\(b\)\]](#) of this section have been satisfied, the board, with the assistance of the administrator, shall monitor the cash flow requirements of the program and shall administer the fund to:

(1) meet all bond repayment requirements; [\[and\]](#)

(2) make money available as needed by the program to make or acquire home loans as provided by [the Texas](#) Natural Resources Code [\(Code\)](#), Chapter 162, and this [chapter \[Chapter\]](#); and

(3) make money available as needed by the program to make home improvement loans as provided by § 177.8 of this [chapter \[title\]](#) (relating to Qualifying Homes).

[\(c\)\[\(d\)\]](#) Any money in the fund not immediately needed for the purposes described in subsections [\(a\)\[\(b\)\]](#) and [\(b\)\[\(c\)\]](#) of this section, nor immediately committed to paying principal of and interest on the bonds, nor the payment of expenses as provided in [the \[Natural Resources\]](#) Code, Chapter 162, or this chapter, may be invested in bonds or obligations of the United States or in any other way not in conflict with the covenants or the [Texas](#) Constitution and laws of the [state \[State of Texas\]](#) until needed for these purposes.

~~(d)~~~~(e)~~ The board may use money in the fund attributable to bonds issued and sold to pay:

(1) expenses incidental and necessary to the sale and delivery of the bonds, including but not limited to the following:

(A) fees for legal and financial advice;

(B) the expense of publishing notice of sale of an installment of bonds;

(C) the expense of printing the bonds;

(D) the expense of delivering the bonds, including the costs of travel, lodging, and meals of officers or employees of the board, the state comptroller, the state treasurer, and the attorney general, that are necessary in the opinion of the board to effectuate the delivery of bonds;

(E) remuneration to any agent employed by the board to pay the principal and interest on the bonds; and

(F) any other expenses deemed by the board to be reasonable and necessary.

(2) expenses and fees of the administrator for any additional services requested by the board which are not described in the board's contract with the administrator as part of the administrator's standard services. These additional services must not be in conflict with any existing covenants or any board resolutions affecting the sale of bonds or administration of the fund. All such additional services must be authorized and requested by a resolution of the board.

~~(e)~~~~(f)~~ Money in the fund that is not spent for the purposes provided in [the \[Natural Resources\]](#) Code, Chapter 162, or this chapter, shall remain in the fund until there is sufficient money to retire fully bonds issued and sold by the board.

~~(f)~~~~(g)~~ The board may by resolution make provisions for the administration of the fund. In the event of any conflict between these rules and the provisions of a resolution of the board pertaining to the administration of the fund, the provisions of the board's resolution shall control.

§177.4. Appointment of Administrator

(a) The board will set qualifications and requirements, terms, and conditions, and all contract specifications to be met by the administrator. No appointment of an administrator shall be effective until a contract has been awarded by sealed bid and duly executed by the board and the administrator. The functions of the administrator may include, but are not limited to, the following:

(1) preparing guidelines for participation in the program by participating lending institutions and distributing these guidelines to all interested parties;

- (2) preparing loan application forms and information brochures for use by potential veteran loan applicants;
 - (3) reviewing applications by lending institutions to participate in the program and recommending approval or disapproval to the board;
 - (4) maintaining a list of all approved participating lending institutions and updating this list by the first day of each quarter ~~[January, April, July, and October]~~ of each year and making this list available upon request to any interested party for the actual cost of reproducing and mailing said list;
 - (5) reviewing title and loan papers for each transaction under these rules and recommending approval or disapproval of them to the board;
 - (6) assuring compliance by participating lending institutions with qualification, eligibility, and loan servicing guidelines and reviewing at least annually the performance of each approved participating lending institution and recommending whether the board's approval should be continued or revoked;
 - (7) overseeing fees and charges made by participating lending institutions;
 - (8) acting as clearinghouse for loan paperwork, including processing of loan payments by veterans;
 - (9) overseeing forfeiture, foreclosure, and collection procedures;
 - (10) preparing the provisions and terms of the contracts between the board and participating lending institutions;
 - (11) consulting with the appropriate state and federal authorities to obtain approval of the program by the VA, FHA, FNMA, and FHLMC;
 - (12) providing all data processing services required by the program; and
 - (13) making available at reasonable times and for reasonable periods books, records, and supporting document kept current by the administrator pertaining to the program for purposes of inspecting, monitoring, auditing, or evaluating by the board, its representatives, and representatives of the Texas State Auditor's Office ~~[of the State Auditor]~~.
- (b) The contract between the administrator and the board shall contain guidelines and standards for assessing the performance of the administrator. The contract shall also describe ~~[described]~~ the circumstances and conditions under which the board may dismiss the administrator. The administrator's performance may be subject to an annual review by the board's staff.

§177.5. Loan Eligibility Requirements

(a) The board ~~[Board]~~ shall be the final authority in defining and interpreting all eligibility requirements, and whether an applicant has ~~[actually]~~ satisfied those requirements. The board ~~[Board]~~ may by resolution prescribe the procedures and forms to be used by applicants.

(b) For purposes of this program a veteran is a person who satisfies the requirements of ~~[Title 40, Part 5, Chapter 175,]~~ §175.2(c)(1) of this title ~~[the Texas Administrative Code]~~ (relating to Loan Eligibility Requirements) ~~[, as amended from time to time]~~. The unmarried surviving spouse of a veteran shall be eligible to participate in this program if he or she satisfies the requirements of ~~[Title 40, Part 5, Chapter 175,]~~ §175.2(c)(2) of this title ~~[relating to Loan Eligibility Requirements, as amended from time to time]~~.

(c) A veteran may be able to obtain more than one housing assistance loan under this chapter, provided that all previous program ~~[Veterans Housing Assistance Program]~~ loans have been repaid in full and that only one home may be financed by a veteran at any time through the program. However, for purposes of this chapter, an eligible veteran may obtain both a purchase money loan and a home improvement loan under the program ~~[Veterans Housing Assistance Program]~~. An eligible veteran may also receive a loan under the Veterans Land Program ~~[land program]~~.

(d) If both spouses ~~[a husband and wife]~~ are individually eligible to participate in the program, nothing herein shall be construed to prohibit them from applying for a loan to jointly purchase the same home. The board ~~[Board]~~ may make a loan for the purchase of the same home by two veterans who are spouses ~~[husband and wife]~~, but only in the event that both spouses together satisfy the loan qualification requirements of the participating lending institution. The total amount of this loan shall not exceed the maximum amount allowable for a home mortgage loan through the VA ~~[United States Department of Veterans Affairs or any successor agency]~~.

§177.7. Qualifying Lending Institutions

(a) Any entity wishing to apply to be a participating lending institution may obtain application information and forms from the administrator. The applicant shall submit the completed application and application fee to the administrator who shall review it and recommend approval or disapproval of the application to the board. The board shall consider the recommendation of the administrator and shall notify the applying lending institution of its decision. Approval of the application of a lending institution to participate shall not be withheld unreasonably.

(b) No application shall be approved unless the applicant:

(1) is duly organized, validly existing, and in good standing under the laws governing its creation and existence and is duly authorized and qualified to originate and service residential housing loans in the State of Texas and transact all business contemplated by this chapter ~~[Chapter 177 of this title]~~ and the Texas Natural Resources Code, Chapter 162;

(2) is, at the time of the origination of any conventional mortgage loan, an FNMA or FHLMC-approved ~~[FHLMC-approved]~~ seller and servicer of conventional mortgages, or an institution, the deposits of which are insured by FDIC or FSLIC, and will continue to be so approved at all times thereafter, so long as the applicant shall continue to serve in the capacity contemplated by the program;

(3) is, at the time of origination of any mortgage loan which has FHA insurance, an FHA-approved mortgagee and an FNMA or FHLMC-approved ~~[FHLMC-approved]~~ seller and servicer of FHA-insured ~~[FHA insured]~~ mortgages, and will continue to be so approved at all times thereafter, so long as the applicant shall continue to serve in the capacity contemplated by the program;

(4) is, at the time of origination of any mortgage loan which has a VA guaranty, an eligible lender for mortgages guaranteed by the VA and an FNMA or FHLMC-approved ~~[FHLMC-approved]~~ seller and servicer of VA guaranteed mortgages, and will continue to be so approved at all times thereafter, so long as the applicant shall continue to serve in the capacity contemplated by the program;

(5) is in compliance with the nondiscrimination provisions of the Civil Rights Act of 1964 (78 Statutes 252) and the regulations pursuant to such Act;

(6) has a delinquency and foreclosure experience for the last three years which does not materially exceed the experience for similar institutions as determined by the administrator; and

(7) shall satisfy any other qualification requirements which the board may adopt by resolution from time to time.

(c) The board shall review the list of approved participating lending institutions maintained by the administrator no later than March 1 of each year and may request the administrator to make further recommendations concerning previously approved participating lending institutions. The board may, as part of its annual review or at any other time, revoke its approval of a participating lending institution but shall not do so unreasonably.

(d) Upon approval of a lending institution to participate in the program, the institution and the board shall execute a contract containing terms formulated by the administrator and approved by the board. The contract's terms shall reflect the prudent lending practices prevalent in the lending industry.

§177.8. Qualifying Homes

(a) The home the veteran wishes to purchase must meet all requirements established by the participating lending institution to whom the veteran has made application.

(b) In addition to other qualification requirements, the home must be occupied by the veteran within 60 days of closing and must be maintained as the veteran's principal residence for three

consecutive years from date of purchase~~[, except as hereinafter provided]~~. The administrator and the participating lending institution servicing the veteran's loan will verify that the three-years ~~[three years]~~ residency requirement is satisfied and report any violation to the board. In the event of a violation, the board may increase the interest rate on its loan to a higher rate or may accelerate all principal and interest on its loan. The board may, in its discretion, adopt any other remedy it deems appropriate.

(c) The board's loan must be a new mortgage; no refinancing shall be permissible under the program. The home does not have to be of new construction.

(d) In addition to any requirements or specifications placed on the type and quality of home by the participating lending institution, the home must be on a permanent foundation that is part of the real estate. "HUD-code manufactured homes," as defined by the Texas Occupations Code (Code), §1201.003 ~~[Texas Civil Statutes, Article 5221f, §3]~~, are eligible under the program if they meet FNMA or FHLMC guidelines; however, "mobile homes," as defined by that same same section of the Code ~~[Texas Civil Statutes, Article 5221f, §3]~~, are not eligible. Any other type of home will be considered on a case-by-base ~~[ease by ease]~~ basis by the administrator under guidelines approved by the board.

(e) The home in which a veteran actually resides may be eligible for a home improvement loan ~~[(as such loans are commonly defined in the real estate lending industry)]~~ if the home and the veteran meet the qualification requirements established by the board for a home improvement loan. The board will adopt guidelines setting forth the requirements for obtaining a home improvement loan through the program, whether FHA Title I or other. The guidelines will be provided to all participating lending institutions. In the case of a home improvement loan, the board shall establish the maximum loan amount by resolution.

§177.9. Fees, Expenses, and Interest – No changes.

§177.10. Loan Security

(a) An approved loan must be secured by a mortgage, deed of trust, or other lien on the home prior to any disbursement of funds to the participating lending institution by the board. All paperwork associated with the note and lien shall be deposited for safekeeping with the administrator.

(b) The security for the board's loan will be provided by:

(1) a participation first lien mortgage with the board and the participating lending institution joining as mortgagees, each receiving a share of the mortgage payment in proportion to each's loan, or a first or second lien and deed of trust securing the full amount of the board's loan;

(2) mortgage insurance providing for repayment of at least 50% of the total outstanding principal balances of all loans, or repayment of at least 50% of all anticipated losses, based upon the administrator's analysis and forecast of potential losses shown by the actual experience of the

mortgage lending industry on similar types of loans. The board may contract with a mortgage insurance company for pooled coverage or with individual companies for insurance on each loan, or the board may elect to be ~~self-insured~~ [\[self-insured\]](#) in part or in whole in order to meet the requirements of the [Texas](#) Natural Resources Code, §162.011(d); [and](#)

(3) hazard insurance on the structure naming the board loss payee in at least the amount of the board's loan.

(c) When the board has determined that a transaction under this program has been completed and the board's loan is secured as provided in subsections (a) and (b) of this section, the board shall disburse funds to the participating lending institution for the board's portion of the mortgage.

(d) The board may establish a master policy for group insurance which will be made available to all purchasers under this program for payment of the outstanding principal balance of the board's portion of the loan upon the death of the borrower.

§177.11. Servicing Loans – No changes.

§177.12. Assumptions

(a) A loan under this program may be assumed after obtaining approval of the board and the participating lending institution in writing and by complying with the following requirements:[\[.\]](#)

(1) The original veteran borrower must have occupied the home as a principal residence for at least three years from the date of purchase:[\[.\]](#)

(2) All mature interest, principal, and taxes must have been paid:[\[.\]](#)

(3) The party wishing to assume the loan must meet the qualification requirements of the participating lending institution; [and](#) [\[.\]](#)

(4) The assumption agreement must be on forms approved by the administrator and the board and must be executed by the chairman [\[of the board\]](#).

(b) The board may in its discretion waive the requirement that the original veteran occupy the home as a principal residence for three consecutive years if it deems a waiver to be in the best interests of the program or upon receiving and approving evidence of one of the following circumstances:

(1) death of the veteran purchaser;

(2) bankruptcy of the veteran purchaser;

(3) financial incapacity of the veteran purchaser; or

(4) forced sale of the home due to:

(A) divorce and property settlement;

(B) move required by change in the employment of the veteran or veteran's spouse; [or](#)

(C) condemnation of the property through no fault of the veteran.

(c) The board may prescribe any forms or methods by which the required evidence shall be submitted to the board. If the veteran shall attempt to violate the three-year limitation on assignments, the board may accelerate all principal and interest on the loan. The board, in its discretion, may adopt any other remedy it deems appropriate. The participating lending institution and the administrator shall monitor to the extent practically possible each loan during its first three years to determine if a violation of the three-year limitation on assumptions or residence occurs.

(d) The veteran shall not make any other attempt to sell, convey, rent, or lease the property purchased under this program except in the manner prescribed in [this chapter](#) ~~[these rules]~~ and the [Texas](#) Natural Resources Code ([Code](#)), Chapter 162. Any attempt to sell, assign, transfer, convey, rent, or lease the property purchased under this program without the express written approval of the board shall be deemed a violation of [this chapter and Chapter 162 of the Code](#) ~~[these rules and the Veterans Housing Assistance Act]~~ and will be subject to the provisions of the ~~[Natural Resources]~~ Code, §162.016(d).

§177.13. Rights of Board

The board may reject any veteran's loan application and shall not be liable for any loss resulting from such rejection. ~~[The board is the final authority in determining the interpretation and application of these rules on a case-by-case basis.]~~

§177.14. Loan Amounts

~~[The maximum amount that an individual will be able to borrow under this chapter will be established by resolution of the board, from time to time. Provided however, the maximum loan amount may not exceed the maximum allowable loan amount under the United States Department of Veterans Affairs Home Loan Guaranty Program. In the case of a home improvement loan, the board shall establish the maximum loan amount by resolution.]~~

TEXAS ADMINISTRATIVE CODE

TITLE 40 SOCIAL SERVICES AND ASSISTANCE

PART 5 TEXAS VETERANS LAND BOARD

Proposed amendments – Chapter 178 (Texas State Veterans Cemeteries)

Pursuant to its rule review, Staff proposes amendments to Texas Administrative Code, Title 40, Part 5, Chapter 178 (Texas State Veterans Cemeteries), §178.1., §178.5, and §178.6, and the repeals of §178.2 - .004 as follows:

- The proposed amendments to §178.1 remove a definition for the Board because it is already defined in Section 164.002 of the Texas Natural Resources Code (Code), revise a definition for Veterans Cemeteries to align with Section 164.002 of the Code, remove definitions for Chairman of the Board and the Veterans Cemetery Committee because the terms are not used in this chapter, update citations to rules for the Veterans Cemetery Grants Program (“Program”) in Title 38, Chapter 39 of the Code of Federal Regulations outlining eligible relatives for interment related to the Program, and update the definition of veteran to include members of the Space Force, as provided for in 38 U.S.C. §101(2).
- The repeal of §178.2 is proposed because it outlines the Board’s authorities related to TSVCs provided for in Chapter 164 of the Code.
- The repeal of §178.3 is proposed because it’s provisions are similar to Section 164.004 of the Texas Natural Resources Code.
- The repeal of §178.4 is proposed because its provisions are unnecessary. Chapter 164 of the Code and related federal regulations for TSVCs under 38 C.F.R. Part 39 indicate that any would-be TSVCs must be newly constructed. Also, that TSVCs must adhere to any applicable laws, regulations, and requirements pertaining to their establishment, operations, and funding is evident.
- The proposed amendments to §178.6 limit those interred in TSVCs for whom the Board will seek plot allowance reimbursements to those meeting USDVA eligibility requirements.

Other, non-substantive changes throughout the chapter are proposed as follows:

- References to the Board are made lower-case to align with their occurrences throughout Chapters 161, 162, and 164 of the Code.
- Editorial and grammatical changes are made to improve the rules’ readability.

Changes, by rule, follow:

§178.1. Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

~~[(1) Board--The Veterans Land Board of the State of Texas.]~~

~~[(2) Chairman--The commissioner of the General Land Office who is also chairman of the Veterans Land Board.]~~

~~[(3) Committee--Veterans Cemetery Committee, consisting of the Board, the Chairman of the Texas Veterans Commission, and two members of the veteran's community appointed by the Chairman of the Texas Veterans Committee.]~~

~~(1)~~~~[(4)]~~ Eligible Relative--As defined by the USDVA rules governing the Veterans [State] Cemetery Grants Program, 38 C.F.R. §39.10, [§39.2(a)] to include a veteran's spouse [wife, husband], surviving spouse, minor children, and unmarried adult children who were physically or mentally disabled and incapable of self-support.

~~(2)~~~~[(5)]~~ TSVC--A veterans cemetery, as defined under the Texas Natural Resources Code, §164.002 that falls under the Veterans Cemetery Grants Program [Texas State Veterans Cemetery, a burial ground operated solely for the burial of veterans and the eligible relatives].

~~(3)~~~~[(6)]~~ USDVA--The United States Department of Veterans Affairs or any successor thereto.

~~(4)~~~~[(7)]~~ Veteran--As defined by [defined] 38 U.S.C. §101(2) and [the USDVA rules governing State Cemetery Grants,] 38 C.F.R. §39.2, [§39.1(h)] meaning a person who served in the active military, naval, ~~[or]~~ air, or space service and who died while in service or was discharged or released therefrom under conditions other than dishonorable.

§178.2. Authority

~~[(a) Any requirement of this chapter, which is not otherwise required by the constitution or statutes of this state, or any federal law, may be waived by the Board. Any waiver request must be in writing and must describe the circumstances surrounding the request, including all of the reasons why the waiver is requested.~~

~~(b) The Board is the final authority in determining the interpretation and application of these rules.]~~

§178.3. Funding

~~[Funding to operate, maintain, enlarge or improve a TSVC shall come in part from the veterans' land fund, the veterans' housing assistance fund and the veterans' housing assistance fund II, not to exceed \$7,000,000 for each fiscal year.]~~

§178.4. Requirements

~~[(a) A TSVC must be newly constructed.~~

~~(b) Each TSVC must meet all applicable federal regulations, including but not limited to any and all regulations and requirements for the funding of a State Veterans Cemetery. These rules, regulations, and requirements are incorporated herein and made a part hereof for all purposes.~~

~~(c) Each TSVC must meet all state and local laws and regulations.]~~

§178.5. Burial Eligibility Criteria

For each TSVC, the board ~~[Board]~~ will allow for the interment of veterans and eligible relatives as defined by the USDVA laws and regulations. In addition, the board ~~[Board]~~ will allow for the interment of Texas military forces members killed on state active duty or during state training and other duty, as defined in Chapter 437 of the Texas Government Code.

§178.6. Fees

(a) The board ~~[Board]~~ must approve all fees, expenses and charges for interment, disinterment, and related services for a ~~[the]~~ TSVC.

(b) A TSVC shall apply no charges for disinterment or related interment services for eligible relatives of veterans.

(c) Each TSVC shall seek reimbursement from the USDVA of the plot allowance for interment of veterans meeting USDVA eligibility requirements. A TSVC shall apply no additional charges for interment, disinterment, or related services for veterans.



MEMORANDUM

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

Date: May 13, 2025

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

From: Darren Fitz Gerald, Assistant Executive Secretary

Subject: Agenda Item 12 b - Report on Veterans Land Board Operations.

Recommendation: This agenda item requires no action from the Board.

Promotions and New Hires

Niki McDonald started as the new Texas State Veterans Cemeteries Staff Services Officer on April 15, 2025.

Keisha James was promoted to Manager of Loan & Housing Loan Origination Programs.

Yolanda Medellin was promoted to Quality Control Specialist.

Kira Roe was promoted to Servicing Loan Specialist Team Lead.

Rosie Jakobeit was promoted to Manager of Loan Closing & Loan Servicing.

Jimmy Smaragdis was promoted to Director of VLB Marketing and Outreach.

Home Strategic Growth Plan

The Veterans Land Board has initiated the development of a strategic plan—in collaboration with the U.S. Department of Veterans Affairs—to expand its existing network of State Veterans Homes, scaling from the current capacity to care for 1,420 residents to the VA's projected maximum capacity for Texas of 4,100 residents. This will be a multi-year plan balancing urban growth and rural outreach to provide the greatest benefit to Texas veterans in need of skilled nursing care.

Update on actions since last meeting as directed by Board

- Closed \$100M land bond sale on 3/12/25.
- Closed \$250M housing bond sale on 4/3/25.
- 1st Dual Spouse Loan: A married veteran couple applied for and closed the first loan under the new dual spouse benefit.
 - The loan limit for dual spouse is \$250,000
 - Individual loan limit is \$150,000
 - The couple applied for a \$206,910 loan in Walker County.
- 5 more dual spouse loans in progress as of 4/14/25

Fort Worth Grand Opening

The Fort Worth Grand Opening occurred on March 22, 2025. It was a superb event very well received by the community, local and state leaders, and the Tuskegee Airmen family members in attendance. Our first resident, Robert O'Malley, the first U.S. Marine to receive the Medal of Honor in the Vietnam war, moved in on 03 APR 2025.

Legislative Session

Board member James Rothfelder's reappointment to the Veterans Land Board was confirmed by the Senate on April 3, 2025.

The VLB is tracking numerous bills in the legislative session. Two bills in particular have a direct impact on the VLB.

HB 4053/SB 2543 Relating to the location of and the amount of certain revenues that may be used for state veterans cemeteries. This bill eliminates the cap of seven cemeteries and removes the limit of \$7,000,000 in annual expenditures.

HJR 182/SJR 69 Proposing a constitutional amendment authorizing the Veterans Land Board to issue general obligation bonds in an aggregate principal amount that is greater than amounts previously authorized. This bill raises the bond debt cap from \$4,000,000,000 to \$6,000,000,000.

Upcoming Dates of Importance:

May 13, 2025 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

May 26, 2025 – Memorial Day. Chair Buckingham will attend the event at Rio Grande Texas State Veterans Cemetery in Mission. Mr. Rothfelder will attend the event at the Coastal Bend Texas State Veterans Cemetery in Corpus Christi.

May 26, 2025 – Memorial Day event at Alfredo Gonzalez Texas State Veterans Home (McAllen)

June 2, 2025 – Last day of 89th Texas Legislative Session

June 10, 2025 – VLB and GLO Employee Service Award Ceremony, Stephen F. Austin Building, 10:00 AM

July 18, 2025 – Ambrosio Guillen Texas State Veterans Home (El Paso) – 20th anniversary event

July 28, 2025 – William R. Courtney Texas State Veterans Home (Temple) – 25th anniversary event

August 5, 2025 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

October 28, 2025 – Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

November 7, 2025 – 79th anniversary of the VLB

November 11, 2025 – Veterans Day – ceremonies at all homes and cemeteries

December 2, 2025 – Frank Tejada Texas State Veterans Home (Floresville) – 25th anniversary event

December 12, 2025 – Grand Opening – West Texas State Veterans Cemetery, Lubbock

February 3, 2026 - Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

April 28, 2026 - Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

May 25, 2026 – Memorial Day

July 28, 2026 - Special Called meeting of the Texas Veterans Land Board, Stephen F. Austin Building, 10:00 AM

November 7, 2026 – 80th anniversary of the VLB