
ORDER AUTHORIZING THE ISSUANCE OF “WEBB COUNTY, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2016”; AUTHORIZING A PURCHASE
CONTRACT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND
APPROVING OTHER MATTERS RELATED THERETO

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ORDER AUTHORIZING THE ISSUANCE OF “WEBB COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016” AUTHORIZING A PURCHASE CONTRACT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING OTHER MATTERS RELATING THERETO

WHEREAS, the Commissioners Court of Webb County (the “Issuer” or the “County”) deems it advisable to issue the Certificates (defined herein) in the original aggregate principal amount of \$_____, for the purposes herein described;

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to the Certificate of Obligation Act of 1971, Section 271.041 *et seq*, Texas Local Government Code, as amended (the “Act”);

WHEREAS, the Commissioners Court has heretofore, on July 25, 2016, passed an order authorizing and directing the County Clerk to give notice of intention to issue the Certificates, which notice has been duly published in *the Laredo Morning Times*, which is a newspaper of general circulation in the County, in its issues of July 31, 2016 and August 7, 2016, the date of the first publication being at least 30 days prior to the tentative date stated in the notice for passage of an order authorizing the Certificates;

WHEREAS, the County has received no petition from the qualified electors of the County protesting the issuance of the Certificates;

WHEREAS, it is now determined that the terms of sale of the Certificates are the most reasonable and advantageous and are in the best interest of the County;

WHEREAS, in accordance with the provisions of Section 81.006, Texas Local Government Code, the Commissioners Court hereby finds and determines that this order was adopted at a regularly scheduled meeting of the Commissioners Court; and

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF WEBB COUNTY, TEXAS, THAT:

Section 1. Authorization of the Certificates. There is hereby authorized to be issued and delivered, a series of certificates of obligation of the County, to be known as “WEBB COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016” (the “Certificates”), in the original aggregate principal amount of \$_____ payable from the annual levy of ad valorem taxes and a pledge of \$1,000 of the surplus revenues of the County’s waterworks and sewer system as described in and for the purposes described in the Form of Definitive Certificates contained in Section 3 hereof.

Section 2. Designation, Date, Denominations, Numbers, and Maturities of the Certificates. The Certificates shall be dated as of August 15, 2016, shall be in denominations of \$5,000 or any integral multiple thereof, and shall be numbered I-1 for the Certificate initially delivered and consecutively from R-1 upward for the definitive Certificates. The Certificates shall mature on February 15 in each of the years, in the principal amounts as provided below; and shall bear interest from the delivery date thereof at the interest rates as provided below, or theretofore called for redemption prior to maturity in accordance with the provisions of the Form of the Certificates contained in Section 3 hereof; and interest on the Certificates shall be payable on February 15, 2017 and on each August 15 and February 15 thereafter through the respective maturity date or earlier redemption, to wit:

<u>YEARS OF STATED MATURITIES (February 15)</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INITIAL INTEREST RATES</u>	<u>YEARS OF STATED MATURITIES (February 15)</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INITIAL INTEREST RATES</u>
2022			2030		
2023			2031		
2024			2032		
2025			2033		
2026			2034		
2027			2035		
2028			2036		
2029					

Section 3. General Characteristics and Form of the Certificates. The Certificates shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Certificates shall be sealed) all as provided and in the manner indicated in the form set forth below. The Form of the Certificates, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on each of the Initial Certificates, the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Order, and the definitions contained within each such form shall apply solely to such form:

FORM OF DEFINITIVE CERTIFICATES

NUMBER	DENOMINATION
R- _____	\$ _____
REGISTERED	REGISTERED

United States of America
State of Texas
WEBB COUNTY, TEXAS
CERTIFICATE OF OBLIGATION, SERIES 2016

<u>DATED DATE:</u>	<u>DELIVERY DATE</u>	<u>MATURITY</u>	<u>INTEREST RATE</u>	<u>CUSIP NO.</u>
August 15, 2016	October 5, 2016	<u>DATE:</u> February 15, ____	%	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

WEBB COUNTY, TEXAS (the "Issuer" or the "County"), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and promises to pay to the Registered Owner, specified above, or registered assigns (the "Owner"), on the Maturity Date, specified above, upon presentation and surrender of this Certificate at the designated payment office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of

America, and to pay interest thereon at the Interest Rate, specified above calculated on the basis of a 360-day year of twelve 30-day months, from the Delivery Date, specified above to the Owner, specified above or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check payable on February 15, 2017, and each August 15 and February 15 thereafter, mailed to the Owner of record as shown on the registration books kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last calendar day of the month next preceding the interest payment date (the "Record Date"), or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the City and the Paying Agent/Registrar, the Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer to an account located in the United States on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The County covenants with the Owner that no later than each principal installment payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificate, when due, in the manner set forth in the Order defined below.

IF THE DATE for the payment of the principal of or interest on the Certificates shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding business day; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates (the "Certificates"), dated as of the Dated Date, of like designation, date, and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the order adopted by the Commissioners Court on September 12, 2016 (the "Order"), in the original aggregate principal amount of \$_____ for the purpose of providing for the payment of contractual obligations to be incurred for the design, planning, acquisition, construction, and renovation of public property, specifically being (1) Chiller Plant; (2) Water Plant and Waste Water Treatment Plant; (3) Information Technology Judicial Software; and (4) the payment of contractual obligations for professional services rendered in connection therewith (including, but not limited to, financial advisory, legal, architectural, and engineering).

THE CERTIFICATES of this series scheduled to mature on and after February 15, 2027 may be redeemed prior to their scheduled maturities, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the option of the County, on February 15, 2026, or on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

AT LEAST 30 DAYS prior to the date fixed for any redemption of the Certificates or portions thereof, prior to stated maturity, the County shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the Owner of each Certificate or a portion thereof, to be

redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof, which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof, which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

THE CERTIFICATES are issued pursuant to the Order whereunder the Commissioners Court of the County covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the County, within the limits prescribed by law, for each year while any part of the Certificates are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Certificate as it becomes due, to provide a sinking fund for the payment of the principal of the Certificates when due, and to pay the expenses of assessing and collecting such tax, and the Certificates are additionally secured by and payable from a pledge of and lien on \$1,000 of the surplus revenues of the Issuer's waterworks and sewer system. Reference is hereby made to the Order for provisions with respect to the custody and application of the County's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner. By acceptance of this Certificate, the Owner consents to all of the provisions of the Order, a certified copy of which is on file in the office of the County Clerk.

THIS CERTIFICATE IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If this Certificate is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Order. If this Certificate is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order. The Paying Agent/Registrar is not required to accept any Certificate for transfer or exchange (i) during any period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Certificates and ending on the close of business on the day of such mailing or (ii) 15 days prior to the date fixed for the redemption of such Certificate; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part. The Owner of this Certificate shall be deemed and treated by the County and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Certificate to the extent of such payment, and the County and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the County, resigns, or otherwise ceases to act as such, the County has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owners.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Certificates in order to render the same legal, valid, and binding obligations of the County have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Certificates by the levy of a continuing, direct, annual ad valorem tax upon all taxable property within the County, within the limit prescribed by law,

and the above described pledge of revenues; and that issuance of the Certificates does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Certificate, the Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Certificate and the Order constitute a contract between each Owner and the County.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the County Judge of the Issuer and countersigned with the manual or facsimile signature of the County Clerk of the Issuer, and the official seal of the Issuer has been duly impressed, or placed in facsimile, on this Certificate.

WEBB COUNTY, TEXAS

County Clerk

County Judge

(COMMISSIONERS COURT SEAL)

FORM OF INITIAL CERTIFICATE

The Initial Certificate of Obligation shall be in the form set forth above for the Definitive Certificates of Obligation, except the following shall replace the heading and the first paragraph:

NO. I-1 \$_____

United States of America
State of Texas
WEBB COUNTY, TEXAS
CERTIFICATE OF OBLIGATION, SERIES 2016

Dated Date: August 15, 2016

Delivery Date: October 5, 2016

Registered Owner: SAMCO CAPITAL MARKETS, INC.

Principal Amount: _____ AND NO/100 DOLLARS
(\$_____)

WEBB COUNTY, TEXAS (the "County" or "Issuer"), for value received, acknowledges itself indebted to and promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on February 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF STATED MATURITIES</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATES</u>
---------------------------------------	-----------------------------------	---------------------------

(Information to be inserted from schedule in Section 2 hereof.)

INTEREST on the unpaid Principal Amount hereof from the Delivery Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the

Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15, 2017 and each August 15 and February 15 thereafter.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Certificate shall be paid to the Owner hereof upon presentation and surrender of this Certificate at final maturity, at the designated payment office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of principal installments and interest on this Certificate shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Register kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the Owner hereof at its address as it appears on the registration books kept by the Paying Agent/Registrar (the "Register"), as hereinafter described. The record date ("Record Date") for payments hereon means the last calendar day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The Issuer covenants with the Owner that no later than each principal installment payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Certificate, when due, in the manner set forth in the Order defined below.

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has examined and finds that this Certificate has been issued in conformity with the Constitution and laws of the State of Texas and is a valid and binding obligation of Webb County, Texas, and further that this Certificate has been registered this day by me.

WITNESS my signature and seal of office this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

* * *

FORM OF AUTHENTICATION CERTIFICATE

***Attach to or print on definitive Certificates only**

AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Order, and this Certificate has been issued in conversion of and exchange for, or replacement of, a Certificate, Certificates, or a portion of a Certificate or Certificates of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas
Paying Agent/Registrar

Registration Date: _____

By _____
Authorized Signature

FORM OF ASSIGNMENT

ASSIGNMENT

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

/

(Please insert Social Security or Taxpayer
Identification Number of Transferee)

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

the within Certificate of Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Certificate of Obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

The following abbreviations, when used in the Assignment above or on the face of the within Certificate of Obligation, shall be construed as though they were written out in full according to applicable laws or regulations:

“Issuer” or “County” means Webb County, Texas, a body corporate and a political subdivision of the State of Texas, or any successor thereto.

“Order” means this “Order Authorizing the Issuance of ‘Webb County, Texas Certificates of Obligation, Series 2016’; Authorizing a Purchase Contract and a Paying Agent/Registrar Agreement; and Approving Other Matters Relating Thereto” adopted by the Commissioners Court on September 12, 2016.

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

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and any other such bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of Paying Agent/Registrar in accordance with this Order.

“Paying Agent/Registrar Agreement” means the agreement dated as of September 12, 2016, between the Paying Agent/Registrar and the County relating to the registration, authentication, and transfer of the Certificates substantially in the form of Exhibit “A”.

“Pledged Revenues” means \$1,000 from the surplus revenues of the System.

“Purchase Contract” means the purchase contract between the County and the Underwriters as approved by an Authorized Representative substantially in the form attached hereto as Exhibit “B”.

“Record Date” means the last calendar day of the month next preceding the applicable 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 registered to each Owner.

“Rule” means Securities and Exchange Commission Rule 15c2-12, as amended.

“System” means the County’s waterworks and sewer system.

“Underwriters” means the syndicate of underwriters including the Initial Purchaser Janney Montgomery Scott, and Stephens, Inc.

Section 5. County Funds. The County hereby confirms the establishment of the following funds of the County at a depository of the County:

(a) Interest and Sinking Fund, Tax Levy, and Pledge of Revenues. A special “Webb County, Texas Certificates of Obligation Series 2016 Interest and Sinking Fund” (the “Interest and Sinking Fund”) is hereby created and shall be established and maintained by the County at an official depository bank of the County. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the County, and shall be used only for paying the interest on and principal of the Certificates. The net proceeds of all ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund.

During each year while any of the Certificates or interest thereon are outstanding and unpaid, the governing body of the County shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal thereof as

such principal matures (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the County, with full allowances being made for tax delinquencies and the cost of tax collection. Such rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the County for each year while any of the Certificates or interest thereon are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limits prescribed by law.

The Certificates additionally shall be payable from and secured by a lien on and pledge of the Pledged Revenues as permitted by Section 1502, Texas Government Code pursuant to Section 562.05, Texas Local Government Code, as amended.

(b) Project Fund. A special “Webb County, Texas Certificates of Obligation, Series 2016 Project Fund” (the “Project Fund”) is hereby created and shall be established and maintained by the County at an official depository bank of the County. The Project Fund is the fund into which the net proceeds excluding accrued interest, if any, of the Certificates shall be deposited, and money in the Project Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Certificates are issued.

Section 6. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the proceeds of ad valorem taxes thereto as well as the pledge of the Pledged Revenues additionally securing the Certificates, and such pledges are, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledges of the ad valorem taxes and Pledged Revenues are to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in such pledges, the County agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledges to occur.

Section 7. Investments and Security. (a) Investment of Funds. The County may place money in any fund created by this Order in time or demand deposits or invest such money as authorized by law at the time of such deposit; provided, however, that the County hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in a fund shall be deemed to be a part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Project Fund may only be used for one of the purposes for which the Certificates have been issued or deposited in the Interest and Sinking Fund. Any amounts received from the investment of the Interest and Sinking Fund shall be deposited in the Interest and Sinking Fund.

(c) Security for Funds. All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the County.

(d) Remaining Funds. Any amounts remaining in the Project Fund after the purposes for which the Certificates are issued have been accomplished shall be deposited to the Interest and Sinking Fund and the Project Fund shall be closed.

Section 8. Covenants of the County. (a) General Covenants.

(i) The County is a duly created and existing county of the State of Texas (the "State"), and is duly authorized under the laws of the State to create and issue the Certificates, all action on its part for the creation and issuance of the Certificates has been duly and effectively taken, and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms.

(ii) The Certificates shall be ratably secured in such manner that no one Certificate shall have preference over other Certificates.

(iii) The County is authorized to charge fees and collect revenues for the operation of the waterworks and sewer system and pledge such revenues pursuant to Chapter 1502, Texas Government Code, as amended as permitted by Section 562.005, Texas Local Government Code, as amended.

(b) Specific Covenants. The County covenants and represents that while the Certificates are outstanding and unpaid, it:

(i) Will proceed to acquire and construct with all due diligence and dispatch so much of the projects as shall have been financed with the proceeds of the Certificates.

(ii) Will levy an ad valorem tax, within the limits prescribed by law, that will be sufficient to provide funds to pay the current interest on the Certificates and to provide the necessary sinking fund, as described in this Order.

(c) Covenants Regarding Tax Matters. The County covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the County specifically covenants as follows:

(i) To refrain from taking any action which would result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Certificates or the projects financed therewith are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the County with respect to such private business use, do not under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Certificates or the projects financed therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Certificates is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Certificates being “federally guaranteed” within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates.

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

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90% of the “Excess Earnings,” within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(ix) To maintain such records as will enable the County to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Certificates; and

(x) To comply with the information reporting requirements of section 149(e) of the Code with the Secretary of the Treasury as Form 8038-G or such other form and in such place as the Secretary of the Treasury may prescribe.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the County will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized co-bond counsel, will not adversely affect the exclusion from gross income of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the County agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized co-bond counsel, to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code.

Proper officers of the County charged with the responsibility of issuing the Certificates are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the County, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

Notwithstanding any other provision in this Order, to the extent necessary to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Certificates.

Section 9. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Certificates and the County is hereby authorized to enter into any type of agreement necessary for the Paying Agent/Registrar to perform its duties hereunder. The principal of and premium, if any, on the Certificates shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the designated payment office of the Paying Agent/Registrar. The interest on each Certificate shall be payable by check payable on the Interest Payment Date mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register, or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar.

The County, the Paying Agent/Registrar, and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon and for all other purposes, whether or not such Certificate is overdue, and neither the County 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 Certificate in accordance with this Order shall be valid and effectual and shall discharge the liability of the County and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

So long as any Certificates remain outstanding, the Paying Agent/Registrar shall keep the Register at its designated office in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Order.

The County may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar; provided that any such Paying Agent/Registrar shall be a corporation organized and doing business under the laws of the United States of America or any State, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and a transfer agent registered with the Securities and Exchange Commission. In such event, the County shall give notice by certified mail to each Owner at least 30 days prior to the effective date of such substitution. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Order.

The County Judge and the County Clerk are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement to the initial Paying Agent/Registrar in substantially the form presented to the County on this date.

Section 10. Successor Registrar, Successor Paying Agent. The County covenants with the Owners that prior to the time all of the Certificates have been finally retired, the County will provide competent and legally qualified persons to act as and perform the services of Paying Agent/Registrar for the Certificates under this Order. The County reserves the right to, and may, at its option, change the Paying Agent/ Registrar with respect to the Certificates upon not less than 60 days written notice to the

Paying Agent/Registrar. Any Paying Agent/Registrar may resign and be discharged of its respective duties under this Order by written resignation filed with the County not less than 60 days before the date such resignation is to take effect. In the event that the person at any time acting as a Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the County covenants that promptly it will appoint a competent and legally qualified national or state banking institution organized and doing business under the laws of the United States of America or the State, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, to act as such Paying Agent/Registrar, under this Order. Upon any change in a Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Register (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the County. Upon any change in the Paying Agent/Registrar, the County promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Owner, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

Section 11. Initial Certificate; Exchange or Transfer of Certificates. Initially, one Certificate (the "Initial Certificate") numbered I-1 and being in the principal amount of the Certificates shall be registered in the name of the Initial Purchaser and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature, and the Initial Certificate shall be effective and valid without the Authentication Certificate being signed by the Paying Agent/Registrar. At any time thereafter, the Owner may deliver the Initial Certificate to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or designee designating the persons, maturities, and principal amounts to and in which the Initial Certificate is to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than three days, register and deliver such Certificates upon authorization of the County as provided in such instructions.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon presentation of any Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefore, to the extent possible and under reasonable circumstances within three business days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

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

The County or the Paying Agent/Registrar may require the Owner of any Certificate 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 Certificate. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the County.

Neither the County nor the Paying Agent/Registrar shall be required (i) to issue, transfer, or exchange any Certificate during any period beginning at the opening of business 45 days before the day of the first mailing of a notice of redemption of Certificates and ending on the close of business on the day of such mailing or (ii) to transfer or exchange any Certificate so selected for redemption in whole or in part when such redemption is scheduled to occur within 45 calendar days.

Section 12. Sale and Delivery of Certificates. (a) The sale of the Certificates to the Initial Purchaser pursuant to the Purchase Contract is hereby confirmed and delivery of the Certificates to the Initial Purchaser shall be made as soon as practicable after the adoption of this Order, upon payment therefor, in accordance with the Purchase Contract. The officers of the County are hereby authorized and directed to execute and deliver the Purchase Contract, the Certificates, instructions, or other instruments as are required or necessary to accomplish the purposes of this Order.

(b) Approval of Official Statement. The County hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement prior to the date hereof are hereby ratified and confirmed.

(c) Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Certificates is subject to its being furnished an opinion of Co-Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Certificates.

(d) Registration and Delivery. Upon the registration of the Initial Certificate, the Comptroller is authorized and instructed to deliver the Initial Certificate pursuant to the instruction of the County Judge for delivery to the Initial Purchaser.

Section 13. Use of Proceeds. Proceeds from the sale of the Certificates shall be applied as follows: (i) \$_____ of the proceeds (which includes \$_____ in net premium) shall be deposited to the Project Fund; and (ii) the balance of the proceeds shall be used to pay the costs of issuing the Certificates.

Section 14. County Officers' Duties. (a) Issuance of Certificates. The County Judge shall submit the Initial Certificate, the record of the proceedings authorizing the issuance of the Certificates, and any and all other necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the County Judge shall cause the Initial Certificate to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the County are authorized to execute and deliver on behalf of the County such certificates and instruments as may be necessary or appropriate prior to delivery of and payment for the Certificates to and by the Underwriters.

(a) Execution of Order. The County Judge and the County Clerk are authorized to execute the Certificate to which this Order is attached on behalf of the County and to do any and all things proper and necessary to carry out the intent thereof.

Section 15. Remedies of Owners. In addition to all rights and remedies of any Owner of the Certificates provided by the laws of the State of Texas, the County covenants and agrees that in the event the County defaults in the payment of the principal of or interest on any of the Certificates when due, fails to make the payments required by this Order to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Order, the Owner of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the County and other officers of the County to observe and perform any covenant, obligation, or condition prescribed in this Order. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Order shall be available to any Owner of any of the Certificates and shall be cumulative of all other existing remedies.

Section 16. Lost, Stolen, Destroyed, Damaged, or Mutilated Certificates; Destruction of Paid Certificates. (a) Replacement Certificates. In the event any outstanding Certificate shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the County shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Certificate of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Certificate, or in lieu of and substitution for such Certificate, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Certificates shall be made to the County. In every case the applicant for a substitute Certificate shall furnish to the County such deposit for fees and costs as may be required by the County to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Certificate, the applicant shall also furnish to the County indemnity to the County's satisfaction and shall file with the County evidence to the County's satisfaction of the loss, theft, or destruction and of the ownership of such Certificate. In every case of damage or mutilation of a Certificate, the applicant shall surrender the Certificate so damaged or mutilated to the Paying Agent/Registrar.

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

(d) Expenses of Issuance. Upon the issuance of any substitute Certificate, the County may charge the owner of such Certificate with all fees and costs incurred in connection therewith. Every substitute Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the County, whether or not the lost, stolen, destroyed, damaged, or mutilated Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Certificates duly issued under this Order.

(e) Authority to Issue Substitute Certificates. This Order shall constitute sufficient authority for the issuance of any such substitute Certificate without necessity of further action by the County or any

other body or person, and the issuance of such substitute Certificates is hereby authorized, notwithstanding any other provisions of this Order.

(f) Destruction of Paid Certificates. At any time subsequent to the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Certificates duly paid, and promptly after any such destruction, the Paying Agent/Registrar shall furnish to the County a certificate evidencing such destruction.

Section 17. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Certificate, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Order (a "Defeased Certificate") when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Certificate. To cause a Certificate scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Certificate to become a Defeased Certificate, the County must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Certificates, the County shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Certificates in full on the maturity or redemption date thereof (the "Verification"); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the County Judge certifying that the amount deposited with a Depository is sufficient to pay the Defeased Certificates in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the County shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Certificates are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Certificates. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the County. The Certificates shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, and all herein required criteria have been met, such Certificate and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Order, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the County may exercise the right to redeem a Defeased Certificate if it has reserved the option to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the County: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the Owners immediately

following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the County also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Certificates and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the County.

(c) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the County shall make proper arrangements to provide and pay for such services as required by this Order.

Section 18. Order a Contract; Amendments. This Order shall constitute a contract with the Owners, from time to time, of the Certificates, binding on the County and its successors and assigns, and shall not be amended or repealed by the County as long as any Certificate remains outstanding except as permitted in this Section. The County may, without the consent of or notice to any Owners, amend, change, or modify this Order as may be required by the provisions hereof, for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or in connection with any other change which is not to the prejudice of the Owners. The County may, with the written consent of the Owners of a majority in aggregate principal amount of Certificates then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Order; provided, however, that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof to the rate of interest thereon, the redemption price thereof, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference of any Certificate over any other Certificate, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates required for consent to any such amendment, change, modification, or rescission. Whenever the County shall desire to make any amendment or addition to or rescission of this Order requiring consent of the Owners, the County shall cause notice of the amendment, addition, or rescission to be given as described above for a notice of redemption. Whenever at any time within one year after the date of the giving of such notice, the County shall receive an instrument or instruments in writing executed by the appropriate number of Owners of the Certificates then outstanding affected by any such amendment, addition, or rescission requiring the consent of Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the County may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 19. Continuing Disclosure Undertaking. (a) Annual Reports. The County will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA") annually. The information to be updated includes all quantitative financial information and operating data with respect to the County of the general type included in the Official Statement under Tables numbered 1 through 5, and 7 through 12 and Appendix B authorized by Section 12 of this Order. The County will update and provide this information within six months after the end of each fiscal year ending in or after 2016. The

updated information will include audited financial statements, if the County commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the County will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B of the final Official Statement or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation.

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 (the EMMA) system internet website or filed with the SEC.

(i) Notice of Occurrence of Certain Events, Whether or Not Material. The County will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Certificates, without regard to whether such event is material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other events affecting the tax-exempt status of the Certificates; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person. (Neither the Certificates nor the Order make any provision for a reserve fund, credit enhancement or liquidity enhancement).

For these purposes, any event described in the immediately preceding paragraph (i)(9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County 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 County, or if such 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 County.

(ii) Notice of Occurrence of Certain Events, If Material. The County also will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of holders; (3) redemption calls; (4) release, substitution, or sale of property securing repayment of the Certificates; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and (6) appointment of a successor or additional trustee or the change of name of a trustee or the Paying Agent/Registrar.

(c) Notice of Failure to Timely File. The County also will notify the MSRB through EMMA, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with the provisions described above.

(d) Limitations, Disclaimers, and Amendments. The County shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the County remains an “obligated person” with respect to the Certificates within the meaning of Rule 15c2-12 (the “Rule”), except that the County in any event will give notice of any deposit made in accordance with Section 18 above that causes the Certificates no longer to be outstanding and any call of Certificates made in connection therewith.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Certificates, 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 County undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COUNTY, 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 County in observing or performing its obligations under this Section shall comprise a breach of or default under this Order for purposes of any other provisions of this Order.

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

The provisions of this Section may be amended, supplemented, or repealed by the County from time to time under the following circumstances, but not otherwise: (1) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Certificates in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Certificates consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Certificates, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

Section 20. Book-Entry Only System. The Certificates will be registered so as to participate in a securities depository system (the “DTC System”) with The Depository Trust Company, New York, New

York, or any successor entity thereto (“DTC”), as set forth herein. The definitive Certificates shall be issued in the form of a separate single definitive Certificate for each maturity. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The County and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a “Letter of Representations” (the “Representations Letter”).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an “Indirect Participant”). Without limiting the immediately preceding sentence, the County 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 Depository Participant with respect to any ownership interest in the Certificates, or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than an Owner of a Certificate, of any amount with respect to principal of or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Certificate evidencing the obligation of the County to make payments of principal of and interest on the Certificates 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 in this Order with respect to interest checks or drafts being mailed to the holder, the word “Cede & Co.” in this Order shall refer to such new nominee of DTC.

In the event that (a) the County determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter, (b) the Representations Letter shall be terminated for any reason, or (c) DTC or the County determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the County shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated Certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the County may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the County, or such depository’s agent or designee, and if the County and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever names the Owners of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Certificate is 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 Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representations Letter.

Section 21. Other Documents. The County Judge and the County Clerk are hereby authorized to execute and attest to such other documents, certificates, letters of instruction, tax information forms, and other agreements of any kind which, in the opinion of Co-Bond Counsel, are necessary or advisable in order to issue the Certificates and verify that the interest on the Certificates will be exempt from gross income of the holders thereof under current federal tax law.

Section 22. Further Procedures. The County Judge, the County Clerk, the County Auditor, the County's Financial Advisor, and all other officers, employees, attorneys, and agents of 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 and on behalf of the County, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Certificates, the Paying Agent/Registrar Agreement, and the Purchase Contract. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Certificates, the County Judge, the County Auditor, and Co-Bond Counsel to the County are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) comply with requirements of any bond insurer, (iii) obtain a rating from any of the national bond rating agencies, or (iv) obtain the approval of the Certificates by the Texas Attorney General's office.

Section 23. Attorney General Examination Fee. The County recognizes that under Section 1202.004, Texas Government Code, requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Certificates and that, based upon the principal amount of the Certificates, such fee is \$9,500.00. Co-Bond Counsel is accommodating the County by paying such fee upon submission of such transcript. Officials of the County are, however, hereby authorized to reimburse Co-Bond Counsel such amount as soon as possible and whether or not the Certificates are ever delivered and such amount is hereby appropriated from available funds for such purpose. The County is also authorized to reimburse the fund used for such payment with proceeds of the Certificates.

Section 24. Miscellaneous. (a) Incorporation of Preamble. The preamble to this Order is incorporated by reference in this Order.

(b) Titles Not Restrictive. The titles assigned to the various sections of this Order are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Order.

(c) Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed and declared to be inapplicable, and the provisions of this Order shall be and remain controlling as to the matters prescribed herein.

(d) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Order or the application thereof to any person or circumstances shall be held to be invalid, the remainder of this Order shall nevertheless be valid and the Commissioners Court hereby declares that this Order would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(e) Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas.

(f) Open Meeting. The County officially finds and determines the meeting at which this Order is adopted was open to the public and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

APPROVED this September 12, 2016.

/s/ Tano Tijerina
Tano Tijerina
County Judge, Webb County, Texas

ATTEST:

/s/ Margie Ramirez Ibarra
Margie Ramirez Ibarra
County Clerk, Webb County, Texas

(SEAL)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of September 12, 2016 (the "Agreement"), by and between WEBB COUNTY, TEXAS (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., Dallas Texas, a national banking association duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Webb County, Texas Certificates of Obligation, Series 2016" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the Order (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal of and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Bank Principal Payment Office” means Dallas, Texas.

“Financial Advisor” means Estrada Hinojosa & Company, Inc., Dallas, Texas

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” means a written request or order signed in the name of the Issuer by the County Judge of the Issuer, the County Auditor of the Issuer, or the County Clerk of the Issuer, any one or more of said officials, delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the County Clerk or any other officer of the Issuer, and delivered to the Bank.

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

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to the Order).

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate

trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Principal Payment Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Certificates. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any Person other than to an authorized officer or employee of the Issuer or to another Person, upon receipt of an Issuer Request, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Certificates. All Securities surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Securities previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the Issuer at such reasonable intervals as it determines subject to applicable rules and regulations of the Securities and Exchange Commission.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

Section 4.08. Redemption of Securities. Securities which are redeemable before their stated maturity shall be redeemable in accordance with the Order and terms in accordance with this Article IV.

Section 4.09. Notice of Redemption. Notice of redemption shall be given by the Bank in the name at the expense of the Issuer not less than 30 or more than 45 days prior to the date of redemption, to each Registered Owner of Securities to be redeemed and otherwise required by the Order.

All notices of redemption shall include the CUSIP number and statement as to:

- (a) the date of redemption;
- (b) the price of the Securities expressed as a percentage of par amount of the Securities;
- (c) the principal amount of Securities to be redeemed, and, if less than all outstanding Securities are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Securities to be redeemed;
- (d) that on the date of redemption the principal of each of the Securities to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date; and
- (e) that the Securities to be redeemed are to be surrendered for payment of the price stated in the notice of redemption at the designated principal payment office of the Bank, and the address of such office.

The Bank shall, at the expense of the Issuer, provide notice to designated securities depositories and information services based upon the then current guidelines of the Securities and Exchange Commission relating to redemptions and refundings of municipal bonds, including the Securities. The Bank, at the expense of the Issuer, shall also provide notice to any other addressees as the Issuer shall designate in writing.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and in the Order and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon compliance with such instructions.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have foregoing statement, the Bank need not to examine the ownership of any Securities but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank. (a) Money held by the Bank hereunder shall be held for the benefit of the Registered Owners of the Securities.

(b) The Bank shall be under no obligation to pay interest on any money received by it hereunder.

(c) Except to the extent provided otherwise in the Order, any money deposited with the Bank for the payment of the principal on or interest on any security and remaining unclaimed for three years after the dates such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements,” currently in effect, which establishes requirements for securities to be eligible for such type of depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
Dallas, Texas

By _____

Title _____

Address: 2001 Bryan Street, 11th Floor
Dallas, Texas 75201

Attest:

WEBB COUNTY, TEXAS

By _____
County Clerk

(COMMISSIONERS COURT SEAL)

By _____
County Judge
Address: 1000 Houston Street, 3rd Floors
Laredo, Texas 78042

SCHEDULE A
PAYING AGENT/REGISTRAR FEE SCHEDULE

EXHIBIT B

[PURCHASE CONTRACT CAN BE FOUND IN TAB NO. ____]