



COMMISSIONERS COURT
COMMUNICATION

AGENDA DATE : ___April 8, 2013___

CONSENT OR REGULAR: _____Regular___X___

CONTRACT REFERENCE NO
(IF APPLICABLE): _____

SUBJECT:

Consider and approve an order authorizing the issuance of El Paso County Hospital District General Obligation Refunding Bonds, Series 2013, pursuant to a Delegated Sale.

BACKGROUND/DISCUSSION OF TOPIC: To include statutory requirement, operational impact, or performance goal.

Hospital Districts seeks to refund the \$120 million Combination Tax and Revenue Certificates of Obligation, Series 2005.

FISCAL IMPACT:

Pursuant to the terms of the authorizing order, the refunding must result in a net present value savings in the debt service of no less than 5%.

PRIOR COMMISSIONERS COURT ACTION (IF ANY):

None other than original issuance of the Combination Tax and Revenue Certificates of Obligation, Series 2005.

RECOMMENDATION:

Approve an Order authorizing the El Paso County Hospital District General Obligation Refunding Bonds, Series 2013, Pursuant to a Delegated Sale.

COUNTY ATTORNEY APPROVAL

The attached document has been given legal review by the El Paso County Attorney's Office on behalf of the County of El Paso, its officers, and employees. Said legal review should not be relied upon by any person or entity other than the County of El Paso, its officers, and employees.

COUNTY ATTORNEY: N/A

LEGAL REVIEW: Edward Sosa

LEGAL REVIEW NOTES (If Applicable):

DATE: 4/01/13

SUBMITTED BY:

James N. Valenti. President and CEO (915) 521-7600

**ORDER
AUTHORIZING THE ISSUANCE OF**

**EL PASO COUNTY HOSPITAL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013**

Adopted: April 8, 2013

TABLE OF CONTENTS

		<u>Page</u>
SECTION 1:	Recitals and Considerations.....	2
SECTION 2:	Definitions.....	2
SECTION 3:	Authorization	3
SECTION 4:	Designation and Date.....	3
SECTION 5:	Initial Bond; Interest Rates, Maturities, Numbers and Denominations.....	3
SECTION 6:	Selling and Delivering Bonds.....	5
SECTION 7:	Execution and Registration of Bonds	6
SECTION 8:	Terms of Payment-Paying Agent/Registrar	6
SECTION 9:	Successor Paying Agent/Registrars	7
SECTION 10:	Special Record Date.....	8
SECTION 11:	Book-Entry-Only System.....	8
SECTION 12:	Successor Securities Depository; Transfer Outside Book-Entry-Only System.....	9
SECTION 13:	Payments to Cede & Co.....	9
SECTION 14:	Ownership; Unclaimed Principal and Interest.....	9
SECTION 15:	Registration, Transfer, and Exchange.....	9
SECTION 16:	Mutilated, Lost, or Stolen Bonds	10
SECTION 17:	Cancellation of Bonds.....	11
SECTION 18:	Optional and/or Mandatory Redemption; Defeasance.....	11
SECTION 19:	Forms	12
SECTION 20:	CUSIP Numbers.....	13
SECTION 21:	Interest and Sinking Fund; Tax Levy.....	13
SECTION 22:	Application of Chapter 1208, Government Code	13
SECTION 23:	Attorney General and Comptroller Proceedings.....	13
SECTION 24:	Sale; Bond Purchase Agreement.....	14
SECTION 25:	Covenants to Maintain Tax-Exempt Status	14
SECTION 26:	Use of Proceeds.....	18
SECTION 27:	Refunded Obligations	18
SECTION 28:	Escrow Agreement.....	18
SECTION 29:	Continuing Disclosure Undertaking	19
SECTION 30:	Official Statement	22
SECTION 31:	Amendments	22
SECTION 32:	Governing Law	23
SECTION 33:	Further Proceedings	23
SECTION 34:	Bond Counsel Opinion.....	23
SECTION 35:	Effect of Headings	23
SECTION 36:	Severability	23
SECTION 37:	No Personal Liability	23
SECTION 38:	Open Meeting.....	24
SECTION 39:	Effective Date	24
SECTION 40:	Repealer	24

ORDER AUTHORIZING THE ISSUANCE OF EL PASO COUNTY HOSPITAL DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013; AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF THE EL PASO COUNTY HOSPITAL DISTRICT TO EFFECT THE SALE OF SUCH BONDS WITHIN CERTAIN SPECIFIED PARAMETERS; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING BONDS; PROVIDING AN EFFECTIVE DATE; AND RESOLVING OTHER MATTERS INCIDENTAL AND RELATED TO THIS ORDER

WHEREAS, pursuant to the provisions of Chapter 281, Texas Health and Safety Code, as amended (the “*District Act*”), and Subchapter C of Chapter 271, Texas Local Government Code, as amended, the Commissioners Court (the “*Commissioners Court*”) of El Paso County, Texas (the “*County*”), in the name of the El Paso County Hospital District (the “*District*”) and on the faith and credit of the District, has heretofore issued the District’s Combination Tax and Revenue Certificates of Obligation, Series 2005 (the “*Refunded Obligations*”); and

WHEREAS, the Commissioners Court, in the name of the District and on the faith and credit of the District, desires to refund all or a portion of the Refunded Obligations in advance of their maturities; and

WHEREAS, Chapter 1207, Texas Government Code, as amended (the “*Refunding Act*”) in conjunction with the District Act authorizes the Commissioners Court, in the name of the District and on the faith and credit of the District, to issue refunding bonds for the purpose of refunding the Refunded Obligations in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Obligations, or other qualified escrow agent as described in Section 1207.062 of the Refunding Act, the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the order authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

WHEREAS, pursuant to Section 1207.007, Texas Government Code, as amended, the Commissioners Court, on behalf of the District, desires to delegate the authority to effect the sale of the Bonds to the Chief Executive Officer of the District; and

NOW THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF EL PASO COUNTY:

SECTION 1: Recitals and Considerations.

(a) It is hereby found and determined that the matters and facts set out in the preamble to this Order are true and correct and are hereby incorporated herein by reference as a part of this Order for all purposes.

(b) Furthermore, it is hereby found and determined that the refunding contemplated in this Order will benefit the District by providing a present value savings in the debt service payable by the District, that such benefit is sufficient consideration for the refunding of the Refunded Obligations, and that the issuance of the refunding bonds is in the best interests of the District.

SECTION 2: Definitions. The following terms and expressions as used herein shall have the meanings set forth below:

“**Act**” means, collectively, the District Act and the Refunding Act.

“**Blanket Letter of Representations**” means the Blanket Issuer Letter of Representations between the District and DTC.

“**Board**” means the Board of Managers of the District.

“**Bond Purchase Agreement**” means the agreement between the District and the Underwriter as described in Section 24 of this Order.

“**Business Day**” means any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close.

“**Closing Date**” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“**Code**” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“**Comptroller**” means the Comptroller of Public Accounts of the State of Texas.

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

“**DTC Participant**” means 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.

“**Initial Bond**” means the Initial Bond(s) authorized by Section 5.

“**Interest Payment Date**”, when used in connection with any Current Interest Bond, means the semi-annual payment dates, until maturity or earlier redemption, commencing on the initial interest payment date as set forth in the Pricing Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board.

“**Order**” as used herein and in the Bonds means this order authorizing the Bonds.

“**Owner**” means any person who shall be the registered owner of any outstanding Bonds.

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

“**Pricing Officer**” means the Chief Executive Officer of the District.

“**Pricing Certificate**” means a certificate signed by the Pricing Officer and containing the information regarding the Bonds.

“**Record Date**” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding each Interest Payment Date.

“**Register**” means the books of registration kept by the Paying Agent/Registrar, in which are maintained the names and addresses of, and the principal amounts or maturity amounts, as applicable, of the Bonds registered to, each Owner.

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

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

“**Underwriter**” means collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. and any other Underwriter(s), if any, as may be determined by the Pricing Officer in the Pricing Certificate.

SECTION 3: Authorization. The Bonds shall be issued in a maximum aggregate principal amount not to exceed the par amount of the Refunded Obligations for the purpose of refunding the Refunded Obligations, under and in strict conformity with the Constitution and the laws of the State of Texas, particularly, the Act.

SECTION 4: Designation and Date. The Bonds shall be designated as the “EL PASO COUNTY HOSPITAL DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013” and shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

SECTION 5: Initial Bond; Interest Rates, Maturities, Numbers and Denominations. The Bonds shall be issued as fully registered obligations, without coupons, and as either or both “**Current Interest Bonds**” (obligations paying accrued interest to the holders or owners on and at stated intervals prior to maturity) and “**Capital Appreciation Bonds**” (obligations paying no accrued interest to the holders or owners prior to maturity).

(a) Current Interest Bonds. Current Interest Bonds (other than the Initial Bond hereinafter referenced) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and principal shall become due and payable on a date certain in each of the years and in amounts (the “**Stated Maturities**”) and bear interest at the rate(s) per annum in

accordance with the details of the Current Interest Bonds as set forth in the Pricing Certificate. The Initial Current Interest Bond shall be numbered TR-1 and all other Current Interest Bonds shall be numbered in sequence beginning with R-1. Current Interest Bonds delivered on transfer of or in exchange for other Current Interest Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Current Interest Bond or Current Interest Bonds in lieu of which they are delivered.

Current Interest Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360 day year of twelve 30 day months). Interest on the Current Interest Bonds shall be payable in each year on each Interest Payment Date, commencing on the date set forth in the Pricing Certificate.

(b) Capital Appreciation Bonds. Capital Appreciation Bonds (other than the Initial Bond hereinafter referenced) shall each be issued in Maturity Amounts (the “*Accreted Value*” [as hereinafter defined] at maturity) of \$5,000, or any integral multiple thereof within a Stated Maturity, shall be lettered “CAB-” and numbered consecutively from One (1) upward, and the original principal amounts of the Capital Appreciation Bonds shall accrue interest at the interest rate(s) stated in the Pricing Certificate, and shall become due and payable on the Stated Maturities in the Maturity Amounts set forth in the Pricing Certificate. The Initial Capital Appreciation Bond shall be numbered TCAB-1 and all other Capital Appreciation Bonds shall be numbered in sequence beginning with CAB-1. Capital Appreciation Bonds delivered on transfer of or in exchange for other Capital Appreciation Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Capital Appreciation Bond or Capital Appreciation Bonds in lieu of which they are delivered.

Interest on the Capital Appreciation Bonds shall accrue from the date of delivery of the Bonds to the initial purchasers, and be compounded semiannually in each year on the dates (the “*Compounding Dates*”), and commencing on the date, set forth in the Pricing Certificate, until the Stated Maturity or earlier redemption thereof. The accrued interest on Capital Appreciation Bonds shall be payable at maturity or earlier redemption as a portion of the Maturity Amount or Accreted Value thereof.

The term “*Accreted Value*”, as used herein with respect to Capital Appreciation Bonds, shall mean the original principal amount of a Capital Appreciation Bond, plus the initial premium, if any, paid therefor, with interest thereon compounded semiannually to the Compounding Date next preceding the date of such calculation (or the date of calculation, if such calculation is made on a Compounding Date), at the respective interest rates stated in the Pricing Certificate therefor and, with respect to each \$5,000 Accreted Value at maturity, as set forth in the Accreted Value table attached to the Pricing Certificate and in the Official Statement referred to in the Pricing Certificate. For any day other than a Compounding Date, the Accreted Value of a Capital Appreciation Bond shall be determined by a straight line interpolation between the values for the applicable semiannual Compounding Dates (based on 30 day months).

SECTION 6: Selling and Delivering Bonds.

(a) As authorized by Section 1207.007 of the Refunding Act, the Pricing Officer is hereby authorized to act on behalf of the County and the District through a date 180 days from the date of this Order, in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including without limitation any additional or different designation or title by which the Bonds shall be known, determining the aggregate original principal amount of the Bonds, selecting the specific maturities (whole or part) of the Refunded Obligations to be refunded, determining the price at which the Bonds will be sold, the Bond Date, the issuance date, the interest payment dates for the Bonds, the compounding dates, the years in which the Bonds will mature, the principal amount or maturity amount to mature in each of such years, the rate of interest to be borne by each such maturity, any optional or mandatory sinking fund redemption provisions for the Bonds, the designation of the Bonds as Current Interest Bonds and/or Capital Appreciation Bonds, the designation of an escrow agent, if any, the form of escrow agreement, if any, the terms of any bond insurance applicable to the Bonds, and all other matters not expressly provided in this Order, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of all the Bonds issued hereunder shall not exceed the par amount of the Refunded Obligations;
- (ii) the aggregate true interest cost for the Bonds shall not exceed 4.25%; and
- (iii) the maximum maturity date for the Bonds shall not exceed August 15, 2035; and
- (iv) the net present value savings in debt service resulting from the issuance of the Bonds shall be at least 5.0%.

If the Pricing Officer determines that bond insurance results in a net reduction of the District's interest costs associated with the Bonds, then the Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company (the "*Insurer*") a municipal bond insurance policy in support of the Bonds and make the determination of the provisions of any commitment therefor. To that end, should the Pricing Officer exercise such authority and commit the District to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of said policies are incorporated by reference into this Order and made a part hereof for all purposes, notwithstanding any other provision of this Order to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of said policy by the Insurer.

SECTION 7: Execution and Registration of Bonds.

(a) The Bonds shall be signed by the County Judge of the County and countersigned by the County Clerk of the County, on behalf of the District, by their manual, lithographed, or facsimile signatures, and the official seal of the Commissioners Court of the County shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Commissioners Court had been manually impressed upon each of the Bonds.

(b) If any officer of the County whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form set forth in *Exhibit A*, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Bond(s) delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificates substantially in the form set forth in *Exhibit A*, manually executed by the Comptroller, or by his duly authorized agent, which certificates shall be evidence that the Initial Bond(s) have been duly approved by the Attorney General of the State of Texas and that they are valid and binding obligations of the District, and have been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond(s), payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the County Judge of the County and the County Clerk of the County, on behalf of the District, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriter or its designee. Upon payment for the Initial Bond(s), the Paying Agent/Registrar shall cancel the Initial Bonds and definitive Bonds shall be delivered to DTC.

SECTION 8: Terms of Payment-Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the District by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and

provisions of a “Paying Agent/Registrar Agreement,” substantially in the form attached hereto as **Exhibit B** and such reasonable rules and regulations as the Paying Agent/Registrar and the District may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in East Syracuse, New York (the “Designated Payment/Transfer Office”); provided, however, while a Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest accreted on a Capital Appreciation Bond shall be payable at its Stated Maturity or redemption as a portion of the Accreted Value or Maturity Amount. Interest on a Current Interest Bond shall be paid by the Paying Agent/Registrar to the Holder whose name appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date on the Current Interest Bonds, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the interest due and payable (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Current Interest Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 9: Successor Paying Agent/Registrars. The District covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any state and authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. The District reserves the right

to change the Paying Agent/Registrar for the Bonds on not less than 30 days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or copies thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 10: Special Record Date. If interest on any Current Interest Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

SECTION 11: Book-Entry-Only System.

(a) The Initial Bond(s) shall be registered in the name of the Underwriter. Except as provided in Section 12 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Order. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to

payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Order with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Order shall refer to such new nominee of DTC.

SECTION 12: Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District, in its sole discretion, determines that the beneficial owners of the Bonds should be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the District shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

SECTION 13: Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

SECTION 14: Ownership; Unclaimed Principal and Interest. The County, the District, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making and receiving payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the County, the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the County, the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

SECTION 15: Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office, as

set forth in the Pricing Certificate, and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar, as set forth in the Pricing Certificate, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of like kind and of the same maturity and aggregate principal amount (with respect to Current Interest Bonds) or Maturity Amount (with respect to Capital Appreciation Bonds) and bearing interest at the same rate as the Bond or Bonds so presented, at the designated office of the Paying Agent/Registrar or sent United States mail, first class, postage prepaid, to the new registered owner or his designee.

All Bonds shall be exchangeable upon presentation and surrender at the principal payment office of the Paying Agent/Registrar, as set forth in the Pricing Certificate, for a Bond or Bonds of like kind, like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount (with respect to Current Interest Bonds) or Maturity Amount (with respect to Capital Appreciation Bonds) of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

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

SECTION 16: Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like kind, of like maturity, interest rate, and principal amount (with respect to Current Interest Bonds) or Maturity Amount (with respect to Capital Appreciation Bonds), bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like kind, like maturity, interest rate and principal amount (with respect to Current Interest Bonds) or Maturity Amount (with respect to Capital Appreciation Bonds), bearing a number not contemporaneously outstanding.

The District or the Paying Agent/Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and

expenses of the Paying Agent/Registrar. The District or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the County, the District and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (2) furnish such security or indemnity as may be required by the County, the District and the Paying Agent/Registrar to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the County, the District and the Paying Agent/Registrar.

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

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

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

SECTION 17: Cancellation of Bonds. All Bonds paid in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

SECTION 18: Optional and/or Mandatory Redemption; Defeasance. All or a portion of the Bonds are subject to optional and/or and mandatory redemption as set forth in the Pricing Certificate.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the District to the Paying Agent/Registrar at least forty-five days prior to the date fixed for redemption. Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty days prior to the date fixed

for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Current Interest Bonds and/or Maturity Amount (or Accreted Value) of the Capital Appreciation Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

SECTION 19: Forms. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Paying Agent/Registrar's Authentication Certificate, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in the FORM OF BOND set forth in *Exhibit A* of this Order, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and, with the Bonds to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the District or determined in the Pricing Certificate. The Pricing Certificate shall set forth the final and controlling terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution.

SECTION 20: CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

SECTION 21: Interest and Sinking Fund; Tax Levy. A special fund to be designated “El Paso County Hospital District General Obligation Refunding Bonds, Series 2013, Interest and Sinking Fund” is hereby created (the “*Interest and Sinking Fund*”), and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Order shall be deposited, as collected, in such Fund. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the District, sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

Provided, however, with regard to any payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, if any, sufficient current funds will be available and are hereby appropriated to make such payments; and proper officials of the District are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such current funds which, together with the accrued interest received from the initial purchasers, if any, will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

SECTION 22: Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under Section 21 of this Order, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the District under Section 21 of this Order is to be subject to the filing requirements of Chapter 9, Uniform Commercial Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Uniform Commercial Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 23: Attorney General and Comptroller Proceedings. It shall be the duty of the Board Chair and other appropriate officials and agents of the District to deliver the Initial Bond(s) and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Bond(s) has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial

Bond(s), the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 24: Sale; Bond Purchase Agreement. The Bonds shall be sold and delivered to the Underwriter at a price to be set forth in the Pricing Certificate, in accordance with the terms of a Bond Purchase Agreement to be approved by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the County and the District and to make a determination that the terms of the Bond Purchase Agreement are the most advantageous and reasonably obtainable, and the Pricing Officer and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

SECTION 25: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,

construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the District shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any

Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Underwriter and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The District hereby directs and authorizes the County Judge, County Clerk, Chairman and Secretary of the Board, and Pricing Officer, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds.

(i) At the time the original bonds refunded by the Bonds were issued, the District reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued.

(ii) Not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Qualified Advance Refunding. The Bonds will be issued more than 90 days before the redemption of the Refunded Obligations. The District represents as follows:

(i) The Bonds are the first advance refunding of the Refunded Obligations, within the meaning of section 149(d)(3) of the Code.

(ii) The Refunded Obligations are being called for redemption, and will be redeemed not later than the earliest date on which such bonds may be redeemed.

(iii) The initial temporary period under section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Refunded Obligations on the Closing Date if not ended prior thereto.

(iv) On and after the date of issue of the Bonds, no proceeds of the Refunded Obligations will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such respective series of Refunded Obligations.

(v) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the District has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on “abusive arbitrage device” within the meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a “device” to obtain a material financial advantage based on arbitrage, within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

SECTION 26: Use of Proceeds. Proceeds from the sale of the Bonds shall be applied as set forth in the Pricing Certificate.

SECTION 27: Refunded Obligations.

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Obligations, the Refunded Obligations, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date such Refunded Obligations are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the order adopted by the Commissioners Court of the County, which authorized the issuance of the Refunded Obligations. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notice of Redemption for the Refunded Obligations in substantially the form set forth as an exhibit to the Pricing Certificate, to the paying agent/registrars for Refunded Obligations, in accordance with the redemption provisions applicable to the Refunded Obligations.

(b) The paying agent/registrars for Refunded Obligations is hereby directed to provide the appropriate notice of redemption as required by the order authorizing the Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on the redemption date(s) specified in the Pricing Certificate, including making a lot selection with respect to the redemption of any partial maturities of the Refunded Obligations.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the paying agent/registrars for the Refunded Obligations pursuant the provisions of the Refunding Act, this Order and the Pricing Certificate.

SECTION 28: Escrow Agreement. An “Escrow Agreement” (the “*Escrow Agreement*”) by and between the District and an authorized escrow agent (the “*Escrow Agent*”), if any such agreement is required in connection with the issuance of the Bonds, shall be attached to the Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the District and the County and as the act and deed of the Commissioners Court; and such Escrow Agreement as executed by the Pricing Officer shall be deemed approved by the Commissioners Court and the Board and constitute the Escrow

Agreement herein approved. With regard to the finalization of certain terms and provisions of the Escrow Agreement, the Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Obligations;
2. The creation and funding of the Escrow Fund; and
3. The Escrow Agent's compensation, administration of the Escrow Fund, and the settlement of any paying agents' charges relating to the Refunded Obligations.

Furthermore, appropriate officials of the District in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Underwriter for deposit to the credit of the "EL PASO COUNTY HOSPITAL DISTRICT SERIES 2013 REFUNDING BOND ESCROW FUND" (referred to herein as the "*Escrow Fund*"), or such other designation as specified in the Pricing Certificate; all as contemplated and provided in the Refunding Act, this Order, the Pricing Certificate, and the Escrow Agreement.

SECTION 29: Continuing Disclosure Undertaking.

(a) Annual Reports. The District shall provide annually to the MSRB (1) within six months after the end of each fiscal year beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the District of the general type included in the final Official Statement and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the District will provide unaudited financial information of the type included in the Official Statement and described in the Pricing Certificate by the required time and audited financial statements when and if such audited financial statements become available.

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

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 the MSRB's Internet Web site or filed with the SEC.

(b) Notice of Certain Events. The District shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

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

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

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the District in any event will give the notice required by subsection (b) of this Section of any Bond calls and defeasance that cause the District to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the District does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects; nor does the District undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the District from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the 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 Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the District if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the District's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) 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.

SECTION 30: Official Statement. The Chairman and Secretary of the Board of the District are authorized to cause to be delivered for and on behalf of the District copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds, in final form as may be required by the Underwriter, and such final Official Statement shall be deemed to be approved by the District and constitute the Official Statement authorized for distribution and use by the Underwriter.

SECTION 31: Amendments. The Commissioners Court, on behalf of the District and with the consent of the District, may amend the Order or the Pricing Certificate without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including, but not limited to, the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Commissioners Court, on behalf of the District and with the consent of the District may, with the written consent of the holders of a majority in aggregate principal amount (with respect to Current Interest Bonds) and Maturity Amount (with respect to Capital Appreciation Bonds) then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order or Pricing Certificate; except that, without the consent of the registered owners of all of the Bonds affected, no such amendment, addition or rescission may (1) change the date specified as to the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any bond or interest thereon is payable, or in any other way modify the terms of payment of the principal or of interest on the Bonds, (2) give any preference to any Bond, (3) extend a waiver of default to subsequent defaults, or (4) reduce the aggregate principal amount of the Bonds as required for consent to any amendment, addition, or waiver.

SECTION 32: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 33: Further Proceedings. The Pricing Officer, the Chief Financial Officer of the District, the Chairman of the Board, Secretary of the Board, the County Judge, the County Clerk and all other officers, employees and agents of the District or the County, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the seal of the District and on behalf of the District all agreements, instruments, consents, receipts, requests, certificates or such other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Order and the Pricing Certificate, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement and the Bond Purchase Agreement. In addition, prior to the initial delivery of the Bonds, the Pricing Officer, the Chief Financial Officer of the District, the Chairman of the Board and/or Secretary of the Board, and its Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order, the Pricing Certificate or any of the instruments authorized and approved by this Order or the Pricing Certificate: (i) in order to cure any technical ambiguity, formal defect, or omission in this Order, the Pricing Certificate or such other document; or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of this Order and the Pricing Certificate, which determination shall be final. In the event that any officer of the District or County whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 34: Bond Counsel Opinion. The obligation of the Underwriter to accept delivery of the Bonds is subject to being furnished a final opinion of Fulbright & Jaworski L.L.P., Bond Counsel to the District, approving the Bond as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds. The engagement of such firm as bond counsel to the District is hereby confirmed and ratified.

SECTION 35: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 36: Severability. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

SECTION 37: No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the County or District or any person executing any Bonds.

SECTION 38: Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

SECTION 39: Effective Date. This Order shall be in force and effect from and after its passage in the date shown below.

SECTION 40: Repealer. All orders, resolutions and ordinances or parts thereof inconsistent with the provisions of this Order are hereby repealed to the extent of such inconsistency.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED this 8th day of April, 2013.

EL PASO COUNTY, TEXAS

County Judge
El Paso County, Texas

ATTEST:

County Clerk
El Paso County, Texas

(SEAL)

EXHIBIT A
FORM OF BOND

CURRENT INTEREST BONDS:

REGISTERED
No. R-____

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF EL PASO
EL PASO COUNTY HOSPITAL DISTRICT
REFUNDING BOND,
SERIES 2013

Bond Date:	Interest Rate	Stated Maturity	CUSIP No.:
_____	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

El Paso County Hospital District (the “*District*”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at _____ (the “*Paying Agent/Registrar*”), at its principal payment office in _____, Texas, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360 day year of twelve 30 day months, from the _____, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on _____ and _____, beginning on _____, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the Record Date (as defined in the Order).

THIS BOND is one of a duly authorized issue of Bonds, aggregating \$_____ the “*Bonds*”), issued for the purpose of refunding certain of the District’s outstanding bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code, as amended, Chapter 281, Health and Safety Code, as amended and pursuant to an order adopted by the Commissioners Court of El Paso County (the “*Order*”), which Order is of record in the official minutes of the County. The Bonds are issued in part as “Current Interest Bonds”, which total in principal amount \$_____ and pay accrued interest at stated intervals to registered owners and in part as “Capital Appreciation Bonds”, which total in original principal amount \$_____ and pay no accrued interest prior to their stated maturities.

* THE DISTRICT RESERVES THE RIGHT to redeem the Bonds scheduled to mature on or after _____, prior to maturity, in whole or from time to time in part, in integral multiples of \$5,000, on _____, or any date thereafter at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Order for complete details concerning the manner of redeeming the Bonds.

[If applicable, mandatory redemption language]*

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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

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

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

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

* Conform redemption provisions to Pricing Certificate.

* Conform redemption provisions to Pricing Certificate.

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

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this Bond has been executed on behalf of the El Paso County Hospital District by and with the manual or facsimile signature of the County Judge of El Paso County and countersigned with the manual or facsimile signature of the County Clerk of El Paso County, and the official seal of the Commissioners Court has been duly impressed, or placed in facsimile, on this Bond.

County Clerk, El Paso County, Texas
on behalf of the El Paso County Hospital
District

County Judge, El Paso County, Texas
on behalf of the El Paso County Hospital
District

(SEAL)

“*Order*”), which Order is of record in the official minutes of the County. The Bonds are issued in part as “Current Interest Bonds”, which total in principal amount \$_____ and pay accrued interest at stated intervals to registered owners and in part as “Capital Appreciation Bonds”, which total in original principal amount \$_____ and pay no accrued interest prior to their stated maturities.

* THE DISTRICT RESERVES THE RIGHT to redeem the Bonds scheduled to mature on or after _____, prior to maturity, in whole or from time to time in part, in integral multiples of \$5,000, on _____, or any date thereafter at the redemption price of the Accreted Value (as determined and defined herein) as of the date of redemption.

[If applicable, mandatory redemption language]*

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the Maturity Amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the Maturity Amount (or Accreted Value) of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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

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

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either (i) registered by the Comptroller of Public Accounts of

* Conform redemption provisions to Pricing Certificate.

* Conform redemption provisions to Pricing Certificate.

the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

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

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

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the Maturity Amount (or Accreted Value) of this Bond, as the same comes due, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, this Bond has been executed on behalf of the El Paso County Hospital District by and with the manual or facsimile signature of the County Judge of El Paso County and countersigned with the manual or facsimile signature of the County Clerk of El Paso County, and the official seal of the Commissioners Court has been duly impressed, or placed in facsimile, on this Bond.

County Clerk, El Paso County, Texas
on behalf of the El Paso County Hospital
District

County Judge, El Paso County, Texas
on behalf of the El Paso County Hospital
District

(SEAL)

**[FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC
ACCOUNTS TO APPEAR ON INITIAL BONDS ONLY]**

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

(
(
(
(

REGISTER NO. _____

THE STATE OF TEXAS

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

WITNESS my signature and seal of office this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

**[FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
TO APPEAR ON DEFINITIVE BONDS ONLY]**

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

This Bond has been duly issued and registered under the provisions of the within mentioned Order; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The office of the Paying Agent/Registrar in _____, Texas is the principal payment office for this Bond.

_____, as Paying Agent/Registrar

By: _____
Authorized Signature

Registration Date:

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____
(Social Security or other identifying number: _____)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

The Initial Current Interest Bond shall be in the form set forth in this *Exhibit A*, except as follows:

[FORM OF INITIAL CURRENT INTEREST BOND]

Heading and paragraph one shall be amended to read as follows:

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF EL PASO
EL PASO COUNTY HOSPITAL DISTRICT
REFUNDING BOND,
SERIES 2013

Bond Date:
_____, 2013

Registered Owner:

Principal Amount:

El Paso County Hospital District (the "*District*") promises to pay to the registered owner identified above, or registered assigns, the Principal Amount hereinabove stated on _____ in each of the years and in the principal installments in accordance with the following schedule:

<u>Stated</u> <u>Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Interest</u> <u>Rate(s) (%)</u>
----------------------------------	----------------------------------------	---------------------------------------

(Information to be inserted from Pricing Certificate).

Upon presentation and surrender of this Bond at _____ (the "*Paying Agent/Registrar*"), at its principal payment office in _____, Texas, the principal amounts identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate(s) per annum shown above, calculated on the basis of a 360 day year of twelve 30 day months, from the later of the _____, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on _____ and _____, beginning on _____, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the Record Date (as defined in the Order).

The Initial Capital Appreciation Bond shall be in the form set forth in this *Exhibit A*, except as follows:

[FORM OF INITIAL CAPITAL APPRECIATION BOND]

Heading and paragraph one shall be amended to read as follows:

TCAB-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF EL PASO
EL PASO COUNTY HOSPITAL DISTRICT
REFUNDING BOND,
SERIES 2013

Bond Date:
_____, 2013

Registered Owner:

Maturity Amount:

El Paso County Hospital District (the "*District*") promises to pay to the registered owner identified above, or registered assigns the aggregate Maturity Amount stated above on _____ in each of the years and in installments in accordance with the following schedule:

<u>Year of Maturity</u>	<u>Installment Maturity Amount (\$)</u>	<u>Stated Yield(s) (%)</u>
-------------------------	-----------------------------------------	----------------------------

(Information to be inserted from Pricing Certificate).

Upon presentation and surrender of this Bond at _____ (the "*Paying Agent/Registrar*"), at its principal payment office in _____, Texas, the Maturity Amounts identified above, payable in any coin or currency of the United States of America which on the date of payment of such Maturity Amount is legal tender for the payment of debts due the United States of America. The respective installments of the Maturity Amount hereof represents the accretion of the original principal amounts of each year of maturity from the date of delivery to the initial purchasers (_____, 2013) to the respective years of maturity (including the initial premium, if any, paid by the initial purchasers) and such accretion in values occurring at the respective Stated Yields and compounding on _____, and semiannually thereafter on each _____ and _____. A table of the "Accreted Values" per \$5,000 "Accreted Value" at maturity is attached to this Bond. The term "Accreted Value", as used herein, means the original principal amount of this Bond plus premium, if any, paid herefor with interest thereon compounded semiannually to _____ and _____, as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on _____ or _____) at the respective Stated Yields shown above and in the Table of Accreted Values attached hereto. For any date other than _____ or _____, the Accreted Value of this Bond shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates (based on 30 day _____ months).

EXHIBIT B
FORM OF PAYING AGENT/REGISTRAR AGREEMENT